

Nelson & District

CREDIT UNION  *Logically. Locally.*

BUILDING
UPON GREAT
THINGS



Lucas Jmief | Ymir Peak

2023 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 in 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 socioeconomic 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.

DIVERSITY STATEMENT

At NDCU, we aim to foster an inclusive and equitable culture, where our differences are celebrated and viewed as the strength that drives our collective impact and success.

Our goal is to honour and support our current and future members.

By seeking out diverse perspectives, we reinforce our commitment to cooperative values, rooted in our mission to serve our members and advance our communities.

NDCU'S COMMITMENT TO THE TRC CALLS TO ACTION

The NDCU Board has made a commitment to increase our common understanding towards Reconciliation through education and discussion, centred on the Truth and Reconciliation Commission's Calls to Action for the Corporate Sector.

Our work this past year has focused upon building a meaningful and NDCU-specific territorial acknowledgment, still a work in progress. This work is grounded in self-reflection and shared learning of the longstanding history that has brought us to reside on this land to provide financial services to our members within this history. The work and learning continue into 2024.

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:

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 members' 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.

Ad Hoc Committees:

Directors may sit on Ad Hoc Committees. NDCU Ad Hoc Committees for 2023 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 2023 were:

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

Other Appointments:

In 2023, 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 two 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 2023 – December 2023:**

DIRECTOR	STIPEND & PER DIEM (includes travel time)	EXPENSES (includes education & travel)	TOTAL
Andy Chute	\$4,340.	\$8,655.	\$12,995.
Zoe Creighton	\$8,745.	\$6,956.	\$15,701.
Hannah DeBoer-Smith	\$8,385.	\$7,138.	\$15,523.
Coleen Driscoll (May – December)	\$4,975.	\$1,902.	\$6,877.
Karina Farr	\$7,770.	\$630.	\$8,400.
John Kortram	\$6,983.	\$1,373.	\$8,356.
Colin McClure	\$9,300.	\$5,753.	\$15,053.
Michael Ramsey, Board Chair	\$17,250.	\$16,697.	\$33,947.
Cameron Stokes	\$8,910.	\$6,350.	\$15,260.
Lorne Westnedge (January – May)	\$2,420.	\$399.	\$2,819.
Total Compensation	\$79,078.	\$55,853.	\$134,931.

**Summary of Director Meeting Attendance
January 2023 – December 2023**

DIRECTOR	BOARD MEETINGS	COMMITTEE MEETINGS
Andy Chute	12 of 12	15 of 20
Zoe Creighton	11 of 12	19 of 19
Hannah DeBoer-Smith	11 of 12	18 of 19
Coleen Driscoll (May – December)	7 of 7	12 of 13
Karina Farr	12 of 12	31 of 33
John Kortram	10 of 12	9 of 12
Colin McClure	10 of 12	12 of 13
Michael Ramsey, Board Chair	10 of 12	47 of 50
Cameron Stokes	11 of 12	32 of 32
Lorne Westnedge (January – May)	5 of 5	13 of 13

2023 BOARD OF DIRECTORS

	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 21 years, Andy has previously served on the board of NDCU from 2005 until 2018 with many years on the Credit Union’s executive committee and two-years 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:	October 2020 Previous NDCU Director 2005 – 2018
	Current Term:	2021 - 2024
	2023 Committees:	<ul style="list-style-type: none"> • Ad Hoc Member Engagement & Diversity Committee, Chair (January – May) • Audit Committee • Governance Committee • Investment & Lending Committee
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B completed Level C completed
	2023 Education & Conference Attendance	<ul style="list-style-type: none"> • World Credit Union Conference, Vancouver, BC • CCUA: Understanding Privacy Law and Reporting Obligations • Kootenay Credit Union Peer Group 3 Fall Meeting, Rossland, BC • CCUA: Understanding DEI, Decisions and Bias • KnowBe4 Security Awareness Training
Other Relevant Board Appointments:		

