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Kingston Community Credit Union

DIRECTOR CANDIDATE INFORMATION PACKAGE

KCCU
Kingston Community Credit Union

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This package outlines the nomination process, director responsibilities, eligibility requirements, key dates, and information prospective candidates need to consider before applying.

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Candidate Journey & Key Dates

1) Review Package
2) Confirm Eligibility
3) Submit Application
   - Nomination deadline: Tuesday, January 26, 2027 at 4:00pm
4) Candidate Interview
5) Voting
   - If required, voting closes: Monday, March 22, 2027 at noon
6) AGM Results
   - AGM: Tuesday, March 23, 2027

A Message from the Chair of the Nominating Committee

Call for Nominations of Candidates for the 2027 Board of Directors Election

Dear Prospective Board Candidate:

Thank you for your interest in seeking nomination for our Board of Directors. Inside this package you will find information to help you better understand the duties and responsibilities of our directors and everything to assist you in submitting your application to run as a Board of Director Candidate.

As Chair of the Nominating Committee, along with Directors Brent Bellamy, Dan Hendry, Bob Trentadue and Paul Vickers, I am pleased to help oversee the nomination and election of Directors to the 2027 KCCU Board. Elections are held to fill the places of Directors of the Board whose terms of office have expired or for any vacated seats. Kingston Community Credit Union is seeking interested, ethical members to sit on its' Board of Directors. In 2027, there are two Directors of the Board whose term of office will expire and one retirement.

Our Annual General Meeting will be held in-person on Tuesday, March 23, 2027. Elections (as required) will take place in advance of the meeting with results announced at the meeting. Registration for the AGM and voting for Directors (as required) will close Monday, March 22, 2027, at noon.

If you would like to apply for nomination, please read this Candidate Guide thoroughly. Then, complete and submit the 2027 *Director Candidate Application*. Please note that within the application, you have the option of submitting the name(s) and e-mail address(es) for nominating members. The application package can be found at kccu.ca or by contacting Mary Lowdon, our Corporate Secretary, at mlowdon@kccu.ca or 613-384-5555. If you would like further information or would like to discuss this opportunity, please reach out to myself or our CEO, Jon Dessau, through our Corporate Secretary.

KCCU considers applicants without regard to race, colour, religion, sex, sexual orientation, ethnic origin, age, marital/family status, disability, or any other legally protected status. If you are a person with a disability and require technical aid or alternative assistance for your application, please advise us of these needs, and any way in which we can be of assistance.

Please note that nominations must be received no later than **4:00pm on Tuesday, January 26, 2027.**

Thank you for your interest in serving as a member of the Board and for your continued loyalty to KCCU.

Sincerely,

Leslie Benecki, Chair
2026-2027 Nominating Committee

Introduction

This package provides information about the process of and details of becoming a Board Member of Kingston Community Credit Union (KCCU).

KCCU is a local, democratic financial cooperative governed by a Board of Directors and accountable to the members owners of the credit union. KCCU is committed to meeting the standards of legal and regulatory requirements in order to maintain member confidence and demonstrate financial success.

Kingston Community Credit Union (the Credit Union) is regulated by the Financial Services Regulatory Authority of Ontario (FSRA). The credit union must comply with the Credit Union and Caisses Populaires Act, 2020, the Ontario Regulations 105/22, the Sound Business and Financial Practices – Rule 2021-001, KCCU By-Laws and polices, and other applicable provincial and federal laws. The credit union provides regular reporting to the Corporation and is subject to periodic risk-based examinations.

Kingston Community Credit Union employs a modern and effective use of governance and risk frameworks to ensure the credit union is managed and operated in a sound and prudent manner. The Board ensures that the credit union maintains high standards for its governance framework and governance of the credit union.

About Kingston Community Credit Union

Our History

Founded on October 28th, 1957, by a handful of municipal workers each contributing a 50-cent share and originally granted a charter as the Kingston Municipal Employees Credit Union, Kingston Community Credit Union Ltd. was renamed and became an open bond community credit union in 1974.

