



**Ladysmith & District Credit Union
Board of Directors
2018 Nomination Package**



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Important Information

Required Elements

The following required elements must be submitted to the Ladysmith & District Credit Union by February 23, 2018:

- Board of Directors Application / Resume
- Qualifications Checklist (signature required)
- Election Campaigning Policy (signature required)
- Candidate Questionnaire
- Code of Conduct Acknowledgement (signature required)
- Conflict of Interest
- Code of Ethics (signature required)
- Confidentiality Agreement / Confidentiality Policy Acknowledgement
- Fraud / Dishonesty Policy Acknowledgement
- Personal Information Return

Any Questions?

If you have any questions about this Board nomination package and/or its contents, please contact Linda King, Executive Assistant at 245-6379 or via email at lking@ldcu.ca.

Important Dates

Friday February 23, 2018 - Nomination Deadline
Tuesday May 8, 2018 - LDCU Annual General Meeting

Expiring Terms

The terms of Office for the following Directors on the Ladysmith & District Credit Union Board of Directors will expire at the Annual General Meeting on May 8, 2018:

- Brian Childs
- Rob Viala

Each of the incumbents is eligible for re-nomination.

Welcome Message

December 1, 2017

Dear Member,

At the Ladysmith & District Credit Union, we value the dedication and commitment of our members who choose to participate in our elections process as a Board candidate. Thank you for your interest in seeking nomination for our Board of Directors. Inside this nomination package, you will find information that will clarify the role Board Members play in governing our Credit Union.

If you decide to proceed with submitting your name as a Board candidate, please complete and submit the Required Elements, as outlined in the Table of Contents. The deadline for nomination is February 23, 2018.

Please contact Linda King, Executive Assistant at the Credit Union if you have any questions as you work through your application.

Sincerely,



Ross Davis,
Chair, Nominating Committee

Nomination Process & Key Dates

- Nomination deadline: Friday, February 23, 2018
- Deadline for candidate statements: Friday, February 23, 2018
- Endorsement of Board candidates: Monday, February 26, 2018
- Annual General Meeting: Tuesday, May 8, 2018

General Nomination Information

- The Nomination Committee will endorse eligible members who submit their applications and who, in the opinion of the committee, are suitable candidates for election, (more information on Page 14).
- A candidate must be nominated, in writing, by at least three members in good standing of the Ladysmith & District Credit Union, who are 19 years of age or older.
- No member, (except a member of the Nominating Committee), may nominate more than one candidate.
- All candidates must be eligible as defined in the Ladysmith & District Credit Union Rules.
- Each candidate will be asked to prepare a Candidate Statement of no more than 250 words, complete with a photo, and deliver said Statement to Ladysmith & District Credit Union no later than **February 23, 2018**. Information will be available to all members as submitted.
- Voting for directors will take place at the Ladysmith & District Credit Union's Annual General Meeting held on May 8, 2018 at the Eagle's Hall.
- If there is an election, the ballots will be counted as outlined in the Credit Union Rules.
- There will be no nominations from the floor at the Annual General Meeting.
- There will only be a vote at the Annual General Meeting if there are more nominations than positions available.
- The Board's Nomination Committee will conduct Board applicant interviews at the Committee's discretion. It may not be necessary to interview each applicant.
- A tie-breaking procedure is in place in case of a tie vote.

LDCU Board of Directors Job Description

The Board of Directors is responsible under law for supervising the Management of the Credit Union. This duty is codified in the *Financial Institutions Act* and the *Credit Union Incorporation Act*. The Board of Directors has the authority and obligation to protect and enhance the assets of the Credit Union in the interests of all members. The Board has a fiduciary responsibility to act honestly and in good faith in the best interests of the Credit Union. It must exercise due care, diligence, and skill that prudent people would exercise in similar circumstances. Directors represent members and must be responsible for the overall management of the Credit Union.

Serving on the LDCU Board of Directors is a volunteer position. There are seven Board Members serving rotating terms. All Board members must be active members of the Credit Union. Board members are nominated by the members, endorsed by the Nominating Committee and elected by the membership at the Annual General Meeting.