	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-Executive Director of the BC Co-op Association, and the Executive Director 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:	2021
	Current Term:	2022 - 2025
	2023 Committees:	<ul style="list-style-type: none"> • Governance Committee (January – May) • Governance Committee, Chair (May – December) • Conduct Review • Ad Hoc Member Engagement & Diversity Committee • Investment & Lending Committee (January – May) • Nominations (May – December)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B completed
	2023 Education & Conference Attendance	<ul style="list-style-type: none"> • CCUA: Board Performance, Development and Evaluation • CCUA: Strategy: Planning and Oversight • Kootenay Credit Union Peer Group 3 Spring Meeting & AGM, Cranbrook, BC • CCUA: HR Governance • World Credit Union Conference, Vancouver, BC • CCUA: Risk Oversight • Kootenay Credit Union Peer Group 3 Fall Meeting, Rossland, BC • KnowBe4 Security Awareness Training
Other Relevant Board Appointments:		

	Name:	Hannah DeBoer-Smith
	Background & Experience:	<p>Hannah DeBoer-Smith has been a member of the NDCU since the age of five, which spurred a lifelong love of cooperatives. She has been involved in other local cooperative institutions like Kootenay Coop Radio and Kootenay Coop Store from a young age and has gone on to support the creation and development of cooperatives in the area. She has a varied education, from Fine Woodworking to a BA in Public Administration and Community Development with a focus on food systems. She has also worked as a farmer, art educator, is a musician and visual artist. Hannah has sat on the Kootenay Coop Radio Board and CFUR Radio Society board both as a director at large and is currently, director at large on the NDAC board, Board chair of Creative Exchange Cooperative and is back on the board of Kootenay Coop Radio as board vice chair.</p>
	Position:	Director – Nelson Area Representative
	Director Since:	2022
	Current Term:	2022 - 2025
	2023 Committees:	<ul style="list-style-type: none"> • Governance Committee • Ad Hoc Member Engagement & Diversity Committee (January – May) • Ad Hoc Member Engagement & Diversity Committee, Chair (May – December) • Investment & Lending Committee • Nominations Committee (May – December)
	Credit Union Director Achievement Program (CUDA)	CUDA Level A completed
	2023 Education & Conference Attendance	<ul style="list-style-type: none"> • CUDA Level A: Foundations of Governance • CUDA Level A: Foundations of Governance in Theory and Action • CUDA Level CE: Understanding Completed DEI, Decisions and Bias • Kootenay Credit Union Peer Group 3 Spring Meeting & AGM, Cranbrook, BC • World Credit Union Conference 2023 Vancouver, BC • Kootenay Credit Union Peer Group 3 Fall Meeting, Rossland, BC • Momentum Conference 2023, Vancouver, BC • KnowBe4 Security Awareness Training
Other Relevant Board Appointments:	<ul style="list-style-type: none"> • Peer Group 3 Executive Committee (November – December) • Creative Exchange Cooperative • NDAC • Kootenay Co-op Radio 	

	Name:	Coleen Driscoll
	Background & Experience:	<p>Living in Nelson since 1980 and has worked as a Registered Nurse at the Kootenay Lake Hospital. Coleen Driscoll has been a member of NDCU for over 25 years. This is her first year serving as your At Large Representative for your Board of Directors.</p> <p>Cooperative principles are important to Coleen. Helping locals help locals is a philosophy that she proudly believes in. Current member of the Kootenay Co-op Grocery Store, Community First Health Co-op and the Kootenay Co-op Radio.</p> <p>These days Coleen is taking less nursing shifts but is still busy working for our community. She proudly sits on the Board of Directors for Seniors Coordinating Society. She is a volunteer for Special Olympics of BC, and an educator for the BC Nurses Union. And is a proud member of the Nelson Rotary Club and a mountain host at Whittewater Ski Hill.</p>
	Position:	Director At Large
	Director Since:	2023
	Current Term:	2023 - 2026
	2023 Committees:	<ul style="list-style-type: none"> • Conduct Review Committee, Chair (May – December) • Governance Committee (May – December) • Investment & Lending Committee, Chair (May - December) • Ad Hoc Member Engagement & Diversity Committee (May – December) • Ad Hoc Liaison to Community First Health Co-op (May – December)
	Credit Union Director Achievement Program (CUDA)	<ul style="list-style-type: none"> • CUDA Level A completed
	2023 Education & Conference Attendance	<ul style="list-style-type: none"> • CCUA: Foundations of Governance • CCUA: Foundations of Governance in Theory and Action • CCUA: Reconciliation Awareness and its Importance for Credit Unions • CCUA: Understanding Privacy Law and Reporting Obligations • CCUA: Understanding DEI, Decisions and Bias • Kootenay Credit Union Peer Group 3 Fall Meeting, Rossland, BC • KnowBe4 Security Awareness Training
Other Relevant Board Appointments:	<ul style="list-style-type: none"> • BC Nurses Union/Educator • Nelson Seniors Coordinating Society • Special Olympics of BC 	

