

Joining
Your
Board of Directors



**CREDIT
UNION**

PUBLIC SERVICE



Information for Nominees for Board of Directors

Thank you for your interest in becoming a Director on the Public Service Credit Union Board. Serving on the Board of Directors will be both a rewarding and challenging opportunity. It will give you the chance to chart the future direction of your Credit Union while providing an opportunity for professional and personal development.

Nomination Package - Annual General Meeting

This document contains the information on the requirements, qualifications, expectations, roles and responsibilities for Directors of the Public Service Credit Union. It also outlines the nomination process and key dates. The two documents attached to the package - The Nomination Application (Appendix A and C) must be completed, signed and returned by the date indicated. A guideline to help you complete Appendix A is set out in Appendix B.

For your reference and consideration we have also included information on our Mission Statement, Vision Statement and Values. The Seven Co-operative Principles for Credit Unions are attached to the package (Appendix D).

Mission Statement

The Public Service Credit Union is committed to providing its members with responsive and innovative financial products and services in a socially responsible manner to maximize wealth for the members, while ensuring the highest standard of excellence and integrity.

Vision Statement

The Public Service Credit Union desires to be the preferred choice for all your financial needs.

Values

The Public Service Credit Union believes in:

- Fostering an environment that embraces the Co-operative principles of democracy and solidarity while encouraging self-help and self-responsibility. Also to provide quality products and services that meet the needs and expectations of the members we serve and respect.

Overall Director Responsibility

Directors have a great deal of responsibility and accountability. Individually and collectively they have a duty to be informed, act with care, diligence and skill, and to conduct Credit Union affairs with honesty, good faith and without conflict of interest. The Board exercises authority over strategic direction and policy development. The CEO is responsible for executing the strategic direction, operational policies and procedures and day-to-day operations..

The Board is responsible for:

- The long-term success of the Credit Union;
- Development of the Strategic Plan;
- Corporate governance and policy development;
- Providing oversight of financial management;
- Appointment of the CEO; and
- Ensuring compliance with the Credit Union Act and Regulations.

The Board carries out its duties by meeting at least quarterly and meeting regularly in assigned committees to discuss policies and reports. The Board undertakes training regularly and it is expected that all new Directors to participate in the Credit Union Director Achievement program training with the aim of obtaining their CUDA designation in their first term. As well members of the Board attend regional meetings as required.

Positions up for Election

There are three Director Positions available. **The terms to be filled are 3 three year terms.**

Nomination Deadline

Submission including the list of qualifications using the attached form must be submitted to the Chair of the Nomination Committee, by the date noted under timeline below. Nominations are to be emailed to nominations@pscua.ca or submitted to:

Chair of the Nomination Committee
Public Service Credit Union
403 Empire Ave, St. John's, NL
A1E 1W6

Questions and Inquiries

Questions and inquiries about the nomination process should be emailed to the Chair of the Nominations Committee at nominations@psc.ca. A response will be provided within 2 business days.

Timeline 2018

- | | |
|--|------------------|
| • Submission of Nomination Package* | January 26, 2018 |
| • Validation of submissions and notification of applicants | March 9, 2018 |
| • Annual General Meeting | March 27, 2018 |

*(Complete Appendix A)

Statutory requirements as outlined in the Credit Union Act, Section 70.

A person who is a citizen of Canada, 19 years of age or older, a member of the credit union and who satisfies the requirements set out in the by-laws of the credit union may be a Director, unless he or she:

- is an undischarged bankrupt person;
- is an employee of the Credit Union or the Guarantee Corporation;
- is not bondable;
- is an auditor, or a member of the auditor's firm, of the Credit Union;
- is a parent, child, grandchild, spouse, brother or sister or in-law of an employee of the Credit Union;
- is the solicitor of the Credit Union;
- is a representative of the bargaining agent for the employees of the Credit Union; or
- is a public employee whose official duties are concerned with the affairs of Credit Unions.

Other Requirements and Responsibilities

- commits to comply with the Code of Ethics for Directors (Appendix E);
- has not been an employee of the Public Service Credit Union in the last three years;
- has not been a representative of the bargaining agent for the employees of the Credit Union for at least three years;
- is not currently an employee of a competing financial institution;
- agrees to participate in quarterly Board meetings and the annual Strategic Planning Session;

- agrees to review Board meeting material;
- agrees to serve on at least one of the Board’s standing committees (Audit and Governance) and ad hoc committees as required;
- agrees to complete the Director training program as prescribed by the Credit Union;
- has knowledge and experience in business matters and be financially literate; and
- has the ability to deal with business, financial and corporate issues.

Time Commitment

Below is an estimate of the amount of time necessary to fulfill your role as a Director.

Item	Minimum Estimated Time (not including travel)
<i>Board meeting</i>	<i>Board meetings can last between 2 and 3 hours per meeting. They take place in the evening. There are 4 regular board meetings per year and there can be additional meetings during the year. The meetings are held at PSCU board room or via telephone if necessary.</i>
<i>Prepare for Board Meetings</i>	<i>2-3hours per meeting.</i>
<i>Prepare for Committee meetings</i>	<i>Committee meetings can be held in the day or evenings and they can last between 1 and 2 hours per meeting.</i>
<i>Read Committee package</i>	<i>1-2 hours per meeting.</i>
<i>Board planning sessions</i>	<i>Fall: 1 Saturday.</i>
<i>Training and development</i>	<i>Directors are required to attend CU Director Accreditation and other education/training sessions. This may involve weekdays and /or weekends and to be completed within the first three years of directorship. All director training expenses are compensated by the credit union up to the limits specified in policy</i>

Relevant Skill and Abilities

- The ability to understand and interpret financial statements and to assess business performance;
- Committed to life-long learning;
- Have an understanding and are committed to the Credit Union’s Mission, Vision and Values;
- Have the ability to work in a team environment; and

- Have good communication skills.

Election Procedure

The nomination forms will be reviewed by the Nominations Committee of the Board to ensure the nominee's eligibility.

If the number of qualified nominees is less than or equal to the number of positions to be filled, the validated nominees shall be declared elected by acclamation at the Annual General Meeting.

In the event the number of qualified nominees is more than the number of positions to be filled, a secret ballot will be held at the Annual General Meeting. Each candidate will be provided an opportunity to speak for 3 minutes. Information on each candidate will be provided at the Annual General Meeting using the information provided on Appendix A.

If an election is held a Board member not up for election will Chair the election. Two independent scrutineers will be appointed to count the ballots that are cast.

The Board of Directors

Directors are members of the Credit Union who have been democratically chosen by their fellow members to carry out a special job – to oversee the operation of the credit union.

A definition of the Board of Directors might be expressed as a group of individual members, elected by the credit union membership to administer the affairs of their organization till the next annual meeting. The word “group” requires some emphasis as the success or failure of any Board depends, to a large extent, on how well it operates as a team. Directors have authority only as a group and not as individuals. A Director, as part of this group, is responsible for reinforcing co-operation through his/her actions and attitudes and must remember that personal feelings and ideas will be accepted, rejected or modified by group decision. It is the success of this group action which determines how well the credit union will serve its members now and in the future.

The dedication of the Directors to their job is the most important factor in the credit union reaching three important goals:

1. Providing the best possible service to members
2. Reaching out and serving as many potential members as possible
3. Supporting the communities in which it operates

Integrity

The Board of Directors, as the governing body, must exhibit high ethical standards in all personal and professional interactions. In order to ensure that the ethical standards are met, the credit union provides a standardized code of conduct clearly explaining proper and improper behavior. This written code of conduct provides strict boundaries for directors and employees, thereby preventing possible violations due to a lack of clarity.

