

DIRECTOR ELECTION 2023

CANDIDATE INFORMATION PACKAGE



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Introduction

Sharons Credit Union’s mission is to be an innovative credit union devoted to the members and the community. Becoming a credit union director is a big step and responsibility. The Board of Directors oversees the management of the organization. The Board carries out its stewardship responsibilities by selecting the right management for the organization, approving the organization’s strategic direction and monitoring how management operates the organization as it seeks to fulfill its strategies and goals and objectives.

This package provides information for any Sharons Credit Union member interested in seeking nomination for election to the board of directors.

If, after reading this package and its appendices, you have any questions or concerns about the nomination and election process, please contact:

Joanne Choi
Corporate Secretary
election@sharons.ca

Important 2023 election information

Nominating Committee

This year's Nominating Committee comprises three individuals:

1. Ji Han Kim, Chair of Nominating Committee
2. Tae In Kwon, Member of Nominating Committee
3. Lisa Lim, Member of Nominating Committee

Sharons Credit Union recognizes the importance of having a Board of Directors (the "Board") that is composed of individuals that possess a diverse mix of skills, experience, and business knowledge. To find these individuals, the Credit Union needs to identify, recruit, and recommend to the membership the most qualified and exceptional candidates for election to the Board. The responsibility for finding these individuals is held by the Nominating Committee (the "Committee"). In particular, the Committee is responsible for:

- Seeking candidates for election to the Board by soliciting nominations from the Credit Union's membership, considering incumbent directors whose terms are expiring, and by proactively recruiting candidates;
- Recommending to Sharons Credit Union members candidates who have a diverse mix of relevant skills, attributes, and business knowledge to meet the current needs of Sharons Credit Union leadership and its strategic intent;
- Ensuring that there are sufficient candidates for election to the vacant positions on the Board; and
- Overseeing the Director election process and communicating with Sharons Credit Union members on the Director election process.

The Nominating Committee's responsibility is to ensure that the Board of Directors is composed of individuals who, collectively, have the skills, business experience and qualifications to provide an effective governing team for Sharons Credit Union.

Available seats in 2023

In 2023, Sharons Credit Union has two Directors whose term of office expires. These two are eligible to stand for re-election at this year's Annual General Meeting, to be held on April 20, 2023 at 6:00 PM (The AGM venue is to be announced). Qualified members in good standing are eligible to stand for election.

Key Dates

Key Activities	Dates
Call for Nominations Open	January 17, 2023
Deadline to submit the Official Nomination Form	February 17, 2023
Candidate Interview with Nominating Committee	February 24, 2023
Nominating Committee confirms Recommended Candidate	February 24, 2023
Notice of Annual General Meeting and Candidate biography posted on Sharons Credit Union's website and is available at the branches.	18 days notice of the annual meeting
Voting period	April 12 – April 19, 2023
Annual General Meeting <ul style="list-style-type: none">Announcement of Election Results	April 20, 2023

Board Candidate Eligibility Requirements

To serve as a Director of Sharons Credit Union, according to the Rules of Sharons Credit Union, you must:

- 4.2 A member in good standing, other than a person disqualified by Rule 4.3 shall be eligible for election as a director.
- 4.3 No person who:
- a. is a person disqualified from becoming or acting as a Director pursuant to the Business Corporations Act, the Financial Institutions Act or the Credit Union Incorporation Act;
 - b. is or becomes a paid employee of the Credit Union or an affiliate of the Credit Union or the spouse, child or step-child, of a paid employee of the Credit Union or an affiliate of the Credit Union;
 - c. was an employee of a Credit Union or an affiliate of a Credit Union during the one-year period prior to the date that nominations for the office of Director under these Rules closed;
 - d. is an employee, officer or director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution or another credit union (other than a director of a central credit union) 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 or another credit union or a subsidiary of any of them;
 - e. has not been a member in good standing of the credit union for 24 consecutive months;

is eligible to hold office as a Director and, if holding office as a Director, shall vacate office forthwith.

Directors Must Have Required Skills

A highly engaged Board of Directors, with the right balance of skills and experience, is the cornerstone of effective governance. As a group, the directors must have the required skills and experience to do two things:

1. Effectively carry out the Board's oversight responsibilities on behalf of the membership. This includes ensuring strong management is in place and having policies, systems and practices that manage risk and protect the members' assets; and
2. Provide insight to management to guide and approve Sharons Credit Union's strategic plan and process. This includes understanding the business, its environment and its future opportunities.