Prior to 1980, KCCU acquired The Teamsters, Northern Electric Employees, and the Kingston General Hospital Employees Credit Unions.

Now in our 68th year, KCCU has near 10,000 members with assets under administration of over $275 million and employs 45 people from the local community.

KCCU, is a member-owned, democratically operated financial co-operative, open to those who work or reside in the greater Kingston area. KCCU strongly believes in building co-operative relationships with their members and community. For over 67 years, KCCU has made a positive impact on our local community with charitable giving, volunteerism, and financial education. We have a proud tradition of co-operative business ethics and continue to demonstrate our values: Co-operation, Integrity, Community, Sharing, Financial Strength, Education, and Respect for All. As part of the credit union philosophy of People Helping People, KCCU is committed to building, strengthening, and enhancing the lives of those in our community.

KCCU maintains three full-service local branches in Kingston as well as offering service and information via our website, kccu.ca.

A Different Approach – Financial Cooperatives

As a member of KCCU, you are both a customer and a shareholder and have an equal vote in the selection of the credit union's Board of Directors. The Board of Directors are elected from the membership and have a say in the direction of the credit union. Members may attend the Annual Meeting each year to participate and vote on dividends, Bylaws, directors and to receive updates about the credit union's activities and success over the past year.

Be Part of the Cooperative Movement

Belonging to Kingston Community Credit Union means that you will be part of the growing co-operative movement. Cooperatives are based upon the idea of maximizing benefit, rather than profit. Banks generate profit for investors who purchase bank stock. Credit Union members have an institution that works to maximize the things they value in their lives and in their community. Credit unions maximize benefit according to cooperative principles and their mission, vision and values. The assumption is that there is strength in mutual self-help and that the cooperative has a collective responsibility for the well-being of its members and its community.

MISSION: Kingston Community Credit Union's mission is to foster the financial health of members by delivering outstanding and affordable financial services using co-operative principles

VISION: To be the most trusted financial service provider and grow the well-being of our community.

VALUES: We Value

- **Co-operation:** people helping people
- **Integrity:** always doing what is best for our members
- **Community:** commitment to strengthening our community
- **Sharing:** sharing our success with our community and members
- **Financial Strength:** building financial strength with co-operative and sustainable ethics
- **Education:** sharing our expertise
- **Respect For All**

Our Market Code of Conduct

KCCU is committed to ensuring that our members are completely satisfied with the level of services they receive and have committed to *The Market Code of Conduct for Credit Unions*.

The Code recognizes the best practice principles we pledge to follow for soliciting, promoting, advertising, marketing, selling, or distributing our products or services. The Code demonstrates our commitment to the fair treatment of all those who use our services. We believe in fair sales practices, comprehensive access to banking services, transparency and openness, and a reasonable approach to settling complaints.

Individuals are entitled to the best possible care of their financial interests. We respect all our provincial

regulatory obligations and continually practice absolute excellence in consumer protection. Please refer to KCCU's website for full details of the Code.

KCCU's best practices can be summarized in five key principles:

1. **Business Practices:** We are committed to providing customer service excellence to all our members and customers using our products and services. It is a core component of our governance and corporate culture.
2. **Fair Treatment and Fair Sales Practices:** Treating members and customers fairly and demonstrating fair sales practices at all times are integral parts of our business practices.
3. **Access to banking Services:** We ensure that all credit union members and customers are granted access to fundamental financial services.
4. **Transparency and Disclosure:** The credit union uses plain language descriptions of products and services in its communications to ensure people make informed decisions.
5. **Complaint Handling:** We examine complaints, work to settle them fairly, and track them to help ensure our practices continue to improve.

As a member, your participation is extremely important to the success of our credit union. Members are encouraged to consider nomination to the board, attendance at the Annual General Meeting and participation in the election process by voting.