	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 20 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 ten years.
	Position:	Director – Rossland Representative Area
	Director Since:	2015
	Current Term:	2021 - 2024
	2023 Committees:	<ul style="list-style-type: none"> • Executive Committee, 1st Vice Chair (January – May) • Executive Committee, 2nd Vice Chair (May – December) • Ad Hoc Member Engagement & Diversity Committee (May – December) • Governance Committee, Chair (Jan – May) • Governance Committee (May – December) • Nominations Committee, Chair (January – May) • Conduct Review Committee (January – May)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B completed Level C completed Accredited Canadian Credit Union Director (ACCUD)
	2023 Education & Conference Attendance	<ul style="list-style-type: none"> • Transformational Territory Acknowledgements Webinar • CUDA: Level CE: Understanding DEI, Decisions and Bias • Kootenay Credit Union Peer Group 3 Fall Meeting, Rossland, BC • CUDA: Level CE: Applied CEO Performance Planning and Evaluation, December • KnowBe4 Security Awareness Training
Other Relevant Board Appointments:	<ul style="list-style-type: none"> • Peer Group 3 Executive Committee 	

	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>John retired from his business in Nelson and served 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.</p> <p>John has a B. Econ and MSc in 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 we operate in.</p>
	Position:	Director At Large
	Director Since:	2014
	Current Term:	2023 - 2026
	2023 Committees:	<ul style="list-style-type: none"> • Investment & Lending Committee (January – May) • Audit Committee • Ad Hoc Member Engagement & Diversity Committee (May – December)
	Credit Union Director Achievement Program (CUDA) CUES Leadership Institute Program	<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 also holds Certificates of Corporate Governance (Wagner Institute) and of Co-operative Management (St Mary’s University). He further completed Good Governance Matters curriculum (CCSC USask)</p>
	2023 Education & Conference Attendance	<ul style="list-style-type: none"> • Central 1 Credit Union Education Courses: Competition Act Compliance, BASEL III, Conflict of Interest and Fiduciary Duty, Truth & Reconciliation. Mergers & Acquisitions, Sustainability & Growth, Strategic Insights – Financial Resilience, Communications, Sustainable Investments, Director Liability for COOPS/Member owned environment, Digital and Payments, AML Compliance • CUDA: Level CE: Understanding DEI, Decisions and Bias • Central 1 Member Forum and AGM, Toronto, BC • Kootenay Credit Union PG3 Spring Meeting & AGM, Cranbrook, BC • Credit Union Technology Forum, Halifax, NS • World Credit Union Conference, Vancouver, BC • Kootenay Credit Union Peer Group 3 Fall Meeting, Rossland, BC • Central 1: Momentum Summit Conference, Vancouver, BC • KnowBe4 Security Awareness Training
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 15 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 20 years of progressive financial management experience. Currently he is the CAO/CFO for the City of Trail, a position he has held for 2 years. Previously he worked as the CFO for the City of Nelson for 10 years.</p>
	Position:	Director – Nelson Representative Area
	Director Since:	2007
	Current Term:	2022 - 2025
	2023 Committees:	<ul style="list-style-type: none"> • Audit Committee, Chair • Nominations Committee (January – May) • Nominations Committee, Chair (May – December)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B 3/4 modules completed Level C completed
	2023 Education & Conference Attendance	<ul style="list-style-type: none"> • World Credit Union Conference, Vancouver, BC • KnowBe4 Security Awareness Training
Other Relevant Board Appointments:		

