



# Director Candidate Information Guide 2019

# Rapport Credit Union Board of Directors

## Application for Nomination

### ELECTIONS TO THE BOARD OF DIRECTORS

Dear Prospective Board Candidate:

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

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

This year the Nominating Committee has been tasked with selecting nominees who not only are the best qualified and meet the required criteria but who also possess specific skills and experience in the following areas:

**Strategic Planning, Leadership, Risk Management, Governance and Ethics, Financial Literacy, Credit Union Operations, Board and CEO Performance, Audit and Compliance and the Regulatory Environment for financial services and credit union sector. Prior board experience would be an asset.**

As well, the Committee is motivated to having Board members from all groups within our communities, from many backgrounds and with varied experiences - to help us to better serve our members. Further details on the process undertaken by the Nominating Committee are outlined on Page 1 of this application package.

After completing the Director Application Form, we ask that you review the Director Candidate Information Guide and submit the completed application 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 [nominatingcommittee@rapportcu.ca](mailto:nominatingcommittee@rapportcu.ca).

Please note that applications must be received no later than February 1, 2019.

Yours truly,

Nominating Committee  
Rapport Board of Directors

Application for Nomination 2019

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# Election Process

## Application for Nomination

Rapport Credit Union's Board, as established in the By-Laws, consists of 12 directors and 4 vacancies need to be filled.

As defined in Rapport Credit Union's By-Laws, and the Board's Governance policies, the Nominating Committee of the Board plays an integral role in the process of reviewing nominated Candidates who meet the eligibility requirements. This Committee is required to interview 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 from time to time.

Upon completion of the Candidate interviews, and based on the information contained both in the Candidate's application and the results of the interview, the Nominating Committee will make a determination as to the best qualified Candidates to fill the vacant positions, either through election or through acclamation.

Rapport Credit Union elections will be conducted via electronic voting and in-branch paper balloting, prior to the Annual General Meeting.

# Candidate's Guide

## Application for Nomination

1. Individuals wishing to be Candidates for Rapport Credit Union Board of Directors must be at least 18 years of age, are a Member in good standing of Rapport Credit Union and hold \$50 in Membership Shares.
2. Additional eligibility requirements are outlined on Schedule A (*Page 6*) of this Application.
3. All members that meet the eligibility requirements may run for election. Two members may nominate a candidate based on the criteria found in Schedule C (*Page 9*).
4. After reviewing the above and the Background Information for Candidates – Schedule H (*Page 19*), a Candidate must:
  - A. Complete this Application in its entirety; and
  - B. Submit it along with the documents detailed on Page 4 of this Application. (Statement of Interest, Ballot Statement, Resume, completed Schedule E [Applicant Assessment] and Schedule F [Declaration of Economic Interests by a Restricted Party of Rapport Credit Union]).

Applications for Nomination must be marked Confidential and submitted to [nominatingcommittee@rapportcu.ca](mailto:nominatingcommittee@rapportcu.ca) or mailed to Nominating Committee, 18 Grenville St. Suite One, Toronto, Ontario M4Y 3B3

- The Nominating Committee of the Board will validate the Candidate's eligibility, and conduct Candidate interviews after February 1, 2019.
- The Nominating Committee of the Board will then put forward a slate of candidates recommended for election.
- The election of Directors by Members voting will be conducted in advance of the Annual General Meeting.
- The successful Candidates will be announced at Rapport Credit Union Annual General Meeting to be held on April 17, 2019.

# Candidate Nomination Form

## 2019 Application for Nomination

As Members of Rapport Credit Union, we nominate the following person for election to the Board of Directors. As Nominators, we meet all of the qualifications outlined in Schedule C (Page 9).

Candidate Name	_____
Address	_____
City/Postal Code	_____
Phone	(Res) _____ (Bus) _____
Email	_____

### Two Nominators:

1. Legal Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

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

2. Legal Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

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

# Candidate's Undertaking

## Application for Nomination

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

I do solemnly undertake to:

- a. stand for election, and, if elected, to serve as a Director;
- b. observe the provisions of the Credit Unions and Caisses Populaires Act (the "Act"), as applicable, including the provisions of disqualified individuals as outlined in Section 92(1) of the Act. (The Act is accessible at [www.elaws.gov.on.ca/DBLaws/Statutes/English/94c11\\_e.htm](http://www.elaws.gov.on.ca/DBLaws/Statutes/English/94c11_e.htm));
- c. comply with the Director's Code of Conduct and the Duties and Obligations of Directors including Conflict of Interest Guidelines adopted by the Board from time to time;
- d. provide full, financial disclosure to Rapport, as required by the Board from time to time;
- e. consent to the disclosure of credit and/or personal information to, or from any credit-reporting agency;
- f. observe all Rapport's Union's By-Laws, and the rules relating to the elections and the conduct thereof; and
- g. resign from the Board in the event the Board has determined that as a Director, I have ceased to meet the eligibility requirements, as set out in Rapport'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 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 Rapport Credit Union;
  - iii. explains why Members should vote for this Candidate.