Board of Directors Overview

Role of the Board

The Board of Directors sets the overall strategic direction of KCCU. While management is responsible for the day-to-day operations of KCCU, the Board of Directors bears the ultimate fiduciary responsibility to protect members' assets and set KCCU's risk appetite. The Board of Directors also helps represent the credit union in provincial and national organizations. Directors have both legal and ethical responsibilities to the credit union and its members. Together, they bring to the Board a broad range of knowledge, diversity and depth of experience, as well as an understanding of the principles and values of the credit union and co-operation. Directors are obligated to act honestly, in good faith and with the best interest of the credit union in mind.

Being a director demands a significant investment of time, energy and expertise. It is a tremendous opportunity to contribute to the success of the credit union.

Responsibilities of the Board

The Board is ultimately responsible for overseeing that management operates the credit union in a safe and prudent manner, ensuring adherence to all applicable regulations, legislation and guidelines and that the credit union is consistently operating in accordance with cooperative principles.

The Board of Directors meets, at minimum, quarterly to monitor and assess the adequacy of management's activities in achieving the credit union's business objectives and compliance with risk management guidelines.

The Boards' key responsibilities:

1. The board of the Credit Union is responsible for providing oversight, supervision, and direction to management, and shall oversee and approve the credit union's:
    - Short- and long-term business plan and strategy
    - Material decisions made outside of the normal course of the credit union's operations
    - Significant strategic initiatives
    - Code of market conduct
    - Plans related to capital and liquidity management
    - Mandates and budgets for oversight functions
    - Risk management
    - Delegations of authority by the credit union's senior management
    - The adequacy of the credit unions and its subsidiaries' resources to conduct business, carry out its financial and risk management activities, and protect members, depositors and other stakeholders.
2. The appointment, setting of performance objectives, compensation, incentives, succession plans and reviews of the credit union's CEO.
3. The establishment and use of committees to assist the board in discharging its responsibilities.

Competencies

A credit union shall have a board with the appropriate size and structure, composed of directors who have appropriate skills, education, experience and commitment to enable them to discharge their duties and responsibilities effectively, having regard to the nature, size, complexity, operations and risk profile of the credit union.

Collectively, Directors should have a broad range of business knowledge and experience as well as strategic and innovative thinking. In addition, the director's value system should align with the cooperative principles and values of the credit union. Board competencies and effectiveness are evaluated annually. This evaluation process identifies improvement opportunities which are supported through ongoing education and development. To support the Directors, extensive training in governance, financial management and risk management is available, along with opportunities to participate in provincial and national co-operative and credit union peer events.

Learning & Development

KCCU believes learning & development programs for our directors are important to assist them in understanding the roles and responsibilities of being a Director of the Credit Union. Directors are required to complete specified training annually as outlined in the Board Training Plan which is reviewed and approved by the Board annually. Learning is available through in-house learning resources, TLC Board 360, and CuSource (CUDA) program. In addition, directors are eligible for learning & development opportunities such as courses, webinars, conferences, etc. within Board established guidelines. New directors will participate in the credit union's Director Orientation Program during their first year.

Diversity

The Board supports a blend of directors to reflect diversity of backgrounds and experience, age, gender, ethnicity, education and local geography. The Board has adopted a goal that its director's composition includes at least 30% representation of each gender.

Time
As a board member, you must be prepared to commit to a 3-year term and to actively participate in quarterly board and committee meetings, training courses and attend special meetings as required. Directors can expect to spend on average 15-20 hours per month on various duties including preparation for meetings, attendance at Board and committee meetings, education, orientation activities and community events.

Composition of Board and Terms
The number of directors on the board is determined in the Bylaws of the credit union, as amended from time to time. Kingston Community Credit Union's Board of Directors currently consists of eight (8) democratically elected individuals who work closely with the leadership team. Each member is elected for a term of three years (some exceptions may apply), subject to a term-limit of 5 consecutive terms in office.

