

Nelson & District

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2021 Corporate Governance Report

BOARD COMPOSITION AND ROLE OF A DIRECTOR:

Nelson & District Credit Union is governed by a nine-person Board of Directors that represents all members. The essence of a Board's role is that of stewardship; exercising oversight assuring business conduct is prudent and in the best interest of the members. In summary the Board's duties include providing direction, establishing long term corporate objectives, approving corporate strategies and plans, allocating resources through the budget process and approving financial statements and major financial decisions. The Board also determines policies and monitors progress of the Credit Union by reviewing the operations. It is the Board's responsibility to appoint, guide and evaluate the Chief Executive Officer.

In today's environment with socio economical and technological change at an accelerated pace, the role of a Director with a Credit Union, has become more demanding and complex. Stakeholders (including members and regulators) expect and demand more from Directors, putting additional pressure on the need for their qualifications and ongoing education.

Your Board is accountable to the members while acting in the best interests of the Credit Union as a whole. Members elect their Board of Directors annually, and each member has one vote regardless of the number of shares owned. This is one of the cooperative principles. Directors are elected for a three-year term. The various committees, described below, are formed from the Directors of the Board.

Each Director receives an honorarium based on a resolution approved by the Credit Union membership.

COMMITTEES:

To assist in the execution of its responsibilities, the Board has delegated specific responsibilities to standing committees. The committees make recommendations to the Board and regularly report out on their meetings. Board members may serve on more than one committee and each committee has a minimum of three Directors.

As per the Financial Institutions Act (FIA), the board elects the Audit Committee, Conduct Review Committee and the Investment & Lending Committee. The Board appoints all other committees.

Audit Committee:

Responsible for oversight of the financial statements, internal and external audits, and regulatory compliance. The Audit Committee meets quarterly. The Audit Committee meets with both the internal and external auditors without management present.

Conduct Review Committee:

This Committee oversees all “related party” transactions (transactions involving employees, board members, and related family members), and ensuring that no special terms or considerations were awarded them because of their related status as per regulatory requirements of the FIA. It deals with Director, Credit Union or third-party conflicts of interest.

Investment and Lending Committee:

Provides oversight of risk management activities related to investment risk, credit risk, liquidity risk, structural risk and capital management. This includes review of the policies, limits and reporting with respect to each of those risk areas. The Committee is responsible for ensuring that NDCU's lending is in agreement with our Investment & Lending Policy, which is reviewed by BCFSa, our provincial regulators.

Executive Committee:

Responsible for acting as liaison between Board and CEO, this Committee consists of the Board Chair, the Vice-Chair, and the 2nd Vice-Chair. The Committee reviews and makes recommendations on the compensation of the CEO, and manages the process of evaluating the performance of the CEO.

Governance Committee:

Responsible for ensuring NDCU's compliance with the many levels of government regulators that oversee Credit Unions in Canada, and ensuring that NDCU's Rules are kept up-to-date and reflective of changing times and our member's values. As well, the Committee monitors current and evolving governance practices, including Enterprise Risk Management (ERM) and Information Technology (IT) risk.

Nominations Committee:

Responsible for identifying upcoming vacancies in the Board of Directors, advertising locally for suitable candidates to join the Board and arranging for elections when necessary, they also organize our Annual General Meeting. This includes ensuring that the Credit Union fulfills the process of electing persons to the Board of Directors consistent with legislative requirements and the Rules as set by members. Directors standing for re-election are not eligible to act on this Committee.

Exploring Strength & Unity Steering Committee:

The ESU Steering Committee and the Boards and Leadership of all six credit unions participating in this merger initiative, announced in September 2021 that after due consideration, we have unanimously agreed to dissolve this committee and withdraw from pursuing a merger. We want to thank our members and employees for their support and hard work through this process. The teams at all six credit unions are firm in their belief that each of us has emerged stronger for the process and even more focused on championing local, community-based financial services here close to home.

Ad Hoc Committees:

Directors may sit on Ad Hoc Committees. NDCU Ad Hoc Committees for 2021 were:

- Member Engagement & Diversity Committee
- Liaison to Community First Health Co-Op

Subsidiary Companies of NDCU:

Allard Insurance Agencies Ltd. (AIA) is a wholly-owned subsidiary of NDCU. The Board of NDCU is the Board for AIA, and the Chair of NDCU also chairs AIA. AIA holds NDCU's investments in Kootenay Insurance Services Ltd. and 0948859 BC Ltd. (MoneyWorks), owns real estate, and collects rent. AIA is achieving its mandate and complying with the Governance Guidelines set by NDCU.

Affiliated Companies of NDCU:

Directors may sit on the Boards of NDCU Affiliated Companies. NDCU Affiliated Companies for 2021 were:

- Kootenay Insurance Services Ltd.
- 0948859 BC Ltd. (MoneyWorks)
- Kootenay Risk Services Ltd.

