

BOARD CHAIRS' SESSION



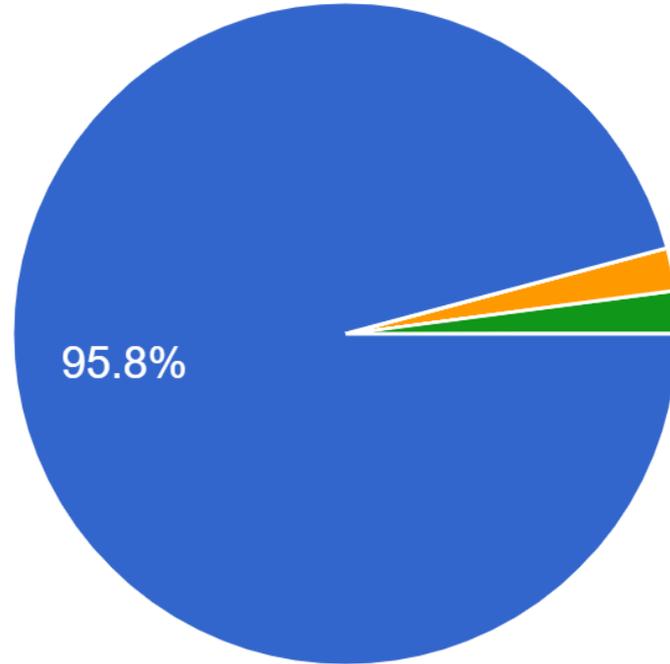
Tim Foster
Chair, Northern Credit Union



Leo Racette
Chair, Directors' Forum Co-operative
Director, Sudbury Credit Union

In your opinion, should directors receive compensation?

