



LUMINUS
FINANCIAL

**Director Candidate
Information Guide**

2019

Luminus Financial Board of Directors

2019 Application for Nomination

Dear Prospective Board Candidate:

At Luminus Financial we value the dedication and commitment of our Members who choose to participate in our nomination and election process as a Board Candidate. We thank you for your interest in seeking nomination for our Board of Directors. Inside this package you will find information that will clarify the qualification criteria for Candidates and expectations of Board Members in their role of governing the credit union. You will also find everything that you need to complete the nomination process.

To assist those Members who are interested in considering candidacy, the Board appoints a Nominating Committee each year. The Committee's primary role is to ensure Members are fully informed of the nomination process and the election process, as well as to consider the qualifications of Candidates in order to ensure the highest quality board composition, and to meet any gaps as identified by the Board in their analysis of the Board's skills, knowledge and experience.

This year the Nominating Committee has been tasked with seeking to select nominees who not only are the best qualified and meet the required criteria but who also possess specific skills and experience in the following areas: Financial Statements, Marketing, and Strategic Planning.

A Director's designation would be a definite asset. As well the Committee is motivated to achieve greater gender balance on the Board. Further details on the process undertaken by the Nominating Committee are outlined on Page 1 of this application package.

If you decide to proceed with submitting an application for nomination as a Candidate, please complete and submit this application package along with all the required documents, as outlined in the Candidate's Guide section. If you have any questions about the enclosed information, you may contact the Nominating Committee at board@luminusfinancial.com.

Please note that applications must be received no later than 5:00pm Friday, March 1, 2019.

Yours truly,

Luminus Financial Nominating Committee

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Luminus Financial Election Process

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Luminus Financial Board, as established in the By-Laws, consists of nine (9) directors and in 2019 three (3) vacancies need to be filled.

As defined in Luminus Financial Board and the Board's **Governance** policies, **the Nominating Committee** of the Board plays an integral role in the process of reviewing nominated Candidates who meet the eligibility requirements. This **Committee** is required to review the application to evaluate the experience, expertise and qualifications of the Candidate in relation to the specific Director selection criteria established by the Board.

Luminus Financial elections will be conducted **via paper balloting**, during the 2019 Luminus Financial Annual General Meeting. **There will not be nominations from the floor and the results of the election will be announced during the Annual General Meeting.**

Candidate's Guide

2019 Application for Nomination

1. Individuals wishing to be Candidates for Luminus Financial Board of Directors must be at least 18 years of age, have been a Member of Luminus Financial for a minimum of 6 months as at the last day of the Nomination period, and hold the minimum Membership Share requirement.
2. Additional eligibility requirements are outlined on Schedule A (**Page 6**) of this Application.
3. If after reviewing the above and the Background Information for Candidates – Schedule H (**Page 20**), a Candidate wishes to make application, he or she must:
 - A. Without any assistance from employees of Luminus Financial, seek the signatures of 1 Nominator who themselves meets the Nominator Eligibility Requirements outlined in Schedule C (**Page 9**);
 - B. Complete this Application in its entirety; and
 - C. Submit it along with the documents detailed on Page 4 of this Application. (Statement of Interest, Ballot Statement, Resume, completed Schedule E [Applicant Assessment] and Schedule F [Declaration of Economic Interests by a Restricted Party of Luminus Financial]).
4. Applications for Nomination must be marked confidential and submitted:
 - A. To: Stephanie Brown via e-mail at board@luminusfinancial.com
 - B. To be received by the nominating committee before 5:00 pm March 1, 2019.

Once the Nomination period closes:

- The successful Candidates will be announced at the Luminus Financial Annual General Meeting to be held on April 4, 2019.
- The election of Directors by Members will be conducted during the Annual General Meeting

NOTE: Each board of director will be bonded under Luminus Financial's Fidelity Bond Agreement in order to ensure that you adhere to our Fraud/Dishonesty Policy and Code of Conduct. Should you not be deemed bondable or should at any time your fidelity bond be revoked, Luminus Financial may terminate your participation in the board of directors.