Board Responsibilities

- Develop mission, vision, and long-range plans for the Credit Union
- Set policies and formulate strategies with management.
- Select the CEO, ensure management succession planning and monitor the organization's performance
- Ensure good member relations and effective communication systems are in place.
- Review and approve capital and operating budgets.
- Act as trustees to safeguard the corporate assets.
- Ensure the integrity of the Credit Union's internal control and management information system(s).
- Identify and mitigate risks facing the organization.
- Report to the membership and recommend by-law and rule changes deemed necessary for the welfare of the Credit Union.
- Fulfill and comply with all legislation affecting the Credit Union.
- Establish objectives, formulate, approve and adopt policies.
- Delegate operational authority to the CEO.
- Ensure that there will be suitable personnel on staff capable of perpetuating the executive management functions.
- Ensure the healthy perpetuation of the Credit Union.
- Approve goals, programs and plans in conjunction with the CEO.
- Carry out those duties which cannot, by legislation, be delegated to the CEO.
- Establish, implement, and monitor policies and procedures regulating the duties, powers, and functions of Board Committees.

- Authorize the issuance of investment shares, payment of dividends or patronage rebates.
- Ensure written procedures on prudent lending standards are in place and applied.
- Represent the Ladysmith & District Credit Union on other boards.
- Always enhance the image of the Credit Union by participating in and supporting worthwhile social and economic endeavours.
- Treat all information with complete confidentiality.
- Review and examine Board Packages prior to monthly Board meetings. Packages will include meeting minutes, financial statements, membership status, loan activity, and investment reports.
- Serve on Board Committees such as Audit, Investment and Lending, Conduct Review, Nominating, and/or other committees as established.
- Complete the Credit Union Director Achievement Modules. These are a series of self-study programs that provide valuable information on general Credit Union philosophy and operations.
- Notify the Board President or CEO in advance of any absence from Board meetings.

Required Meetings

- Board meetings, lasting approximately 2 – 3 hours, are held on the last Tuesday of each month. The first meeting for new directors to attend is in April after the membership confirms selection to the Board at the Annual General Meeting. Board packages are available for review prior to the meeting.
- Each director is required to sit on a minimum of 3 board committees, each one of which will meet a minimum of 4 times per year.
- Annual meeting of the members which is held in April or May of each year.
- Annual strategic planning retreat conducted over a weekend and other training or information sessions as required.

Individual Director Responsibilities

- Promote the interests of the Credit Union.
- Lend judgment to Board decisions.
- Comply with duties and responsibilities as set out in the applicable provincial and federal legislation.
- Be adequately informed to vote knowledgeably, promoting the best interests of the Credit Union.

- Promote and abide by all decisions and positions taken by the Board of Directors.
- Report to the members on the performance of the Credit Union.
- Act independently and ethically and avoid conflicts of interest.
- Actively participate in Board orientation, training and development, and self and peer assessment programs.
- Complete the Credit Union Director Achievement Program and graduate from same.
- Respect the confidential nature of all business coming before them.

Job Description – Board President

Board Management

- Chair all Board meetings.
- Ensure proper minutes are kept and maintained.
- Manage individual director performance and deal with issues from non-compliance with requirements of individual directors.
- Deal with Board administrative issues.
- Communicate with directors between meetings.
- Control meeting attendance.
- Determine Board information package.
- Recommend the composition of Board Committees
- Is an ex-officio member of all Board Committees.

Board Development

- Plan Board composition and succession.
- Ensure recruitment of new directors and “retirement” of those who are ineffective.
- To ensure that a capable and qualified Board is perpetuated by the selection and training of suitable personnel.
- Plan orientation of new directors and ongoing training for all.

Active Collaboration with Management

- Assist with the development of vision, mission, and long-range plans.
- Shapes and monitors strategic planning.
- Monitor and evaluate performance of the CEO.
- Ensure succession plans are in place at the senior management level.
- Ensure accountability of management.

Member Relations

- Chair annual and special meetings of members.
- Communicate with members on a regular basis.

Liaison

- In conjunction with the CEO, represent the Ladysmith & District Credit Union to the public.
- In conjunction with the CEO, develop relationships and represent the Ladysmith & District Credit Union with government regulators and government agencies.
- Liaise with the CEO and management.

Job Description – Board Vice-President

- Assume the duties and responsibilities of the President when that individual is absent, unable, or unwilling to perform those duties.
- Assist the Board President as required.

Job Description – Board Secretary

- Oversee the preparation, maintenance, and completion of records of all meetings of the members and the Board.
- In the absence of the President and Vice-President, assume their duties and responsibilities.

Qualifications of Board Members

A member who wishes to be considered for the Board of Directors, in addition to the qualifications under Rule 4.1 to 4.5 of the Ladysmith & District Credit Union Rules, must meet the following qualifications:

- Be bondable.
- Have a positive credit rating, showing no derogatory records.
- Not be employed by, or be a director of, a competing financial institution.
- Not be in violation of the Credit Union's policies or Rules.
- Be a Canadian citizen or a person who has been lawfully admitted into Canada for permanent residence.
- Not be a parent, spouse, child, or step-child of a director or employee of the Credit Union or any subsidiary.
- Not have been an employee of LDCU or any subsidiary for the previous five years.
- Where a director, or a corporation in which the director is a director, officer, or has a controlling interest is engaged under a contract for a provision of services or sale of goods to the Credit Union, or a competing financial institution, and that contract is deemed by special resolution of the Board to be material in value, and related to matters having strategic business importance to the Credit Union, that director shall not be qualified to serve as a director.

