



innovation
FEDERAL CREDIT UNION

Join our Board of Directors

- ✔ Grow your skillset.
- ✔ Grow your credit union.



Board of Directors Nomination Package

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Introduction

This package provides information on the process and details of becoming a Director on the Board of Directors of Innovation Federal Credit Union ('the Credit Union', 'Innovation'). Innovation is a game-changing organization that rewrites traditional playbooks. We stand out and create disproportionate value relative to our size and resources. We have big dreams and know how to get things done. Innovation has a palpable “buzz” and a breakaway business model with a unified spirit and organizational culture.

Innovation 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.

About Innovation Federal Credit Union

Innovation is a financial co-operative governed by a Board of Directors and is accountable to the member owners. In June 2023, Innovation was granted continuance as a federal credit union by the Minister of Finance, becoming the third federal credit union in Canada. Innovation is regulated by the Office of the Superintendent of Financial Institutions ('OSFI') and must comply with *The Bank Act*, the Credit Union's bylaws and policies, and other applicable laws. The Credit Union provides regular reporting to OSFI and other applicable regulatory bodies and is subject to periodic risk-based examinations.



Responsible Banking™



Our No-Fee Bank Account has no monthly fees and no balance requirements. Save around \$11 every month!



Earn cash dividends simply by banking with us. The more you bank with us, the more you benefit.



Your business helps us support your community. 2% to 4% of pre-tax profits goes to our communities.

Proposed ABCU Credit Union & Innovation Merger

Innovation and ABCU Credit Union are proposing a merger. If the merger is approved, the Board of the merged credit union will be determined through membership votes and by regulators. As a result, any new directors elected to the Board of Directors of Innovation, during the 2025 nomination and election process, would not be guaranteed a position on the newly amalgamated credit union Board. Thus, we are not making as widespread outreach for nominees as we have in past years. We will explain more to the membership during outreach sessions prior to the merger votes. Please direct any questions to corporate.secretary@innovationcu.ca.

Board and Director Responsibilities

One of the things that makes credit unions unique is that they are member-owned, member-driven, and member-focused. Through a nominated Board of Directors, our members have a say in how their Credit Union is governed.

The Board is comprised of 13 Innovation members (one being the CEO, as set out in *The Bank Act*). Each director is elected for a three-year term. The Board of Directors has:

- Ultimate accountability for the Credit Union's governance and risks, pursuant to governing legislation and bylaws, and is legally and morally responsible for all activities of Innovation.
- A pivotal role in the success of Innovation through the approval of Innovation's overall strategy and Risk Appetite Framework. It oversees the Executive Leadership Team, their functions, and internal controls.
- A strong relationship with management, members, other stakeholders, and fellow Board members.
- A responsibility to develop and implement sound policies and business strategies to support the aims and objectives of Innovation and to ensure it is effectively managed for the overall long-term benefit of Innovation's members and employees.
- A duty to behave and make decisions that are independent, objective, and effective, taking into account the particular circumstances of Innovation.
- The task of annually assessing the CEO's performance and remuneration.
- The responsibility to appoint or remove the CEO.
- The task of approving the annual statements, dividend payments, and recommending the external auditor to members.

The duties and responsibilities of individual directors are outlined in the [Director Profile](#).



Board Diversity

Innovation Federal Credit Union seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, co-operative philosophy, experience, skills and backgrounds reflective of our membership. The Board strives to have a diversity ratio of no more than one gender representing eight (8) seats on the Board by 2027. The skills and backgrounds collectively represented on the Board aim to reflect the diverse nature of the business environment in which Innovation Federal Credit Union operates, while striving to meet the requirements set out in the [Board Competency Matrix](#).

When assessing candidates for election or re-election to the Board, Innovation Federal Credit Union will consider candidates on merit against the Competency Matrix. The ideal composition of the Board has been developed taking into account both diversity and competency requirements. These requirements will be summarized and communicated to members, prior to voting through the desired skill sets and candidate profiles. Through the election period, members will be informed on the candidates' experience, skills, education, and eligibility qualifications.

Director Development

Innovation supports ongoing training, education, and development of the Board of Directors. This includes full Board development sessions, networking and encouragement of professional development including director designations. It is paramount to the Credit Union that directors have appropriate competencies and skills to effectively fulfill their duties.