Application for Nomination

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As a Member of Luminus Financial I nominate the following person for election to the Board of Directors. As Nominator I meet all of the qualifications outlined in Schedule C (**Page 9**).

Candidate Name	_____	
Address	_____	
City/Postal Code	_____	_____
Phone	(Res) _____	(Bus) _____
Email	_____	

Nominator:

Legal Name: _____

Member Number: _____

Address: _____

Email: _____ Phone: _____

Signature: _____

Candidate's Undertaking

2019 Application for Nomination

The undersigned hereby applies to be nominated as a Candidate for election to the Board of Directors of Luminus Financial.

I do solemnly undertake to:

- a. stand for election, and, if elected, to serve as a Director;
- b. observe the provisions of the Credit Unions and Caisses Populaires Act (the "Act"), as applicable, including the provisions of disqualified individuals as outlined in Section 92(1) of the Act. The Act is accessible at:
www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_94c11_e.htm
- c. comply with the Director's Code of Conduct and the Duties and Obligations of Directors including Conflict of Interest Guidelines adopted by the Board from time to time;
- d. provide full, financial disclosure to the Credit Union, as required by the Board from time to time;
- e. consent to the disclosure of credit and/or personal information to, or from any credit-reporting agency;
- f. observe all the Credit Union's By-Laws, and the rules relating to the elections and the conduct thereof; and
- g. resign from the Board in the event the Board has determined that as a Director, I have ceased to meet the eligibility requirements, as set out in the Credit Union's By-Laws or Section 91 of the Act or if I have met the test of any of the disqualifying criteria as set out in Section 92(1) of the Act, during my term of office.

I further understand that in order to be eligible for consideration for Nomination, this Application must be completed as required; submitted as referenced in the Notice of Nomination; and be accompanied by the following documents:

1. A written Statement of Interest, not exceeding 500 words, which:
 - i. provides the Membership with enough information about the Candidate from a personal and professional perspective to help them understand the skills and expertise the Candidate would bring to the Board;
 - ii. outlines the Candidate's reasons for seeking election to the Board of Luminus Financial;
 - iii. explains why Members should vote for this Candidate.

This Statement will be published by Luminus Financial as received, and will be used to inform the Membership about the Candidate in its election materials;

1. A short written statement, not exceeding 250 words, providing a brief overview of the Candidate which shall be posted on the Luminus Financial web site;
2. A resume which includes disclosures outlining the following:
 - i. Experience, expertise and qualifications of the Candidate;
 - ii. Candidate's involvement in community activities;
 - iii. Candidate's past and present service as a Director of a Board;
 - iv. Any formal Director education/training accreditations; and
 - v. Candidate's professional, community or other affiliations or Memberships;
3. A completed Applicant Expertise/Experience Assessment as found on Schedule E (Page 12); and
4. A completed Schedule F (Page 14) (Declaration of Economic Interests by a Restricted Party and/or Related Party of Luminus Financial);
5. Having signed this Application for Nomination the Candidate consents to Luminus Financial reviewing any of the Candidate's financial information on file at the Credit Union, and consents to Luminus Financial conducting a credit check on his/her behalf for the purpose of determining eligibility of the proposed Candidate for election to the Board.

Candidates should be aware that campaigning is not permitted by the Board.

DATED AT _____, ONTARIO, THIS _____ DAY OF _____.