Failure to Meet Qualifications

Where a director no longer meets the qualifications of a director under Rule 4.1 to 4.5, he shall submit his resignation to the Board of Directors and if he fails to do so, the Board of Directors shall remove the director if it becomes aware of a defect in his qualifications, and shall record its action in the minutes. In the event the facts surrounding the defect in qualifications are unclear, or the situation can be corrected, a director may be suspended by a special resolution of the Board until the matter of his qualification is resolved.

Desired Skills and Experience

The Ladysmith and District Credit Union seeks candidates with general business skills and experience such as:

- Audit and Compliance Oversight
- Board and CEO Performance
- Credit Union Operations

- Financial Literacy
- Governance and Ethics
- Leadership
- Regulatory Environment
- Risk Management Oversight
- Strategic Planning

Persons Disqualified As Directors Under the BC Company Act

No person is qualified to become or act as a director of a company who is:

- Under the age of 19 years.
- Found to be incapable of managing his/her own affairs by reason of mental infirmity.
- A corporation.
- An un-discharged bankrupt.
- Unless the court orders otherwise, convicted in or out of the Province of an offence:
 - i) in connection with the promotion, formation, or management of a corporation, or
 - ii) involving fraud.
- Unless 5 years have elapsed since the expiration of the period fixed for suspension of the passing of sentence without sentencing of since a fine was imposed, or the term of imprisonment and probation imposed, if any, was concluded, whichever is the latest, but the disability imposed by this paragraph ceases on a pardon being granted under the Criminal Records Act (Canada), or
- in the case of a reporting company, a person whose registration in any capacity has been cancelled under:
 - i) the Securities Act by either the BC Securities Commission or the superintendent
 - ii) the Mortgage Brokers Act by either the Commercial Appeals Commission or the registrar, or
 - iii) the Commodity Contract Act by either the BC Securities Commission or the superintendent

unless the commission, the superintendent or the registrar, who is applicable, otherwise orders, or unless 5 years have elapsed since the cancellation of the registration.

Every person who acts as a director of a company and is a person who is not qualified to act as a director of a company by reason of the above commits an offence.

Holding of Office

A director ceases to hold office when the director:

- Dies or resigns.
- Is removed from office by ordinary resolution of the members at an Annual General Meeting.
- Becomes disqualified pursuant to the BC Company Act, the Financial Institutions Act or the Credit Union Incorporation Act.
- Is, or becomes, a paid employee of the Credit Union, or of a subsidiary of the Credit Union, or the parent, spouse, child, or step-child (which includes persons who have lived together for not less than one year, although not married to each other), of a paid employee of the Credit Union or of a subsidiary of the Credit Union.
- Was an employee of the Credit Union or any subsidiary during the five-year period prior to the date that nominations for the office of director under these Rules closed
- Is an employee, officer, director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution or another Credit Union, (other than Central 1), or a subsidiary of any of them except where that person has been requested or authorized in writing by the directors to serve as a director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution, other Credit Union or subsidiary of any of them
- When their term expires
- Has failed, without being excused, to attend regular meetings of the directors for three months in which meetings are held.

Number of Directors

The Board of Directors shall consist of seven persons duly elected by the members.

Action on Vacancy on Board

In the event any vacancy occurs among the directors on or before the next Annual General Meeting, the existing directors may appoint a qualified person to fill the vacancy pursuant to Rule 4.35 of the Credit Union's Rules.

Election of Board Members

The members shall elect directors at each Annual General Meeting. The term of office for directors shall be until the third annual meeting following their election, except, for the purpose of staggering terms, members may elect directors for a shorter term, but no term shall exceed the third annual meeting following their election.

Failure to Elect Minimum Number of Directors

If for any reason, the office of director is not filled in an election, the remaining directors may appoint a qualified person to fill the vacancy pursuant to Rule 4.35 of the Credit Union Rules. Any person so appointed shall hold office until the close of the next Annual General Meeting.

Election of Officers

At the first directors meeting following the Annual General Meeting of the Credit Union, the Board of Directors shall choose from their own members a President of the Board, a Vice-President, a Board Secretary and such other officers as they consider necessary.