Director Training

Since 1988, all new directors elected or appointed to a credit union in British Columbia are required to complete mandatory director training.

The highly respected Credit Union Director Achievement program has been designed to meet the needs of new directors who want a better understanding of their role and the business for which they are accountable. This integrated, three-level governance program, is comprised of online courses and facilitated workshops which can be delivered in-house to the board or as “open” sessions with other directors.

Each director who is elected or appointed is required to complete Level A of the Credit Union Directors Achievement (CUDA) program within one year of becoming a director. Directors will receive Level A Certificate of Completion after completing both components of Level A.

CUDA Level A:

a. Foundation of Governance

The Six Online Modules

Each of the six online modules for Foundation of Governance provides an introductory level of knowledge to start credit union governance duties. Each module takes approximately 30 minutes to complete. This is a required course for Level A of the CUDA Program.

- i. Module 1: Overview of the Credit Union System**
- ii. Module 1: The Board’s Roles and Responsibilities**
- iii. Module 3: A Director’s Roles and Responsibilities**
- iv. Module 4: Financial Statements and Financial Metrics**
- v. Module 5: Asset-Liability Management (AML)**
- vi. Module 6: Monitoring Credit Union Performance**

b. Foundations of Governance in Theory and Action Workshop (One Full-day Workshop or 4 online sessions)

The Report of the British Columbia Credit Union Governance Task Force, Advancing Governance recommends that “(all) board members have a basic financial literacy, including the ability to interpret the credit union’s financial statements, or commit to acquiring these skills through education or training within the first year of service.”

Background & Regulatory Compliance Checks

If elected to the Board of Sharons Credit Union, you will be subject to Regulatory Compliance checks. Sharons Credit Union is required by the BCFSA to submit a Personal Information Return (PIR) to them prior to a Director taking office. The PIR must be accompanied by further background checks, which include name-based criminal checks, bankruptcy and credit checks, and the submission of a current resume. If elected, we will assist you with completing the forms and outlining the steps necessary for the Regulatory Compliance checks.

Deadline & Submission

The deadline for receipt of your official Nominating Form is February 17, 2023 at 4:00 pm.

Your material may be sent by the following methods:

- E-mail to election@sharons.ca
- Handed in at any Sharons Credit Union Branch or Head Office (1055 Kingsway Vancouver)

No matter which method of delivery is used, nomination documents must be received by the deadline set above. **This is a firm deadline, and there will be no extensions. Please note incomplete Nomination Forms will be disqualified.**

If you have any questions or concerns about the nominations and elections process, please contact:

Joanne Choi
Corporate Secretary
election@sharons.ca
604-873-6490 (ext. 101)

Official Nomination Form

In order for this submission to be valid, the candidate must sign and date this form, initial all declarations and include one sponsor signatures (see page 8) and a candidate position statement (see page 9). This document may be completed in handwritten or electronic form.

A. Personal Information (required)			
Last name:	First name:	Initial:	Goes by:
Address:			
Telephone:	Cell:	Home:	Work:
Email:	Personal:	Work:	
Date of Birth:		Occupation:	
Membership Number:		Date Joined (mm/yyyy):	
B. Candidate Declaration (required)			
<p>I acknowledge having reviewed the qualifications listed below, as set out in the Rules of Sharons Credit Union, and hereby confirm that I know of no fact or circumstance that would render me ineligible to serve as a director of the Credit Union. I acknowledge having reviewed the grounds for disqualification from serving as a director of the Credit Union, as set out in legislation (and located in the Candidate Information Package), and hereby confirm that I know of no fact or circumstance that would render me ineligible to serve as a director.</p> <p>Some of the following refer to additional pages which are part of this form. Please read and/or complete them first. <u>Then initial all declarations below.</u></p> <p>I am being nominated for election/re-election to the Board of Directors. I hereby accept such nomination. I have asked for and I acknowledge the support of the member who has indicated their support of my nomination by signing on Page 8 of this form. ____</p> <p>I have received, read and understand the Board of Directors Candidate Information Package. ____</p> <p>I acknowledge that the information I have provided is true and factual. _____</p>			

I acknowledge and accept that background and regulatory compliance checks (i.e. Reference, Criminal, Bankruptcy and Credit Check) will be completed on me, and I approve of these checks. _____

I accept that, should I be elected to the Board of Directors of Sharons Credit Union, I will carry out the duties of the said office to the best of my abilities for the term I am elected.