Candidate's Signature: _____

Schedule A

2019 Application for Nomination

DIRECTOR ELIGIBILITY REQUIREMENTS

(as extracted from Luminus Financial Board Policies)

1. A member is eligible for election to the position of director if, and only if:

- A. as of the last day of the Nomination Period, the Member:
 - i.* has been a Member of the Credit Union for at least 6 consecutive months;
 - ii.* and all of the Members of the Member Connection associated with the Member, have been Members “in good standing” continuously for a period of time equal to the lesser of the preceding 6 months and the period of actual Membership;
 - iii.* is not disqualified from becoming or acting as a director pursuant to the Act,
 - iv.* is not a director, officer, employee, or agent of an entity (other than any other entity for which an exception has been made by the Board from time to time) that is engaged in, or has the reasonable potential to be engaged in, business activity materially and directly competing with the then existing or proposed activities or business of the Credit Union;
 - v.* is not a spouse of a person described in sub-paragraph (iv) above;
 - vi.* if a former employee of the Credit Union, was not an employee of the Credit Union at any time in the preceding 6 months;
 - vii.* if an incumbent director, has not failed, without in the opinion of the Board reasonable cause, to attend three (3) consecutive regular meetings of the directors within the preceding twelve (12) months; or
 - viii.* is free of any real or perceived conflict of interest that might reasonably be expected (based on a legal opinion), to prevent him or her from acting in the best interests of the Credit Union as a whole, and independently of any particular interest arising as a result of any previous, existing, or future relationship with the Credit Union, its Members, customers, competitors, or suppliers;

- B. As of the Annual General Meeting of 2019 the Member, if an incumbent director, will not, at the end of the Member’s current term as a director, have served the longer of:
 - (i)* 4 consecutive terms or
 - (ii)* the previous 12 consecutive years on the board of the Credit Union.

- C. The Member has been nominated in accordance with the terms of these policies.

Schedule B

2019 Application for Nomination

INDIVIDUAL DIRECTOR DISQUALIFICATIONS (as extracted from the Act - Section 92) Disqualified Individuals

92. (1) The following individuals are disqualified from being directors of a credit union:

1. One whose Membership in any credit union has been terminated, other than voluntarily.
2. One who a court has decided is of unsound mind.
3. One who is an undischarged bankrupt or who has been discharged as a bankrupt in the five years preceding the date on which he or she may be elected as director.
4. One who is unable to obtain a bond of an insurer licensed under the Insurance Act to write surety and fidelity insurance.
5. One who is more than 90 days in arrears in the payment of a debt owed to the credit union unless the credit union has agreed to extend the time for repayment.
6. One who is a listed person within the meaning of the United Nations Suppression of Terrorism Regulations under the United Nations Act (Canada).
7. One who has been convicted, in the five years preceding the date on which he or she may be elected as a director, of an offence described in subsection (3) and who has not received a pardon for the offence.
8. One whose Membership in a professional association has been terminated, in the five years preceding the date on which he or she may be elected as director, for professional misconduct.
9. An employee of the credit union or a league in which the credit union is a Member or his or her spouse, parent or child.
10. A professional advisor who provides services to the credit union in his or her professional capacity or who has provided such services in the three years preceding the date on which he or she may be elected as a director.
11. An employee of the Corporation (Deposit Insurance Corporation of Ontario).
12. A public servant employed under Part III of the Public Service of Ontario Act, 2006 whose employment duties include regulating credit unions.
13. One who has not met the training requirements or qualifications for directors established by the credit union.
14. One who has not met any reasonable condition or qualification set out in the By-laws of the credit union.

Schedule B (continued)

2019 Application for Nomination

Exception

- (2) An individual is not an employee for the purposes of paragraph 9 of subsection (1) solely because he or she provides, without remuneration, services to the credit union or league that are ordinarily provided by an employee.

Type of offence

- (3) An offence referred to in paragraph 7 of subsection (1) is an offence that,
- a. is related to the qualifications, functions or duties of a director of a body corporate;
 - b. involves theft or fraud;
 - c. involves a contravention or failure to comply with this Act, a predecessor of this Act or an Act governing a subsidiary of the credit union; or
 - d. involves a contravention or failure to comply with the Securities Act.

