

# Governance & Nominations Committee Charter

## 1. About the Charter

**Purpose** The Board of Directors of Coast Capital Savings Federal Credit Union (“Coast Capital”) (the “Board”) has delegated to the Governance & Nominations Committee (the “Committee”) the responsibilities and authority outlined in this Charter.

**Role of Committee** The Committee is responsible for:

- Ensuring that the Board maintains current and effective corporate governance practices that are aligned with best practices, regulatory expectations, and Coast Capital’s purpose and values.
- Identifying the priority skills and experience to be sought in director candidates, seeking and recommending appropriate candidates for nomination to the Board, and overseeing the director nomination and election process.
- Communicating with Coast Capital’s members on governance issues.

## 2. Composition

**Election** The Board elects Committee members at the first meeting of the Board following the Annual General Meeting (the “AGM”), and otherwise as required.

**Number** The Committee has at least three members.

**Qualifications**

- All members of the Committee must be independent directors, as defined in the Coast Capital Savings Federal Credit Union Rules (the “Rules”) and the independence standards established by the Board.
- All Committee members must have a sound understanding of corporate governance matters.
- No member of the Committee may be currently eligible for re-election. Each member of the Committee must at all times

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during the term of the Committee be, and continue to be, a director of Coast Capital.

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**Chair**

The Committee elects the Chair by a majority of the Committee at the first meeting of the Committee following the AGM, and otherwise as required.

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### 3. Responsibilities

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**Corporate Governance**

1. Review, at least every three years, and recommend to the Board amendments to the following:
    - (a) The Board Mandate.
    - (b) The size and structure of the Board and Committees.
    - (c) Operations and procedures at Board meetings.
    - (d) The organization, responsibilities, and Charters of Board Committees.
    - (e) The general responsibilities and functions of Directors, the Board Chair, the Vice Chair and Committee Chairs.
    - (f) Board operational policies.
    - (g) The Rules.
  2. Assess the Board's compliance with the Board Mandate and Board operational policies.
  3. Satisfy itself that the Board operates independently of management and recommend to the Board any necessary changes to improve Board independence.
  4. Keep itself informed of legal and regulatory requirements, trends and best practices related to boards of directors and corporate governance, and recommend changes to Coast Capital's policies and practices to the Board, as necessary.
  5. Recommend an annual Board budget and monitor the Board budget on a quarterly basis.
  6. Every three years, as required by the member approved Remuneration Philosophy, retain an independent compensation consultant to conduct a survey and provide recommendations to the Board on director compensation for approval by the membership, ensuring alignment to the Remuneration Philosophy.
  7. Review subsidiary Board structures and governance at least every three years.
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**Composition and Succession**

8. Lead the Board in annually developing a Board Composition Matrix on the optimal mix of skills and experience required for the Board as a whole, including appropriate representation of the key competencies of relevant financial industry and risk management experience and taking into account recent self-assessments and
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that the Board should be diverse and, collectively, bring a balance of expertise, skills, experience, competencies and perspectives, considering Coast Capital's strategy, risk profile, culture and overall operations.

9. Develop and recommend to the Board a process for Board Chair and director succession.
10. The Committee Chair (on behalf of the Committee) provides input to the Board Chair with respect to the recommendation of Committee Chairs and Committee members, and leadership succession on the Board as per the Board Chair and Director Succession Procedure.
11. Develop policies, as needed, on board composition.

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**Orientation,  
Training and  
Effectiveness**

12. Ensure that all new directors and Committee members have access to, and participate in, an orientation program to familiarize themselves with their individual responsibilities and accountabilities.
13. Develop and recommend to the Board a program of training and education for directors.
14. Develop and recommend to the Board an appropriate evaluation process for the Board, Board Chair, Committees, Committee Chairs, and individual directors, including the frequency of the evaluations and which periodically will include the assistance of an external advisor retained by the Committee.
15. In conjunction with the Board Chair, oversee the implementation of recommendations arising from the Board, Board Chair, Committee and individual director evaluations.

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**Member  
Engagement**

16. Review the AGM effectiveness, and make any necessary recommendations.
17. Review and approve any public disclosures or communications to the membership relating to the Board and governance issues.
18. Review the annual Public Accountability Statement.

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**Definitions for  
Candidate  
Recruitment,  
Assessment and  
Recommendation**

“Potential Candidate” means an individual who has requested or has been provided with election information and/or attended the Candidate Information Session but has not submitted their nomination papers;

“Candidate” means an individual who has submitted their nomination papers;

“Eligible Candidate” means a Candidate who has been assessed by the Committee and found to be eligible to be elected to the office of director in accordance with Coast Capital policies, the Rules and any legal requirements; and

“Recommended Candidate” means an Eligible Candidate who in the opinion of the Committee would best strengthen the Board of

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Coast Capital and is recommended by the Committee, and has agreed, to stand for election to the Board.