*This Statement will be published by Rapport Credit Union as received, and will be used to inform the Membership about the Candidate in its election materials;*

2. A short written statement, not exceeding 200 words, providing a brief overview of the Candidate to be posted on the electronic ballot;
3. A resume which includes disclosures outlining the following:
  - i. Experience, expertise and qualifications of the Candidate;
  - ii. Candidate's involvement in community activities;

- iii. Candidate's past and present service as a Director of a Board;
  - iv. Any formal Director education/training accreditations; and
  - v. Candidate's professional, community or other affiliations or Memberships;
4. A completed Applicant Expertise/Experience Assessment as found on Schedule E (Page 10);  
and
5. A completed Schedule F (Page 12) Declaration of Economic Interests by a Restricted Party  
and/or Related Party of Rapport Credit Union;

Having signed this Application for Nomination, the Candidate consents to Rapport Credit Union reviewing any of the Candidate's financial information on file at Rapport, and consents to Rapport Credit Union conducting a credit check on his/her behalf for the purpose of determining eligibility of the proposed Candidate for election to the Board.

Candidates should be aware that campaigning is not permitted by the Board.

DATED AT \_\_\_\_\_, ONTARIO, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2019.

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

# Schedule A

## Application for Nomination

### **DIRECTOR ELIGIBILITY REQUIREMENTS**

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

- A. as of the last day of the Nomination Period, the Member:
  - i. *is a Member in good standing of Rapport ;*
  - ii. *and all of the Members of the Member Connection (MC) associated with the Member, have been Members “in good standing” continuously for a period of time equal to the lesser of the preceding 24 months and the period of actual Membership;*
  - iii. *is not disqualified from becoming or acting as a director pursuant to the Act,*
  - iv. *is not a director, officer, employee, or agent of an entity (other than any other entity for which an exception has been made by the Board from time to time) that is engaged in, or has the reasonable potential to be engaged in, business activity materially and directly competing with the existing or proposed activities or business of Rapport;*
  - v. *is not a spouse of a person described in sub-paragraph (iv) above;*
  - vi. *if a former employee of Rapport, was not an employee of Rapport at any time in the preceding 36 months;*
  - vii. *if an incumbent director has not failed, without, in the opinion of the Board, reasonable cause, to attend three (3) consecutive regular meetings of the directors within the preceding twelve (12) months; or*
  - viii. *is free of any real or perceived conflict of interest that might reasonably be expected (based on a legal opinion), to prevent him or her from acting in the best interests of Rapport as a whole, and independently of any particular interest arising as a result of any previous, existing, or future relationship with Rapport, its Members, customers, competitors, or suppliers;*
- B. the Member, if an incumbent director, will not, at the end of the Member’s current term as a director, have served the longer of:
  - (i) *4 consecutive terms or*
  - (ii) *the previous 12 consecutive years on the board of Rapport.*
- C. the Member has been nominated in accordance with the terms of this By-law.

# Schedule B

## Application for Nomination

### INDIVIDUAL DIRECTOR DISQUALIFICATIONS

(as extracted from the Act – Section 92)

#### Disqualified Individuals

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

1. One whose Membership in any credit union has been terminated, other than voluntarily.
2. One who 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 Rapport unless Rapport 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 Rapport 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 Rapport in his or her professional capacity or who has provided such services in the three years preceding the date on which he or she may be elected as a director.
11. An employee of the Corporation (Deposit Insurance Corporation of Ontario).
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 Rapport.
14. One who has not met any reasonable condition or qualification set out in the By-laws of Rapport.

# Schedule B (Continued)

## Application for Nomination

### 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 Rapport 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 Rapport; or
- d. involves a contravention or failure to comply with the Securities Act.