Other Appointments:

In 2021, Directors were appointed to sit on the Boards of:

- Peer Group 3 Kootenay Region Credit Unions
- Upper Columbia Co-op Council

DIRECTOR COMPENSATION AND EXPENSE POLICY

The members of Nelson & District Credit Union (NDCU) determine from time to time the aggregate remuneration paid to the Directors of NDCU. The members of NDCU resolved in 2014 that the aggregate remuneration paid for honorariums and per diems to the Directors shall not exceed \$100,000. per annum. This amount shall be allocated and distributed to the Directors at the discretion of the Board of Directors.

When Directors are on Credit Union business they are expected to act in good faith and in the best interest of the Credit Union and its members at all times and exercise due care and diligence when incurring and submitting expenses.

Director Compensation:

Director Compensation falls into the following three categories:

- (i) Monthly Honorarium
- (ii) Per Diem Compensation
- (iii) Travel Time Allowance

Director Expenses:

Directors are reimbursed for expenses including travel, accommodation, meals, childcare, eldercare, personal care and a daily per diem while performing their duties for the Credit Union.

Director Education and Development:

To ensure that Directors keep pace with the ongoing change and complexity of business and industry, the Board of Directors embraces the concept of continuous learning and Director development. The Board of Directors is committed to development activities to ensure that the highest standards of performance are met.

As required by the Credit Union Incorporation Act of British Columbia, new Directors complete the required courses within the first 12 months of becoming a Director. Additionally, the Credit Union Director Achievement Program (CUDA) offers elective courses for Directors if they choose to pursue further educational opportunities. CUDA contains three levels of programs. Once Directors complete all three levels they receive their CUDA Program Certificate and may choose whether they want to write a comprehensive accreditation exam to receive the Accredited Canadian Credit Union Director (ACCUD) credential designation. Your Board has three Directors with the ACCUD designation.

In addition to the CUDA offered courses/programs, Directors are required to seek out and participate in continuous development and learning opportunities relevant to their role, which can include internal education and external webinars and education courses.


Summary of Director Compensation & Expenses
January 2021 – December 2021:


DIRECTOR	STIPEND & PER DIEM (includes travel time)	EXPENSES (includes education & travel)	TOTAL
Laureen Barker	\$8,040.	\$1,151.	\$9,191.
Andy Chute	\$6,060.	\$95.	\$6,155.
Zoe Creighton (April - December)	\$4,400.	\$1,006.	\$5,406.
John Edwards (January -April)	\$2,000.	\$0.	\$2,000.
Karina Farr	\$11,000.	\$1,147.	\$12,147.
John Kortram	\$8,120.	\$0.	\$8,120.
Colin McClure	\$8,720.	\$0.	\$8,720.
Michael Ramsey	\$6,720.	\$693.	\$7,413.
Cameron Stokes (May – December)	\$4,360.	\$1,533.	\$5,893.
Lorne Westnedge, Board Chair	\$13,200	\$541	\$13,741.
Total Compensation	\$72,620.	\$6,166.	\$78,786.


Summary of Director Meeting Attendance
January 2021 – December 2021


DIRECTOR	BOARD MEETINGS	COMMITTEE MEETINGS
Laureen Barker	15 of 16	33 of 36
Andy Chute	12 of 15	20 of 24
Zoe Creighton (April – December)	8 of 9	12 of 13
John Edwards (January – April)	4 of 5	1 of 1
Karina Farr	15 of 16	26 of 29
John Kortram	15 of 16	27 of 27
Colin McClure	14 of 16	11 of 12
Michael Ramsey	16 of 16	20 of 20
Cameron Stokes (May – December)	5 of 5	7 of 8
Lorne Westnedge, Board Chair	16 of 16	50 of 51


2021 BOARD OF DIRECTORS


	Name:	Laureen Barker
	Background & Experience:	<p>A long-time supporter of the Co-op model, Laureen has been an active Member of Co-op Boards for the past 40 years.</p> <p>Laureen completed her ACCUD (Accredited Credit Union Director) Certification in her second year on the NDCU Board.</p> <p>Currently, Laureen works as an Owner and Manager of Gaia Rising Metaphysical, a retail shop on Baker Street in Nelson. She also sits as a Director on the Board of KCDS (Kootenay Career Development Society) where her experience in Board governance and retail operations is a valuable contribution.</p>
	Position:	Director At Large
	Director Since:	2010
	Current Term:	2019 - 2022
	2021 Committees:	<ul style="list-style-type: none"> • Executive Committee, 1st Vice Chair (January – December) • Governance Committee (January – December) • Audit Committee (January – December) • Nominations Committee, Chair (January – April) • Conduct Review Committee (January – April) • Exploring Strength & Unity Steering Committee (January - September)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B completed Level C completed Accredited Canadian Credit Union Director (ACCUD)
	2021 Education & Conference Attendance	<ul style="list-style-type: none"> • Kootenay Credit Union Peer Group 3 Spring Meeting & AGM • Kootenay Credit Union Peer Group 3 Fall Meeting
	Other Relevant Board Appointments:	<ul style="list-style-type: none"> • Kootenay Career Development Society (KCDS)