Director Attendance at Meetings

If a director misses three consecutive meetings without the prior approval of the Board of Directors or the Chairman of the relevant committee, their office may be declared vacant by the Board of Directors and the vacancy shall be subject to Rule 4.35 of the Credit Union Rules.

Director Remuneration

Directors and non-employee officers of the Credit Union shall receive remuneration in recognition of their time and efforts. Such remuneration was approved by the membership at the Annual General Meeting held May 3, 2016 as follows:

	Board Chair	Board Vice Chair	Directors	Committee Members
Annual Honorarium	\$ 2,000	\$1, 750	\$1,750	N/A
Board Meetings	\$175	\$150	\$150	N/A
Other Meetings*	\$175	\$150	\$150	N/A
Committee Meetings (except Donation and Credit Committee)	\$100	\$100	\$100	N/A
Donation and Credit Committee Meetings	\$50	\$50	\$50	\$50

*Other Meetings are defined as formal structured meetings with the primary focus being LDCU business (including Board attendance at the AGM).

Conflict of Interest

The Board shall have, and all directors shall sign, a Conflict of Interest Policy.

Candidate Endorsement Statement from the Board of Directors – Ladysmith & District Credit Union

Ladysmith & District Credit Union values its unique history and structure in being governed by a Board of Directors comprised of annually elected members. Each year, your Board of Directors' Nominations Committee undergoes the process of seeking nominations to the Board, and carefully reviews each nomination received. Board nominees are required to meet criteria set out in our Rules, which include being a member in good standing and a Canadian citizen.

After a review of each application received, the Nominating Committee interviews nominees, and then considers endorsement of potential candidates. All nominees who meet the criteria as set out in the Rules are welcome to run as candidates for our Board of Directors. The Nominating Committee is committed to an election process that is as transparent as possible, while at the same time, respects the privacy of each nominee who chooses to seek election. The endorsement step of the election process is in place to affirm your Board's careful consideration of each nominee, including assurance that nominees' values, interests, experience and expertise are those that would enhance the Board's current composition. The Board encourages members to make an informed choice when voting for their Board of Directors. Your Board of Directors feels its endorsement step supports our democratic process and commitment to annual elections, while, at the same time, works toward securing a strong cross-section of members with the unique abilities needed to govern the business complexities and future direction of the Ladysmith & District Credit Union.

2018 Application for Nomination to the Ladysmith & District Credit Union Board of Directors

Key Contact Information

Name: _____

Address: _____

Telephone #: _____

Fax #: _____

Email Address: _____

Member Since: _____

Membership #: _____

Please attach your resume to this application.

Applicants must be nominated by three LDCU members in good standing.

Nominee: _____

Nominating Member: _____

Membership #: _____

Address: _____

Telephone #: _____

Signature: _____

Nominating Member: _____

Membership #: _____

Address: _____

Telephone #: _____

Signature: _____

Nominating Member: _____

Membership #: _____

Address: _____

Telephone #: _____

Signature: _____

Election Campaigning Policy

Purpose

The campaign Policy has been developed to guide all candidates through the election process. The Policy has been developed to ensure that all candidates, regardless of their means or influence, have the opportunity for equal exposure to the members.

Campaign Material

Each candidate must submit a statement, 250 words or less, and a “head and shoulders” photograph. Ladysmith & District Credit Union will provide all communication opportunities for candidates to share their messages with the membership. Ladysmith & District Credit Union will review all candidate communications and may reject material that contains defamatory, prejudicial or misleading comments. All candidates shall act independently and not appear to belong to a “slate” of candidates. No other campaign literature or materials may be produced or used by the candidate.

Independent Campaigning

Candidates may only publicly campaign through opportunities provided by Ladysmith & District Credit Union.

Use of Media

Candidates may not advertise or otherwise publicize their campaign in any media.

Staff Role in Campaigning

No candidate shall interfere or permit any person on his or her behalf to interfere with the duties of Ladysmith & District Credit Union staff. Assistance in campaigning is limited to branch hours only and will be limited to administrative or informational details. All interested candidates are required to make an appointment through the Executive Assistant. Staff shall not be involved in the campaign of any individual.

Disputes

A condition of nomination at the Ladysmith & District Credit Union election is to abide by this Election Campaigning Policy. Any contravention of this Policy will be adjudicated by the Nominating Committee. Their decision is final. The restrictions on candidates also apply to any person campaigning for, or action on behalf of, a candidate.

Communication

Prior to the Annual General Meeting, the Nominating Committee Chairperson or their representative will contact candidates to let them know whether they were successful in their application and may now run for election to the Board of Directors.

