



BOARD DIVERSITY POLICY

Last Review Date: July 30, 2020

PURPOSE

The overall purpose of our Board Diversity Policy is to recognize the value that a broad diversity of perspectives and thought brings to the Board of Directors and to establish a framework within which Connect First Credit Union will actively encourage diversity of representation on the board.

POLICY STATEMENTS

1. The board recognizes that it must continually strive to remain relevant to Connect First Credit Union members and as such, its composition should ideally reflect the diversity of its membership base.
2. The board believes that diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures that the credit union has the opportunity to benefit from all available talent. The promotion of a diverse board makes prudent business sense and makes for better governance.
3. In determining the optimum composition of the board and its committees, diversity includes, but is not limited to, geography, age, gender, and ethnicity.
4. The board values geographic diversity as a way to ensure there is always rural and urban viewpoints at the board table. The board will use the board diversity policy to direct the Nominations Committee to ensure qualified and diverse candidates are presented to members for election.
5. Through its approach to actively encouraging diversity, the board will strive to ensure it has backgrounds and perspectives collectively represented on the board, which reflect the demographic composition of our membership and the communities the credit union serves.
6. Through its approach to actively encouraging diversity, the board will reflect the need to provide good governance and ensure board members have the required



governance skills, knowledge and competencies as well as complementary perspectives.

7. Connect First Credit Union believes that a board elected democratically is consistent with our co-operative roots and credit union values. In the execution of our Board Diversity Policy, we will ensure our practices are fair, transparent and aligned with the democratic process.
8. The board may use the Board Diversity Policy to set goals to encourage representation from a targeted diversity category and to guide recommendations for candidates or appointees to the board.
9. Connect First Credit Union is committed to demonstrating transparency and accountability to all stakeholders and as such, this policy will be published for all to access on the Connect First Credit Union website.

GUIDELINES

1. Annually, the Governance Committee will review and assess the board composition based on a Board Skills, Competencies and Attributes Matrix and determine where there are any potential gaps in skills and experience.
2. Additionally, in reviewing the board's composition, the committee will consider diversity, as defined in this policy, to maintain an appropriate mix and balance of diversity of representation.
3. The outcomes of this review are used to provide guidance to the Nominations Committee and forms the proposed recruitment criteria that are published to the membership as part of the call for nominations for candidates for the annual board elections.
4. The Governance Committee may recommend diversity goals where there is a concern about a specific diversity category not being effectively represented on the board. This will transparently form part of the published recruitment criteria and will be integrated in all election communication materials and media.
5. In considering diversity goals, the Governance Committee will take the following into account:
 - The current and potential future composition of the board (based on elections);
 - the strategic direction of the credit union and skill sets needed to guide it effectively; and,



- an assessment of what skills and perspectives are needed or missing to effectively execute on our mission, vision, values.
6. The board will be responsible for approving any diversity goals deemed necessary to achieve the optimum level of diversity on the board, as brought forward from the Governance Committee.
 7. Where diversity goals are being pursued, the Governance Committee may determine that a greater positive weight, based on the diversity category, is applied to the Candidate Scoring Matrix utilized by the Nominations Committee for the purposes of endorsement. In such circumstances, any approach to weighted ratings to achieve a diversity goal will be balanced with the need to ensure fundamental governance qualifications and skills are being met. This is to ensure that the principle of recommending the best qualified candidates to the membership is not inadvertently compromised.

MONITORING AND REPORTING

The Governance Committee will review this policy and its effectiveness annually and recommend any necessary revisions to the board for approval.

The Governance Committee will report:

- Annually to the Board on the diversity of the Board and its committees
- Annually, in the governance section of the Connect First Annual Report, on the diversity of the Board and the process it has used to optimize Board diversity

APPLICABLE STANDARDS/RELATED LINKS

Connect First Credit Union Bylaws 8.2 and 8.4(e)

Credit Union Act (Alberta): Section 65

CUDGC Standards of Sound Business Practice:

G1 - Understand and Fulfill Responsibilities

G7 - Establish standards of Business Conduct and Ethical Behaviour