	Name:	Andy Chute
	Background & Experience:	<p>Andy became a member of Nelson & District Credit Union in 2001 when the Credit Union would provide lending to his new Internet business while the banks would not.</p> <p>A proud Credit Union member and advocate for 20 years, Andy has previously served on the board of NDCU from 2005 until 2017 with many years on the Credit Union's executive committee and two-year's as chair.</p> <p>Andy works as a senior software engineer for a local retreat centre management and marketplace, Retreat Guru, where he is responsible for designing, architecting, and building complex systems for enterprise clients.</p>
	Position:	Director - Nelson Area Representative
	Director Since:	Appointed - October 2020 Previous NDCU Director 2005 – 2018
	Current Term:	2021 - 2024
	2021 Committees:	<ul style="list-style-type: none"> • Ad Hoc Member Engagement & Diversity Committee (January – April) • Ad Hoc Member Engagement & Diversity Committee, Chair (April – December) • Audit Committee (January – December) • Governance Committee (January – December) • Investment & Lending Committee (April – December) • Nomination Committee (April - December)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B completed Level C completed
	2021 Education & Conference Attendance	<ul style="list-style-type: none"> • CCUA: Flag the Money for Board Directors and Senior Executives May 2021 • CCUA: Your Role in Privacy and Information Security December 2021 • Kootenay Credit Union Peer Group 3 Spring Meeting & AGM • Kootenay Credit Union Peer Group 3 Fall Meeting
	Other Relevant Board Appointments:	<ul style="list-style-type: none"> • None


	Name:	Zoë Creighton
	Background & Experience:	<p>Zoë has lived in the Nelson area since 1991 and became a member of NDCU shortly after her arrival. She moved from her hometown of Montreal, via Vancouver, where she received a BA in East Asian Studies, with a focus on Japanese Language.</p> <p>A committed champion of the co-op model, she currently works as the Co-op Development Lead of the BC Co-op Association, Coordinator of the Upper Columbia Co-op Council, and as a co-op development consultant supporting emerging and existing co-ops throughout the province.</p> <p>Zoë has served on the boards of the BC Co-op Association, the Kootenay Country Store Co-operative, and Kootenay Co-op Radio, which she helped found in 1998, and is particularly interested in supporting boards in areas of effective governance, generative discussion, and inclusive decision-making.</p>
	Position:	Director – Nelson Area Representative
	Director Since:	Appointed – April 2021
	Current Term:	2021
	2021 Committees:	<ul style="list-style-type: none"> • Conduct Review Committee, Chair (April – December) • Governance Committee(April – December) • Ad Hoc Member Engagement & Diversity Committee (April – December) • Investment & Lending Committee (April – December)
	Credit Union Director Achievement Program (CUDA)	<ul style="list-style-type: none"> • CUDA: Foundations of Governance
	2021 Education & Conference Attendance	<ul style="list-style-type: none"> • CCUA: Reconciliation Education Indigenous Awareness Professional Development, May 2021 • CUDA: Governance Series: Understanding DEI, Decisions and Bias, May 2021 • CUDA: Governance Series: Racism and the Role of the Board, September 2021 • CUDA: Governance Series: Reconciliation Awareness and Its Importance for Boards, September 2021 • CUDA: Governance Series: Intergenerational Boards, September 2021 • CCUA: Flag the Money for Board Directors and Senior Executives 2021, May 2021 • CCUA: Your Role in Privacy and Information Security, May 2021 • Kootenay Credit Union Peer Group 3 Fall Meeting
	Other Relevant Board Appointments:	<ul style="list-style-type: none"> • None


	Name:	John Edwards
	Background & Experience:	<p>After 24 years John has stepped down from the Board of NDCU.</p> <p>John was elected to the NDCU Board in 1997 as the East Shore representative. He's served on all of the various Board Committees over that time, and as Board Chair from 2012 to 2015.</p> <p>John is actively engaged in the East Shore community as Past Chair of the Crawford Bay & District Hall & Parks Association, Manager and player for East Shore United Soccer Club, and former long-time Editor of the East Shore Mainstreet and Kootenay Lake Review newspapers. He's been self-employed as owner/operator of Wedgwood Manor Country Inn for 20 years, before selling that business in 2004 and now operates Wedgwood Estate Cabins on the same property.</p> <p>John has been a Credit Union member for about 50 years now and will continue to be one for the foreseeable future.</p>
	Position:	Director – East Shore Representative
	Director Since:	1997
	Current Term:	2018 - 2021
	2021 Committees:	<ul style="list-style-type: none"> • Investment & Lending Committee, Chair (January – April) • Conduct Review Committee (January – April)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B completed Level C completed
	2021 Education & Conference Attendance	<ul style="list-style-type: none"> • None
	Other Relevant Board Appointments:	<ul style="list-style-type: none"> • None