I have read and will abide by the Election Campaigning Policy and understand that any contravention of the Policy will be adjudicated by Ladysmith & District Credit Union's Nominating Committee. Their decision is final.

Signature: _____

Date: _____

Board Applicant Qualifications Checklist

At Ladysmith & District Credit Union, members enjoy many unique benefits, one of which is having a say in the Credit Union's direction through voting for our Board of Directors. Ladysmith & District Credit Union has long understood how a strong Board helps create success. The length of one term for a Director is a maximum of three years. To qualify as a candidate for the Credit Union's Board of Directors, you must comply with and confirm the following qualifications, as they relate to the Ladysmith & District Credit Union's Rules.

Qualification of Board Members

A member who wishes to be considered for the Board of Directors must meet the following qualifications:

- Be bondable.
- Have a positive credit rating, showing no derogatory records.
- Be a present member of the Ladysmith & District Credit Union in good standing for one year.
- Not be employed by, or be a director of a competing financial institution.
- Not be in violation of the Credit Union's Policies or Rules.
- Be a Canadian citizen or a person who has been lawfully admitted into Canada for permanent residence.
- Not be a parent, spouse, child or step-child of a paid employee of the Credit Union, or any subsidiary.
- Not have been employed by LDCU or any subsidiary within the previous five years.
- Where a director, or a corporation in which the director is a director, officer, or has a controlling interest is engaged under a contract for the provision of services or sale of goods to a competing financial institution and that contract is deemed by special resolution of the Board to be material in value, and related to matters having strategic business importance to the Credit Union, that director shall not be qualified to serve as a director.

Please answer the following:

- Has your application for a bond ever been declined by a fidelity insurer?
- Have you ever failed in your own business?
- Have you ever been personally bankrupt?

I hereby give my consent to the disclosure of credit and/or personal information to, or from any reporting agency including a fingerprint background check. I confirm the above information is true to the best of my knowledge. I permit Ladysmith & District Credit Union to conduct a credit check on my behalf, and take appropriate steps to further validate the above qualifications.

Name: _____

Signature: _____ Date: _____

Board of Directors Applicant Questionnaire

Qualification of Board Members

1. Why do you wish to become a director of Ladysmith & District Credit Union?
2. What is your vision for Ladysmith & District Credit Union and the Credit Union system?
3. Should Credit Unions differentiate themselves from other financial institutions? If so, what do you feel Credit Unions should offer their member that would clearly differentiate them from other financial institutions?
4. What skills and experience can you offer to strategically guide Ladysmith & District Credit Union forward in an increasingly complex environment?
5. What is your view on corporate community involvement?
6. Do you have any further comments you would like to make at this time?

Conflict of Interest Policy for Directors

Introduction

The purpose of this policy is to identify and prevent or resolve conflicts of interest of the directors of Ladysmith & District Credit Union (the "Credit Union").

Definitions

In this Policy:

"FIA" means the *Financial Institutions Act* of British Columbia from time to time in force and all amendments and, unless the context otherwise requires, regulations made under it.

"Related party" has the same meaning as in the FIA.

Conflict of Interest Explained

In exercising the functions of a director, a director has a duty to act with the utmost honesty and good faith and must always act in the best interests of the Credit Union. As well, a director must exercise the care, diligence and skill of a reasonably prudent person under comparable circumstances.

Each director must use utmost care and discretion in the handling of confidential or privileged information, and other information not normally available to the public, received by reason of the directorship, and such information shall not be used for personal benefit or for the benefit of family, friends or associates or any other individual or entity other than the Credit Union.

To be in a conflict of interest situation does not necessarily involve fault or blame. However, a director who ignores a conflict of interest situation and acts in that situation is at fault and may incur personal liability.

A conflict of interest arises where a director has a duty or a direct or indirect interest that comes into conflict with, or is sufficient to influence or appear to influence, the performance of the director's duties owed to the Credit Union. An indirect interest may arise through a relative, friend, corporation or firm.

A conflict of interest may involve:

- a. the business of the Credit Union;
- b. the business of entities in which the Credit Union has an interest; and
- c. specific transactions with the Credit Union or an entity in which the Credit Union has an interest.

For the purposes of this policy, a conflict of interest shall include accepting any gift or hospitality of material value offered by reason of a person's position as a director of the Credit Union.