Signature

Date (DD/MM/YYYY)

C. Candidate Support (required)

Each nomination must be sponsored by one member of the Credit Union:

I, the undersigned, support the nomination of _____ (candidate's name) for election/re-election to the Board of Directors. We believe this member would be an excellent representative of Sharons Credit Union.

Supporter's Name:		Membership Number:	
Address:			
Telephone:	Cell:	Home:	
Date:		Signature:	

D. Candidate's Biographical Information (to assist the Nominations Committee)

Please indicate those areas noted below in which you have some experience/knowledge. For those areas noted, please describe your related experience/knowledge. Note: It is not expected that all candidates or Directors will possess experience/knowledge in all areas.

Educational Background	
Brief Employment History	<p>Current Employer:</p> <p>Position:</p>

Board and/or Committee Experience	
Business/ Financial Experience	
Community Involvement/other Interests:	

E. Candidate's Statement (up to 200 words)

Please:

- ☒ *Include whatever statements you would like our Credit Union members to know regarding your candidacy (skills, experiences, why you wish to serve on the Board, etc). This statement, as received, or extracts thereof may be communicated to the members of the Credit Union in the event of an election or as otherwise may be required.*

Appendix 1.

Board of Directors Terms of Reference

3.4 Terms of Reference of the Board

I. INTRODUCTION

- A. The Board of Directors is responsible under law for the credit union's business and its affairs. It has the statutory authority and obligation to protect the assets of the credit union in the interest of all members. While Directors are elected in accordance with the rules, they are not to represent a particular constituency; the best interests of the credit union must be paramount at all times.
- B. The Board also acts in a fiduciary relationship to the credit union, and it must act with the utmost good faith toward the credit union and all members.
- C. The Board is responsible to the credit union and to members without discrimination between groups or members. Furthermore, the Board is accountable to certain government agencies and to other parties, such as creditors and employees.
- D. While the Board is called upon to manage or supervise the management of the business and affairs of the credit union, this is done by delegation to the Chief Executive Officer (CEO), who is charged with the day-to-day leadership and management of the credit union.
- E. Although the Board of Directors delegates to management a distinct role in the overall conduct of business affairs, the Board cannot give full powers to the CEO to conduct the business free from any control and supervision. Also, the Board cannot delegate its decision-making responsibility to a committee, although there is an important role for Board Committees.
- F. The Board is not required to rely entirely on its own expertise or that of management for all decisions. The Board should call upon expert advice to offer an opinion when required, in order to assist with informed decision-making. It is the responsibility of the Board to be reasonably assured that all such experts are independent and qualified to offer the advice being sought. However, the use of expert opinion does not relieve directors from the obligation of exercising their own judgment.
- G. The Board holds an in-camera session at each Board meeting without management present. Board may request CEO to attend a portion of the in-camera session as required.

II. DUTIES AND RESPONSIBILITIES

A. Duties of the Board

The Board operates by delegating certain of its responsibilities to Management and reserving certain power to itself. The Board's principal duties fall into the following main categories:

- I. adopting and monitoring of strategic planning;
- II. having competent CEO in place;
- III. managing enterprise risk;
- IV. communicating with stakeholders;
- V. keeping the integrity of corporate internal control and management information systems;
- VI. enacting effective governance practices.

Each of these duties creates the specific oversight responsibilities, described below.

B. Strategic and Business Planning

- I. The Board has the responsibility to develop and approve the vision, mission, and values of the credit union.
- II. The Board will develop, in conjunction with management, its goals of the credit union and the strategies by which it proposes to reach those goals. The Board's responsibility is to review and approve the business plan and budgets developed by Management. Further, it is responsible for considering any major modifications to these plans as proposed by Management.
- III. The Board has the responsibility to monitor the credit union's progress towards its goals, revising and altering the direction in light of changing circumstances, and taking action when performance falls short of its goals, or special circumstances warrant such action.
- IV. The Board has the responsibility to approve any major business investments (such as branch and office locations), divestments, mergers, initiation or cancellation of products, and capital items.