48 responses

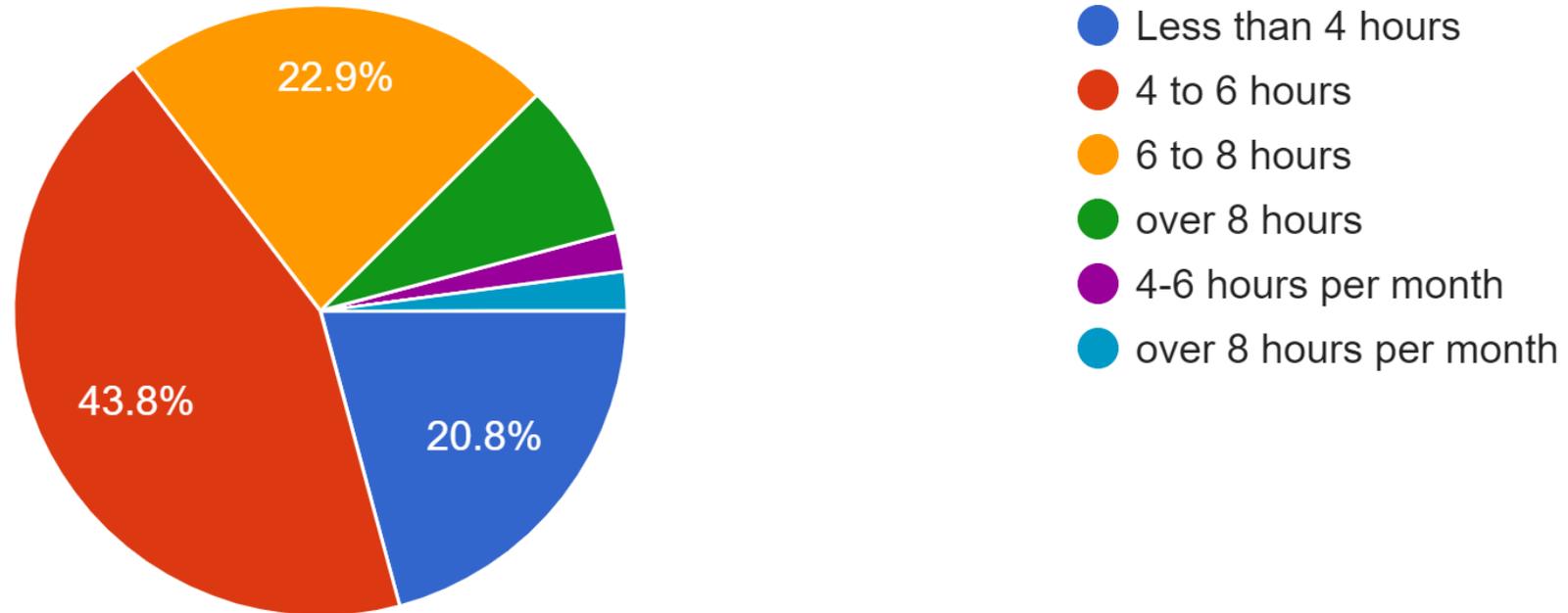


- Yes
- No
- I first Signed up unaware of compensation. The more responsibilities a director has they should be compensated in retrospect
- Cash or shares

Everyone receives compensation of some sort, as there were no negative responses.

How much time do you spend preparing for a board and committee meetings?

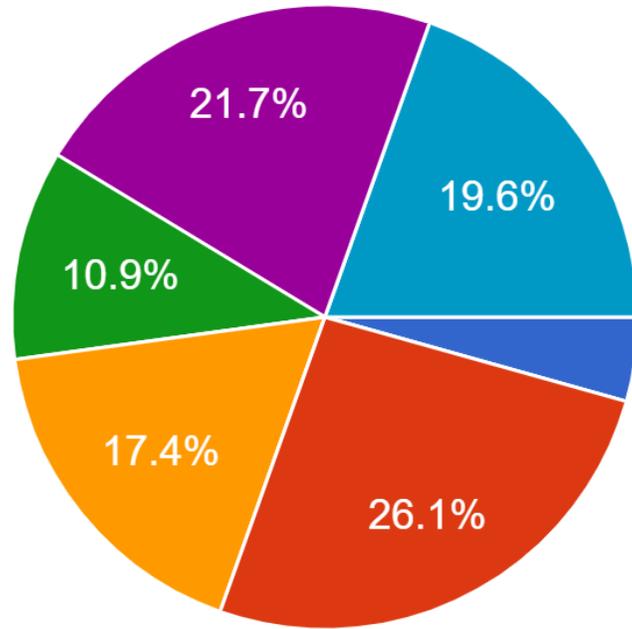
48 responses



About 67% spend between 4 and 8 hours and another 5 or 6% spend over 8 hours.

What size credit union are you with?

46 responses

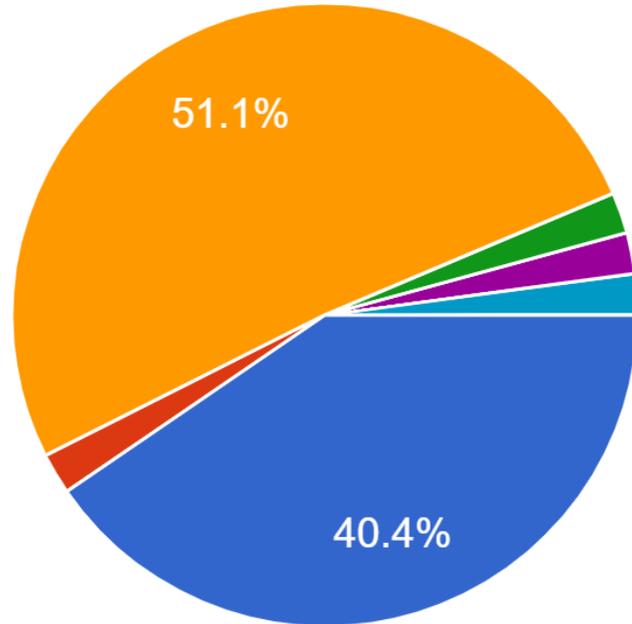


- Less than \$150M
- \$150M to less than \$400M
- \$400M to less than \$700M
- \$700M to less than \$1.5B
- \$1.5B to less than \$3B
- Greater than \$3B

It is nice to see we have respondents from all sizes of credit unions, and our group seems to be split fairly close to 50% above and below the 1Billion dollar mark.