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**Candidate  
Recruitment**

19. Identify Potential Candidates in accordance with the Rules by:
    - (a) Identifying the priority skills and experience to be sought in Potential Candidates through reviewing the Board Composition Matrix to develop an Ideal Candidate Description.
    - (b) Reviewing the report from the Human Resources Committee on the number of non-independent directors.
    - (c) Determining whether incumbent directors whose terms are expiring wish to seek re-election and considering them equally as Potential Candidates in respect of the current needs of the Board.
    - (d) Notifying Coast Capital members of the number of director terms expiring, the required priority skills and experience for directors and inviting expressions of interest.
    - (e) Pro-actively searching for Potential Candidates possessing the priority skills and experience, using a consultant to assist if the Committee deems necessary.
  20. Review and approve a Candidate Information Package to provide information and context on the director positions, the nominations and election processes.
  21. Provide Potential Candidates with an Information Session to enable them to obtain a deeper understanding of the roles and responsibilities of a director and the Board.
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**Candidate  
Assessment**

22. Review the nomination of a member for election as a director in the form prescribed by the Committee, and any other documents or information the Committee requires to assess the Candidate and reviewing the adequacy of all information filed by the Candidates.
  23. Through a variety of approaches (e.g. interviews and reference checks), assess the qualifications of Candidates identified from all sources, in the context of the overall needs of the Board, and the composition requirements set out in the Rules, with particular attention to:
    - (a) Candidate Attributes: the personal attributes, financial literacy and backgrounds of the Candidates measured against the priority skills and experience.
    - (b) Board Renewal: Candidates' length of service and the term limit of four (4) consecutive three (3) year terms.
    - (c) Diversity: Coast Capital Savings' aim to reflect the communities it serves, taking into account many factors including but not limited to race, national or ethnic origin,
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colour, religion, age, sex, sexual orientation and gender identity or expression and its commitment to have no more than 60% of one gender on the Board.

- (d) The leadership needs and overall functioning of the Board.

24. Assess the independence of the Candidates in accordance with the Rules and the independence standards established by the Board.
25. Undertake required background checks, including satisfactory criminal, account management, credentials, credit and reference checks, to determine which Candidates are Eligible Candidates.

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**Candidate Recommendation and Nomination**

26. Based on the Committee's overall assessment of the Candidates, the requirements of the Rules and the independence standards established by the Board, identify those Eligible Candidates who, in the Committee's view and absolute discretion will be the Recommended Candidates.
27. Notify the Board in writing of the full list of Eligible Candidates and Recommended Candidates, including which of these are independent.

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**Election of Directors**

28. Oversee the election process in accordance with the Rules by:
- (a) Reviewing and approving the timing of all notices.
  - (b) Reviewing and approving the form and content of all election-related materials to be sent to members, and the medium (or media) by which the materials will be made available.
  - (c) Approving and overseeing an open and transparent communication strategy to ensure Coast Capital's members are fully informed throughout the director recruitment and election process.
  - (d) Recommending to the Board a Returning Officer for the election process.
  - (e) Recommending to the Board the voting record date and the voting method.
  - (f) Providing Coast Capital's members with information on all Eligible Candidates and clearly identifying the
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- Recommended Candidates, including which Eligible Candidates are independent.
- (g) Receiving the election report from the Returning Officer and notifying all Eligible Candidates and the Board of the results of the election.
  - (h) Reporting the results of the election to the members at the AGM.
  - (i) Arbitrating on any issues arising during the election.
  - (j) Dealing with election campaign contraventions.
29. If required, request a determination from the Human Resources Committee (if, in the opinion of the Committee, the conduct by a candidate for election as a director may have violated the Campaign Regulations or the Rules).
30. Annually review the Campaign Regulations to ensure currency and completeness, and recommend changes to the Board as required.
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**General**

31. At least every 3 years, review, recommend and approve, as required, the corporate policies for which the Committee has oversight as per the Corporate Documents Governance Framework.
32. Conduct an annual review of the Committee to assess its contribution and effectiveness in fulfilling its duties as set out in this Charter.
33. Annually review this Charter, and the Rolling Agenda, and recommend changes to this Charter to the Board as necessary.
34. Report to the Board at its regular meetings and make such recommendations as the Committee deems appropriate.
35. Perform such other functions and tasks as may be legally required or delegated to the Committee by the Board.
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## 4. Meetings

**Meeting Schedule**

The Committee meets at least once in each quarter, and otherwise meets at the call of the Committee Chair.

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**Quorum**

A majority of Committee members constitutes quorum.

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**Role of the Chair**

The Committee Chair presides at all meetings of the Committee. In the Committee Chair's absence, a Committee member determined by the Committee Chair presides at the meeting. In the absence of such a determination, the Committee will elect an Acting Chair.

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**Agenda**

The Committee Chair, in consultation with the Chief Legal, Regulatory and Corporate Affairs Officer (the "CLRCAO") and other resources,

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develops a twelve month Rolling Agenda and an agenda for each Committee meeting.

The Committee receives meeting agenda and supporting in advance of each meeting of the Committee.

The agenda of each meeting shall include provision for an *in camera* session.

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**Minutes**

The Assistant Corporate Secretary maintains and keeps minutes of all meetings of the Committee

The Assistant Corporate Secretary prepares the draft minutes are for review by the Committee Chair and the CLRCAO.

The Committee approves the minutes and provides a copy to the Board.

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## 5. Resources

**Authority**

The Committee may engage internal and external resources as needed to assist in the execution of its responsibilities.

The Committee may invite to its meetings any director, management, and other persons it deems appropriate in order to carry out its responsibilities, and may exclude from its meetings any persons it deems inappropriate in order to carry out its responsibilities.

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**Lead Executive**

The Lead Executive to the Committee is the CLRCAO.

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**Other Resources**

Additional resources to the Committee include the Chief Executive Officer, the Assistant Corporate Secretary, and other internal resources, as required.

The Committee may engage, under its sole authority, independent counsel, consultants, and advisors, as needed, and has the sole responsibility to the Board for approving the fees, terms and conditions, and termination of any such engagement.

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## 6. Charter Governance

**Last review date**

**September 2021**

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