



Board of Directors

Last updated – October 2016

Purpose of the Board of Directors

The Board of Directors has ultimate accountability for the governance of the Credit Union, pursuant to governing legislation and by-laws.

The relationship between the Board and management, members, other stakeholders and the individuals on the Board is critical to meeting this accountability.

The Board's role is to develop and implement sound policies and business strategies to support the goals and objectives of the Credit Union and to ensure it is effectively managed for the overall long-term benefit of its members and employees.

As a director of Horizon Credit Union Board, you not only give your time, valuable skills and experience through your service to the membership, you also receive many benefits. Some of these benefits include pride from serving your community, opportunities to meet other people, as well as exposure to the Credit Union system on a local, regional, provincial and national level. Another benefit is the knowledge, educational and personal growth obtained through your active participation and service.

Composition & Qualifications

Our Board is made up of 10 directors; five representing the Melville Branch (Main Branch), two from the Grenfell Branch and one each from the Grayson, Neudorf, and Wolseley Branches. As members of the Board, directors will be elected by their peers to the offices of President, Vice-President and Secretary. In addition, directors will be asked to serve on committees: Executive Committee, Audit & Risk Management Committee, Public Relations Committee, Conduct Review Committee, Nominating Committee, Policy Review Committee and the Staff Relations Committee. Board members of Horizon Credit Union must at all times, while holding office as a director, meet the eligibility requirements of *The Credit Union Act, 1998*, Standards of Sound Business Practice and bylaws of the Credit Union. Failure to do so will result in immediate disqualification from the Board. These qualifications are:

The Credit Union Act, 1998

102(1) No person is eligible to be a director who:

- (a) is less than 18 years of age;
- (b) is of unsound mind and has been found by any court in Saskatchewan or elsewhere to be of unsound mind;
- (c) is not an individual;

- (d) in the case of a director elected or appointed by members, is not a member of the credit union;
 - (e) is an employee of the credit union or of CUDGC;
 - (f) has been convicted in the preceding five years of a criminal offence that is punishable by a term of imprisonment of five years or more or of an offence against this *Act*;
 - (g) has the status of a bankrupt;
 - (h) is a professional adviser to the credit union;
 - (i) is a person who has failed to comply with Division 6 of Part X; or
 - (j) is a person or a member of any class of persons that may be prescribed in the regulations
- (2) A person is disqualified to remain a director if that person fails, without good cause, to attend the minimum number of board meetings that the bylaws may set.
- (3) Every nominee for the position of director of a credit union shall confirm in writing to the board that the nominee is eligible to be a director pursuant to this section.
- (4) A credit union may, by bylaw, add to the eligibility requirements for directors set out in this section, but may not diminish those eligibility requirements.
- (5) Subject to section 94, a director elected by shareholders need not be a member.

1998, c.C-45.2, s.102

Standards of Sound Business Practice

Each Board member shall:

- meet qualifications pursuant to section 102 of the *Act*;
- act honestly and in good faith with a view to the best interest of the Credit Union;
- exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances; and
- comply and cause the Credit Union to comply with legislation pertaining to credit unions, orders of the Registrar, orders of the Corporation, the Standards, financial and business practice directives, and the Credit Union's articles and bylaws.

The Credit Union Board of Directors is ultimately responsible for ensuring the Credit Union is managed and operated in a sound and prudent manner.

Horizon Credit Union - Bylaws Section: 5.3

In addition to the qualifications set out in the *Act*, directors shall have the following qualifications:

- (a) Must not have a loan with the Credit Union that is more than six months in arrears without the written approval of the board;
- (b) Must not have a loan with the Credit Union that is more than 12 months in arrears;
- (c) Must be a member of a credit union for a minimum of 1 year immediately prior to the nomination;

- (d) Must retain a membership with Horizon Credit Union and conduct a significant portion of their financial business with the Credit Union, in order to demonstrate confidence in the Credit Union;
 - (e) Must be bondable and remain eligible for fidelity bonding;
 - (f) Must not be a board member or sales representative of any other financial institution, except as a representative of the Credit Union;
- To represent a branch, a nominee must have their primary account(s) at that branch of Horizon Credit Union.

Accountabilities & Responsibilities

The Credit Union Act, 1998, assigns the members of the Board of Directors the duty to direct the management of the business affairs of the Credit Union. To accomplish this, the Board will, both directly and through its committees and president, provide direction to the Chief Executive Officer to pursue the best interests of the Credit Union.