The Credit Union must take all necessary measures to avoid conflicts of interest. In particular the Board of Directors should not use their position on the Board to benefit themselves personally. To accomplish this ethical consideration, Board Directors must excuse themselves from discussions and voting on matters in which they or their relations/friends have economic interest.

Furthermore, immediate family members of those who have close relationships to any of the Board of Directors or staff should not serve on the Board. A family or close pre-existing bond provides numerous opportunities for conflict of interest or wrong doing. No matter how qualified or impartial the Directors may be, the reputation of the Credit Union cannot be put at risk.

Background on Credit Unions

A Credit Union is a co-operative enterprise that serves and is controlled by its members. The members have equal rights to vote (one member, one vote) and participate in decisions affecting the credit union without regard to the amount of savings, deposits or the volume of business. Credit Unions are non-discriminatory in relation to race, nationality, sex, sexual orientation, religion or politics. This democratic structure ensures that the business is run for the benefit of the members and not for the profit of outside investors.

In the early 1900s, average working Canadians had little access to the banks. Credit Unions, organized locally according to cooperative models, were born in this country as a result. The first financial cooperative was created in Levis, Quebec in 1900, when 80 people banded together as a Caisse Populaire. Today the international Credit Union system is comprised of 40,000 credit unions and 186 million members.

Our history is the foundation of *our philosophy: that everyone deserves an opportunity to achieve financial well-being, that working together, cooperatively, works for the good of all and that giving back to communities is a key rationale for profitable operations. This is reflected in the seven cooperative principals.*

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation (through member shares)
4. Autonomy and independence (self-help organizations controlled by members)

5. Education, training and information (for members, staff and directors)
6. Cooperation among cooperatives (working together locally, regionally, nationally and internationally)
7. Concern for community



The Public Service Credit Union

In 1936, a seed was planted among a number of senior public servants to organize a co-operative to provide various financial services to their fellow workers.

In 1937 an organizational meeting was convened by Judge Browne in Canon Wood Hall for the creation of the Civil Service Co-operative Credit Society and the first \$121 was invested in December 1937. Judge Browne provided a sum of money to get the Credit Society started and the DSA provided a loan of \$75 to produce a set of credit union books.

In 1938, the first Annual Meeting was held in the Newfoundland Hotel on January 27, attended by a large gathering of Civil Servants. Following the election of Officers, the Board officially admitted the first seventy-two members with loan business commenced that February.

In 1942, the Civil Service Co-operative Credit Society Limited was incorporated under the Co-operative Societies Act, on July 17, 1942 following five years of operation. The first office was opened in the Connors Building on the east corner of Queen and Water Street next door to the old Central Post Office and from there it was transferred to the basement of the Colonial Building.

In 1975, the first full-time Manager was hired.

In 1978, the name changed from the Civil Service Co-operative Credit Society to Public Service Credit Union Limited.

In 1979, PSCU rented an office at 23 Cashin Avenue, providing 9-5 service.

In 1986, the first building was purchased on April 14 at 403 Empire Avenue. On completion of a new layout and installation of equipment, these new offices were officially opened by our founder, the Honorable W.J. Browne, P.C., Q.C., on October 16 International Credit Union Day.

In the late 80's and early 90's the pace of change increased as Member cards & Global Payment cards were introduced providing members electronic access 24/7 at the merchant and ATM level.

In 1992, the PSCU was the second Credit Union in the Province to have its' own ATM.

In 2003, the PSCU commenced construction of modern new premises.

In 2004, Centennial Credit Union ceased operations and its members transferred their accounts to Public Service Credit Union. August 2, 2004 marked the first day of operation of the PSCU's new premises at 403 Empire Avenue, next to its previous location. The official grand opening was held on October 20, 2004 during Co-op Week.

In 2006, PSCU hired for the first time, a General Manager from the ranks of its own staff. That same year PSCU also changed its bond of association, opening its membership to all residents of Newfoundland and Labrador.

In 2007 PSCU celebrated 70 years of providing financial services to its members.

In 2008, a much discussed and anticipated service, Financial Planning was offered to members. After ten years of discussing how this service could be offered under a feasible model, the Public Service Credit Union formed a partnership with Horizon, Eastern Edge, Reddy Kilowatt and Community Credit Unions to offer Financial Planning to their members through Credential Financial Strategies. Under this arrangement PSCU provides financial advice and planning, mutual funds and insurance products.

The pace of change in the financial industry has been driven by new developments in technology. Members can access their accounts via the internet through Member Direct integrated (MDi), allowing members to review their account, to pay bills, to transfer money to other financial institutions anytime, anywhere internet was available.

In 2009, two new products were added to the financial suite of products: Tax Free Savings Account (TFSA) and High Interest Savings Account (HISA).

In 2011, PSCU became a member of the newly formed Atlantic Central, which replaced the centrals in the Atlantic Provinces. In June 2011 PSCU offered Electronic Statements to its members to complement its internet banking service allowing members to view their statements on line.

In 2012, PSCU celebrated its' 75th anniversary. In January 2012 the electronic banking system was enhanced as the PSCU offered email money transfer service allowing members to email money to anyone with an email and a financial institution account. That same year cheque imaging was implemented, replacing the hard copy.

In 2014, PSCU was the first Credit Union in the province to launch the iPhone app to provide 24/7 access, to pay bills, transfer money and email money from the convenience of the iPhone.

In 2016, PSCU contributed to the community \$29,734 contributing \$166,000 to the community since 2012. During 2016 PSCU launched Interac Flash and Interac Online.

In 2017, PSCU celebrated its' 80th anniversary.

PSCU is a full service financial institution providing loans, mortgages, home equity line of credit, registered saving products (RRSP, RRIF, RESP, TFSA), investments, savings, chequing, loan insurance, deposit protection, on line banking, mobile banking, telephone banking, financial planning , Interac, ATM and Credit Cards.

We are part of a large network of credit unions nationally and over 40,000 worldwide.

PSCU provides innovative and responsive Financial Services that are focused on your best interest.

Appendices

Appendix A	Nomination Application and Nominee Profile
Appendix B	Guidelines for Completing Business Background and Experience
Appendix C	Bond Application
Appendix D	Seven Co-operative Principles
Appendix E	Code of Corporate Ethics & Business Conduct for Directors

Appendix "A"
Public Service Credit Union
Nomination Application

Name: _____

Address: _____

Phone # _____

Email Address: _____

Member of the Credit Union since _____
 (MM/DD/YYYY)

Member # _____

Have you ever filed for bankruptcy? If yes when? _____
 (MM/DD/YYYY)

Check list for eligibility

Question	Yes	No
Are you bondable? (See Appendix C – Bond Application)		
Are you a person who is undischarged from bankruptcy?		
Are you an employee of the credit union or the Guarantee Corporation?		
Are you an auditor, or a member of the auditor's firm, that audits this Credit Union?		
Are you parent, child, grandchild, spouse, brother or sister or in-law of an employee of this Credit Union?		
Are you the solicitor of this Credit Union?		
Have you been a representative of the bargaining agent, NAPE for the employees of this Credit Union within the last three (3) years?		

Are you a public employee whose official duties are concerned with the affairs of credit unions?		
Do you commit to comply with the Code of Ethics for Directors?		
Have you been an employee of the Public Service Credit Union within the last three years?		
Are you currently an employee of a competing financial institution?		
Do you agree to participate in quarterly Board meetings including the prior review of Board material?		
Do you agree to serve on at least one of the Board's standing committees (Audit; Governance and Executive Committee) and ad hoc committees as required?		
Do you agree to complete the Director training program as prescribed by the Credit Union?		
Do you have knowledge and experience in business matters and are financially literate?		
Do you have the ability to deal with business, financial and corporate issues?		