Directors are required to complete a Development Plan on an annual basis, which will be reviewed and approved by the Chair of the Governance, People and Conduct Review Committee. New directors, depending on experience and designations, will be enrolled in the Credit Union Director Achievement (CUDA) program, or a similar recognized governance certification, and work towards its completion in their first term of office. It is expected that directors will independently act on their plans.

Time Commitment

The Board of Directors meets on a regular schedule. It is important for all directors to come prepared and actively participate in the Board and Committee meetings. Meeting materials are provided one week prior to the meetings to provide ample time for directors to review the material in advance of the meeting. Reporting of attendance at meetings is disclosed to the membership annually as part of the Annual Report.

Quarterly Board and committee meetings are typically scheduled the month following the fiscal quarter end. In most cases, there is one week between the committee meetings and the Board meeting. Other meetings (as outlined below) will be scheduled in off-months.



Annual Time Commitment

All directors can expect the following time commitment:

- Quarterly and yearend meetings (ad hoc meetings may be called as required)
 - Committee meetings (each Director sits on two committees): 0.5 day per committee (approximately 5 days per year per committee)
 - Board meetings: 1 - 2 days (approximately 9 days per year)
- Full Board development (approximately 2.5 days per year)
- Strategic Planning (2 days per year)
- Individual development and regulatory training (minimum 3 - 5 days per year)
- Meeting preparation (10 – 12 hours per quarter)
- Travel time (as applicable)

[View our 2025 schedule of meetings](#). Please note that meetings are scheduled during the business day.

Board Committees

All directors will be expected to serve on at least two Board Committees. The Board determines the experience, education and competencies required for directors to be effective members on each committee and assigns directors accordingly. There are currently four standing committees:

Audit Committee (6 Directors and Board Chair)

The Audit Committee oversees the financial reporting process, reviews financial statements, liaises with internal and external auditors and regulators, and reviews internal control policies and frameworks.

Governance, People and Conduct Review Committee (5 Directors and Board Chair)

The Governance, People and Conduct Review Committee establish and maintain effective governance guidelines, ensure the performance and succession of senior leadership, monitor people policies, and ensure compliance with governance policies and Innovation Federal Credit Union bylaws. The Committee will appoint a Nominating Committee to oversee the director nomination and election process. The Committee shall also monitor compliance to the Code of Conduct and review applicable Related Party transactions.

Risk Committee (6 Directors and Board Chair)

The Risk Committee ensures that Innovation acts with the full integrity and objectivity of its directors and employees, by having in place policies, processes, frameworks, and practices that protect people and the organization from claims and the perception of unfair benefit or conflict of interest. The Committee oversees all strategic digital and economic risks, as well as data governance.

Community and Member Relations Committee (5 Directors and Board Chair)

The Community and Member Relation Committee oversees the community development, sustainability, i.e. Responsible Banking and Environmental, Social, Governance (ESG), and monitors member growth, satisfaction, and business development. It maintains an effective mechanism to understand member needs to ensure the membership's voice is integrated in governance and operations. It also oversees consumer protection provisions as set out in *The Bank Act*.



Nomination and Election Vacancies

In 2025, there will be four (4) positions available for election/re-election. All four incumbents are seeking re-election. As a federal credit union, there are no districts to be adhered to, however at least half of the directors (7) must reside in Saskatchewan.

The candidates who receive the greatest number of votes will be declared elected.

Nomination and Assessment Process

The Board has the duty to ensure that the Credit Union is governed adequately while adhering to the Co-operative Principle of Democratic Member Control. Each year the Nominating Committee selects the schedule for the Call for Nominations. For 2025, the Call for Nominations will run from January 13th to 22nd. Each person looking to run for a position on the Board will be required to complete the Nomination/Candidate Application and have five (5) members complete the [Nominee Endorsement document](#).

The Board annually approves their Competency Matrix, which lays out the skills and competencies required on the Board of a federally regulated financial institution. It continues to evolve annually, with Directors completing self-assessments against the Matrix at least biennially to determine any potential gaps on the Board. This information is used to create the 'ideal candidate profile', included in this package, for nominees and members to understand the skills being sought on the Board.

This year, each Nominee will be assessed against the ideal candidate profile (along with the other regulatory requirements outlined in this package) to determine if they possess the attributes outlined. We will identify nominees that meet the ideal requirements, skills, and qualifications the Board is seeking this year.

Ideal Candidate Profile

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 Innovation member who meets the minimum requirements to run for election, as stated in our bylaws, is welcome to put their name forward.