Remuneration
Directors are paid an annual honorarium in recognition of the significance of the accountabilities and responsibilities associated with governing the Credit Union, and in recognition of the time required for Directors to fulfill their responsibilities. Reasonable expenses are reimbursed as per Board policy.

Election Process

Kingston Community Credit Union Board, as established in the Bylaws, currently consists of eight (8) directors and in 2026, there are three (3) positions open for election, each for a 3-year term. As defined in Kingston Community Credit Union Bylaws, and Board's policy, 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 may make a ranking of the qualified Candidates to fill the vacant position(s), with reference to the above-mentioned selection criteria to director diversity and director expertise. The Nominating Committee may advise the Candidates of their ranking and may indicate to the membership their ranking in the interest of promoting Board diversity, Board experience, and other selection criteria as established by the Board from time to time.

Kingston Community Credit Union elections will be conducted in advance of the Annual General Meeting. There will not be nominations from the floor. The results will be announced at the Annual General Meeting.

Candidate's Guide
Eligibility requirements and disqualifications are outlined in this package. Persons wishing to place their name for nomination should submit their completed *Director Candidate Application*, along with any required documents, to the Chair of the Nominating Committee. The *Director Candidate Application*

can be found on our website or by contacting Mary Lowdon, our Corporate Secretary at mlowdon@kccu.ca or 613-384-5555.

If you would like further information on board commitment and responsibilities, please contact our CEO, Jon Dessau, at jdessau@kccu.ca or 613-384-5555

Please note that nominations must be received no later than **4:00pm on Tuesday, January 26, 2027**.

Candidates who wish to apply may:

- Without any assistance from employees of Kingston Community Credit Union, provide the name(s) of Nominators who themselves meet the following criteria, as of the Record Date:
  - Be a member of KCCU with their required membership shares;
  - Is a member in good standing;
  - Not be disqualified from becoming or acting as a director of the credit union pursuant to the Act.

Director Eligibility Requirements

Eligible Candidates must be a member of Kingston Community Credit Union in good standing for at least one year to apply.

As per KCCU Bylaws, only persons qualified to become or act as a director of the credit union is a person who:

- is a member of the Credit Union, and, in particular, but without limiting the generality of the foregoing, in full compliance with the minimum membership Share requirements contained in section 2.03 hereof;
- is at least eighteen years of age;
- is a Canadian citizen or a person lawfully admitted to Canada for permanent residency and ordinarily resident in Canada;
- will not, at the individual's proposed date of appointment or election, have then continuously served as a director of the Credit Union for five (5) consecutive terms;
- is not disqualified under the Act;
- is not an employee, director or officer of, or a partner in, or who controls:
  - a bank, credit union, trust company, loan company, savings and loan association, deposit taking institution, lending institution, mortgage broker, insurance company, insurance agency;
  - any corporation, firm or other organization which carries on any business which competes with any business carried on by the Credit Union or any subsidiary of the Credit Union;
  - any corporation, firm or other organization which is a partner in, or a member or a shareholder of, any partnership, joint venture or corporation (except a public corporation) of which the Credit Union or any subsidiary of the Credit Union is also a partner, member or shareholder of, or any subsidiary of the Credit Union.
- was not, at any time during the year immediately preceding the date of determination of the individual's eligibility to serve as a director, a director or an officer of a corporation, or a person who controls or controlled a corporation, which has received from the Credit Union or any of its subsidiary's payments for services of more than thirty thousand dollars ($30,000) during the

immediately preceding year;

- was not on the date of determination of the individual's eligibility to service as a director a spouse, child or parent of another candidate already nominated for election or appointment as director of the Credit Union at the same election or meeting or the spouse, child or patent of an incumbent director whose current term expires on a date beyond the date of the election or meeting; and
- is not a former employee of the Credit Union, or the spouse, parent, child or sibling of a former employee of the Credit Union, unless that former employee has not been employed by the Credit Union in the sixty (60) months immediately preceding the date of the determination of the individual's eligibility to serve as a director of the Credit Union;
- is nominated in accordance with section 7.10 hereof if the person is seeking election at a meeting of members other than a meeting called for the purpose stated in Section 4.05;
- has disclosed to the Board, in a timely fashion before either the election in which the individual is a candidate is held during a meeting of members, or a Board meeting at which a resolution to appoint the individual to fill a vacancy described in Section 4.07 is presented, everything the individual is required by the Act to disclose as a candidate for director of a credit union;
- the Member has been nominated in accordance with the terms of KCCU's Bylaws and Credit Union and Caisses Populaires Act.