Note: A credit bureau and a certificate of conduct may be required by the bonding company if elected as a Director. Any regular cost incurred will be covered by the Credit Union.

Please complete Sections I, II, III and IV which will be presented to the membership as part of the election process.

By signing below you are authorizing the Public Service Credit Union to complete the necessary due diligence to ensure your eligibility as Director and to complete a credit bureau report if elected. Additionally, you agree that you have read and understand the terms and conditions to be a Director as summarized above in this nomination package including the Fidelity Bond Application and accept liability for your decisions as a Director.

Signature: _____

Date: _____

Appendix “B”
Public Service Credit Union

Guidelines for Completing Business Background and Experience

Below are some of the key business background and experience, personal attributes and often associated with the position of a director on a Credit Union.

Business Background and Experience

- Experience in the financial industry sector
- Knowledge in the area of risk management
- Core knowledge in the area of corporate governance
- Core knowledge of audit principles and practices
- Experience in the co-operative sector
- Business experience in related fields
- Knowledge and experience in association governance of management
- Completion of any Director training including CUDA training
- Knowledge and understanding of Financial Statements
- Experience in government relations
- Experience with customer relations
- Past experience serving as a Director
- Core knowledge of fiduciary and legal responsibilities pertaining to Director
- Experience involving mergers, acquisitions and strategic alliance
- Knowledge and experience in the area of human resources
- Knowledge and experience with interest rates or credit risk management
- Experience and knowledge in strategic planning
- Computer technology literacy
- Experience with financial services regulation
- Membership in Professional Association and
- Professional Licenses

Appendix "C"
Public Service Credit Union

Bond Application - Credit Union Deposit Guarantee Corporation
Director/Committee Member
Fidelity Bond Application

Fidelity Bonding is a firmly established business practice. As a requirement of you assuming the position of Director or Committee Member you are required to be bondable by Regulations. The Credit Union Deposit Guarantee Corporation has mandated that the bonding agency for the Newfoundland and Labrador Credit Union System will be The Credit Union Bonding Program (TCUBP) operated by CUMIS General Insurance Company.

Fidelity bonding serves notice that you meet the high standards required by the issuer of your bond. It also protects the credit union in the event there is a loss sustained by the credit union as a result of a dishonest act of a director or committee member. Compliance with your credit union's rules and faithful and honest discharge of the duties of your position will assure your continued bond ability.

Directors and Committee Members are to complete the information and questions listed below.

1. Organization: _____
Address: _____
Telephone #: _____
2. Applicant: _____
Home address: _____
Telephone #: _____
Email: _____
Position: Committee Member Committee _____
Director / Officer Position _____
3. Current Occupation: _____
4. Past Experience as a Director/Committee Member: _____

5. Years of Service as a Director/Committee Member of a Credit Union: _____
6. Has any application by you for a bond been declined by a surety company? Yes No

7. Are you presently the subject of any civil or criminal action?
8. Has it been determined by a court of law, quasi-judicial tribunal, or Board of Arbitration that you have committed a dishonest or fraudulent Act of any kind?
9. Are you related to a current employee of the Credit Union?

IF ANY OF THE QUESTIONS NUMBER 6 TO 9 ARE ANSWERED "YES", GIVE FULL PARTICULARS IN A SEPARATE LETTER SECURELY ATTACHED TO THIS APPLICATION

IT IS IMPORTANT THAT THE APPLICANT READ AND FULLY UNDERSTAND THE CONTENTS OF THE AGREEMENT HEREUNDER BEFORE SIGNING

AGREEMENT OF APPLICANT

I hereby warrant that the foregoing statements are true and correct, and in consideration of Co-operators General Insurance Company and CUMIS General Insurance Company, hereinafter called the Insurer becoming Insurer for me under this bond (the term "bond" shall include the bond herein applied for, every continuation of alteration thereof, and any new bond) in my present or any other position, **I agree to unconditionally indemnify and save harmless the said Insurer against all actions, proceedings, liabilities, damages, loss, cost and expense, including costs of realization and legal fees on a solicitor client basis, that it may sustain or become liable for by reason of dishonesty on my behalf.**

I ALSO UNDERSTAND AND AGREE THAT:

- (a) **In the event I am bonded and is later discovered by the Insurer that any of the answers given are untrue or inaccurate, the Insurer may, at its option, cancel the bond.**
- (b) **Should my circumstances change such that any of the answers given on this application (questions #6 to 9) by me are no longer accurate or true, then I shall immediately notify the Insurer of such change and any failure to do so may result in cancellation of the bond, at the option of the Insurer.**
- (c) **In the event that I am bonded, I am bound by the terms and provisions of this Agreement.**
- (d) **The bond is automatically deemed cancelled and terminated on the discovery of any dishonest act on my part whether or not such dishonest act results in any monetary loss to the entity requiring the bond, the Insurer or any other person or organization.**

I further represent and warrant that I have not concealed or failed to disclose any facts which, if known to the Insurer, would cause the Insurer to decline the bond or which would make the Insurer's liability greater than would normally be expected and I understand and agree that if any such facts should become known to the Insurer, it may, at its option, cancel the bond.

Dated at _____ this _____ day of _____ 20____
(City) (Prov)

Witness

Signature of Applicant

Appendix “D”

Seven Cooperative Principles

1. Voluntary Membership

Co-operatives are voluntary, co-operative organizations, offering services to people willing to accept the responsibilities and benefits of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Co-operatives are democratic organizations owned and controlled by their members, one member one vote, with equal opportunity for participation in setting policies and making decisions.

3. Members’ Economic Participation

Members are the owners. As such they contribute to, and democratically control, the capital of the cooperative. This benefits the members in proportion to the transactions with the cooperative rather than on the capital invested.

4. Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If the cooperative enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the member and maintains the co-operative autonomy.

5. Education, Training and Information

Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of the cooperative.

6. Co-operation Among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, provincial, regional, national, and international structures.

7. Concern for Community

While focusing on member needs, co-operatives work for the sustainable development of communities, including people of modest means, through policies developed and accepted by the members.

These seven principles are founded in the philosophy of co-operation and its central values of equality, equity and mutual self-help. They express, around the world, the principles of human development and the brotherhood of man through people working together to achieve a better life for themselves and their community.

Appendix “E”
CODE OF
CORPORATE ETHICS AND
BUSINESS CONDUCT

To all Directors,

At **PUBLIC SERVICE Credit Union** (the “Credit Union”), we are committed to dealing fairly and with integrity in all aspects of our business. We believe that good ethics and behaviour fosters good business, and that business should be conducted honestly, fairly and legally. This Code of Corporate Ethics and Business Conduct (the “Code”) establishes a foundation of ethical behaviour and the standards by which good ethics and good business conduct are achieved. The Credit Union expects all Employees, Directors, management and staff, to share in its commitment to high moral, ethical and legal standards.

All Directors are expected to know and abide by the Code, it is also meant to be a guide to all Directors. If you encounter a situation that causes you to question its appropriateness and are unsure how to handle it, this Code of Conduct was written to give you guidance.

Please take the time to review the Code; you play a very important role in setting the standards for our behaviour and play a critical role in the success of the Credit Union.

Doug Dewling

Chair, Board of Directors

PUBLIC SERVICE Credit Union

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A. Introduction

The importance of this Code of Conduct (the “Code”) cannot be overemphasized. Your understanding of it and your cooperation in adhering to it are critical to the integrity of our business and to maintaining the trust that our stakeholders have placed in the Credit Union. Accordingly, anyone who fails to meet the standards set out in this Code will be subject to corrective or disciplinary action that may include removal from the Board.