# Schedule C

## Application for Nomination

### REQUIREMENTS TO BE MET BY NOMINATORS

Each person signing the nomination papers of a Nominee, must as of the last day of the Nomination period:

- A. have each been a Member of Rapport for at least 24 consecutive months (since February 1, 2017) prior to last day of the nomination period;*
- B. are each not disqualified from becoming or acting as a director of the Rapport Credit Union pursuant to the Act;*
- C. if a former employee of Rapport Credit Union, were each not an employee of Rapport at any time in the preceding 36 months (since February 1, 2016) prior to the last day of the nomination period; and*
- D. with the exception of the proposed nominee are each not current members of the Board.*

# Schedule D

## Application for Nomination

### SELECTION CRITERIA

In the evaluation of proposed nominees for the purpose of making recommendations, the Nominating Committee uses the eligibility requirements set out in Schedule A and selection criteria established by the Board from time to time.

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

### Mandatory Individual Director Criteria

A Director must:

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

## Schedule D (Continued)

### Application for Nomination

- 12. Agree to fulfill the time commitment, including travel time and work load associated with being a Director of Rapport;*
- 13. Have the capability to access electronic information via the Internet, and be able to print associated materials if required.*

# Schedule E

## Application for Nomination

### BOARD OF DIRECTORS APPLICANT EXPERTISE/EXPERIENCE ASSESSMENT

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

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

Please indicate your level of expertise/experience in the following table by indicating:

- E - Expert
- S - Strong
- G - Good
- B - Basic
- N/A – no relevant experience

To assist you in answering please refer to the following definitions:

- Expert: You possess a degree/certificate/diploma in the skill area and/or have significant work experience in that field.
- Strong: You have direct experience, or significant familiarity with the field as part of your employment or volunteer activities.
- Good: You understand the basic fundamentals and concepts that are encountered in this skill area.
- Basic: 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 within one month of election. All competency levels to be at STRONG within 24 months of election. This assessment is used to help determine your training and self-development needs in order to fulfill the director training and qualifications requirements as established by Rapport.*

## Schedule E (Continued)

### Application for Nomination

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	
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. Other competencies; areas of expertise: (Please list)	

# Schedule F

## Application for Nomination

### DECLARATION OF ECONOMIC INTERESTS BY A RESTRICTED PARTY AND/OR A RELATED PARTY OF RAPPORT CREDIT UNION

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

Position with Rapport Credit Union: \_\_\_\_\_

#### Definitions

##### *Restricted Party (RP):*

A person or entity is “restricted” in relation to Rapport Credit Union if they are or have been within the last 12 months:

- A. a director or officer of Rapport Credit Union;
- B. a spouse of a director or officer of Rapport Credit Union;
- 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.

##### *Member Connection (MC):*

1. In relation to a Member, another person or entity is a “member connection,” 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 the Rapport Credit Union,
  - H. a person or entity who provides security to Rapport Credit Union 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)

### Application for Nomination

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

#### *Related Party (RLT.PTY):*

A person or entity is related to Rapport Credit Union 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 Rapport Credit Union;
- B. the person or a close member of that person's family has significant influence over Rapport Credit Union;
- C. the person or a close member of that person's family is a member of the key management personnel of Rapport Credit Union (Executive leadership team; Board of Directors and Officers of Rapport Credit Union); 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 Rapport Credit Union 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)

## Application for Nomination

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 Rapport Credit Union 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 Rapport Credit Union directly or indirectly, including any director of Rapport Credit Union.

*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:

Name of Spouse [RP & RLT.PTY]:

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1 Is Spouse financially dependent on me? [MC] Yes\_\_\_No\_\_\_

2 Names of Children and other Relatives financially dependent on me or my spouse and who live in my home [RP & MC]: 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:

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

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

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

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## Schedule F (Continued)

### Application for Nomination

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

---

4. Names of Corporations, Partnerships or Unincorporated Associations whether or not they are Members of Rapport Credit Union 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]

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5. Names of corporations whether or not they are Members of Rapport Credit Union 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]

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6. Names of Corporations, Partnerships or Unincorporated Associations whether or not they are Members of Rapport Credit Union 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]

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

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

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

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

---

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 [MC]:

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# Schedule F (Continued)

## Application for Nomination

### Acknowledgment

I hereby:

- acknowledge that this declaration is given for the purposes of assisting Rapport Credit Union in complying with statutory and regulatory requirements relating to transactions with Restricted Parties [RP]; Member Connection [MC], 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 Rapport Credit Union 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 Rapport Credit Union.

DATED AT \_\_\_\_\_, ONTARIO, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2019

\_\_\_\_\_  
Signature of Party

# Schedule G

## Application for Nomination

### 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 Rapport.

You must include the disclosure in your submission if you:

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

Please provide details here if any of the above applies.