Disqualified Individuals *(Ontario Regulations 105/22 – Section 29)*

29. (1) For the purposes of section 84 of the Act, the following individuals are disqualified from being directors of a credit union:

a) One whose membership in any credit union has been terminated, other than voluntarily.
b) One who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere.
c) One who is an undischarged bankrupt or who has been discharged as a bankrupt in the five years preceding the date on which the individual may be elected as director.
d) One who is unable to obtain proof of bonding insurance that is satisfactory to the Chief Executive Officer.
e) One who is more than 90 days in arrears in the payment of a debt owed to the credit union, unless the credit union has agreed to extend the time for repayment.
f) One who is a listed person within the meaning of the United Nations Suppression of Terrorism Regulations under the *United Nations Act* (Canada).
g) One who has been convicted, in the five years preceding the date on which the individual may be elected as a director, of an offence described in subsection (3) and who has not received a pardon for the offence.
h) One whose membership in a professional association has been terminated, in the five years preceding the date on which the individual may be elected as director, for professional misconduct.
i) An employee of the credit union or a central in which the credit union is a member or the employee's spouse, parent or child.
j) A professional advisor who provides services to the credit union in the individual's professional capacity or who has provided such services in the three years preceding the date on which the individual may be elected as a director.
k) An employee, director or officer of the Authority.
l) A public servant employed under Part III of the *Public Service of Ontario Act*, 2006 whose employment

duties include regulating credit unions.

m) One who has not met the training requirements or qualifications for directors established by the credit union.
n) One who has not met any reasonable condition or qualification set out in the bylaws of the credit union.

(2) An individual is not an employee for the purposes of paragraph 9 of subsection (1) solely because the individual provides, without remuneration, services to the credit union or central that are ordinarily provided by an employee.

(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 of or failure to comply with the Act, a predecessor of the Act or an Act governing a subsidiary of the credit union; or
d) involves a contravention of or failure to comply with the *Securities Act*.

Selection Criteria

In the evaluation of proposed nominees for the purpose of making recommendations, the Nominating Committee uses the eligibility requirements set out in this document 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:

- Understand the principles behind and share the vision of the Credit Union and have the ability to reflect the values and commitments of the Credit Union as well as acting in the Credit Union's best interest at all times.
- Understand corporate governance and the fiduciary duties, roles and responsibility 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.
- Commit to regular attendance at Board/Committee meetings and to full preparedness and willingness to contribute to meeting content.
- Understand the importance of credit unions in their communities.
- Demonstrate the ability to provide leadership and be an effective communicator.
- 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.
- Demonstrate personal integrity, financial stability and high ethical standards.
- Be willing to commit to continuous learning and undertake appropriate director training and development initiatives as needed.
- Have the ability to understand and assess implications of financial statements and auditor's reports.

- Agree to fulfill the time commitments, including travel time and workload associated with being a Director of the Credit Union.
- Demonstrate the ability to bring a perspective of external business, finance, and social issues to Board deliberations.
- Have the capability to access electronic information via the Internet.

Candidate Skills and Experience
Annually, the Board determines the skills, knowledge, and experience required to further strengthen the Board as a whole. The Nominating Committee is tasked to recruit nominees who not only are best qualified and meet the required criteria, but also those who can contribute based on their understanding and experience in specific areas.