If, at any time, you are uncertain about the proper course of action, we urge you to discuss your concerns with the Chair of the Board. Should you feel that this is not appropriate for some reason, you may also contact the Compliance Officer directly.

The terms “the Credit Union”, “our” and “we” and “us” have been used throughout this document to collectively represent **PUBLIC SERVICE Credit Union**. The terms “your” and “you” have been used to collectively represent the Directors of the Credit Union.

The meanings of capitalized terms used in this Code are defined in Appendix I attached to the Code.

1) Certification

Each year, you are required to review the Code, to complete any requested disclosures, and to acknowledge that you have read and agree to abide by the Code and its accompanying policies and procedures, by completing the statements in Schedule C attached to this document. The Code does not replace, but does supplement existing corporate policies such as those referred to in the Code.

All new Directors of the Credit Union are required to acknowledge receipt of, and compliance with the Code and all Credit Union policies and procedures by completing the statements in Schedule B attached to this document.

2) Statement of Corporate Ethics

As a starting point, ethical behaviour is based on these general principles:

- i. Honesty and integrity are characterized by truthfulness and freedom from deception or fraud. There is no exception to this principle.
- ii. No Credit Union policy can hope to address the appropriate behaviour for every situation. Whenever you are faced with a difficult decision or a question as to the appropriate conduct, you should seek advice from the Chair of the Board, or the Compliance Officer.
- iii. There is no conflict between attention to business and attention to ethics.

In relation to these principles, the Credit Union and you have various responsibilities and obligations, and it is important that you are aware of what you can expect from us, and what we expect from you.

As a Credit Union:

- we are committed to providing a business environment that encourages learning and professional development, and creates a positive and supportive working atmosphere in which all stakeholders of the Credit Union are treated fairly, honestly and respectfully.

As a Director:

- you must respect these principles and recognize your responsibilities, as set out throughout the Code, in all aspects of your involvement with the Credit Union;
- you have a responsibility to:
 - acquire knowledge, make decisions and accept responsibility for your own actions;
 - treat others fairly and deal with them honestly and respectfully; and
- you are required to use the authority given to you by the Credit Union in the best interests of the Credit Union.

B. Code of Business Conduct – Our Shared Responsibilities

1) *Compliance with Laws and Regulations*

We all must comply with applicable laws and regulations which relate to our activities for and on behalf of the Credit Union.

As a Credit Union:

- we are committed to compliance with all legislation affecting the Credit Union, our business and workplace, the products and services we provide to member credit unions, and the health, safety and well-being of our Employees and Directors.

As a Director:

- you must ensure that your conduct cannot be interpreted as being in any way in contravention of the applicable laws and regulations governing the operations of the Credit Union; and
- you should bear in mind that not only your actions, but also the perception of your actions by others is important, and you should act accordingly.

2) *Conflict of Interest*

We are all expected to perform our duties conscientiously, honestly and in the best interests of the Credit Union.

As a Director:

- It is your responsibility to:
 - carry out your duties and responsibilities using your best care, skill and judgment;
 - exercise good faith, loyalty, honesty, integrity and fair dealing;
 - not use your position, or the knowledge gained through your Directorship with the Credit Union, for private or personal advantage;
 - not use your position, or the knowledge gained through your Directorship with the Credit Union in such a manner that a conflict or an appearance of a conflict arises between the Credit Union's interest and your personal interests; and

- seek direction from the Chair of the Board, or the Compliance Officer where there is a question of a conflict, or if you feel there may be a perceived conflict of interest.

While it is impossible to list every circumstance giving rise to a possible conflict of interest, the following will serve as a guide to the types of situations which might involve conflicts and, therefore, should be avoided:

i. Gratuities and Improper Payment

We recognize that relationships with clients and suppliers may give rise to potential situations where conflicts of interest, real or perceived, may arise.

As a Director:

- you are expected to make decisions based on an impartial assessment of each situation, free from the influence of gifts, favors, hospitality or entertainment.
- you should never:
 - accept or solicit gifts, tokens of appreciation, financial or otherwise, if accepting such gratuities impairs your judgment in the performance of your duties;
 - pay any bribe, kickback or any similarly improper payment, direct or indirect, to any person or entity to influence, obtain or retain business, or for any other reason;
 - use inappropriate gifts, excessive entertainment or any other means to improperly influence customers or potential customers; or
 - employ outside persons or entities in connection with the Credit Union's business for the purpose of circumventing Credit Union policy.
- As a general guideline, you should not accept gifts, entertainment, gratuities or other favors in excess of \$150 in value, or of any value that makes you suspicious or uncomfortable. Items over this limit, or that are of a suspicious nature, must be disclosed to the Chair of the Board. The Chair will use his/her discretion as to whether or not to report the item to the Compliance Officer.

ii. Conflicting Financial Interests

As a Credit Union:

- we recognize the right for you to make personal investment decisions as you see fit, as long as such decisions do not contravene the conflict of interest provisions of the Code

or any applicable legislation.

As a Director:

- you must not make any personal financial decisions on the basis of Insider Information;
- if you are in possession of material non-public information you must not pass such information on to others for their use;
- you must not knowingly permit your personal investment transactions to have priority over transactions for the Credit Union and its members; and
- you and members of your Immediate Family must not have financial interests, or any other contractual arrangements with other entities that are, or may appear to be inconsistent with your duties to the Credit Union.

Examples of such situations of conflicting financial interest include:

- stock ownership, partnership participation or management;
- direct or indirect material financial interests (including employment or consulting agreements) in any outside entity that does business with, or competes with the Credit Union;
- direct or indirect competition with the Credit Union in the purchase or sale of property or property rights; and
- representation of the Credit Union in any transaction in which you have a material financial interest.

iii. Conflicts of Duty

We all share a very real responsibility to contribute to our local communities, and we encourage you to participate in charitable, educational and civic activities.

As a Credit Union:

- we are committed to preventing conflict of interest situations for our Employees and Directors. If a conflict does arise, we reserve the right to request that you remove yourself from the position in question.

As a Director:

- you should avoid acquiring any business interest or participating in any other activity outside the Credit Union which would create, or appear to create a conflict of interest - that is, an obligation, interest or distraction which would interfere or appear to interfere

with your independent exercise of judgment in the Credit Union's best interest; and

- if you hold, or have been invited to hold, outside directorships you should take particular care to ensure compliance with all provisions of this Code.

iv. Other Conflicts Concerns

In addition to conflicts of financial interest and conflicts of duty, you should be aware of and avoid other areas of potential conflict, including situations where you or an Immediate Family member's interests could conflict with those of the Credit Union.

Examples of such other conflicts include:

- selling anything to the Credit Union or buying anything from the Credit Union (except in the course of any normal program of disposal of surplus Credit Union Property which is offered in an open process); and
- entering into transactions with Related Parties of the Credit Union, as defined in the Credit Union Act unless the Director has obtained the consent of the Chair of the Board or as required by policy.

3) Political Support

As a Credit Union:

- we respect your personal participation in the political process, including candidacy, and respect your right to absolute privacy with regard to personal political activity, and will not attempt to influence any such activity.

As a Director:

- your personal participation in the political process must not extend to the use of Credit Union time, funds, goods or services.

4) Remuneration and Reimbursement of Expenses

As a Credit Union:

- we are committed to providing Directors a fair remuneration in recognition of their time and effort in serving on the Board, and to reimbursing reasonable expenses incurred in

carrying out Director responsibilities.

As a Director:

- except as specifically provided under the policies of the Board, you must not receive commissions or other compensation related to your duties as a Director.