C. Competent Chief Executive Officer

- I. The Board must ensure that a CEO of high caliber is appointed, trained, and supervised.
- II. The Board will assess the CEO's performance against objectives established by the Board in co-operation with the CEO and will assess his or her contribution to the achievement of the corporate strategy. This assessment will be the basis for the CEO remuneration.
- III. The Board will ensure that a compensation philosophy is in place that provides for fair compensation to the employees.
- IV. The Board will ensure that the credit union has in place programs to train and develop management.
- V. The Board will ensure that the credit union has in place a policy to provide for the orderly succession of management.
- VI. While it is the CEO's responsibility to appoint other senior management, the CEO is expected to consult with the Board prior to any appointments that are direct reports to the CEO.

D. Managing Risk

- I. The Board must understand the principal risks of all aspects of the business in which the credit union is engaged and ensure there is a proper balance between risks incurred and rewards.
- II. The Board must ensure there are policies and systems in place, which effectively establish the risk framework and monitor and manage the risks with a view to the long-term viability of the credit union.

E. Communications

- I. The Board will ensure that the credit union has a process in place to require and enable it to communicate effectively with its stakeholders.
- II. The Board has the responsibility for ensuring that the financial performance of the credit union is available to members on a timely, regular and accurate basis, in accordance with generally accepted accounting principles and/or with international financial reporting standards.
- III. The Board has the responsibility for timely reporting of any developments that have a significant and material impact on the value of members' assets.
- IV. The Board has responsibility for reporting annually to the members on its stewardship for the preceding year.
- V. The Board has responsibility for maintaining Integrity of Corporate Internal Control and ensuring efficient and effective Management Information Systems.
- VI. The Board has the responsibility for approving and monitoring compliance with all significant policies by which the credit union is operated.
- VII. The Board has a particular responsibility for ensuring that the credit union operates at all times within applicable laws, regulations, and rules, and to the highest ethical and moral standards.
- VIII. The Board is responsible for ensuring control and information systems are in place to ensure the effective discharge of all of the Board's responsibilities.

F. Governance Practices

- I. The Board is responsible for ensuring its own effectiveness. This includes ensuring proper understanding of duties, responsibilities of individual directors, the Board as a whole; establishment of Board committee and terms of reference for each committee.
- II. The Board will ensure that independent judgment is exercised in decisions at the Board.
- III. The Board will ensure that annually it will evaluate the effectiveness of the Board, the Board Chair, Directors, and Committees.
- IV. The Board is responsible for ensuring its own succession including the establishment of criteria for selection of Directors and assisting in the appointment process.
- V. The Board is responsible for ensuring its own training and development of the Board as a whole and for individual Directors, including access to orientation programs and ongoing training and development initiatives.

III. Specific Functions

The following are specific duties of the Board and will not be delegated to Management:

- I. Recommend the External Auditor to the members and fix the Auditor's remuneration.
- II. Ensure the External Auditor is provided full information and full cooperation.
- III. Oversee and monitor management of the business and affairs of the credit union.
- IV. Approve significant corporate decisions including rule changes.

IV. Independent of Management

The following are the specific duties of the Board that will be carried on independently without management's intervention or input.

- I. Receive and approve the reports of the External Auditors.
- II. Approve the financial statements of the credit union and present them annually to members.
- III. Elect all Board Officers of the credit union, and appoint the other Officers.
- IV. Receive regular reports from the CEO on operations and strategies and financial results.
- V. Authorize Officers of the credit union to sign documents and take financial action on behalf of the credit union, and make "banking" arrangements.
- VI. Authorize the CEO to appoint employees to various positions including administrative officers, and to fix their salaries.
- VII. Review compliance by the CEO of his/her actions within the requirements of Board policies.
- VIII. Make bylaws and transact any other business.
- IX. Declare dividends.

V. Reliance of Management

The Board can expect:

- I. Management will report all material information about the credit union to the Directors.
- II. Management will not act outside of their authority.
- III. Management will provide timely, complete and accurate information to permit the Board to make effective decisions and to enable it to properly monitor the operations and compliance to policies and legislation.

Appendix 2.

Performance Standards for the Board of Directors

	Policy and Procedures	Policy Number: Policy_00310
Policy Owner: Conduct Review Committee	Policy Title: Performance Standards for the Board of Directors	
Approved By: Board of Directors	Approval Date: May 5, 2022	Review Cycle: 1 Year

Performance Standards for the Board of Directors

Policy Purpose

The purpose of the Performance Standards Policy (this “Policy”) is to:

1. set the standards for directors’ conduct; and
2. identify, prevent, and resolve conflicts of interest.