How does your credit union compensate directors?

47 responses

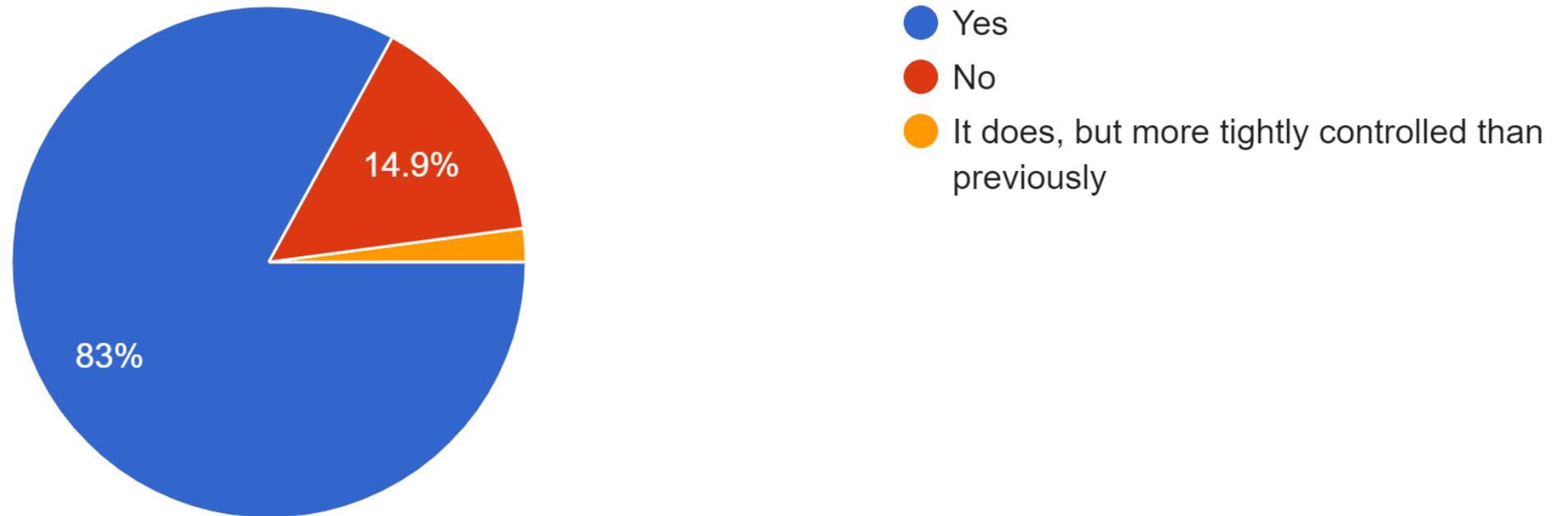


- Honorarium - \$
- Per Meeting - \$
- Combination of honorarium and per meeting - \$
- \$4800 and \$400 or committees
- \$30,000 per annum (more for Committee Chairs)
- Honorarium + annual expense payment