5) Drug and Alcohol Abuse

As a Credit Union:

- we are committed to keeping the workplace free from drug and alcohol abuse and gambling and their effects, and we do not tolerate the presence of illegal drugs, the abuse of drugs of any kind, and/or the abuse of alcohol and/or gambling in our workplace or while on Credit Union business. This objective is not only the Credit Union's right, it is the Credit Union's responsibility to its customers, Employees and Directors; and
- in the event of a Credit Union function, the Credit Union will exercise its discretion in providing and/or limiting alcoholic beverages.

As a Director:

- you are responsible to contribute towards a safe, healthy and productive workplace free of illegal drugs, alcohol, gambling or any other activities that might impair your or others' duties.

6) Use of Credit Union Property

As a Credit Union:

- The Credit Union reserves the right to open, inspect and have access to all electronic systems and physical property including access to:
 - passwords and message delete functions which do not restrict or eliminate the Credit Union's ability or right to access electronic communications; and,
- communications transmitted over Credit Union communication systems are not considered private.

As a Director:

- you may use Credit Union Property for occasional personal purposes provided that the use is appropriate and lawful;

- you must not:
 - use Credit Union Property to conduct non-Credit Union business such as operating a part-time business, or for personal political activities; or
 - take, misappropriate or misuse Credit Union Property; and
- you must report any theft, misappropriation or misuse of Credit Union Property to the Chair of the Board, the or the Compliance Officer.

7) Use of Electronic Resources

As a Director:

- you must not:
 - use Credit Union Property or computer resources to create, receive, retrieve, download, store, print or transmit information that is hostile, malicious, unlawful, sexually explicit, discriminatory, harassing, profane or abusive, damaging (e.g. computer viruses) or inappropriate for the business environment;
 - knowingly send, receive, store or forward messages that contain such unacceptable information;
 - access websites that contain illegal, sexually explicit or discriminatory content via Credit Union equipment or networks;
 - use a password, access a file or retrieve any stored information, other than where you are authorized to do so;
 - attempt to gain access to another Director's or Employee's messages without permission; or
 - disclose any password, or allow any use of keys or 'fobs' to any person that is not authorized to access the premises;
- you are permitted to use non-Credit Union computer resources when working in other workplace locations provided that all Confidential Information is protected from unauthorized access, theft, misuse or corruption; and
- by using Credit Union communication systems, you consent to have such use monitored by authorized Credit Union personnel at the discretion of authorized personnel.

i. Software Licensing and Registration

As a Credit Union:

- we provide network access to the internet, and to internet services, in order to facilitate the Credit Union's business.

As a Director:

- you must only use computer technology in accordance with applicable software agreements, copyright, trademark, patent and other laws;
- you must not duplicate, install or use software in violation of its copyright or license terms; and
- unless permission has been obtained from the copyright owner, you may not make copies of electronic data.
-

8) Credit Union Funds

As a Credit Union:

- we have developed a number of internal controls to safeguard Credit Union assets, and we impose strict standards to prevent fraud and dishonesty.

As a Director:

- if you have access to Credit Union funds in any form, you must follow Credit Union procedures for recording, handling and protecting such funds;
- you must, at all times, ensure that Credit Union funds are used only for the Credit Union's business purposes;
- where your position requires Credit Union funds to be spent, it is your responsibility to use good judgment on behalf of the Credit Union and to ensure that appropriate value is received by the Credit Union for such expenditures; and
- if you become aware of any evidence that Credit Union funds may have been used in any fraudulent or improper manner, you will immediately and confidentially advise the Chair of the Board, or the Compliance Officer. Alternatively, you may anonymously report the incident using the Integrity in Action program.

9) Credit Union Records

Federal and provincial law, as well as good business practice, requires every company to ensure that its books and records, including the amounts recorded and the true nature of the transactions represented, are accurate and fairly stated.

As a Credit Union:

- we do not permit undisclosed or unrecorded revenues, expenses, assets or liabilities.

As a Director:

- in all operations, you must not falsify internal or external documents, or in any other way cause books and records to be inaccurate or misleading; and
- to the extent required by your position, you must ensure that the Credit Union's books and records reflect all business transactions in an accurate and timely manner.

10) Obtaining and Safeguarding Information

In the regular course of business, the Credit Union accumulates a considerable amount of "sensitive" client and other business information, including Personal Information and Confidential Information.

As a Director:

- upon the termination of your term as a Director with the Credit Union, regardless of the circumstances of the termination, you must continue to safeguard information you possess that is Personal Information or Confidential Information. You must not disclose any such information unless you have been authorized by the Credit Union or compelled by law, or the information is already in the public domain or the information was not received during the course of, or as a result of your position with the Credit Union.

i. Personal Information

As a Credit Union:

- we have established a privacy policy and have appointed a Privacy Officer to ensure compliance with privacy legislation.

As a Director:

- you must ensure that all Personal Information in your possession is protected as outlined within the Board Policy: Protection of Personal Information, and you must:
 - only collect, use and retain such Personal Information as is necessary for the Credit

- Union's business;
- obtain required Personal Information directly from the person concerned with his or her written consent;
- use only reputable and reliable sources to supplement any Personal Information; and
- only retain Personal Information for as long as it is needed or as required by law, and such information should be physically secured and protected (e.g. stored on the network) – no Personal Information should be stored locally on your laptop or other storage devices; and
- you must not disclose any Personal Information to any outside person unless and until you have obtained proper authorization for such disclosure regarding Employees and contained in employment files.

ii. Confidential Information

During the course of business, Credit Union Information or Proprietary Information of the Credit Union, or information that another entity owns, develops, pays to develop, possesses or to which it has an exclusive right, or which it considers confidential (collectively, "Confidential Information") may become available to you. It is very important for you to safeguard such Confidential Information.

As a Director:

- both *during and after* your term as a Director, you must not disclose, use, release or discuss any Confidential Information except as required in the course of your duties, as permitted by Credit Union policy, or as required by law (you must give notice of any anticipated court orders to the Credit Union);
- you must never use any Confidential Information for your own use or use any Confidential Information in any way that is inconsistent with the interests of the Credit Union;
- you must never be a party to a situation in which Confidential Information has been obtained improperly from another company;
- if you are approached with an improper offer of Confidential Information, you must immediately discuss this matter with the Chair of the Board, or the Compliance Officer;
- you must also follow confidentiality restrictions from previous employers or relationships and not use or share any information they consider Confidential Information with the Credit Union or the Board of Directors; and
- any Confidential Information in your possession now or at any time during your term as a Director is the property of the Credit Union and its affiliates, and you must return all such materials and all copies of them to the Credit Union whenever requested by the Credit Union.

11) External Communications

As a Credit Union:

- we are committed to honest, accurate, timely and concise communications with the public and the media, and we work to ensure all information originates from an authoritative source within the Credit Union; and
- the Chair of the Board and the CEO are the Credit Union's official media spokespersons.

As a Director:

- you should send all media inquiries to the Chair and CEO;
- because you represent the Credit Union to the public, you should be aware that your actions may influence the Credit Union's reputation or image; and
- you have the right to publicly express personal views as a private citizen, however, you have a responsibility to ensure you are not defaming the Credit Union in any way. This may include the use of Credit Union letterhead, e-mail addresses or expressing views in print, via the Internet, in blogs or personal web pages or by any other means.

12) Breach of the Code

Although the Chair of the Board, or the Compliance Officer should always be considered your first choice, the Credit Union does provide you with a means to report contraventions of the Code in an anonymous and confidential manner. By asking for assistance or reporting an issue you ensure that our Code is followed and enforced.