This Policy supersedes and replaces the Code of Conduct and Ethics Policy, and Conflicts of Interest for Directors Policy. The Policies and Procedures Relating to Director Review is appended to and forms part of this Policy.

The Board of Directors (the “Board”) will enforce this Policy with the assistance and recommendations of the Conduct Review Committee (the “CRC”). Subject to the Board’s prior approval, the CRC may delegate its duties under this Policy to another committee of the Board. Conduct that results, or potentially results, in a breach of this Policy shall be reviewed under Appendix B - Policies and Procedures Relating to Director Review.

Standard #1: Code of Conduct Duties to Sharons Credit Union (“SCU”)

All directors of Sharons Credit Union (SCU) shall act in the best interests of the credit union in accordance with their fiduciary duties prescribed by law and the policies of SCU adopted by the Board and the members from time to time. Directors are required to be familiar with these duties and policies, as well as the business and affairs of SCU, in order to be capable of making appropriate contributions and decisions.

Standards of conduct

All directors shall:

- in performing their duties as a directors, act honestly, ethically, in good faith, and in a manner which will enhance the image of and be in the best interests of SCU, and exercise the care, diligence, and skill that a reasonably prudent person would in similar circumstances;
- conduct themselves in all personal, business and directorship matters in a manner that will not directly or by association damage the reputation of SCU; and
- deal with directors, officers, employees, members, suppliers, and the public openly, honestly, fairly, ethically, and in good faith, and not direct any officer or employee of SCU to take unfair advantage of anyone through manipulation, concealment, abuse of privileged information,

stealing proprietary information, misrepresentation of material facts, or any other unfair dealing or practice.

Respect for others

All directors shall:

- treat directors, officers, employees and members with dignity and respect, irrespective of age, race, colour, gender, sexual orientation, religion or nationality.

Maintain confidentiality

All directors shall:

- keep confidential all matters and information involving SCU, the Board, its committees, and the employees and members of SCU;
- not disclose such matters and information to any one or in any manner whatsoever unless the information is already in the public domain through no misconduct by the director, or unless authorized by the Board or required by a court of law or a regulatory body; and
- not use confidential information or assets of SCU or any of its subsidiaries or affiliates in order to, directly or indirectly, obtain a benefit or advantage for the director or anyone else.

Avoidance of conflicts of interest

All directors shall:

- neither accept nor provide any gift or hospitality of Material Value (defined in Appendix A) offered or tendered by virtue of their position with SCU; and
- notify the Board Chair in writing and await approval as required under this Policy prior to accepting any position as a director, employee (or any similar position) or Advisory Board member of any other entity. This is necessary to ensure that there is no conflict of interest or potential conflict of interest (as defined in this Policy) between director's duties to SCU and such other entity.

Disclosure of information to directors and officers

All directors shall:

- immediately advise the Board Chair if they have, or become aware of, any information (having regard to the purpose of this Policy) that would reasonably be considered relevant to ensuring the proper conduct and sound operation of the business and affairs of SCU.

Promptly report concerns

All directors shall report to the Board Chair and to the CRC:

- any illegal or unethical act that the director becomes aware has been, or reasonably suspects may be, committed by any director, officer or employee of SCU;
- any potential work hazards that are brought to their attention; and
- any violations of this Policy that they may witness or reasonably suspect by any other director of SCU.

Resignation events

All directors shall submit their resignation to the Board if any of the following events occur:

- the director determines that they are in breach of, or is in conflict with, any the duties, standards, principles, expectations or obligations of this Policy and that breach or conflict is expected to materially adversely affect their ability to act as a director in compliance with this Policy;
- the director has not attended, or becomes unable to attend, at least 75% of the regularly scheduled meetings (including committee meetings) held within the preceding 12 months;
- the director determines that they have a conflict of interest (as defined below) or potential conflict of interest (as defined below) that materially adversely affects their ability to act as a director in compliance with this Policy; or

- there is any other change in the director’s personal or professional circumstances that the director determines has impacted their ability to serve as a director in compliance with this Policy.