The bulk are honorarium, or a combination of honorarium and per meeting

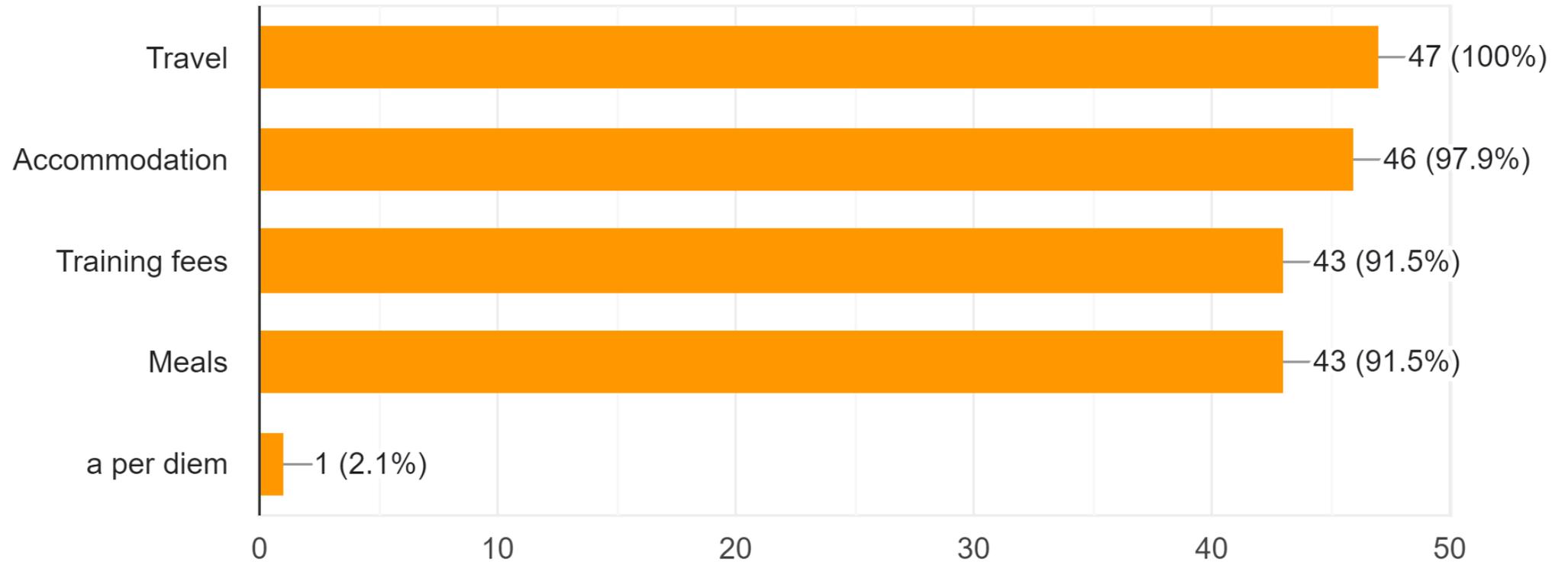
Does your credit union provide/compensate for director education?

47 responses



How does your credit union compensate for training/education/conferences?

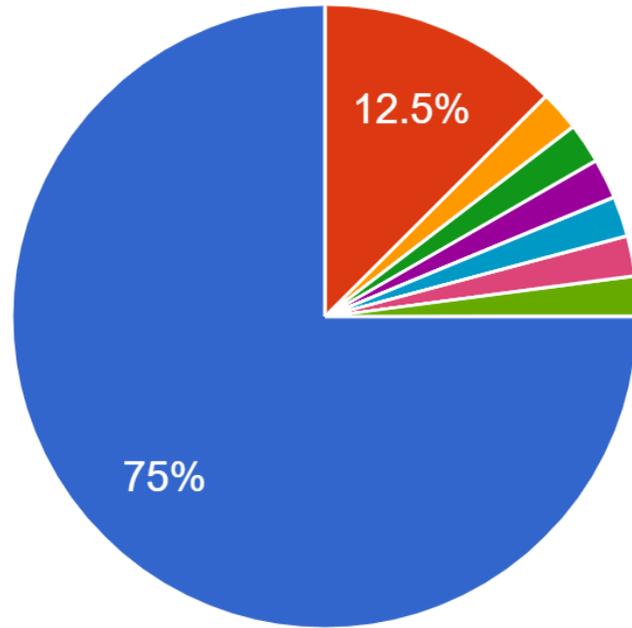
47 responses



A more detailed look at how credit unions are compensating for education.