As a Credit Union:

- all reported potential breaches of the Code will be investigated and responded to in a timely manner;
- anyone who makes a false complaint, threatens other, or damages another person's reputation will be subject to disciplinary action up to and including removal from the Board;
- if violations are found, the Credit Union will act promptly;
- all reports will be kept in confidence, and only those who need to know of a reported incident will be advised;

- every effort will be made to protect the confidentiality of persons reporting violations of the Code, the law / regulations, Credit Union policies or unethical behaviour; and
- we will not tolerate retaliation against anyone who reports a potential breach of the Code. Retaliation in any form will be considered a serious disciplinary offence and will be subject to disciplinary action up to and including removal from the Board.

As a Director:

- you should identify to the Chair of the Board, or to the Compliance Officer, all cases in which you:
 - believe that:
 - the Code or policies are not being followed;
 - laws or regulations are not being followed;
 - there is an accounting irregularity; or
 - there has been a theft, fraud or embezzlement;
 - have a question or concern; or
 - need advice or assistance;
- all reports should be made in good faith;
and
- in order to file a complaint, please use Schedule A attached to this document.

C. Code of Business Conduct – the Credit Union’s Responsibilities

The Credit Union has policies in place to prevent Discrimination, Harassment and inappropriate behavior, and will take reasonable measures to ensure a respectful workplace. Likewise, the Credit Union expects that all Individuals will take personal responsibility for their interactions and communications with others, and their behaviour to maintain a respectful workplace.

1) Fairness in Employment

The Credit Union is committed to equity and fairness in its employment and compensation practices with respect to all Individuals. The Credit Union is also committed to creating a professional, safe and healthy work environment where all Individuals are treated with civility, decency, respect and dignity.

2) Discrimination

All Individuals have the right to work in an environment which is free from Discrimination

3) Harassment

All Individuals have the right to a workplace free from physical, sexual, psychological or verbal Harassment.

Discrimination and Harassment, as well as retaliation against an individual for making a complaint or participating in the investigation of a complaint, is against the law. Accordingly, violations of this Code will not be tolerated. Violators will be subject to disciplinary action up to and including removal from the Board.

False accusations of Discrimination or Harassment will result in severe disciplinary action up to and including removal from the Board.

4) Health and Safety

The Credit Union considers the health and safety of all Individuals a matter of highest priority. The Credit Union will provide and maintain a safe and healthy workplace, and will comply with all applicable federal, provincial and local health, safety and environmental laws, legislation and regulations for the purpose of protecting and conserving human life and property.

5) Access to Information

The Credit Union recognizes your right to review your personal records retained by the Credit Union. This right is subject to a corresponding right to privacy of the source of such information.

You may correct or clarify erroneous Personal Information retained by the Credit Union. If the Credit Union does not agree with the requested corrections, you will be given the opportunity to file a written statement in the Credit Union’s records.

Appendix I

Glossary

Credit Union Information: means any information that the Credit Union considers private and which other persons or organizations might find useful for competitive or other reasons. This includes Trade Secrets and information with respect to any confidential product, plan or program of the Credit Union or its subsidiaries.

Credit Union Property: means every physical item and electronic system in the workplace including, without limitation, electronic mail, fax machines, copy machines, computer systems, voice mail systems, interoffice mail, desks and other tangible assets.

Compliance Officer: means the person appointed by the Credit Union as its Compliance Officer, as set out in Appendix II.

Confidential Information: Credit Union Information (see above) or Proprietary Information (see below) of the Credit Union, or information that another entity owns, develops, pays to develop, possesses or to which it has an exclusive right, or which it considers confidential.

Directors: means all current members of the Board of Directors of the Credit Union.

Discrimination: means any treatment, action or decision against an individual that is prejudiced or based on class or category, including, but not limited to the grounds set out in the Human Rights Act 2010 (Newfoundland and Labrador), such as age, race, colour, religion, creed, gender, sexual orientation, family status, physical or mental disability, rather than individual merit.

Employees: means all current full-time, part-time, casual and contract employees of the Credit Union, and all independent contractors currently hired by the Credit Union.

Code of Corporate Ethics and Business Conduct

Harassment: (also known as “Bullying”) means any behaviour that demeans, embarrasses, humiliates, annoys or abuses a person and that is known or reasonably expected to be offensive or unwelcome, or that undermines efforts to maintain a safe, comfortable and productive workplace. Such behaviour may or may not violate Human Rights legislation. A person does not need to have been touched or threatened to have been harassed; the harassment can be purely psychological in nature.

Immediate Family: means your spouse (including common-law and same sex partner), parents and grandparents, children and grandchildren, siblings, mother-in-law, father-in-law, brothers-in-law, sisters-in-law, daughters-in-law and sons-in-law, as well as step-family.

Individual: means a natural person associated professionally with the Credit Union, including but not limited to a Director or Employee of the Credit Union, as such terms are defined in this document.

Insider Information: means any material, non-public information about a Credit Union (including the Credit Union) that a reasonable investor would likely consider important in making an investment decision relating to that Credit Union.

Intellectual Property: means copyright (rights in original works of artistic expression), trademarks (distinctive logos, signs or marks used to identify products, services or wares), patents (rights relating to inventions), industrial design rights (rights relating to the visual design of an object that is not purely utilitarian) and Trade Secrets (formulae, practices, processes, designs, or compilations of information that provide a business with an economic advantage over competitors and which is not generally known or reasonably ascertainable).

Personal Information: means information about any identifiable individual, including, but not limited to, Employees, Directors, Shareholders and clients of the Credit Union, and all information contained in employment files. It includes, but is not limited to, a person’s name, address, telephone number, age, health, financial and educational information, and identifying numbers and symbols like a student number and employee number.

Code of Corporate Ethics and Business Conduct

Proprietary Information: means information that the Credit Union owns, develops, pays to develop, possesses or to which it has an exclusive right.

Psychological Harassment: means any hostile, inappropriate and unwanted conduct or verbal comments that affect an Employee's dignity or psychological or physical integrity, or any abuse of authority that is used to endanger or undermine an Employee's job.

Related Parties: means any entity that is considered to be a Related Party of the Credit Union as defined in the *Credit Union Act* (Newfoundland and Labrador) and includes the following:

- (a) a person who has a significant interest in a class of shares of the Credit Union;
- (b) a Director or senior officer of the Credit Union;
- (c) the spouse or common law partner, or a child (under eighteen years of age) of a person described in paragraph (a) or (b);
- (d) an entity that is controlled by a person referred to in any of paragraphs (a) through (c);
- (e) an entity in which any one of the following has a substantial investment;
 - i) the Credit Union;
 - ii) a person who controls the Credit Union; or
 - iii) the spouse (common-law partner or same sex partner), or a child (under eighteen years of age), of a person who controls the Credit Union.
- (f) any person, or a member of a class of persons:
 - i) that has been designated as a Related Party of the Credit Union by the Superintendent of Credit Unions (Newfoundland and Labrador);
 - ii) whose direct or indirect interest in, or relationship with the Credit Union or a Related Party of the Credit Union might reasonably be expected to affect the exercise of the best judgment of the Credit Union in respect of a transaction;
- (g) where a person has been designated as a Related Party of the Credit Union by the Superintendent, any entity in which that person has a substantial investment or any entity controlled by that entity; and
- (h) a person with whom the Credit Union enters into a transaction in contemplation of that person becoming a Related Party of the Credit Union.

Report: means a formal written report or electronic PDF format report provided to the Compliance Officer (or to the Chair of the Board as the case may be).

Trade Secrets: means information known only to the Credit Union which the Credit Union uses to conduct its business.