Schedule C

2019 Application for Nomination

REQUIREMENTS TO BE MET BY NOMINATOR

(As extracted from Luminus Financial Board Policies)

Each person signing the nomination papers of a Nominee, must as of the last day of the Nomination period:

- A. been a Member of the Credit Union for at least 6 consecutive months;
- B. not disqualified from becoming or acting as a director of the Credit Union pursuant to the Act;
- C. if a former employee of the Credit Union, not an employee of the Credit Union at any time in the preceding 12 months; and
- D. with the exception of the proposed nominee, is not a current member of the Board.

Schedule D

2019 Application for Nomination

SELECTION CRITERIA (As extracted from Luminus Financial Board Policies)

In the evaluation of proposed nominees for the purpose of making recommendations, the ***Nominating Committee uses the eligibility requirements set out in Schedule A to the By-laws and selection criteria established by the Board from time to time.***

The selection criteria to be used by the ***Nominating Committee*** are the following:

Mandatory Individual Director Criteria

A Director must:

1. Understand the principles behind and share the vision of the Credit Union and have the ability to reflect the values and commitments of the Credit Union as well as acting in the Credit Union's best interest at all times;
2. Demonstrate the ability to bring a perspective of external business, finance, and social issues to Board deliberations;
3. Understand corporate governance and the fiduciary duties, roles and responsibilities of the Board as a whole and an individual Director of a Credit Union, including willingness to ask probing questions and challenge Management within the governance framework;
4. Commit to regular attendance at Board/Committee meetings and to full preparedness and willingness to contribute to meeting content;
5. Understand the importance of credit unions in their communities;
6. Demonstrate the ability to provide leadership and be an effective communicator;
7. Uphold the values of teamwork demonstrating the ability to operate as "a team" at Board level and "speak with one voice" once full discussion has been undertaken and a decision made by the Board;
8. Demonstrate personal integrity, financial stability and high ethical standards;
9. Have never declared personal or business bankruptcy in the past 5 years;
10. Be willing to commit to continuous learning and undertake appropriate director training and development initiatives;
11. Have the ability to understand and assess implications of financial statements and auditors' reports;
12. Agree to fulfill the time commitment, including travel time and work load associated with being a Director of the Credit Union;
13. Have the capability to access electronic information via the Internet, and be able to print associated materials.

Schedule D (continued)

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Optional Individual Director Criteria

It is desirable that Directors:

1. Have considerable experience as a Director on a Board;
2. Have a demonstrated reputation of valuable community involvement outside of their activities at the Credit Union;
3. Have core knowledge of or experience in the cooperative system and an understanding of the cooperative principles.
4. Have experience or familiarity with accounting and reporting standards including financial instruments and International Financial Reporting Standards (IFRS).
5. Have experience or familiarity with enterprise risk management.
6. Have experience or familiarity with strategic planning;
7. Have experience or familiarity with capital markets financing instruments (e.g. securitization, interest rates, on balance sheet financing etc.), and
8. Have experience/expertise in the field of economics, finance, treasury or investment services.

Schedule E

2019 Application for Nomination

BOARD OF DIRECTORS APPLICANT EXPERTISE/EXPERIENCE ASSESSMENT

Luminus Financial is committed to the principle of a high quality Board of Directors, and expects that each Director brings to the Board a certain level of knowledge and experience, demonstrates certain key attributes and adheres to certain principles. The following self-assessment will assist the **Nominating Committee** in determining the degree of expertise that you bring as a Candidate.

Please indicate your level of expertise/experience in the following table by indicating:

E - Expert

S - Strong

G - Good

B - Basic

N/A - no relevant experience

To assist you in answering please refer to the following definitions:

- Expert:** You possess a degree/certificate/diploma in the skill area and/or have significant work experience in that field.
- Strong:** You have direct experience, or significant familiarity with the field as part of your employment or volunteer activities.
- Good:** You understand the basic fundamentals and concepts that are encountered in this skill area.
- Basic:** You have some knowledge of the competency
- NA:** You have no familiarity with the topic or area

PLEASE NOTE: If you are elected to the Board, you will be expected to complete a more comprehensive self-assessment of specific competencies within 3 months of election. This assessment is used to help determine your training and self-development needs in order to fulfill the director training and qualifications requirements as established by the credit union.