This section is intended to address voluntary resignation events. Events which may lead to involuntary resignation or removal from office are dealt with later in this Policy and in Appendix B - Policies and Procedures Relating to Director Review. The Board has the discretion to accept or reject a voluntary resignation delivered upon a “Resignation event”. The Board might reject a resignation if, for example, the director’s failure to attend at least 75% of the scheduled meetings was due to illness or other personal issues that are not expected to permanently impact the director’s ability to comply with this Policy or if there is a process (through special committees, abstentions from voting or otherwise) that can reasonably be implemented by the Board that would allow the director to continue to serve as a director and fulfill their duties notwithstanding the potential conflict or conflict of interest. The Board should accept any voluntary resignation delivered upon a “Resignation event” if the director’s ability to act as a director in compliance with this Policy has been materially adversely affected.

Annual attestation

All directors shall:

- formally acknowledge on an annual basis this Policy and the Related Party Transaction Policy and any other SCU policies required by SCU to be acknowledged.

Standard #2. Conflicts of Interest Background

Directors must take care to ensure that they identify and avoid any conflict of interest (as defined below). Directors must also take steps to avoid the appearance of a conflict of interest that might have the potential to interfere with their independent exercise of judgment, even where they believe that their actions as a director would not be influenced. A director must seek advice from the Board Chair of SCU where a conflict of interest, or potential conflict of interest, arises.

Definition of Conflict of Interest

A “conflict of interest” arises where a director has a duty, or a direct or indirect actual or apparent interest, that comes into conflict with, or is sufficient to influence or appear to influence, the performance of the director’s duties owed to SCU.

A “potential conflict of interest” arises if there is a situation that could reasonably be expected to become a conflict of interest.

An “apparent” interest/conflict is where there is not technically an actual interest/actual conflict, but where it might appear to an outsider that there is a conflict of interest.

An “indirect interest” may arise through a relative, friend, firm, supplier or any other personal relationship.

Potential conflicts

A conflict of interest includes both actual and apparent conflicts of interest and may potentially involve:

- the business of SCU or its subsidiaries or affiliates;
- companies in which SCU has invested or in which it is planning to invest;
- transactions with SCU;
- borrowing from or lending personal funds to an existing or potential customer or supplier of SCU;
- involvement with an organization that represents a special interest group or that carries out activities that, having regard to the purpose of this Policy and the role of a director of SCU, would reasonably be considered to conflict with the values and goals of SCU or the duties of a

director. For example, involvement in a consumer advocacy group adverse to financial institutions may represent a conflict of interest or involvement in a group whose mandate is inconsistent with the "Respect for others" principles set out in this Policy;

- any political activities (such as campaigning for a particular political party) on SCU property or political activities conducted by a director, in their capacity as a director of SCU and not in their personal capacity, except where such activities have been previously consented to by the CRC or the Board;
- any business activities outside of a director's role with SCU, unless such activities are passive investments that do not involve:
 - (i) any direct or indirect participation in the management or decision-making of such businesses nor
 - (ii) such director having direct or indirect control over 20% or more of the voting securities of such businesses.

Note: This is not an exhaustive list. There are other types of conflict of interest situations that arise. Directors must seek guidance from the Board Chair if in doubt as to whether a situation is, or may appear to be, or could reasonably be expected to become, a conflict of interest or from the CRC Chair if the situation itself involves the Board Chair.

Known conflicts

Unless the Board determines otherwise, it shall be a conflict of interest for a director of SCU to:

- contract or transact with SCU or any of its subsidiaries or affiliates;
- be a director, employee (or equivalent position) or Advisory Board member of (or a person acting in a similar capacity for) any entity that competes with SCU or any of its subsidiaries or affiliates;
- be a director, employee (or equivalent position) or Advisory Board member of (or a person acting in a similar capacity for) any entity that is a party to a proposed or current contract or transaction with SCU or any of its subsidiaries or affiliates;
- have a material interest, whether through share ownership or otherwise, in any party to a proposed or current contract or transaction with SCU or any of its subsidiaries or affiliates;
- accept any gift or hospitality of Material Value offered by reason of a person's position as a director of SCU; and
- approach members of SCU in respect of business activities other than the business activities of SCU and its subsidiaries or affiliates.

Note: This is not an exhaustive list.

Abide by the law and the Rules

This Policy does not relieve a director from complying with any laws or the Rules of SCU. Directors must be free of conflict in exercising their fiduciary duties and therefore must advise the Board of any conflicts of interest or potential conflicts of interests that could impair their decision-making.

Note: 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.