Disclosure

- a. Each director shall sign two copies of a disclosure statement which shall include the names of all businesses and individuals that are related parties of the Credit Union because of a relationship with the director. A director shall deliver a revised disclosure statement within 15 days of any change in any information contained in it. One copy of the statement and any revision shall be delivered to the Conduct Review Committee of the Credit Union (the "Committee") and the other shall be delivered to the Board of Directors, which shall record the disclosure in its minutes.
- b. In addition, each director shall disclose in writing each conflict of interest to the Board of Directors and the Committee as it arises, including, as required Part 5 of the FIA and section 144 of the *Company Act*, transactions with the Credit Union in which any of the following have a direct or indirect interest:
 - i. the director;
 - ii. an individual that is a related party by reason of a relationship with the director;
 - iii. any business of which the director is a director or officer or in which the director owns or controls 50% or more of the votes attached to voting shares.

Resolution of Conflicts of Interest

For the purposes of this policy, a conflict of interest will be resolved:

- a. Where it arises from a transaction or proposed transaction between the Credit Union or a subsidiary of the Credit Union, and any person (including a corporation) who is a related party because of a relationship with the director, in the manner required by Part 5 of the FIA (including obtaining the approval of the Committee or consent of the Superintendent where necessary) and, whenever the director has a direct or indirect interest in the transaction, by complying with the applicable provisions of the *Company Act* of British Columbia including obtaining the approval of the Board of Directors;
- b. In the case of a gift or hospitality, by obtaining the consent of the Committee or by refusing, returning or refunding the value of the gift or hospitality;
- c. In all cases, by the director
 - i. disclosing the conflict,
 - ii. leaving a meeting of directors while the matter creating the conflict is being discussed or otherwise dealt with,
 - iii. taking no part in any discussion or voting with respect to the matter creating the conflict of interest,
 - iv. not attempting to influence, in any way, the board's dealing with the matter creating the conflict of interest, and
 - v. satisfying any other legal requirement;
- d. Where the Committee determines that a conflict of interest would influence or appear to influence virtually every decision in which the director is required to participate as a member of the Board of Directors of the Credit Union, the director shall, unless the determination of the Committee is overruled by the Board of Directors, either eliminate the interest or duty giving rise to the conflict or resign as a director of the Credit Union.

Each conflict of interest is a separate conflict of interest and no permission or approval with respect to one conflict shall be deemed to be approval for any other.

Code of Ethics

Each director shall sign and return to the Committee a copy of the Code of Ethics.

Other Requirements

It is not possible to state a set of rules that would codify proper behaviour in every situation. Therefore, nothing in this conflict of interest policy will excuse a director from any other duty or responsibility imposed by law.

Administration of Policy

It is the duty of each director to determine whether or not a conflict of interest or potential conflict of interest exists. A director will not be excused from compliance with this policy or any other rule of law relating to conflicts of interest on the basis that the director did not realize that a conflict of interest existed or might arise.

The Board of Directors of the Credit Union will enforce this policy with the assistance and upon recommendation of the Conduct Review Committee.

Upon the Conduct Review Committee becoming aware of an alleged or possible conflict of interest involving a person covered by this policy, the Committee will:

- a. make enquiries and determine the facts surrounding the alleged or possible conflict of interest;
- b. either:
 - i. determine that a conflict of interest or possible conflict of interest exists, or
 - ii. refer the question of whether a conflict of interest or possible conflict of interest exists to the Board of Directors for determination, and
- c. report its findings and determination, if any, to the Board of Directors.

Where the conflict involves a transaction with the Credit Union and the Committee's approval is required, the Committee may, in accordance with Part 5 of the FIA and the policies of the Credit Union, give its approval, but the conflict shall not be fully resolved

unless the transaction is approved by the Board of Directors in accordance with the *Company Act*.

The determination of the Conduct Review Committee or of the Board of Directors that a conflict of interest exists or may exist shall be final and binding on the Credit Union and each director. However, because the existence of a conflict of interest or breach of duty is a matter of law as well as fact, the Board of Directors or the Conduct Review Committee must obtain legal advice before imposing any sanction or penalty.

Director's Disclosure Statement

TO: The Board of Directors and to the Conduct Review Committee

I have read Ladysmith & District Credit Union's Conflict of Interest Policy, and hereby declare that I:

1. Have no duty to any person or interest, direct or indirect, in any private or personal business nor do I hold any office or property, which may give rise to a conflict with the duties and responsibilities owed to Ladysmith & District Credit Union by virtue of my being a Director of Ladysmith & District Credit Union;
2. Am not a Director, member, officer or employee of any other corporation, nor am I a partner in or owner of any firm other than those disclosed and approved, and other than those occurring as a result of my participation as a director of said Credit Union Board;
3. Do not have any material direct or indirect ownership, interest or participation in outside business enterprises which have, or are contemplating having, dealings with Ladysmith & District Credit Union;
4. Have not accepted, and will not accept, any gift or hospitality of material value offered or tendered by virtue of my position as a director of Ladysmith & District Credit Union;