Key roles:

- Exercising the powers of the Credit Union directly, or indirectly, through employees
- Directing the management of the business affairs of the Credit Union
- Acting honestly and in good faith with a view to the best interests of the Credit Union at the exclusion of other interests
- Exercising the care, diligence and skill of a prudent person in directing the Credit Union's affairs

To carry out their role the Board of Directors will:

- Attend all Board and committee meetings as is reasonable to expect, as per the requirements established in Horizon Credit Union bylaws.
- Ensure the selection and supervision of a qualified and competent CEO with the skills necessary to manage the sound operation of Horizon Credit Union as evident through reference to experience, education and results achieved.
- Evaluate the effectiveness of the CEO's performance at least annually in a formal review process.
- Ensure that Board skills and training are continually maintained at a level required to achieve sound business policies, practices and results.
- Maintain eligibility for fidelity bonding through Credit Union Deposit Guarantee Corporation.
- Review and maintain Credit Union policies, on a regular basis, to ensure their continuing relevance and consistency with standards of sound business practice, the needs of members, and regulatory requirements.
- Review and maintain the Credit Union Code of Conduct, market practice compliance code and codes of compliance developed within provisions of *The Credit Union Act, 1998 and The Credit Union Regulations, 1999*.
- Ensure the engagement of audit and inspection processes which inform the Board of adherence to policies and practice requirements.
- Maintain an objective relationship with auditors and regulators.

- Specify the content and frequency of management reports to the Board to ensure accurate and timely performance monitoring and adherence to performance requirements, targets and standards.
- Ensure that Horizon Credit Union has effective internal controls, compliance programs, and measures that safeguard the assets of the Credit Union.
- Adopt a risk management policy statement, and
 - Understand the significant risks to which the Credit Union is exposed,
 - Approve appropriate and prudent risk management policies for the significant risks,
 - Review the Credit Union's risk management policies at least annually to ensure that they remain appropriate,
 - Obtain, on a regular basis, reasonable assurance that the Credit Union has an effective risk management process and that the risk management policies for significant risks are being adhered to.
- Closely review and where possible implement recommendations of regulators, auditors and industry professionals which prevent or remedy deficient business practices.
- Establish the corporate vision and mission statements of Horizon Credit Union and review annually.
- Maintain effective Board and/or management planning processes that promote the long-term viability of Horizon Credit Union, and establish and monitor business objectives.
- Appoint committees, delegate duties and responsibilities to them, and monitor their performance in relation to requirements.
- Ensure there is an adequate succession plan for the CEO.
- Annually approve the financial and capital budgets, and approve distribution of year-end net earnings.
- Periodically review the codes of conduct and conflict of interest policies to ensure that they are adhered to, and that each director, advisory committee member and employee is acting in the best interest of the Credit Union.
- Monitor member and community relations.

Meetings of the Board

Regular scheduled meetings are held on a monthly basis between 10-12 times each year at the main branch in Melville. Special meetings of the Board may be called at any time at the discretion of the chair or the Executive Committee. The majority of the directors in office constitute a quorum for all meetings. All directors are required to attend at least 75% of the Board meetings annually. Failure to meet attendance expectations may disqualify a director from continuing in office, unless excused by the Board for good cause. Remuneration for Board members will be in accordance with the Credit Union's remuneration policy.

Term of Office

Directors are elected by the membership of the Credit Union during a designated election period and serve three-year staggered terms. Elections run each spring prior to the Annual General Meeting. Notification to the membership is done via our website, newspaper ads and in-house posters. A person shall be eligible to serve as a director for an indefinite number of terms.

Director Development

Horizon Credit Union will provide the necessary opportunities for personal and professional development of directors and Board committee members. The Credit Union will pay related tuition costs, expenses and remuneration for training and development opportunities, as outlined in the director remuneration policy of the Credit Union.

It is acknowledged that the Credit Union Director Achievement (CUDA) program is the starting point for all director development. Subject to availability, all directors will complete CUDA Level A by the end of their third year and encouraged to complete CUDA Level B and CUDA Level C.

Attendance at Credit Union system meetings, conferences, conventions, seminars and in-house training provides additional opportunities to support director development. Attendance by individual directors at such events is encouraged.

Conclusion

We hope this has given you some insight as to what it entails to be part of our Board of Directors and team at Horizon Credit Union. If you should require additional information or are interested in running for director, please feel free to contact our Chief Executive Officer, Terry Sieffert, by contacting our main office (306-728-5425, ext. 2233) or by clicking on the "Contact Us" link on our website.