	Name:	Karina Farr
	Background & Experience:	Karina has been involved with and working for co-ops and Credit Unions in BC, Alberta, and Manitoba for the past 18 years. Her focus in this work has been on values-based banking and Corporate Social Responsibility strategy, policy, and implementation. Her education includes a BA in Environmental Studies and Writing from the University of Victoria, and an MBA from the University of Alberta. Karina is currently raising a young family in Rossland where she’s lived for eight years.
	Position:	Director – Rossland Representative Area
	Director Since:	2015
	Current Term:	2021 - 2024
	2021 Committees:	<ul style="list-style-type: none">• Ad Hoc Member Engagement & Diversity Committee, Chair (January - April)• Ad Hoc Member Engagement & Diversity Committee (April – December)• Conduct Review Committee (April – December)• Governance Committee, Chair (January – December)• Nominations Committee, Chair (April – December)• Audit Committee (January – April)• Investment & Lending Committee (January – April)• Exploring Strength & Unity Steering Committee (January – September)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B completed Level C completed Accredited Canadian Credit Union Director (ACCUD)
	2021 Education & Conference Attendance	<ul style="list-style-type: none">• St. Mary’s University Course - Member Centric Governance and Management, February 2021• CCUA: Reconciliation Education Indigenous Awareness Professional Development, May 2021• CCUA: Credit Union Strategies – Resilience and a Prosperous Future, September 2021• CCUA: Governance Series: Intergenerational Boards, September 2021• CUDA : Governance Series: Reconciliation Awareness and its Importance for Credit Union Boards, September 2021• Kootenay Credit Union Peer Group 3 Spring Meeting & AGM, April 2021• Kootenay Credit Union Peer Group 3 Fall Meeting, October 2021
Other Relevant Board Appointments:	<ul style="list-style-type: none">• Upper Columbia Co-op Council (January – December)• Rossland Art Centre Society• Rossland Community Pottery Society	

	Name:	John Kortram
	Background & Experience:	<p>John is a lifetime CU member and shares the commitment to serving the best interests of our employees, members, and communities. He is guided by a strong moral compass and has well developed governance competencies based on education, experience, and beliefs.</p> <p>Since his immigration in 2011, John has been a business owner in Nelson and now serves a third term on both the board of NDCU and the board of Central 1 Credit Union. John also has a seat on the board of KIS. Back in the Netherlands he served on the board of the Dutch Trade Association for Business Travel Agents and sat on the Council of a regional High School foundation.</p> <p>John has a B. Econ and MSc Business Science. His professional career in international business included various senior executive positions. He believes in life-long education to stay abreast of the increasingly challenging and rapidly changing environment.</p>
	Position:	Director – Nelson Representative Area
	Director Since:	2014
	Current Term:	2020 – 2023
	2021 Committees:	<ul style="list-style-type: none"> • Executive Committee, 2nd Vice Chair (January – December) • Investment & Lending Committee (January – December) • Governance Committee (January – April) • Nominations Committee (April – December) • Exploring Strength & Unity Committee (January – September)
	Credit Union Director Achievement Program (CUDA) Leadership Institute Program CUES	<p>CUDA Level A, B and C completed. Accredited Canadian Credit Union Director (ACCUD)</p> <p>CUES Certified Credit Union Director (CCD)</p> <p>John holds Certificates of Corporate Governance (Wagner Institute) and of Co-operative Management (St Mary's University), Good Governance Matters (CCSC USask)</p>
	2021 Education & Conference Attendance	<ul style="list-style-type: none"> • CUDA: Working with Dimensions of Resilience, October 2021 • CuSource / Deloitte: Preserving Credit Union Culture and Values During Mergers • Hawkey: Strategies Inc: Community Investment and Resilience • Central 1: Risk Appetite Statement, Cyber Security, AML & Compliance, Treasury, Asset Management • Central 1: Member Forum • CCUA: National Conference for Canada's Credit Unions • Kootenay Credit Union Peer Group 3 Spring Meeting & AGM, April 2021 • Kootenay Credit Union Peer Group 3 Fall Meeting, October 2021
	Other Relevant Board Appointments:	<p>Kootenay Insurance Services.</p> <p>Central 1 Credit Union on Committees:</p> <ul style="list-style-type: none"> • Conduct Review and Corporate Governance • Risk Review and Investment & Loan