With the exception(s) of:

I understand that, being a Director of Ladysmith & District Credit Union, I am a related party of the Credit Union according to the *Financial Institutions Act*. I also understand that certain individuals and corporations may be related parties of the Credit Union by reason of their relationship to me. Therefore, in order to assist the Credit Union in identifying its related parties, I make the following disclosure:

1. The name of my spouse (including any person with whom I am now living as married, having done so continuously for the past two years) is:

2. The names of my relatives, and those of my spouse, who live in the same home as me are:

3. The corporations in which I have or control, directly or indirectly, 50% of the votes that are attached to the outstanding voting shares of the corporation, and that may be cast in the election of directors, are:

I understand that this statement does not relieve me of any duty of disclosure or any other duty imposed by law or any rule or policy of Ladysmith & District Credit Union that is consistent with such law, in particular, the duty of a related party to disclose a direct or indirect interest in a specific transaction.

Name: _____

Signature

Date

Code of Conduct Acknowledgement for Directors

I, _____, the undersigned acknowledge and agree to the following Code of Conduct:

Code of Conduct

1. General Statement

The reputation of Ladysmith & District Credit Union in the community, as well as with its members, places high expectations upon its integrity. Its reputation is, in turn, dependent upon the integrity and sense of responsibility of its directors, officers, and employees in whom great trust rests. The way in which that trust is discharged determines the success of the Credit Union and its position of respect and pride in the community.

The transactions in which the Credit Union engages are diverse and complex. It is not possible to state a set of rules that would codify proper behaviour in every situation. To provide direction and guidelines, please refer to your supervisor.

Directors of the Credit Union may, from time to time, pursue personal and private business interests and participate in other organizations. In doing so, it is the responsibility of each individual to remove any uncertainty with respect to that person's duties to the Credit Union.

Directors should obtain specific clarification from the Chairperson of the Board who will, in turn, as the circumstances require, seek direction and guidance from the Credit Union's Conduct Review Committee.

Neither this Code of Conduct, nor any policy or procedure of the Credit Union, shall relieve any director from complying with any laws, bylaws, policies or specific instructions of the Credit Union.

2. Benefiting From Use of Information

Each director must use utmost care and discretion in the handling of confidential or privileged information, and other information not normally available to the public arising by reason of their directorship and such information shall not be used for personal benefit or for the benefit of family, friends, or associates.

3. Confidentiality

In general, information concerning persons dealing with the Credit Union shall not be released except:

- a) as necessary for the purposes of the transaction for which it was obtained or a similar transaction with that person;
- b) as required by law; or
- c) as authorized by the person.

Information pertaining to a person's insurance coverage or requirements (other than life insurance) may be released only in accordance with (a) or (b), above.

4. Other Interests

Each director must not engage in any business interest that may conflict with those duties and responsibilities owed to the Credit Union. A director must avoid any business or other interest outside the Credit Union that creates a conflict of interest in the form of an obligation, interest, distraction, or participation that would interfere with that person's independent exercise of judgment and efforts in the Credit Union's best interests.

5. Gifts and Hospitality

No director shall accept any gift or hospitality of material value offered or tendered by virtue of the director's position with the Credit Union.

While costly gifts and hospitality are never to be accepted, materiality may be determined not only by costliness, but by circumstances surrounding the giving and acceptance.

6. Conduct Review Committee Conflict of Interest Policy

Each director will comply with the Conflict of Interest Policy established by the Conduct Review Committee.

7. Audit and Investigation

The Credit Union's internal auditor or Conduct Review Committee will scrutinize all related party accounts and files as part of the Credit Union's internal control system and may, from time to time, review credit reports on directors.

8. Consequences

Directors who do not comply with the Code of Conduct outlined within this policy may face disciplinary action up and including a request for their resignation from the Board of Directors.

9. Acknowledgement

I acknowledge that I have received, read, and understood the above code.

Director Signature

Date

Declaration

I, _____, declare that:

- I have no interests that would constitute a conflict with the Credit Union's interests.