Do you feel the level of training provided is sufficient?

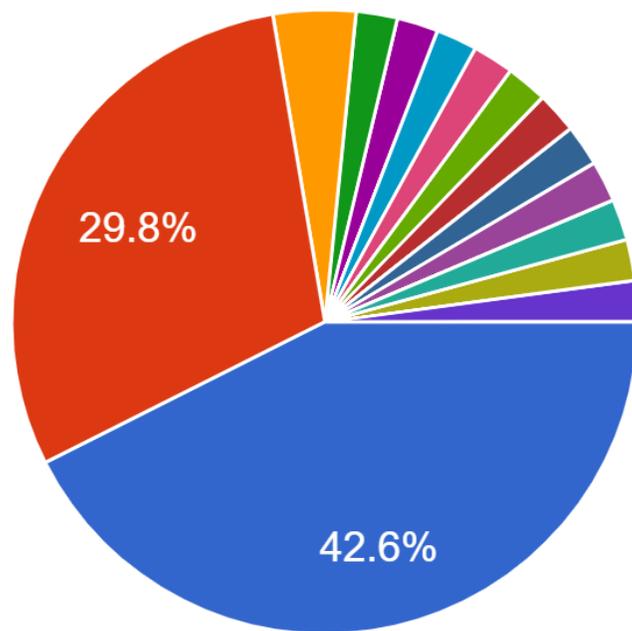
48 responses



- Yes
- No
- I am a relative new director so I have no reference
- Some areas are missed, but what is covered is covered well
- Yes and No member elected with no tr...
- Yes, but there is room for more training...
- Generous about conferences but has...
- There is always so much to learn, I a...

Are you compensated for any other expenses you might incur such as technology, travel to and from meetings? If so, can you provide an amount?

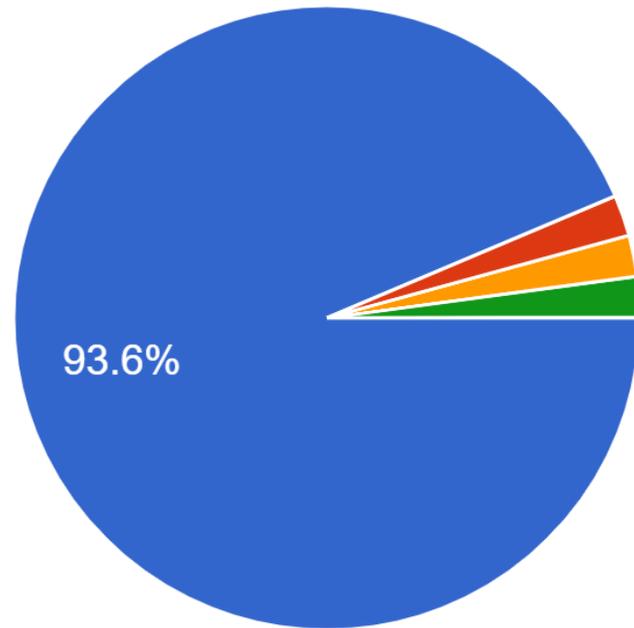
47 responses



- Yes
 - No
 - mileage
 - Travel. \$.48 per km
 - 300
 - Tech \$1000/term, loss of wages \$100/...
 - Travel
 - Travel per diem
- ▲ 1/2 ▼

Do you feel that board meetings and meeting packages are becoming more complex as regulations change?