Disclosure procedures

Each director shall:

- immediately disclose in writing each conflict of interest as it arises to the Board Chair and the CRC;
- if the conflict of interest involves a contract or transaction in which a Related Party (defined in Appendix A) has an interest, such disclosure must comply with Part 5 of the Financial Institutions Act ("FIA") and Part 5 of the Credit Union Incorporation Act ("CUIA");

- if a proposed or current contract or transaction would not require approval at a Board meeting, disclose to the Corporate Secretary of SCU a conflict of interest with respect to such contract or transaction immediately upon the director becoming aware of such conflict. The director shall also request to have entered into the minutes of the next meeting of the Board thereafter, the nature and extent of their interest;
- sign a Conflict of Interest Disclosure Statement and a Related Party Disclosure Form each year. The statements shall be in the form approved by the CRC and the Board; and
- deliver a revised Conflict of Interest Disclosure Statement and revised Related Party Disclosure Form, as applicable, within 15 days of any change in any information contained in it. The Conflict of Interest Disclosure Statement, the Related Party Disclosure Form and any revisions thereto shall be delivered to the Board Secretary for review and filing with the CRC. Where the CRC determines it appropriate, such disclosure reports will be delivered to the Board, which shall record the disclosure in its minutes.
- Refer to Appendix B – Policies and Procedures Relating to Director Review for the procedural steps required to be taken for resolution of conflicts of interest in addition to the steps described in this section.

Standard #3 Communication

Communication Protocol with Management and Employees

- The Board’s primary interface with Management and employee is through the CEO. However, the Board also has an important relationship with other executive Management and CEO office staff. Directors are encouraged to make themselves available for consultation with Management where they can provide advice and counsel on subject where the Directors have special knowledge and expertise.
- Communication between the Directors and employees should be facilitated through the CEO, Office of the Corporate Secretary, or, in the case of matter related to a Board Committee.
- Directors must not communicate directly with Management and employees on operational matters without the CEO’s knowledge and consent.

Disclaimer

SCU in its sole discretion may amend this Policy from time to time. Such amendments may be made without giving prior notice. All persons to whom this Policy applies are expected to continue to abide by the Policy as amended, and will be responsible for periodically reviewing the Policy for any updates.

I hereby confirm that I have read, understood and agree to comply with these Performance Standards Policy.

Director Signature	Director Name
X -----	Date (yyyy-mm-dd)

Appendix 3.

Campaign Regulation for the Director Election

	Policy and Procedures	Policy Number: Policy_00312
Policy Owner: Nominating Committee	Policy Title: Campaign Regulation Policy	
Approved By: Board of Directors	Approval Date: Sep.29, 2022	Review Cycle: 1 Year

Campaign Regulations Policy

These Regulations, issued by the Board of Directors (the “Board”) of Sharons Credit Union (“the credit union”), set forth the method and manner of any campaigning for the election of Directors (the “Election”).

Purpose

The Board has developed these Regulations in order to provide clarification of the permitted method and manner of campaigning and to promote fairness and equality among the candidates seeking election to the Board.

The Regulations:

- a. Help members make fully informed choices by ensuring information provided on candidates is relevant, accessible and in a consistent format among all candidates; and
- b. Enable members to democratically elect those candidates who have the identified strengths currently needed on the Board

In addition to complying with these Regulations, candidates must comply with all applicable Rules, including the requirements set out in the Director Election Candidate Information Package.

1. Subject to applicable laws, the Board of Directors shall from time to time determine the method and manner in which candidates shall be permitted to campaign for election: the “Campaign Regulations”, Candidates must campaign in accordance with the Campaign Regulation.
2. No candidate shall campaign on or interfere with, ingress or egress to the property of the Credit Union in connection with any election or permit anyone to do so on his or her behalf.
3. No candidate shall campaign or permit any person to campaign on his or her behalf in any of the premises of the Credit Union or subsidiary of the Credit Union or any property where any premises or facilities of the Credit Union or subsidiary of it are situated, except in the method and manner permitted pursuant to the Campaign Regulations and the Rules of SCU.
4. Subject to applicable laws, a candidate who campaigns or permits any person to campaign on his or her behalf in any method or manner which, in the opinion of two thirds of the Board of Directors, is other than as determined by the Board of Directors, shall be disqualified as a candidate and no vote cast in favour of that candidate shall be counted in the tally of ballots, but the ballots shall not otherwise be deemed to be void. The candidate will be given the

opportunity to address the Board of Directors before such a vote is taken. Within 24 hours of the disqualification of a candidate by the Board of Directors, the Board of Directors shall give written notice of such disqualification to the candidate and the notice shall specify the reason or reasons for the disqualification.