Schedule E (continued)

Competency/Area	Rating
1. Audit and Compliance - performance and regulatory standards; examination & auditing procedures	
2. Board & CEO Performance - setting and evaluating criteria and standards of performance of the Board, directors and the CEO	
3. Credit Union Operations - Cooperative business model; key components of operations (people, physical and technical infrastructure), operational risks	
4. Financial Literacy / expertise - Reading and interpreting financial statements and financial performance indicators	
5. Governance and Ethics - Board roles and responsibilities; structure; decision making powers; Board policies and process; Committees (mandates; structure; process)	
6. Leadership - Leadership traits; skills and effective professional and personal attributes	
7. Regulatory environment with respect to financial services & credit union sector - Governing legislation and guidance; regulatory bodies/organizations	
8. Risk Management Oversight; Enterprise Risk Management - Financial and operational risks; risk management and monitoring	
9. Strategic Planning - Strategic planning concepts; process; importance of clear strategic direction; monitoring of strategic plan implementation	
Other competencies:	
10. Information Technology - Hardware; software; networking; banking systems; databases; web-enabled services	
11. Partnering / Mergers and Acquisitions - Merger strategies; issues, benefits and challenges	
12. Executive Recruiting & Human Resource Management - Recruitment; hiring criteria and practices; performance evaluation	
13. Other competencies; areas of expertise	

Schedule F

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DECLARATION OF ECONOMIC INTERESTS BY A RESTRICTED PARTY AND/OR A RELATED PARTY OF LUMINUS FINANCIAL.

Name: _____

Position with Luminus Financial: _____

Definitions

Restricted Party (RP): A person or entity is “restricted” in relation to Luminus Financial if they are or have been within the last 12 months:

- A. a director or officer of Luminus Financial;
- B. a spouse of a director or officer of Luminus Financial;
- C. a relative of a person described in [A] or [B] above, if the relative lives in the home of the above and is financially dependent on the person described in [A] or [B];
- D. a corporation/partnership in which a person described in [A] beneficially owns, directly or indirectly, more than 10% of the voting shares; or
- E. a corporation/partnership controlled by a person described in [A] [B] [C] or [D] above.

Relative: Means a relative by blood, marriage or adoption.

Connected Persons (CP):

1. In relation to a Member, another person or entity is a “connected person”, if he or she or it is one of the following:
 - A. a corporation in which the Member holds or beneficially owns, directly or indirectly, at least 35 per cent of the voting securities,
 - B. an affiliate* of a corporation described in [A],
 - C. a person or entity that has a 50 per cent interest in a partnership in which the Member also has a 50 per cent interest,
 - D. a partnership in which the Member is a partner,
 - E. a trust or estate in which the Member has a substantial beneficial interest,
 - F. a trust or estate in respect of which the Member serves as a trustee or in a similar capacity,
 - G. a person or entity on whose financial resources the Member depends to repay a loan to the Luminus Financial,
 - H. a person or entity who provides security to Luminus Financial for a loan to the party.

* “affiliate” means when one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person.

Schedule F (continued)

2019 Application for Nomination

2. In relation to a Member who is an individual, another individual is a connected person of the Member if that other individual is one of the following:
 - A. a spouse of the Member who is financially dependent on the Member,
 - B. a relative of the Member or of the Member's spouse who lives in the same home as the Member and who is financially dependent on the Member or the Member's spouse.

Conflict of Interest:

Applies when a Director or Officer is/has:

- A. a party to a material contract or proposed material contract with Luminus Financial;
- B. a director or officer of an entity that is a party to a material contract or proposed contract with Luminus Financial;
- C. a material interest in a person who is a party to a material contact or proposed material contract with Luminus Financial; or
- D. a spouse, parent or child of an individual who is a party to a material contract or proposed material contract with Luminus Financial.