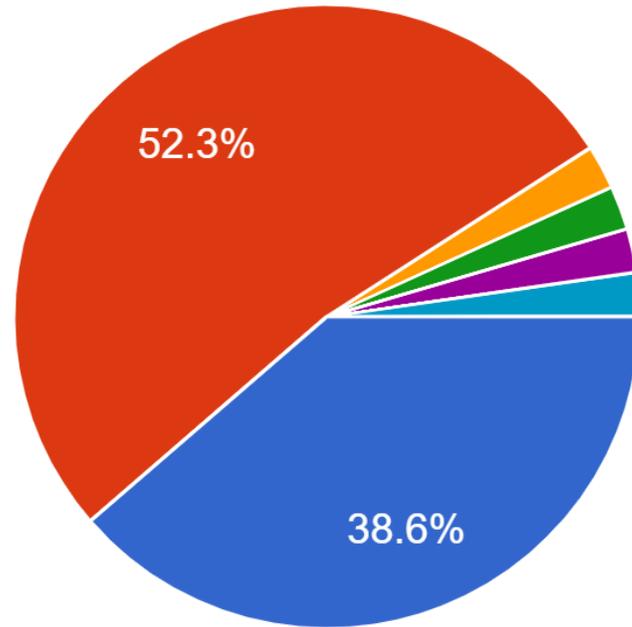
47 responses



- Yes
- No
- Always Adapt
- N/A – Been on the board for 1.5 years

Are there some challenges you have as a director that you would like addressed?

44 responses



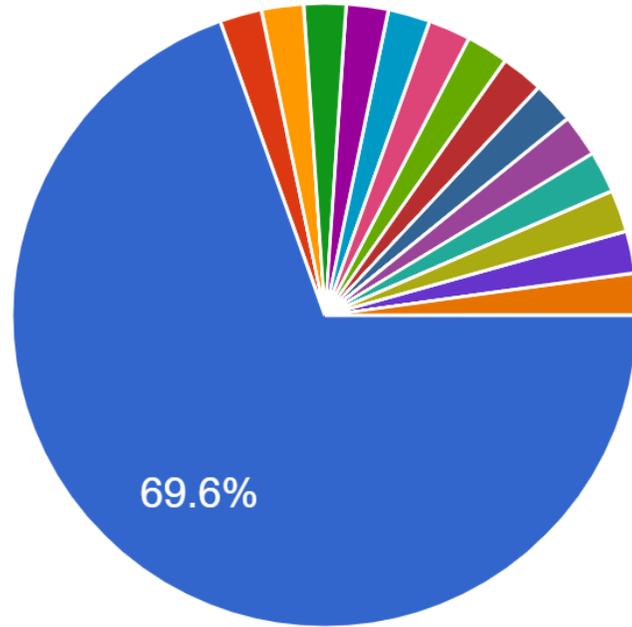
- Yes
- No
- Continued communication to Directors as banking changes including open ba...
- Would be great if CCUA could create a repository of resources from other cre...
- Yes. Increasing time requirements while still employed. This limits younger dire...
- The platform of online banking is new chartered territory and technology for...

Key Takeaways

1. 3rd Party evaluations to meet FSRA requirements
2. Regulatory Courses, both in house and board 360
3. CU provides IT Equipment, helps control risk, use of platform software such as Aprio, IT Phishing controls, CU email provides more secure emails
4. Recruitment programs, such as ambassador/intern
5. New Act, and the evolution of FSRA competencies