5. No candidate shall interfere with the election process or seek assistance in connection with the election from any employee of the Credit Union or subsidiary thereof, the Returning Officer or any person employed by the Returning Officer.

6. If any candidate violates the Campaign Regulations or the Rules, the Board of Directors may disqualify the candidate and the determination of the Board of Directors shall be final, non-appealable and binding.

7. No candidate shall summon or permit any person to summon on his/her behalf a meeting of more than two members for the purpose of campaigning for the election.

8. No candidate shall offer or permit any person to offer on his/her behalf a free meal/drink or gift in connection with the election.

In the event of a violation of these Campaign Regulations or the Credit Union Rules, the Board of Directors may also remove a candidate as Director pursuant to Rule 4.26.

Candidate Information for Publication:

The only written communications that may be used regarding a nominee's candidacy in connection with the election is the information set out in Parts D and E of the Candidate Nomination Form and any other information provided by the Candidate that the Nominations Committee in its sole discretion deems relevant to members in their voting decision and is distributed by Sharons Credit Union. Such written information may only be distributed by Sharons Credit Union and is compiled and provided to all members as follows:

(a) Submission: Each candidate must submit and forward to the Nominations Committee a completed Candidate Nomination Form.

(b) Content: The Candidate Nomination Form shall include the candidate's biographical information, occupation, experience and qualifications. The total word count for Part E of the Candidate Nomination Form must not exceed 300 words in length.

(c) Review and Acceptance: The Nominations Committee, who represent the members, will review each Candidate Nomination Form and determine in its discretion whether it is acceptable. The Nominations Committee may reject materials that the Committee in its discretion considers to be inappropriate or offensive (including lacking in good taste, defamatory or injurious to the reputation of Sharons Credit Union), contains inaccurate information or otherwise fails to comply with these Regulations or the Rules. The Nominations Committee may in its discretion require candidates to revise and resubmit the Candidate Nomination Form for further review and acceptance.

(d) Distribution: Parts D and E of the Candidate Nomination Form accepted by the Nominations Committee may be included in an insert in a Sharons Credit Union' newsletter and/or election voting materials prepared and distributed by Sharons Credit Union to Members. Except for such publications in accordance with these Regulations, candidates may not directly or indirectly distribute election materials to members of Sharons Credit Union or any other person by any means, electronic or otherwise. The Nominations Committee may require Candidates who stand for election to answer additional questions in any format or media it specifies to further inform members' voting decisions. The Nominations Committee reserves the right to edit and summarize the information contained in

Parts D and E of the Candidate Nomination Form, including information in Part E where it is in excess of the 300 word maximum.

(e) Other Communications: Except for the distribution of a Candidate Nomination Form by Sharons Credit Union in accordance with (d) above, candidates may campaign in the Election only by speaking directly with individual Members in person or by telephone. Candidates may not use social media to announce or promote their candidacy.

(f) Media Interviews or Advertising: Candidates must not solicit or participate in interviews with the media in connection with the Election or place any advertisements or other statements regarding their candidacy in the Election in any newspaper, website, or other publication or media, or permit anyone to do so on the candidate's behalf.

(g) Assistance of Others: Candidates must not seek or accept the assistance of, or permit, any other person (including third parties, family members, employees of Sharons Credit Union, other candidates or the media) to campaign on the candidate's behalf.

(h) References to Candidacy: Except as permitted in sections (a) through (d), candidates must not make any written reference to their candidacy in the Election for any purpose whatsoever, including without limitation as a credential for the purpose of obtaining membership or employment in any organization.

(i) Mandatory Compliance Declaration: At any time upon the request of the Nominations Committee, a candidate shall promptly and truthfully declare in writing, in a form approved by the Nominations Committee that the candidate has fully complied with the Rules and these Campaign Regulations or any requirement of them.

(j) Further Information: Candidates having questions regarding these Regulations should direct their enquiries by letter to the Chair of the Nominations Committee.

Chair of CRC
Sharons Credit Union
1055 Kingsway
Vancouver, BC
V5V 3C7

I hereby confirm that I have read, understood and agree to comply with these Campaign Regulations.

_____ Candidate Signature

_____ Candidate Name

_____ Date