Code of Corporate Ethics and Business Conduct

Appendix II

Key Contact List

CONTACT NAME	TITLE	CONTACT NUMBER

Should Directors require the assistance or advice of a lawyer prior to filing a Report with the Chair of the Board, or the Compliance Officer, please be aware that the cost of such advice is the responsibility of the Director.

Appendix III

Procedures for Filing a Complaint

BREACH OF THE CODE

Any suspected or alleged breach of the Code (a “breach”) that is under investigation must be treated with the utmost confidentiality. If you suspect that a breach has or is about to be committed by another Director or Employee of the Credit Union or by your own actions, you must promptly and confidentially follow the procedures set out in this Appendix.

A breach may include but is not limited to the following: accounting, auditing or other financial reporting fraud; violations of any federal or provincial law that could result in fines, penalties or harm to reputation; unethical business conduct; Discrimination or Harassment; or any danger to the health or the safety of Directors, Employees or the general public.

You have a responsibility to use your best judgment and to decide if the breach is of the nature that you yourself can deal with, or if a Report should be filed.

For example:

- if appropriate, minor irregularities or infractions could be addressed by you directly with the individual concerned;
- all other matters should be reported to the Chair of the Board, or the Compliance Officer; and
- situations of a personal nature that make you uncomfortable (or if you fear retaliation) should be reported to the Chair of the Board.

Whenever you are in doubt about what to do regarding a breach, you should report and/or seek advice from the Chair of the Board or the Compliance Officer.

All breaches (other than very minor infractions which may be addressed directly with the individual concerned) should be reported to the Chair of the Board, or the Compliance Officer as outlined below.

Reports to the Compliance Officer should be made in writing or by using the fillable PDF form attached as Schedule A and e-mail to the appropriate contact below.

The Compliance Officer is the Vice-Chair.

Code of Corporate Ethics and Business Conduct

i. Reports that Implicate a Director, the CEO or the Compliance Officer

Reports that implicate a Director, the CEO or the Compliance Officer should be made to the Chair of the Board

If the Report involves the Chair of the Board, reports should be made to the Vice- Chair.

The Chair of the Board may initiate or have the Compliance Officer or the CEO, if the complaint involves the Compliance Officer, initiate and oversee an investigation of the matter with the advice and assistance of such individuals as appropriate.

ii. All Other Reports

All other Reports regarding a breach of the Code made to the Compliance Officer will also be reported to the CEO and Chair unless such individuals are involved in the suspected activity.

The Compliance Officer will initiate and oversee an investigation of the matter, with the advice and assistance of such other senior management as appropriate.

iii. Anonymous Complaints

You may choose to remain anonymous when reporting a breach or filing a Report. If you wish to remain anonymous, please use the Integrity in Action anonymous hotline service. Please see Appendix IV –

However, please note that in order to allow for a thorough investigation of a complaint, you should consider identifying yourself by giving your name, telephone number and other contact information when filing a Report. You can be assured that even if such contact information is

provided, the substance of the Report will be treated with utmost confidentiality except to the minimum extent necessary to conduct a complete and fair investigation.

Whether you choose to identify yourself or not, you should give as much information as possible on the suspected breach of this Code so that the information is sufficient to enable a full investigation. Such information should include details as to where and when the incident(s) occurred, the names and titles of the Individuals involved and as much other relevant details as the reporting individual can provide.

iv. How the Report will be Handled

During the investigation of a complaint, the person(s) implicated in the complaint will be notified of the nature of the complaint and be given an opportunity to respond to the complaint, except where it is the Compliance Officer's opinion that the integrity of the investigation could be compromised by such disclosure.

Where the complaint involves a Director, the Director will be notified by the Chair of the Board or the Compliance Officer as appropriate.

In the event that no breach of the Code is found to have occurred, no action will be taken against the individuals concerned. If a breach is found to have occurred, disciplinary action may be taken which could include removal from the Board. The Credit Union may also have an obligation to contact appropriate law enforcement authorities because, in some cases, a violation of this Code is also a violation of the law.

v. Audit and Application of the Code

Compliance with the Code will be monitored by the Compliance Officer and reported to the Executive. Compliance reviews may also be completed from time to time by the Credit Union's Audit Committee as part of an annual audit plan. You are required to co-operate fully with any such audits and to provide truthful and accurate information.

Unless otherwise provided in the Code, the Compliance Officer is responsible for overseeing the investigation of a complaint and for the determination of any recommendation for discipline, where appropriate, in respect of all violations of this Code. The Compliance Officer will be responsible for maintaining a complete record of all inquiries regarding the Code, and the disposition of such inquiries.

The Compliance Officer will provide semi-annual reports to the Board as to every Report made and the summary results of such investigations.

Appendix IV

Preamble

In recent years, we've all seen the headlines. We know that companies-including credit unions-face serious challenges from unsafe, illegal and unethical behaviour. This activity can harm a credit union's bottom line and its employees. Our credit union takes these issues seriously, and we expect you to do the same.

The most effective way to maintain a positive and productive work environment is also the most simple. All we have to do is act with integrity every day, in everything we do. It means everyone taking responsibility. Individuals should be aware of what's going on around them and be willing to speak up about harmful activity.

To bring out the best in our employees and our credit union, we are introducing a program called "Integrity In Action". It's designed to give you the resources and the encouragement you need to get involved in protecting our credit union and upholding our high standards. This program features printed awareness materials and regular discussion about important issues, so you can focus on making integrity and ethics a top priority. We also hope you will be inspired to take action by reporting harmful activity.

If you see or suspect unethical, illegal or unsafe activity, please don't ignore it. Report it right away. While speaking directly to your manager is the most effective way to report your concerns, we realize it isn't always possible. That's why there is an anonymous alternative. It's a toll-free hotline service operated by The Network, an independent company. This service is available 24 hours a day, 7 days a week. When you call, a specially trained interviewer documents your concern and relays the information to us. You won't have to give your name.

Working together, we can prevent unethical, illegal or unsafe activity before it causes harm. Help us reach that goal with your participation and your commitment to integrity and the highest ethical standards. Thank you for your cooperation.

Code of Corporate Ethics and Business Conduct

Objective:

To provide credit union employees and directors with a hot line service in order to provide them with an anonymous method for reporting dishonest or unethical acts.

Service Provider:

CUMIS has contracted with “The Network” to provide this service for all credit unions in Canada (excluding the Desjardins system).

The call centre operates on a **24/7 basis with a toll-free number** that can be accessed anywhere in North America.

Credit Union Employee Hotline: 877-571-1152

In addition to the confidential telephone reporting service, employee may now file a report online by going to: www.tnwgrc.com/IntegrityInAction

Communication & Employee Awareness

The credit union employee hot line is funded by the policyholders of *The Credit Union Bonding Program* (TCUBP).

All credit unions and other policyholders are expected to participate in this program by communicating the program to their employees and through endorsement of the program by the Board and senior management. Credit unions that do not actively participate in this program (or a similar employee hot line service) may fail to qualify for significant premium credits on their Bond coverage.

Code of Corporate Ethics and Business Conduct

TCUBP master policyholders have agreed to support this important initiative by:

- Distribution of the “employee awareness” materials to each credit union
- Confirming that this initiative has the support of the master policyholder as well as the national credit union system
- Keeping track of credit union participation
- Collecting any feedback received from credit unions

TCUBP will deal directly with individual policy holders that are not insured under a master policy.

Communications and Branding

The hot line service is branded as “Integrity In Action” and is provided by the independent service provider “The Network”.

The service is administered by *The Credit Union Bonding Program* (TCUBP) and is brought to the credit union by TCUBP, the master policyholder.