	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 and spent many years as a Rotarian.
	Position:	Director – Rossland Representative Area
	Director Since:	2018
	Current Term:	2022 - 2025
	2023 Committees:	<ul style="list-style-type: none"> • Board of Directors, Chair • Executive Committee, Chair • Ex Officio of All Committees
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B partial completion Level C completed
	2023 Education & Conference Attendance	<ul style="list-style-type: none"> • CCUA: BC Lobbying an Introduction • Central 1 Member Forum and AGM, Toronto, BC • Kootenay Credit Union Peer Group 3 Spring Meeting & AGM, Cranbrook, BC • BCFSA Financial Services Sector Forum • World Credit Union Conference, Vancouver, BC • CCUA: Reconciliation Awareness and its Importance for Credit Unions • Kootenay Credit Union Peer Group 3 Fall Meeting • CUDA: Level CE: Understanding DEI, Decisions and Bias • Central 1: Momentum Summit Conference • KnowBe4 Security Awareness Training
Other Relevant Board Appointments:	<ul style="list-style-type: none"> • Director -0948859 BC Ltd. (MoneyWorks) • Director Kootenay Risk Services Ltd. • Rossland Museum and Discovery Centre • Rossland Public Library Association Board 	

	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 time as an accountant prior to opening and operating an investment company in Prince George.</p> <p>Cam and his family moved to the East Shore six years ago. Through his involvement in several local societies, he learned of the support and community involvement exhibited by the Nelson & District Credit Union and became a proud member.</p> <p>Cam enjoys providing accounting services to local non-profit and charitable organizations. His 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:	2022 - 2025
	2023 Committees:	<ul style="list-style-type: none"> • Executive Committee, 1st Vice Chair (May-December) • Investment & Lending Committee, Chair • Audit Committee • Conduct Review Committee (May – September) • Ad Hoc Member Engagement & Diversity Committee (January - May) • Nominations Committee (January – May)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B completed Level C completed
	2023 Education & Conference Attendance	<ul style="list-style-type: none"> • Kootenay Credit Union Peer Group 3 Spring Meeting & AGM, Cranbrook, BC, April • Credit Union Technology Forum, Halifax, NS, June • CCUA: Understanding Privacy Law and Reporting Obligations, September • CCUA: Reconciliation Awareness and its Importance for Credit Unions, September • Kootenay Credit Union Peer Group 3 Fall Meeting, Rossland, BC, October • CUDA: Level CE: Understanding DEI, Decisions and Bias, October • KnowBe4 Security Awareness Training
	Other Relevant Board Appointments:	<ul style="list-style-type: none"> • Upper Columbia Co-op Council

	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 20 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 past president of the Nelson Daybreak Rotary Club and has been selected to be the Rotary District 5080 Governor in 2024-25. He is an active member of his church, and on the Provincial Advisory Board for his church denomination. He plays guitar on the church worship team, and in a community group that plays for local seniors.</p>
	Position:	Director At Large
	Director Since:	2012
	Current Term:	2020 – 2023
	2023 Committees:	<ul style="list-style-type: none"> • Executive Committee, 2nd Vice Chair, (January – May) • Conduct Review Committee, Chair (January - May) • Investment & Lending Committee (January - May) • Governance Committee (January - May) • Ad Hoc Liaison to Community First Health Co-op (January – May)
	Credit Union Director Achievement Program (CUDA)	Level A completed Level B completed Level C completed
	2023 Education & Conference Attendance	<ul style="list-style-type: none"> • Kootenay Credit Union Peer Group 3 Spring Meeting & AGM, Cranbrook, BC
Other Relevant Board Appointments:		

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 2023, the Community Investment budget was \$160,000 and funds were allocated amongst sectors as follows for a cumulative total of \$160,073:

- | | |
|---------------------------|-----|
| • Social Responsibility | 28% |
| • Education | 9% |
| • Economic Development | 10% |
| • Art, Culture & Heritage | 15% |
| • Sports & Recreation | 15% |
| • Health & Wellness | 7% |
| • Community Life | 16% |

Specific allocations can be found in our 2023 Community Investment Program 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 2023, Dividends were paid as follows:

Class A	6.35%
Class B	6.35%
Class C	No Shares Outstanding
Class D	5.35%

CEO PROFILE

	Name:	Thomas A. Murray
	Background & Experience:	Tom has been employed by NDCU for over 19 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