I have no other relationships that would cause a conflict of interest; except as set out below:

Signature

Date

Code of Ethics for Directors

A director shall, in discharging the office of Director:

1. Act at all times in the interests of Ladysmith & District Credit Union (LDCU), acknowledging that the interests of LDCU are paramount to any personal interests or the interests of any other organization of which the Director may be a member, Director or employee.
2. Exercise diligence, care, prudence and common sense and shall keep informed of the policies, business and affairs of LDCU and of the statutes and rules to which LDCU is subject and by which it is governed.
3. Deal with fellow Directors, Officers, and employees of LDCU openly, honestly and in good faith and make available to and share with fellow Directors all information as may be relevant and properly disclosed to ensure the proper conduct and sound operation of the business and affairs of LDCU.
4. Treat in confidence all matters and information involving LDCU, the Board of Directors, its committees and the employees and members of LDCU, not to disclose the same where it is not in the public record or domain unless sanctioned by the Board of Directors to do so, and refrain from entering into any transaction in which the Director makes use of confidential information in order, directly or indirectly, to obtain a benefit or advantage for the Director or anyone else, other than LDCU or a subsidiary thereof.
5. Ensure that the policies of LDCU adopted by the Board of Directors are accurately and clearly communicated to the members of LDCU and ensure that the actions and conduct of the business and affairs of LDCU are conducted and carried out in accordance with those policies.
6. Disclose to the Board any financial or personal interest, direct or indirect, which the Director may have which may conflict with LDCU or a subsidiary of it or contemplate having an involvement, whether such interest arises by reason of the personal affairs, employment, office or other association of the Director and in such circumstances refrain from participation in or voting upon such transaction or business.

7. Request such information through the Board from Directors and employees of LDCU as may be necessary to permit the full discharge of duties of a Director and ensure that accurate records, minutes and memoranda are maintained with respect to the conduct and discharge of the business of the Board.
8. The attendance of Directors at Board meetings and Committee meetings is an important criteria and an obligation to the Credit Union. It is a requirement that Directors attempt to attend all Board meetings. The inability of a Director to attend three consecutive Board meetings may result in a request for resignation from the Board.
9. Be mindful of the democratic basis upon which LDCU is founded as a member organization and that the stewardship of the conduct of its affairs and business have been entrusted to the Board to be undertaken and conducted so as to meet the needs of those members, collectively.

I acknowledge that I have read and considered this CODE OF ETHICS for the Directors of LDCU and agree to conduct myself as a Director in accordance with and to abide by this Code. If I shall be found by my fellow Directors to have been in default of this Code or to have acted contrary to this Code, I may be subject to sanctions by my fellow Directors, including without limitation, private and public censure and a request for my resignation from my office as Director.

Date

Signature

Director Confidentiality Policy Acknowledgement

Ladysmith & District Credit Union

I, _____, the undersigned acknowledge and agree to comply with the following Director Confidentiality Policy:

Director Confidentiality Policy

1. Confidential Information and Materials

In a director's position with the Ladysmith & District Credit Union, he/she will have access to, produce or acquire information and materials that are confidential to the Ladysmith & District Credit Union, and/or its employees and members which are the exclusive property of the Ladysmith & District Credit Union.

Confidential information and materials include but are not limited to personal information relating to members, employees, customer lists, contact information, employee health information, member and employee credit information, computer passwords and, technical data, trade secrets or know-how, employee relations information, financial information or other business information of the Ladysmith & District Credit Union that is not in the public domain.

Directors are to treat as confidential all such information and materials and agree not to disclose it to any third party either during their tenure on the Board of Directors (except as may be necessary to perform the duties of their position) or after their tenure for any reason other than as required by law, except with the written consent of the Chairperson of the Board or the Conduct Review Committee of the Ladysmith & District Credit Union.

Directors are not to use any confidential information that they access during the course of their tenure for any personal benefit or gain.

Directors shall disclose to the Conduct Review Committee all confidential information and materials that they create themselves or in co-operation with others during the course of their tenure.

2. Requests

If someone outside the Credit Union requests information, no director will respond unless authorized to do so. The director must refer the person to the appropriate source within the Credit Union. Unless authorized to talk to the media, directors will direct media persons to the Chief Executive Officer or the President of the Board.

If a director has any doubt as to the actions he or she should take in a particular situation, the director will immediately contact the Chief Executive Officer or the President of the Board.

3. Viewing of Employee and Director Accounts and Records

Directors will not request to view accounts and records whether online, electronic, or any other format or medium, including databases, files, or any other personal information about an employee or director, prospective employee or director, or former employee or director, of the Credit Union or any of its subsidiaries or affiliates, unless this is required in the course of their normal duties and they are specifically authorized to view, update, transmit, or otherwise process the information.

4. Consequences

Directors who do not comply with the confidentiality policies of the Credit Union may face disciplinary action up to and including a request for their resignation from the Board of Directors.

5. Acknowledgement

All directors must sign a Director's Confidentiality Policy Acknowledgement annually.

I acknowledge that I have received, read, and understood the above policy.

Director Signature

Date