The hot line service is introduced to the employees by the credit union’s Board and credit unions are encouraged to provide the introductory cover letter on credit union letterhead and signed by the Board chair.

We ask that all parties involved in delivery of this program avoid referring to the program as a “whistleblower” or “snitch” line. The purpose of this program is to encourage employee awareness and adherence to high ethical standards, and we should avoid the negative impression that can be created by incorrect labels.

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Samples of the Initial employee awareness materials are provided below:



Sample Cover
Letter.pdf



Employee
Brochure.pdf



Wallet Card.pdf

Best Practices – Employee Hot Lines

Procedures for this program have been developed utilizing “best practices” for an effective employee hot line.

These practices can be found in the attached document:



Best Practices for
Ethics Officers.pdf

Incident Reporting

All calls will be logged at the call centre. Callers may remain anonymous and the call centre will not use caller ID or other means to identify callers who do not wish to disclose their name.

Anonymous callers will be given a password to allow them to follow-up on their initial call. This process will also allow us to communicate back to the caller.

All incidents will be reported directly to TCUBP.

Code of Corporate Ethics and Business Conduct

Credit Unions Insured Under Master Policies

Basic information about each incident will be provided to the master policyholder (if applicable to the insurance program). TCUBP will review the type of incident with the master policyholder to determine the level of communication with the credit union.

Normally, the credit union CEO would be the appropriate contact, but in some cases the incident will be reported direct to the Board. If an allegation is made of systematic or top-level dishonesty, then the initial incident report may not be shared with the credit union until the appropriate contact is determined.

Credit Unions Insured Under Individual Policies

TCUBP will establish an appropriate contact person at the credit union. Normally, the credit union CEO would be the appropriate contact, but in some cases the incident will be reported direct to the Board or the Human Resources department. If an allegation is made of systematic or top-level dishonesty, then the initial incident report may not be shared with the credit union until the appropriate contact is determined.

Confidentiality

Incident reports are confidential and detailed reports will not be distributed outside of TCUBP, except with appropriate consent. TCUBP will not direct any information to police or other agencies and credit unions will be responsible for reporting to authorities.

Notwithstanding the confidential nature of incident reports and investigations, TCUBP will comply with any valid court order to disclose information. Such order may be subject to appeal by TCUBP if appropriate.

A sample incident report is attached:



Incident Report
Sample.pdf

Investigations

All incident reports will be sent to TCUBP for review by designated individuals.

TCUBP will provide an overview of the report to the policyholder in order to determine the most appropriate course of action.

Investigations will follow standard TCUBP procedures.

In cases where insurance coverage is not involved, the incident will be referred back to the appropriate credit union contact for investigation and resolution.

Incident reports that will not lead to further investigation by TCUBP include:

- Discrimination or harassment
- Workplace safety or violence issues
- Any issues related to a union agreement or collective bargaining.

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Any information collected will be held confidential. Results of investigations will only be shared with the appropriate parties.

Detailed investigation results will not be stored in the call centre database for privacy reasons.

TCUBP will determine what information will be shared and will be responsible for the confidentiality of investigation reports.

TCUBP will collect statistics on a program basis and provide the results to the *National Risk Management Committee* (NRMC).

Non-Retaliation Policy

In order to protect employees who use the hot line service, a non-retaliation policy approved by the Board is recommended. It may include the following elements:

- The company will use best efforts to protect employees against retaliation, as described below. It cannot guarantee confidentiality in all cases. The company will keep the employee's identity confidential, unless:
 - the person agrees to be identified;
 - identification is necessary to allow the company or law enforcement officials to investigate or respond effectively to the report;
 - identification is required by law; or

- the person accused of fraudulent or dishonest behavior is entitled to the information as a matter of legal right in disciplinary proceedings.

- Company employees may not retaliate against a employee with the intent or effect of adversely affecting the terms or conditions of employment (including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages).

- Employees who believe that they have been the victim of retaliation should be able to file a written complaint with a person in senior management or a member of the Board of Directors.
- A proven complaint of retaliation shall result in a proper remedy for the person harmed and the initiation of disciplinary action, up to and including dismissal, against the retaliating person. This protection from retaliation is not intended to prohibit managers or supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.
- Employees must be cautious to avoid baseless allegation

Schedule A

Report to Compliance Officer

Appendix III of the Code provides that:

All Reports of suspected or possible breaches of this Code should be reported to the Chair of the Board (or in certain cases as indicated in this Code, to the Compliance Officer).

“This may include but is not limited to accounting, auditing or other financial reporting fraud; violations of any federal or provincial law that could result in fines, penalties or harm to reputation; unethical business conduct; harassment or any danger to health or the safety of Directors, Employees or the general public.”

Please provide details of the incident or alleged breach of the Code including: where and when the incident(s) occurred, the names and titles of the individuals involved, and any other relevant details (add additional pages and supporting material as required).

Who is/are the person(s) involved in the possible breach?

What are the circumstances of the possible breach (be as specific as possible)?

When did the possible breach occur?

Have you discussed this matter with your Chair (where applicable)?

*Name: _____

Date: _____

*Please note that a complaint may be made anonymously, but if you choose to remain anonymous, you must still provide sufficient information to enable an investigation to be undertaken.

Schedule B

CODE OF CONDUCT COMPLIANCE NEW DIRECTOR

To: Compliance Officer

PUBLIC SERVICE Credit Union

(the "Credit Union")

I, _____, hereby certify and attest to the best of my knowledge, that I have read and understand the Code of Corporate Ethics and Business Conduct (the "Code") applicable to all Directors of the Credit Union.

For the coming year, I hereby agree that I will conduct myself in accordance with the Code, and understand that my agreement hereto is a condition of directorship with the Credit Union. I understand and agree that disciplinary action for violation of this Code may include, but is not limited to removal from the Board. In cases involving a less serious violation, disciplinary action may consist of a warning. Remedial action may also include counseling or other measures designed to prevent future misconduct. I understand and agree that the measure of discipline will relate to the gravity of the offence when weighed against the potential effect on the Credit Union and fellow Directors, and that the Credit Union retains the right to take disciplinary action as described above, depending on the severity of the infraction.

Signature

Date

Schedule C

Annual Disclosure Statement

To: Compliance Officer

PUBLIC SERVICE Credit Union

(the "Credit Union")

I, _____, hereby certify and attest to the best of my knowledge, by accessing this Disclosure Statement using my personal e-mail access and password and making my selection below and by my typewritten electronic signature, that I have read and understand the subject Code applicable to all Directors of the Credit Union.

Please select the statement that applies to you:

- I attest that in the past year I have not breached any aspect of the Code.
- I attest that in the past year I have committed the following Code infraction(s). (Code breach details should be included below and include the section of Code breached, date, time and nature of the breach, as well as an explanation.)
- I attest that in the past year I have committed certain Code infractions, all of which I have reported to the Chair of the Board or the Compliance Officer.

Code Section: _____

Date: _____

Time: _____

Nature of Breach (including explanation): _____



**CREDIT
UNION**

PUBLIC SERVICE

Focused on Me

For the coming year, I hereby agree that I will conduct myself in accordance with the Code, and understand that my agreement hereto is a condition of my directorship with the Credit Union. I understand and agree that disciplinary action for violation of this Code may include, but is not limited to removal from the Board. In cases involving a less serious violation, disciplinary action may consist of a warning. Remedial action may also include counseling or other measures designed to prevent future misconduct. I understand and agree that the measure of discipline will relate to the gravity of the offense when weighed against the potential effect on the Credit Union and fellow Directors, and that the Credit Union retains the right to take disciplinary action as described above, depending on the severity of the infraction.

Name: _____

Date: _____