Related Party (RLT.PTY):

A person or entity is related to Luminus Financial in connection with the preparation of its financial statements if:

- A. the person or a close member of that person's family has control or joint control over Luminus Financial;
- B. the person or a close member of that person's family has significant influence over Luminus Financial;
- C. the person or a close member of that person's family is a member of the key management personnel of Luminus Financial (Executive leadership team; Board of Directors and Officers of Luminus Financial); or
- D. the entity (a corporation/partnership) is controlled or jointly controlled by a person identified in [A], [B], or [C].

Close members of the family of a person described in {A} [B] or [C] above are those family members who may be expected to influence, or be influenced by, that person in their dealings with Luminus Financial and include:

- A. that person's children and spouse or domestic partner;
- B. children of that person's spouse or domestic partner; and
- C. dependents of that person or that person's spouse or domestic partner

Schedule F (continued)

2019 Application for Nomination

Parents and siblings are by virtue expected to have influence or be influenced by the individual unless otherwise proven. Family members outside of the immediate family are normally not expected to influence or be influenced by the individual. Possible examples of where non-immediate family members would be considered under the definition of “close members of the family” include situations where they are dependents of the individual; live in the same household; have strong financial ties.

Control Is the power to govern the financial and operating policies of Luminus Financial so as to obtain benefits from its activities.

Joint control is the contractually agreed sharing of control over an economic activity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Luminus Financial, directly or indirectly, including any director of Luminus Financial.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.

DECLARATIONS:

Name of Spouse [RP & RLT.PTY]: _____

1. Is Spouse financially dependent on me? [CP] Yes ___ No ___
2. Names of Children and other Relatives financially dependent on me or my spouse and who live in my home [RP & CP]: Other “close family members” who are expected to influence or be influenced by me (whether or not they are financially dependent) [RLT.PTY]:

A. Names of children of self or spouse/domestic partner:

B. Names of dependents of self or spouse/domestic partner:

C. Names of other individuals who live in the same household as self:

D. Names of other individuals who have strong financial ties to self or spouse/domestic partner:

Schedule F (continued)

2019 Application for Nomination

3. Names of corporations whether or not they are Members of Luminus Financial in which I beneficially own, directly or indirectly, more than 10 per cent of the voting shares, and the affiliates [CP] of said corporations: (state percentage) [$>10\%$ =RP; $>35\%$ =CP]:

4. Names of Corporations, Partnerships or Unincorporated Associations whether or not they are Members of Luminus Financial in which I beneficially own 50 per cent or greater of the voting shares and their subsidiaries: (state percentage [50% = joint control; $>50\%$ = control]) [RLT. PTY]

5. Names of corporations whether or not they are Members of Luminus Financial which I or any one of my spouse, children and other relatives named above own shares which carry more than 50 percent of the votes for the election of directors: [RP]

6. Names of Corporations, Partnerships or Unincorporated Associations whether or not they are Members of Luminus Financial in which any one of my spouse or close family members (identified above) own shares which carry 50 percent or greater of the voting shares and their subsidiaries: (state percentage [50% = joint control; >50 = control]) [RLT. PTY]

7. Names of corporations or unincorporated associations whether or not they are Members of Luminus Financial for which I serve as a Director or Officer [CONFLICT]:

8. Names of partnerships whether or not they are Members of Luminus Financial in which I am a partner: (state percentage interest and percentage interest of other partners) [CP]:

9. Names of trusts or estates which are Members of Luminus Financial and in which I have a substantial beneficial interest [CP]; [RLT PTY]:

10. Names of trusts which are Members of Luminus Financial and for which I act as trustee (including accounts on which I act as attorney for property) [CP]:

11. Names of non-relative Members for whom I have provided financial assistance, including a guarantee or co-signature for loans from the credit union [CP]:

Schedule F (continued)

2019 Application for Nomination

Acknowledgment:

I hereby:

- Acknowledge that this declaration is given for the purposes of assisting Luminus Financial in complying with statutory and regulatory requirements relating to transactions with Restricted Parties [RP]; Connected Persons [CP], Conflicts of Interest [CONFLICT] and Related Parties (RLT PTY).
- Understand that the questions will not necessarily elicit answers that will disclose all of my relatives who may be “restricted parties” under s. 75 of the General Regulation under the Credit Unions and Caisses Populaires Act, nor all of my relatives who may be related parties under IFRS - IAS 24 - Related parties; and undertake to disclose to the Board my connection to any relative who has a material contract or loan with the credit union as soon as I become aware of it. I warrant that the information provided herein is complete and accurate in all material respects as of the date it is given, and
- I undertake to bring to the attention of the Luminus Financial any subsequent information which would necessitate the completion of a new Declaration.

Any declaration I have made above to the effect that I am a director or officer of a corporation/partnership/unincorporated association, or have a material interest in a person, shall be regarded as a general notice to the Board of Directors that I am interested in any contract made with that entity or person by Luminus Financial.

DATED AT _____, ONTARIO, THIS _____ DAY OF _____.

Signature of Party: _____

Schedule G

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REQUIREMENTS TO DISCLOSE

The Credit Unions and Caisses Populaires Act also requires Board candidates to disclose if they are a party to a material contract or proposed material contract with the credit union. You must include the disclosure in your submission if you:

Are a party to a material contract or proposed material contract with the credit union;

Are a director or an officer of an entity that is a party to a material contract or proposed material contract with the credit union;

Have a material interest in a person who is a party to a material contract or proposed material contract with the credit union; or

Are a spouse, parent or child of an individual who is a party to a material contract or proposed material contract with the credit union.

Please provide details here if any of the above applies.

DATED AT _____, ONTARIO, THIS _____ DAY OF _____.

Signature

Name

Witness Signature

Name

Schedule H

2019 Application for Nomination

BACKGROUND INFORMATION FOR CANDIDATES

Summary of recent history, evolution and key facts of Luminus Financial

Preamble:

Luminus Financial Directors are expected to attend all scheduled Board and Committee meetings and be active participants therein. They are also encouraged to attend other Luminus Financial related organizational and community related activities, as well as for Directors new to the credit union system, be willing to attend credit union system conferences. Directors are also required to participate in Director education as outlined below.

The information found below identifies and briefly describes Luminus Financial Committees, Director education requirements and a summary of meetings and estimated commitment of time which one might expect when they become a Director of Luminus Financial. We hope that the information below will assist you in clarifying your obligations should you become a Director. However, if you have any questions regarding the information, or wish to learn more about Luminus Financial Governance structure/practices, please contact the Board Chair Directors at board@luminusfinancial.com.

Committees

1. FULL BOARD

The Board of Directors consists of eleven (9) Directors, each elected by the Membership for a term of three (3) years, subject to a term-limit of twelve (12) years in office. The Board is responsible for establishing corporate objectives, policies and performance standards and measuring their achievement and hiring and delegating authority to the CEO.

2. BOARD COMMITTEES

The Board has established a number of standing Committees plus others from time to time which are assigned responsibilities to assist the Board to carry out its mandate. The current Committees and their mandates are as follows:

Schedule H (continued)

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- A.** **Audit Committee:** The Audit Committee provides the Board with reports on matters related to accounting and financial reporting practices, risk management, and internal and external control procedures. The Audit Committee is charged with a number of statutory responsibilities, as required under the Credit Union Act. It also reviews and recommends the annual financial statements to the Board. It is responsible to ensure effective management of operational risk as well, that capital, liquidity management and internal control systems are at acceptable levels. It is additionally responsible for monitoring compliance with the Credit Union's Restricted Party policy.

- B.** **Governance Committee:** The Chair of the Board will be the Chair of the Governance Committee. This Committee has the responsibility to ensure effective corporate governance, including its structure, and the establishment of Committee mandates so that the Board's responsibility to the Membership is fulfilled. It is responsible to assess the performance of the Board and its Committees.