Reflecting on Innovation's Strategic Plan, Competency Matrix, gap assessment and Board Mandate requirements, the Board is seeking individuals with the following experience:

Digital, IT and Security

Will have a strong background in information technology or have held senior positions in a company that has undergone a significant technological transformation. It also includes having the knowledge and ability to:

- Direct and govern technology strategy development.
- Conduct organizational planning and investment to maximize the competitive use of technology to enhance performance levels at all levels of the organization.
- Make quality judgments and decisions on business technology and data use.
- Understand digital transformation and platform development.
- Oversee technology risk.



Ideal Candidate Profile Continued

Chartered Professional Accountant (CPA)

- Understand and incorporate processes to ensure compliance with internal controls and standards of sound business practices.
- Ask appropriate questions about the Credit Union's policies, practices, and reports as well as demonstrate a knowledge of resolution strategies to address any material weaknesses and deficiencies.
- Effectively use various finance skills to make informed decisions and understand the budgeting process, financial objectives, and financial statements (balance sheets and income statement).
- Seek assurance from management and auditors pertaining to financial statements and the position of the Credit Union.

Other – Diversity

In addition to the previously noted qualifications and competencies, the Committee encourages people of Indigenous descent to apply.



Nomination Requirements

Candidate Application

Persons nominated to serve on the Board will be made aware of the eligibility requirements prior to accepting the nomination. Every nominee for the position of director must confirm in writing to the Board that they are eligible to be a director pursuant qualifications set out below.

As set out by *The Bank Act*, no person is eligible to be a director who:

- (a) is less than 18 years of age;
- (b) is of unsound mind and has been so found by any court in Canada or elsewhere;
- (c) has the status of a bankrupt;
- (d) is not a natural person;
- (e) is a minister of His Majesty in right of Canada or in right of a province;
- (f) is an agent or employee of the government of a foreign country or any political subdivision thereof; and,
- (g) a person who fails to meet any of the qualification requirements set out in its bylaws.

As set out in the [Bylaws and Policies of Innovation Federal Credit Union](#), each nominee and director shall:

- (a) Have been a member of the Credit Union for a minimum of one (1) year as at the closing date for nominations;
- (b) Not have loans or credit in arrears with the Credit Union or other financial institution, and must not be named as a judgment debtor in any legal action for debt;
- (c) Not be or have been involved in any legal proceedings against the Credit Union or in dealings with any financial institution that has caused a financial loss, either as an individual or in an ownership capacity with any group or organization;
- (d) Not be a spouse of a person involved in legal proceedings against the Credit Union or any of its affiliates or subsidiaries;
- (e) Not be a board member or employee of a business selling competitive products and/or services except as a representative of the Credit Union;
- (f) Be prepared to use the Credit Union as his/her Primary Financial Institution
The requirement to use Innovation Federal Credit Union as a Director's primary financial institution will be considered satisfied if the Director has a personal account that has activity indicating usage as a transactional account demonstrated by monthly activity of both payments (outflows) and deposits (inflows). The requirement may also be supported through an active savings, lending or wealth management relationship that would indicate engagement with the Credit Union; and
- (g) Not be a spouse of a person who is employed in an executive management position in the Credit Union or is a director of the Credit Union.

Each nominee and Director will be assessed annually by the Nominating Committee to determine their independence from the Credit Union. Things that affect independence are outlined in the Board Independence Policy, which is available upon request.

Nominees must meet the criteria outlined in the Responsible Persons Policy which includes a background check (credit bureau and criminal record check, employment, and education verification etc.).



Important Dates

January 13 - 22	Call for Nominations
January 23 - February 20	Confirm candidates meet minimum requirements; complete self-assessments on competencies, prepare nominee profile and possible interviews
March 7 (Noon CST)	Candidate information session
May 20 - June 3	Voting online and in branch (as required)
June 12	Annual Meeting and election results announced
June 12 - 13	Orientation session for new directors

Nomination packages must be completed online with five nominee endorsements by 4:00 p.m. on Wednesday, January 22, 2025. Any questions can be sent to corporate.secretary@innovationcu.ca.

In accordance with legislative requirements, any personal information that is provided to Innovation Federal Credit Union, in the nomination and election process, will only be used and disclosed for the purposes of the director election process. Nominee information is provided to OSFI for regulatory purposes.

