

Legislative Committee Terms of Reference

Approved: November 24, 2017

RevDate: October 30, 2017

1.1 PURPOSE

The Legislative Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) to which the Board has delegated responsibility for the review, analysis, monitoring and recommendation of operational policies and strategies in connection with legislative developments on both the national and provincial levels.

The Committee derives its authority from the Board.

1.2 COMPOSITION AND TERM OF OFFICE

1.2.1 The Committee shall consist of a minimum of nine (9) directors. The members of the Committee shall be appointed annually by the Board at the first meeting of the Board following Central 1’s annual general meeting (AGM) to hold office until the next AGM as follows:

- a) Two individuals whom shall be directors or officers of Class A Members having their head office in the Ontario Region and having more than 10,000 members
- b) One individual whom shall be a director or officer of a Class A Member having its head office in the Ontario Region and having less than 10,000 members
- c) Four of whom shall be directors or officers of Class A Members having their head office in other than the Ontario Region and having more than 10,000 members
- d) Two of whom shall be directors or officers of Class A Members having their head office in other than the Ontario Region and having less than 10,000 members

A member of the Committee ceases to be a member of the Committee when he or she ceases to be a director or officer of a Class A Member or when he or she resigns from the Committee or is removed or replaced by the Board. A casual vacancy may be filled, and additional members of the Committee maybe appointed by the Board, to hold office until the next AGM.

1.2.2 Stabilization Central Credit Union’s Chief Executive Officer will be invited to attend meetings of the Committee as a guest, in furtherance of the Protocol Agreement between Central 1 and Stabilization Central Credit Union dated October 24, 2001.

1.2.3 Canadian Credit Union Association’s Vice-President, Government Relations will be required to attend meetings of the Committee in accordance with the Committee’s Resolution passed October 30, 2017.

1.2.4 A majority of the Committee must be Independent as defined in the Board of Director’s Terms of Reference. None of the members of the Committee shall be: (a) employees of Central 1 or its subsidiary; or (b) an officer of Central 1 or its subsidiary who are involved in the day-to-day operation of Central 1 or its subsidiary.

1.2.5 No more than one representative from any one credit union is permitted to serve on the Committee, except where one representative is serving as an ex-officio member of the Committee.

1.2.6 The Chairperson of the Board of Directors shall be an ex -officio member of the Committee, if not otherwise elected to the Committee.

1.2.7 The Chairperson of the Committee shall be elected by the Board at the first meeting of the Board following Central 1’s Annual General Meeting. If the Committee Chair should vacate the position, the Board will elect a successor. The Chairperson of the Committee shall act in accordance with the Committee Chairperson’s Terms of Reference.

1.2.8 The Vice-Chairperson of the Committee shall be elected by the members of the Committee at the Committee’s first meeting following the Board’s annual appointment.

1.2.9 Either the Chairperson or the Vice-Chairperson shall be from the Ontario Region and the other shall be from the BC Region.

Legislative Committee Terms of Reference

1.3 DUTIES AND RESPONSIBILITIES

The Committee shall perform the following duties, as well as any other duties specifically authorized by the Board, including:

- a) monitor legislative and regulatory developments provincially, nationally, and internationally;
- b) received operational reports respecting Central 1's government relations programs;
- c) direct the research and analysis, and advise upon concerns received by credit unions on legislative or regulatory matters;
- d) action strategies on provincial legislation with regulators, elected and non-elected officials;
- e) action strategies on federal legislation in cooperation with the Legislative Affairs Committee of Canadian Credit Union Association;
- f) formally report to delegates to each Annual General Meeting; and
- g) demonstrate robust participation in government relations activities and events.

1.4 MEETINGS AND PROCEDURES

- a) The Committee shall meet as it deems necessary to fulfill its duties hereunder at the call of its Chairperson, but no less than three times a year. The time and location of meetings and the procedures to be followed at such meetings shall be determined, from time to time, by the Committee. The Board Chairperson, the Committee Chairperson, any two (2) members of the Committee, or the Corporate Secretary may call meetings of the Committee. The Committee may meet in person, by conference call or by other electronic means.
- b) Whenever possible, seven (7) days' notice of the meeting shall be provided, in writing, to members of the Committee, and any invited persons. The agenda and required reports shall be circulated to the Committee (via the Board's web portal or e-mail) one week in advance of the meeting date, whenever possible.
- c) A quorum at any meeting of the Committee shall be a majority of the members of the Committee, excluding any ex-officio members. Decisions of the Committee will be by an affirmative vote of the majority of those members of the Committee voting at a meeting. The Committee may also act by resolution in writing signed by all the members of the Committee, except in respect for resolutions establishing, reviewing, altering or evaluating practices established by Central 1 relating to related party transactions.
- d) The Chairperson of the Committee shall appoint a Recording Secretary who need not be a director to keep minutes or other records of the meeting.
- e) The Committee will meet "in-camera" at each meeting with only the members of the Committee present.
- f) The Committee may invite any director, officer or employee of Central 1 or any other person, as appropriate, to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee, including the President and Chief Executive Officer, any member of executive management, external auditor, or external counsel.

1.5 MANAGEMENT AND RESOURCES

- a) The Committee shall be resourced by the Directors, Government Relations.
- b) The Committee shall have the authority to engage and determine funding for any independent counsel, consultants and advisors, as it may deem necessary to carry out its responsibilities, provided that all contracts for such services shall be reviewed, where appropriate, by Central 1's Legal Department and that any contract in excess of \$10,000 must be approved by the Chairperson of the Board or the Board prior to execution. The Committee shall report to the Board on any undertakings to engage such external resources, including the level of compensation.

1.6 RECORDS

The official records of the Committee including all meeting material and minutes are maintained by the Office of the Corporate Secretary. Minutes of every meeting shall be recorded and available to Committee members and the Board.

1.7 ACCOUNTABILITY

The Committee is accountable to the Board. The Chairperson of the Committee shall report the proceedings of each meeting and all recommendations made by the Committee at such meeting to the Board, at the Board's regularly scheduled meeting.

Legislative Committee Terms of Reference

1.8 EVALUATION OF COMMITTEE EFFECTIVENESS

The Committee shall annually review and assess the adequacy of its mandate and its effectiveness in fulfilling its mandate. As part of this review, the Committee will review and assess the adequacy of its Terms of Reference on an annual basis taking into account all legislative and regulatory requirements applicable to the Committee, as well as any best practice guidelines, and, if appropriate will recommend changes to the Conduct Review and Corporate Governance Committee.

1.9 AMENDMENTS

The Board must authorize substantive amendments to these Terms of Reference. The Committee may make administrative amendments, including amendments related to dates, organization, and similar matters.