To best serve our members, our Board should be representative of our membership. As our membership is diverse, KCCU is motivated to welcome Candidates from all groups within our community. KCCU also aims to have a Board that represents all genders (female, male and non-binary) with no one gender representing more than seventy percent (70%) of the Board and is actively seeking qualified gender diverse candidates.

Prior board experience is an asset.

Candidates for election must be able to contribute insight and innovation, provide diversity of thought and experiences, and demonstrate an understanding of governance norms while at the Board table. Any KCCU member who meets the minimum requirements to run for election, as stated in our Bylaws, is welcome to put their name forward.

Committees

Kingston Community Credit Union has three committees it delegates tasks to: the Audit Committee, the Nominating Committee and the Governance Committee. The Board determines the authority and responsibilities of each committee and reviews their mandates annually. The information found below identifies and briefly describes KCCU Committees, director education requirements and a summary of meetings and estimates commitment of time which one might expect when they become a Director of Kingston Community 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 the Credit Union governance structure / practices, please contact the Chair of the Nominating Committee.

The current Committees and their mandates are as follows:

Audit Committee: The Audit Committee is charged with a number of statutory responsibilities, as required under the Credit Union and Caisses Populaires Act, 2020 and Ontario Regulations 105/22. It supports the Board of Directors through assessment and oversight.

The committee's purpose is to oversee and assess the following:

- integrity of the financial reporting process and financial statements

- adequacy of the external audit functions
- adequacy of external auditor's qualifications and independence
- performance of the external auditors
- adequacy of internal audit function
- adequacy of internal auditor's qualifications and independence
- performance of the internal audit function
- adequacy and effectiveness of internal controls
- adequacy and effectiveness of the risk management and control environment
- compliance with legal and regulatory requirements

Nominating Committee: As prescribed by KCCU's bylaws the Nominating Committee will be appointed by the Board to assist in the identification of qualified candidates for election to the Board.

The Nominating Committee is also responsible for director nominations and recruitment, director elections and election communication, and nomination & election process evaluation and reporting.

Governance Committee: The Governance Committee is constituted as an advisory committee to the Board (per article 5.05 of the Bylaws of the Credit Union). The committee's objective is to make recommendations to the Board with respect to governance practices, board training & succession planning, CEO assessment and board-level policies.

Meetings

Board meetings are held quarterly. 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 electronically via an online Board portal application generally 1 week prior to the scheduled meeting. Directors are provided with a tablet for meeting and training purposes. While the amount of time required to review meeting material will vary for each individual, it is not unusual for a director to spend approximately 2-6 hours preparing for a Board or for some Committee meetings.

While travel time to and from meetings will vary for each director, it is another factor to be considered. Currently, Board and Committee meetings are held in a hybrid format allowing participants to attend either in person or virtually. Attendance at all Board and Committee meetings is tracked and reported to the Board.

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

BOARD MEETINGS	Board meetings are generally held on the third or fourth Wednesday of the month starting either at 10:00 am or noon. Allow a minimum of 2 – 3 hours/meeting plus preparation time.
ORIENTATION PROGRAM	For newly elected Directors. A general orientation meeting will be held no later than two months after having been elected to review and start your program. Allow minimum of one-half day.
BOARD TRAINING	For newly elected directors - training, orientation and mentorship. Allow an average of 8 hours per month in the first year. All directors – allow an average of 4 hours per month.
AUDIT COMMITTEE	Meets approximately 4 times a year (allow a minimum of 2 - 3 hours/meeting plus preparation time).
GOVERNANCE COMMITTEE	Meets approximately 4 times a year (allow a minimum of 2-3 hours per meeting plus preparation time).
NOMINATING COMMITTEE	Meets at a minimum 2 times per year (allow a minimum of 1 hour/meeting plus preparation time). Meetings are concentrated during period when Candidate interviews are being conducted.
ANNUAL GENERAL MEETING	Usually held during in the months of February or March in the evening (approximately 3 hours).
PLANNING SESSION	Generally, involves a full day session, twice per year