- C.** **Nominating Committee:** The Nominating Committee is responsible to oversee the director Nomination, Evaluation, Selection and Election processes for Board Candidates, as well as the oversight of activities associated with the Annual General Meeting of Members, including the development of the Annual Report.

Schedule H (*continued*)

2019 Application for Nomination

Meetings / Time Commitment

Board meetings are held ***monthly***. It is expected that, in addition to the actual time spent at a Board or Committee meeting, a Director will fully review all materials (e.g., Board materials, Committee agendas and supporting material) provided prior to attending each meeting. Materials for all Board and Committee meetings are distributed by ***e-mail*** generally one (1) week prior to the scheduled meeting. Elected Directors are expected to be able to receive, print and communicate via electronic means. While the amount of time required for this task will vary for each individual it is not unusual for a Director to spend approximately 3-6 hours preparing for a Board or for some Committee meetings.

While travel time to and from meetings will vary with each Director, it is another factor to be considered.

Attendance at all Board and Committee meetings is tracked and reported to the Board. While occasional conference calls or email communications are held to deal with special issues between regularly scheduled meetings, for the most part Directors are expected to attend meetings in person. Under exceptional circumstances the Chair may allow participation in a meeting via telephone conference.

Schedule H (continued)

2019 Application for Nomination

The following meeting summary shows the approximate time commitment for each Director during the course of a year:

BOARD MEETINGS	Board meetings begin at 5 p.m. usually on the last Wednesday of the month. Allow 3 hours/meeting. The location of the meetings is at 1 Yonge St., 2nd Floor, Head Office of Luminus Financial.
ORIENTATION PROGRAM	For newly elected Directors; usually held following the election and no later than two months after having been elected. Allow minimum of one day.
AUDIT COMMITTEE	Meets approximately 4 times a year (allow 2 hours/meeting).
GOVERNANCE COMMITTEE	Likely to meet 4 times during the year (allow 2 hours/meeting).
NOMINATING COMMITTEE	Meets approximately 3 times per year (allow 1 hour/meeting) plus a concentrated period during February and March when Candidate reviews are conducted.
ANNUAL GENERAL MEETING	Usually held during the first week of April during the evening 6:30 pm to 8:30 pm.
PLANNING SESSIONS	Generally involves a 1 day conference, usually on a day in September.

2019 BOARD CALENDAR

Meeting Date	Purpose
January 9, 2019	November 2018 Monthly Meeting
February 6, 2019	December 2018 Monthly Meeting and Quarterly/Annual Review
March 6, 2019	January 2019 Monthly Meeting and Audit F/S Approval
March 27, 2019	February 2019 Monthly Meeting
April 4, 2019	AGM
April 24, 2019	March 2019 Monthly Meeting and Quarterly Review
May 29, 2019	April 2019 Monthly Meeting
June 26, 2019	May 2019 Monthly Meeting
July 31, 2019	June 2019 Monthly Meeting and Quarterly Review

August 28, 2019	July 2019 Monthly Meeting
September 13-14, 2019	Strategic Planning Session if required
September 25, 2019	August 2019 Monthly Meeting
October 30, 2019	September 2018 Monthly Meeting and Quarterly Review
November 27, 2019	October 2019 Monthly Meeting

Education

Luminus Financial considers training and development programs for our Directors extremely important to assist them in understanding the roles and responsibilities of being a Director of a Credit Union. In 2012 the Deposit Insurance Corporation of Ontario (DICO) set out minimum expectations for individual Director competencies which will require various programs be completed within certain time frames.

In addition, other in-house training sessions are developed for which attendance is expected. Each Committee regularly holds educational sessions during its scheduled meetings. The Board allocates funds annually for training and development purposes, and it is incumbent on each Director to consider additional opportunities for development wherever possible.

Participation

Luminus Financial expects our Directors to participate in the various events that we host throughout the year. The events are posted ahead of time.