

## Board Diversity, and Inclusion Policy

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### 1.1 PURPOSE

This Board Diversity and Inclusion Policy (the “**Policy**”) sets out the philosophy of the Board of Directors (the **Board**) of Central 1 Credit Union (“**Central 1**”) with regards to diversity.

### 1.2 INTRODUCTION

Central 1’s Board is committed to fostering a diverse and inclusive culture among its directors and seeks different opinions when solving issues and making decisions as it recognizes the value such differences can bring. The Board considers diversity and inclusion as fundamentally rooted in the values and principles of cooperative governance, consistent with the Global Diversity, Equity and Inclusion Benchmark.

To effectively steward and oversee the strategic direction of the organization, the Board of Central 1 applies a skills and competency based nomination and election process. Such process takes into account that Central 1 is a complex multi-faceted organization dealing with a vital financial function which requires certain skill sets to ensure that the Board has the knowledge and experience required to operate effectively. It is important that Directors have the appropriate competency requirements in order to fulfill their oversight responsibilities to Central 1 and its Class A members and thereby, contribute to enhancing the credit union system. The skills and experiences needed on the Board at any given time are articulated through an ongoing and forward-looking review of Central 1’s mission, vision and strategic objectives, as well as emerging key issues and risks. Candidates will be assessed against objective criteria while consideration will be given to the balance of skills, experience, knowledge and expertise such candidates may bring, with due regard for the benefit of how they add to diversity on the team.

#### 1.2.1. Definition of Diversity

For purposes of this policy, the term “**diversity**” describes the presence of differences on the Board and includes, but is not limited to:

- a) Gender-identity;
- b) Ethnicity/culture;
- c) Indigeneity;
- d) Physical ability/attributes
- e) Religious or ethical value system;
- f) Sexual orientation;
- g) Geography; and
- h) Age.

#### 1.2.2 Responsibilities of the Board

The Board is responsible for oversight of this Policy and approving changes to such Policy, as required. Further, the Board is responsible for promoting a culture whereby all voices are heard and discussed to achieve the best solution for Central 1 and its members and ensuring there is not one dominant voice.

#### 1.2.3 Conduct Review and Corporate Governance Committee’s Responsibilities

Directors are asked to annually complete the Skills Matrix Self-Assessment. The Conduct Review and Governance Committee (“**Governance Committee**”) reviews the results of the Skills Matrix Self-Assessment to ensure they are calibrated appropriately and makes adjustments, as required. The results of the Skills Matrix Self-Assessment are reviewed in order to identify the skills and experience gaps on the Board. The Governance Committee will also look into any diversity imbalances in accordance with section 1.2.5 below. Based on such review the Governance Committee will provide guidance to the Nominations and Elections Committee on the skill, experience and diversity gaps identified. The Governance Committee prepares the Director recruitment

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profile and provides same to the Nominations and Elections Committee, which is responsible for recruiting, assessing and nominating candidates for appointment/election to the Board.

Further, the Governance Committee is responsible for overseeing and monitoring compliance with this Policy, and for enhancing current processes and developing new ones as required to fulfill the objectives of this Policy.

### **1.2.4 Nominations and Elections Committee's responsibilities**

The Nominations and Elections Committee is responsible for reviewing nomination packages, interviewing and endorsing candidates to participate in Central 1's director elections based on the requirements outlined in the Director recruitment profile. In identifying suitable candidates for election/appointment to the Board, the Nominations and Elections Committee will consider candidates on merit against objective criteria and with due regard for the aspiration of diversity in the Board's composition.

### **1.2.5 Aspirational Composition**

The Governance Committee will annually review the composition of the Board and identify any gaps or imbalances and look for opportunities to further enhance diversity on the Board. In particular, the Committee will recommend a balanced Board where one group is not overly represented.

## **1.3 COMMUNICATION AND REPORTING**

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 Annual Report, on the process it has used to optimize Board diversity; the report will include a summary of this Policy.

## **1.4 AMENDMENT**

The Board of Directors must authorize substantive amendments to this Policy, including amendments to rules and procedures. The Corporate Secretary, with the President and CEO's approval, may make administrative amendments to this Policy, including amendments related to formatting, organization, spelling and similar matters. All persons to whom this Policy applies are expected to continue to abide by the Policy, as amended, and will be responsible for periodically reviewing the Policy for any updates.

## **1.5 REVIEW**

The Governance Committee will review this Policy biennially and make recommendations to the Board regarding same, as it considers appropriate.