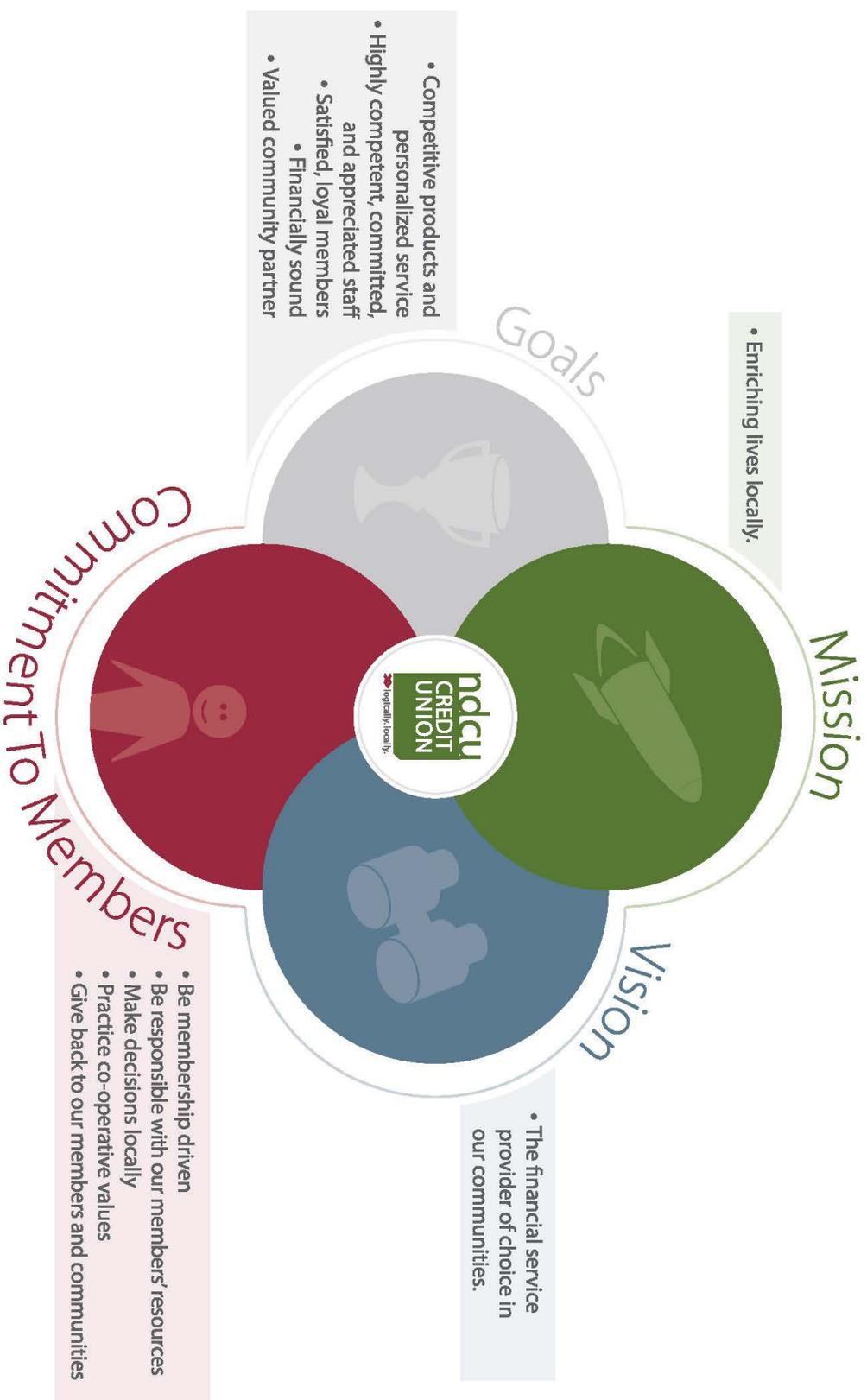
MEMBER FEEDBACK

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 comment 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 • 1.877.352.7207 —



» logically. locally.

“ A key part of the credit union difference is our connection to community. NDCU is invested in where we work, live and play — Nelson, Rossland, the East Shore, and surrounding areas. I am proud of our credit union’s community investment. We supported so many organizations, initiatives, and events — efforts that enhance the lives and experiences of our members and ensure our communities thrive. Together, we are building upon great things.”

—Michael Ramsey, Board Chair