# PROCESS A1 – DIRECTOR CANDIDATE ENDORSEMENT

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|---|---|
| Date of Board/Management Approval | Not applicable |
| Date of Committee Approval | January 20, 2025 |
| Date of Previous Committee Approval | Not applicable |
| Board Committee Delegated Responsibility for this Policy | Nominations Committee |

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# Introduction

The purpose of this Process is to (i) clarify the expectations and standards by which candidates will be selected for possible inclusion in the Credit Union's recommended slate of candidates during the elections process and (ii) promote transparency and ensure consistency in the process followed to determine whether a candidate should be endorsed.

# Definitions

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| the Credit Union | StellerVista Credit Union |
| the Rules | Rules of the Credit Union |
| the Board | Board of Directors of the Credit Union |
| FIA | Financial Institutions Act of B.C. |
| CUIA | Credit Union Incorporation Act of B.C. |
| BCFSA | British Columbia Financial Services Authority. BCFSA is the regulator for B.C.'s financial services sector which includes credit unions. |

# 1 Purpose of the Endorsement Process

The purpose of this Process is to:

- set out the Credit Union's approach to endorsing or recommending director candidates in order to ensure consistency in the process; and
- assist the Board in complying with its obligations under the Governance Guideline issued by the BCFSA, particularly with respect to the Board taking an active role in the director recruitment process.

# 2 Process Statements

(i) the Credit Union believes in the value of endorsement as a governance practice which supports board effectiveness, board relevancy and board renewal.

(ii) the Credit Union believes that governance practices such as endorsement provide members with assurance that a candidate's values, interests, experience and qualifications are those that would enhance the boards' current composition.

(iii) the Credit Union believes that a Board elected democratically is consistent with its cooperative roots and credit union values and will ensure that its elections practices, including endorsement are fair, transparent and aligned with the democratic process.

(iv) the Credit Union welcomes and values applications to become a Board member from all members who meet the eligibility criteria set out in its Rules and the skills and competencies published to the membership annually.

(v) the Credit Union seeks and encourages diversity on its Board and in alignment with its A1 Board Diversity and Regional Representation Policy may use endorsement as a mechanism for achieving this. Through its approach to actively encouraging diversity, the board will reflect the need to provide good governance and ensure board members have the required governance skills, as well as complementary perspectives.

(vi) the Credit Union strives to ensure that the Board as a whole possesses the skills and experience relevant to the credit union's needs, which evolve to accommodate changes.

(vii) the Credit Union is committed to demonstrating transparency and accountability to all stakeholders and as such this Process will be published for all to access on the StellerVista website.

# 3 Process for Endorsing Candidates

The Nominations Committee will follow the below process for the endorsement of candidates in each election cycle:

- Prior to sending the call for nominations, the Nominations Committee will:
    - review and assess the current Board composition based on the StellerVista Board of Directors Skills and Competency Matrix and determine whether there are any potential gaps in skills, experience or personal attributes of the Board based on such matrix.
    - review and assess the diversity of backgrounds, perspectives and problem-solving approaches of the current Board composition and determine whether there is an appropriate level of diversity to represent the interests of the members of the Credit Union; and
    - based on the above review, identify the required and desirable skills, experience and personal attributes of candidates that will assist in filling any potential gaps or increasing diversity on the Board and that are directly aligned to the Credit Union's strategic plan.
- The Nominating Committee will actively recruit individuals who, in the opinion of the Nominating Committee, have the skills, experience and personal attributes identified as required or desirable by the Nominating Committee.
- The Nominating Committee will review each candidate's Board Candidate Nomination Package and conduct one or more interviews with the candidate to objectively assess whether the candidate has the identified skills, experience and personal attributes, using a matrix developed by the Nominating Committee.

- Candidates who are incumbent directors will not be automatically endorsed by the Nominating Committee but will be evaluated following the same process as all other candidates, including ~~but not required,~~ participating in an interview.

- After interviewing each of the candidates, the Nominating Committee will collectively discuss their assessments of the candidates based on the assessment matrix and complete the annual Candidate Review.

- If the Nominating Committee feels it is appropriate, the Nominating Committee will then select any number of candidates to endorse or recommend that meet the identified required skills, experience and personal attributes and any other requirements pursuant to the *Credit Union Incorporation Act*, the *Financial Institutions Act* and the Rules of the Credit Union and who, in the Nominating Committee's view, would best fill the available seats to strengthen the Board.

- Following its endorsement selections, if any, the Chair of the Nominating Committee will promptly communicate to each candidate whether or not the candidate has been selected for endorsement. This communication should occur at least one week prior to sending the notices of election to be printed, in order to provide candidates with sufficient time to withdraw from candidacy if they choose to do so.

- The Nominating Committee will include within the Notice of Election provided to all members of the Credit Union entitled to vote pursuant to Rule 4.15 of the Credit Union's Rules an indication of which candidate or candidates the nominating committee endorses or recommends (if any).

# 4 Associated Documents

- Policy A1 – Board and Governance Practices
- Guidelines A1 – Campaigning Rules
- Rules of StellerVista Credit Union

  A link to the Rules can be found on the Credit Union's web site in the Online Polices section of the About Us page.
- Terms of Reference for Board Directors, Officers and Committees
- Credit Union Incorporation Act
- Financial Institutions Act

# 5 Process Review and Approval

The Nominations Committee will review this process biennially for its ongoing appropriateness.

Should any material subsequent recommended changes to this process be made, the Board of Directors will be advised by memo.

# 6 Revision History

*Table 1: Revision History*

| Revision Date | Revision Description | Date Approved | Approved By |
|---|---|---|---|
| January 2026 | For consistency and fairness, the Committee agreed that all candidates, including incumbents, should be interviewed and evaluated using the same criteria. | | Nominations Committee |