	Name:	Colin McClure
	Background & Experience:	<p>Colin has been voted in as a Director at NDCU since 2007. During his years as a Director at NDCU he has been on the Executive Committee, I&L Committee, Conduct Review committee, Nominations Committee and has been the Chair of the Audit Committee for the past 13 years.</p> <p>He is detail oriented with strong organizational, analytical and communication skills. His work experience coupled with his professional education have refined his knowledge in the areas of complex financial analysis and reporting, long and short-term strategic planning and budget development.</p> <p>Colin is a Chartered Professional Accountant with over 18 years of progressive financial management experience. Currently he is the Chief Financial Officer for the City of Nelson, a position he has held for the past 9 years.</p>
	Position:	Director – Nelson Representative Area
	Director Since:	2007
	Current Term:	2019 - 2022
	2021 Committees:	<ul style="list-style-type: none"> • Audit Committee, Chair (January – December) • Nominations Committee (January – April)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B 3/4 modules completed Level C completed
	2021 Education & Conference Attendance	<ul style="list-style-type: none"> • None
	Other Relevant Board Appointments:	<ul style="list-style-type: none"> • None

	Name:	Michael Ramsey
	Background & Experience:	Michael has been a Credit Union member for 40 plus years. He spent his entire professional career with IBM Canada in a variety of technical and senior management roles. He retired to the Kootenays in 2004. He serves as a member of the Rossland Heritage Commission, spent many years as a Rotarian and is a Kootenay Sports Coordinator for the BC 55 Plus Games.
	Position:	Director – Rossland Representative Area
	Director Since:	2018
	Current Term:	2019 - 2022
	2021 Committees:	<ul style="list-style-type: none"> • Conduct Review Committee, Chair(January – April) • Conduct Review Committee (April – December) • Governance Committee (January – December) • Investment & Lending Committee (January – April) • Investment & Lending Committee, Chair(April – December)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B partial completion Level C completed
	2021 Education & Conference Attendance	<ul style="list-style-type: none"> • CUDA: Working with the Dimensions of Resilience, October 2021 • CUDA: Governing IT, The Director's Role, November 2021 • Kootenay Credit Union Peer Group 3 Spring Meeting & AGM, April 2021 • Kootenay Credit Union Peer Group 3 Fall Meeting, October 2021
	Other Relevant Board Appointments:	<ul style="list-style-type: none"> • Director -0948859 BC Ltd. (MoneyWorks) • Rossland Museum and Discovery Centre • Rossland Rotary • Rossland Public Library Association Board • Kootenay Sports Coordinator - BC 55 Plus Games

	Name:	Cameron Stokes
	Background & Experience:	<p>Cam worked as a Mining Engineer and Project Engineer at various locations in Western Canada before shifting into finance. He spent a short time as an accountant prior to opening and operating an investment company in Prince George.</p> <p>Cam moved with his family to the East Shore in 2018 and became involved in several local Societies. Through this experience he quickly learned of the support and community involvement exhibited by the Nelson & District Credit Union and became a proud member.</p> <p>Cam's education includes a BSc Civil Engineering (University of Alberta) and Dip Finance (College of New Caledonia).</p>
	Position:	Director – East Shore Representative Area
	Director Since:	2021
	Current Term:	2021
	2021 Committees:	<ul style="list-style-type: none"> • Ad Hoc Member Engagement & Diversity Committee (April – December) • Audit Committee (April – December) • Conduct Review Committee (April– December) • Investment & Lending Committee (April – December)
	Credit Union Director Achievement Program (CUDA)	Level A completed
	2021 Education & Conference Attendance	<ul style="list-style-type: none"> • CCUA: Flag the Money for Board Directors and Senior Executives 2021, July 2021 • CCUA: Your Role in Privacy and Information Security, July 2021 • CCUA: Bridging the Diversity Gap, August 2021 • CCUA: Overcoming Unconscious Bias in the Workplace, July 2021 • CCUA: Your Role in Workplace Diversity, August 2021 • CUDA: Foundations of Governance in Theory and Action, October 2021 • CCUA: Working with the Dimensions of Resilience, October 2021 • CCUA: Lobbying: An Introduction, November 2021 • CCUA: Reconciliation Education Indigenous Awareness Professional Development, November 2021 • CCUA: BC Lobbying: An Introduction, November 2021 • CCUA: Market Conduct Code: November 2021 • Kootenay Credit Union Peer Group 3 Fall Meeting
	Other Relevant Board Appointments:	<ul style="list-style-type: none"> • None