DATED AT \_\_\_\_\_ ONTARIO, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2019

Signature

Name

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Witness Signature

Name

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# Schedule H

## Application for Nomination

### BACKGROUND INFORMATION FOR CANDIDATES

**Preamble:** Rapport Credit Union Directors are expected to attend all scheduled Board and Committee meetings and be active participants therein. They are also encouraged to attend other Rapport Credit Union 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 Rapport Credit Union Committees, Director Education requirements and a summary of meetings and estimated commitment of time that one might expect when they become a Director of Rapport Credit Union. 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 Rapport Credit Union Governance structure/practices, please contact [nominatingcommittee@rapportcu.ca](mailto:nominatingcommittee@rapportcu.ca)

### Committees

#### 1 FULL BOARD

The Board of Directors consists of 12 Directors, each elected by the Membership for a term of 3 years, subject to a term-limit of 12 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 3 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 and Operational Risk Committee:*** *The Committee's purpose is to set the context for an effective enterprise risk management (ERM) framework and gain assurance that management has implemented appropriate systems and practices aligned with an ERM framework. The ERM framework is to provide reasonable assurance that the strategic, operational, financial and regulatory objectives of Rapport are achieved.*

*The committee also provides effective oversight of the Rapport's risk management activities related to credit risk, investment risk, liquidity risk, structural risk and capital management. This includes providing for the appropriate governing policies to be*

## Schedule H (Continued)

### Application for Nomination

*developed to provide the context for risks to be taken, the level of risks, and the monitoring of adherence to those policies.*

*The Committee oversees the design and implementation of internal controls to support the risk management framework, the integrity of financial reporting, and compliance with regulatory matters.*

*Within the risk management and control frameworks, the Committee assists the Board in fulfilling its oversight responsibilities regarding safeguarding of assets and members deposits, compliance with laws, regulations and governing policies; integrity of management and financial information, and efficiency and effectiveness of operations and independence of the external and internal audit function.*

- B. **Governance Ethics and Human Resources Advisory Committee:** *The Committee assists the Board by considering and making recommendations on governance and human resources matters. This committee reviews the structure of Board committees, its composition and skills profiles of the Board members and the human resource policies which impact the corporate governance of Rapport. It also reviews Rapport's succession planning related to the CEO, its compensation policies and pension plan as well as overseeing Rapport's stakeholder relationship and communication strategies.*
  
- C. **Nominating Committee:** *The Nominating 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.*

# Schedule H (Continued)

## Application for Nomination

### Meetings / Time Commitment

Board meetings are held bi-monthly. It is expected that, in addition to the actual time spent at a Board or Committee meeting, a Director will fully review all materials (e.g., Board materials, Committee agendas and supporting material) provided prior to attending each meeting. Materials for all Board and Committee meetings are distributed by (*e.g. electronic format*) generally 5 days 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 1–2 hours preparing for a Board or for some Committee meetings.

The majority of board meetings are held by webex and telephone conference. Strategic planning, board training sessions, the Annual General Meeting and specific board meetings are in person. 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.

# Schedule H (continued)

## Application for Nomination

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

BOARD MEETINGS <i>(currently held bi-monthly)</i>	Board meetings begin at 5:30 p.m. usually on the first Wednesday of the month.  Meetings are usually held by conference call and webex. Face to face meetings are held at 18 Grenville Street, Toronto, ON.
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 AND OPERATIONAL RISK COMMITTEE	Meets approximately 6 times a year (allow 2 hours/meeting).
GOVERNANCE, ETHICS AND HUMAN RESOURCES COMMITTEE	Likely to meet 8 times during the year (allow 1.5 hours/meeting).
NOMINATING COMMITTEE	Meets approximately 4 times per year (allow 1.5 hours/meeting) plus a concentrated period during January and February when Candidate interviews are conducted.
ANNUAL GENERAL MEETING	Usually held during the 3rd or last week in <u>April</u> during the evening (4 hours).
PLANNING SESSIONS	Generally involves a 1-2 day conference, usually on a Friday night and Saturday in May or June.

### Education

Rapport Credit Union considers training and development programs for our Directors extremely important to assist them in understanding the roles and responsibilities of being a Director of a Credit Union. The Deposit Insurance Corporation of Ontario (DICO) set out minimum expectations for individual Director competencies which will require various programs be completed within certain time frames.

## Schedule H (Continued)

### Application for Nomination

In addition, other in-house training sessions are developed for which attendance is expected. Each Committee regularly holds educational sessions during its scheduled meetings. The Board allocates funds annually for training and development purposes, and it is incumbent on each Director to consider additional opportunities for development wherever possible.

#### **Remuneration**

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