Do you perform a regular performance review of the CEO? If so, how

46 responses

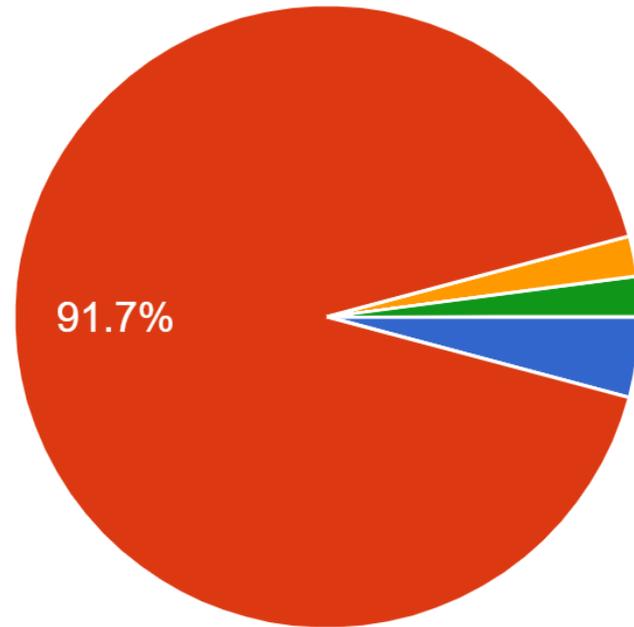


- Yes
- No
- The executive committee performs the...
- Previously surveys and hard data re g...
- N/A – not aware. Haven't seen this my...
- Quarterly
- By documenting and objectives both q...
- Semi annual review with stated objecti...

▲ 1/2 ▼

Is the performance review based strictly on the financial health of the credit union?

48 responses



- Yes
- No
- N/A
- Other fundamental sections that also include items such as leadership, professional growth CEO.

What, if any, tools (i.e., templates, software) do you use for your evaluation?

Similar responses were grouped together

Performance plan template

We do surveys on Asprio and we discuss and share them with the Board.

Surveys, excel templates, in-camera discussions

Growth and strategic plan

Scorecard, Director Surveys

Self-report from CEO and survey

Objectives both financial, behavioral, qualitative and quantitative

360 degree feedback

Balanced scorecard.

Have a document that we use for the evaluation. Has 7 areas to be evaluated

Based on yearly goals which reflect the strategic plan

Growth plan, various surveys, interview type session

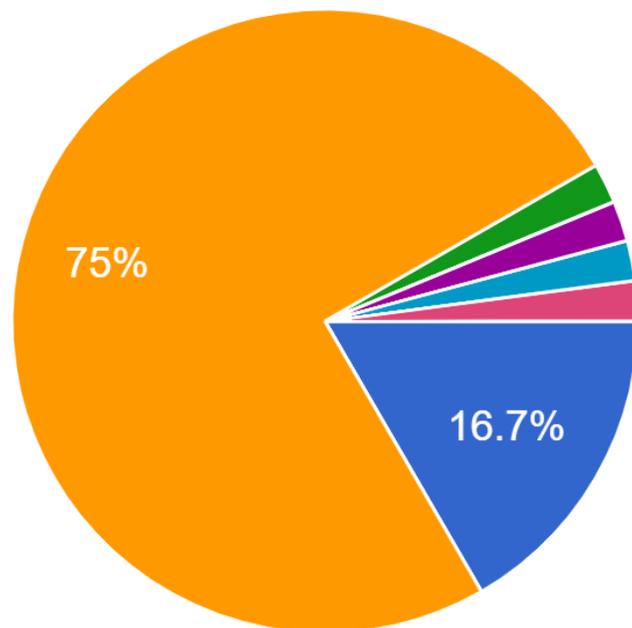
Performance against Plan, recommendations of Chair and Governance Committee

We use Excel for a Performance Matrix and supporting documents

Consultant, Surveys, Interviews, Formalized Program Templates

How is your CEO compensated? IE, base salary plus bonus? Please add comments if you want.

48 responses



- Base Salary
- Bonus
- Both
- Not sure.
- Salary increase and bonus comparable to staff increases and bonuses
- Base, Bonus, Benefits including Insurance
- Education

Is the performance review tied in with CEO compensation? (i.e., performance review needs to be at least 75% to get partial bonus.) 38 responses

Yes %based on reached goals

We have a tiered bonus system based on hitting bench marks.

I believe the pr needs to be 80%

No performance bonus

Yes - if over expectations can receive % over base bonus, if under then % deducted from base

Scorecard yes, Director Survey is only used for development

Bonus is determined by both the rating scale of the performance review items of the CU as well as meeting a minimum financial result.