	Name:	Lorne Westnedge
	Background & Experience:	<p>Lorne's history of credit union involvement dates back to 1971. He was employed at Nanaimo District Credit Union for 6 years, prior to his move to Nelson and the role of Assistant Manager/Loan Manager for over 15 years. At the end of 1992 he left the employ of NDCU to begin a 28-year career as a Realtor in Nelson, from which he retired at the end of 2020. Lorne was first elected to the NDCU Board in 1994 and has served for 19 years, in stages, since then. Lorne holds a Certificate in Co-Operative Management and another in Member Centric Governance & Management from St. Mary's University. He is an active community participant, currently serving as president of the Nelson Daybreak Rotary Club and has been selected to be the Rotary District 5080 Governor in 2024-25. He is a member of his church's Board of Elders and on the Provincial Advisory Board for his church. He has been a member of the M.S. Society of Canada's organizing committee and a participating rider for the West Kootenay Challenge bicycle ride/fund raiser for 10 years.</p>
	Position:	Director At Large
	Director Since:	2012
	Current Term:	2020 – 2023
	2021 Committees:	<ul style="list-style-type: none"> • Chair, Board of Directors (January – December) • Executive Committee, Chair (January – December) • Ex Officio of All Committees (January – December) • Ad Hoc Liaison to Community First Health Co-op (January – December)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B completed Level C completed
	2021 Education & Conference Attendance	<ul style="list-style-type: none"> • Governance Solutions - Exiting the Pandemic, January 2021 • Webinar re: Diversity, Equity & Inclusion, February 2021 • Rotary webinar - Increasing our Ability to Adapt, February 2021 • Rotary Peacebuilding Conference, February 2021 • Governance Solutions - Integrity at the Top, February 2021 • St. Mary's University Course - Member Centric Governance and Management, February 2021 • Governance Solutions - Governing in Scary Times, February 2021 • Rotary re DEI - Exploring the Black Experience in Rotary, February 2021 • BCFSa Webinar - Information Security, March 2021 • Governance Solutions - 360 Governance, March 2021 • Rotary JEDI Training (Justice, Equity, Diversity, Inclusion), March 2021 • Governance Solutions - Climate Change - What's a Board to Do? March 2021 • Webinar – Global Research on Youth & Co-ops, March 2021 • The ESG Era - What Every Board Needs to Know, April 2021

		<ul style="list-style-type: none"> • Kootenay Credit Union Peer Group 3 Spring Meeting & AGM, April 2021 • April 22 & 23 - Central 1 AGM & Forum • April 29 - Stabilization Central AGM • May 10 - CCUA AGM • CCUA Course - Reconciliation, Education, Awareness Professional Development, May 2021 • Governance Solutions - Top 10 Reasons Boards Need to Understand Financial Statements, May 2021 • Governance Solutions - Virtually There, July 2021 • CU course - KnowB4, July 2021 • Rotary - Planning for an Inclusive Future (DEI) Webinar, July 2021 • Governance Solutions - ESG Matters, August 2021 • Governance Solutions - Top 3 Tips for Managing Board Information, September 2021 • APRIO Board Management Software for Directors, September 2021 • Canadian Baptist (CBWC) Webinar on Truth & Reconciliation, September 2021 • Strategic Insights Webinar - Themes Shaping Tomorrow's World, October 2021 • Kootenay Credit Union Peer Group 3 Fall Meeting, October 2021 • Governance Solutions - Tapping the Strategic Potential of Boards - 3 Key Questions, October 2021 • CBWC Webinar - Difficult Conversations, October 2021 • Martha Durdin (CCUA) Presentation on Open Banking, October 2021 • Governance Solutions - Measuring What Matters - Creating Your Board Level Scorecard, October 2021 • CCUA course - Dimensions of Resilience, October 2021 • Governance Solutions - The 'E' of ESG, November 2021 • CU Strategic Insights - Open Banking, December 2021 • CCUA - Economic, Policy and Social Outlook, December 2021 • Governance Solutions - A Case Study in Diversity, Equity and Inclusion, December 2021
	Other Relevant Board Appointments:	<ul style="list-style-type: none"> • Peer Group 3 Kootenay Region Credit Unions (January- December)

COMMUNITY INVESTMENT PROGRAM

Contributing to the growth and vitality of our communities is a core value of Nelson & District Credit union. Our Community Investment Program was created at the direction of the Board of Directors in order to help our communities thrive.

Through this program, we provide support and funding to a wide array of community groups, non-profits, and charities in the communities we serve in the areas of:

- Education
- Community Life
- Economic Development
- Social Responsibility
- Health & Wellness
- Sports & Recreation
- Arts, Culture, & Heritage

Budget:

The budget for Community Investment is set annually based on prior years' results; over the past three years, our Community Investment disbursements represents 10% of our net operating income.

In 2021, the Community Investment budget was \$90,884 and funds were allocated amongst sectors as follows for a cumulative total of \$100,596:

- | | |
|---------------------------|-----|
| • Social Responsibility | 24% |
| • Education | 13% |
| • Economic Development | 4% |
| • Art, Culture & Heritage | 25% |
| • Sports & Recreation | 7% |
| • Health & Wellness | 7% |
| • Community Life | 20% |

Specific allocations can be found in our 2021 Community Giving report.

Approval process:

There is a rigorous application process for the Community Investment Program. Approval is based on a number of factors, with impact and need carrying substantial weight. Donations over \$20,000 are presented to the Board of Directors for approval.

DIVIDEND POLICY


Our Dividend Policy ensures that a portion of our profits are shared with our members. Dividends are paid on the year-end balance in the share account. Dividends are only paid provided Capital Adequacy exceeds 10.0% and Retained Earnings and Contributed Surplus must constitute at least 65% of the Capital.

The goal of NDCU is to declare an annual Dividend for Equity shares Classes A, B, & C equal to or better than the best return for the year on our highest yielding term deposit. Class D shares are paid a lower dividend as they are guaranteed by the Province of BC.

For 2021, Dividends were paid as follows:

Class A	4.0%
Class B	4.0%
Class C	No Shares Outstanding
Class D	3.0%

CEO PROFILE

	Name:	Thomas A. Murray
	Background & Experience:	Tom has been employed by NDCU for over 16 years. Prior to starting his Credit Union career, Tom worked in the fields of Management Consulting and Economic Development. He is the past Chair of the Osprey Community Foundation as well as the Columbia Basin Trust Economic Sector Steering Committee. He holds an MBA from the University of Washington with a concentration in Finance, and a Bachelor's degree in Economics from Stanford University.
	Other Relevant Board Appointments:	<ul style="list-style-type: none">• Kootenay Insurance Services Limited• 0948859 BC Limited (MoneyWorks)• Kootenay Risk Services (Vice-Chair)

NDCU CEO COMPENSATION PHILOSOPHY

The Board of Directors of NDCU formulates the Compensation Philosophy for their CEO. This philosophy motivates the delivery on strategic and business goals, as well as on our mission, vision, values, and desired behaviors. It aims to compensate in a manner that is fair, consistent, and reflective of the external market while providing recognition for achieving strategic business goals of NDCU and for the CEO's effective contribution to achieving these.

The CEO Compensation Philosophy also provides a framework within which compensation decisions for Senior Management are taken. Above all, the philosophy constitutes a framework supporting the fiduciary role the Board of Directors has in protecting the interests of the members of NDCU.

The Board believes that the best interests of members are served if the CEO's annual compensation is paid as a combination of a guaranteed base salary and a performance related variable component. This performance is based on achieving both organizational and individual objectives by the CEO.

For the guaranteed base salary, we use the benchmark of the 50th percentile of CEO base compensation of similar sized Credit Unions operating in British Columbia. The base salary is reviewed annually. At the time of review, the Board can take into consideration, the performance of NDCU, market studies, and the CEO's professional development at their discretion.

Pension

The CEO participates in a Defined Benefit Pension Plan, contributions to the Pension Plan are shared between NDCU and the CEO, which is the same structure for employees.

Severance

If the employment is terminated with cause, no notice, salary, benefits or bonus are owed. If the employment is terminated without cause, there is a severance package (comprising of base salary, incentives and benefits) owed to the CEO. The severance amount is based on the total years of service completed to a maximum pay of 24 months.

EXECUTIVE LEADERSHIP

The CEO is supported by the following Executive Leadership Team:

Tom Atkins	Senior Manager, Member Experience
Alan Danks	Senior Manager, Technology Solutions
Tara Keirn	Senior Manager, Finance & Credit
Candace Wolbaum	Senior Manager, Human Resources

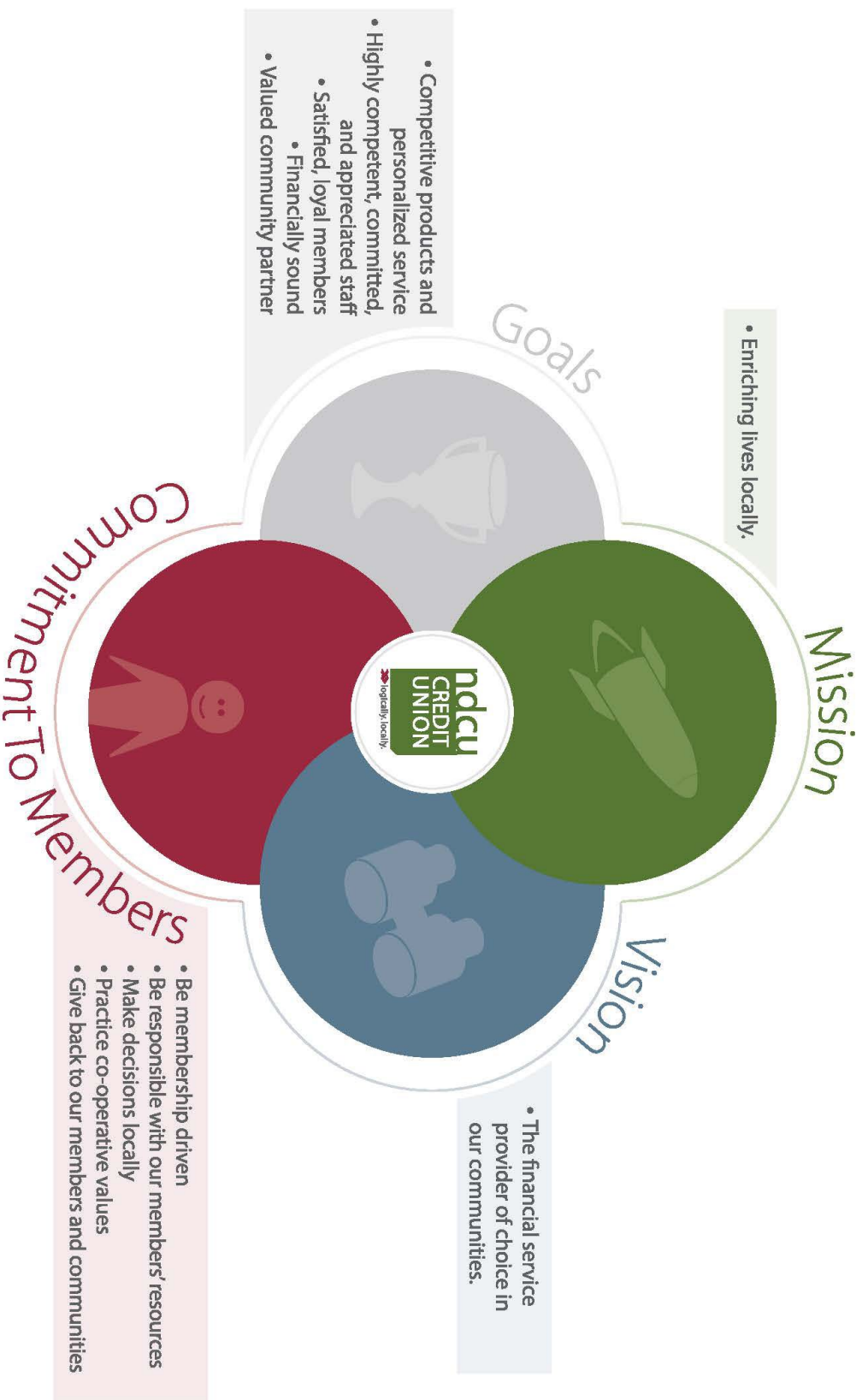
MEMBER FEEDBACK

Listening Locally:

Please share your thoughts, opinions, accolades, or concerns with us. Your feedback is important to us, and we appreciate your time in sharing your thoughts with us. We respond to every Listening Locally we receive, and we ask that you please complete the contact information so that we can respond appropriately to your comment. Our CEO will respond to your inquiry within ten business days from the time that we receive your email. Your comments are reviewed by your board of directors and will serve to make us better. Nelson & District Credit Union appreciates and respects your privacy with regards to your comments and confidential information. This document is sent in a secure environment.

Please visit our website: <https://www.nelsoncu.com/Personal/AboutUs/ListeningLocally/> and fill out our Listening Locally form.

OUR FOUNDATION STATEMENTS

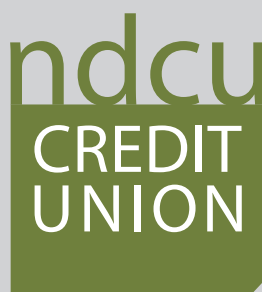


Nelson Community Branch
501 Vernon Street, Nelson
250.352.7207

Rossland Community Branch
2071 Columbia Avenue, Rossland
250.362.7393

East Shore Community Branch
16030 Hwy 3A, Crawford Bay
250.227.9221

info@nelsoncu.com



logically. locally.

We thank you for giving thought to where you bank, because where you bank makes a difference. The financial support by members provided exceptional programming, infrastructure, events and experiences in our communities as the Community Investment Program distributed \$100,596 in 2021.

Your Board of Directors



kis Kootenay
Insurance
Services Ltd.
www.kootenayinsurance.ca

ndcu
MoneyWorks
www.nelsoncu.com/MoneyWorks