Bonus is determined by company financial performance. Review feeds annual increase

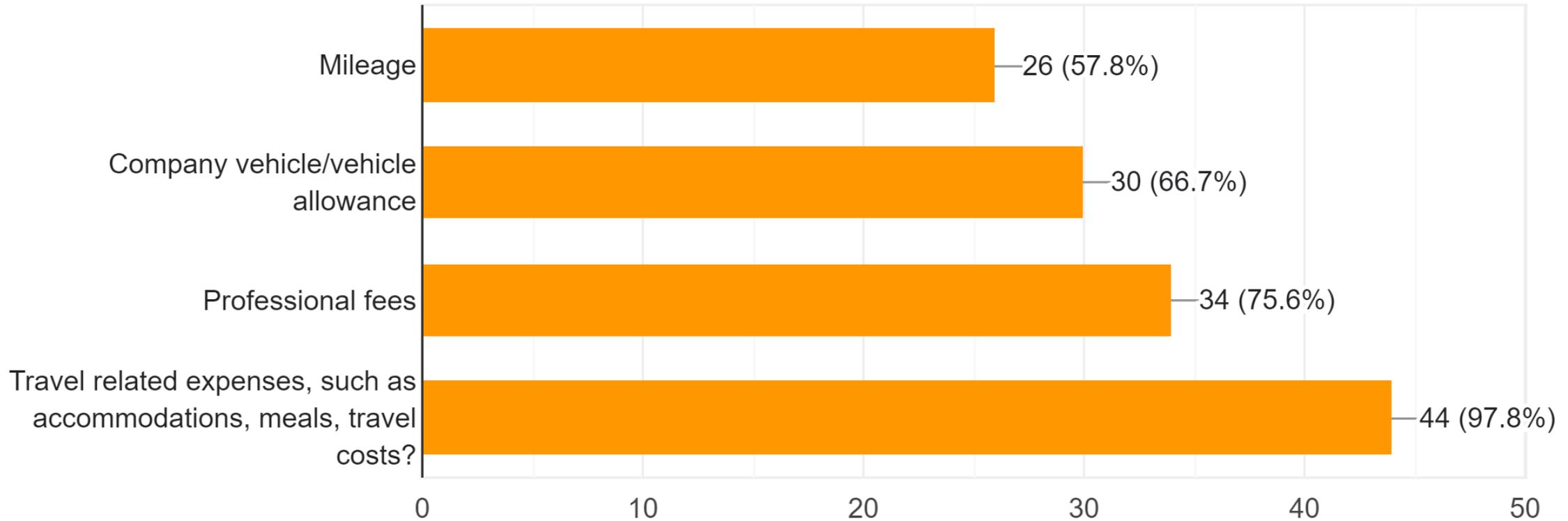
Based on the performance of the CU.

Yes. The contract contains an optional bonus at the sole discretion of the board.

based on 80/20

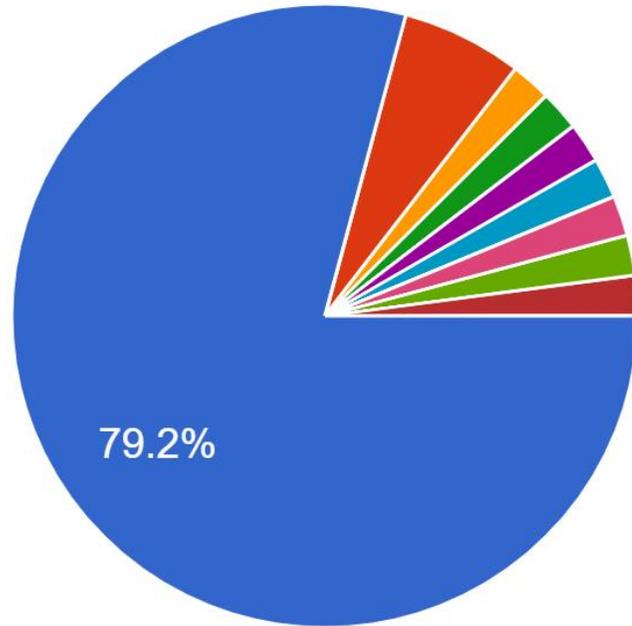
Do you pay expenses incurred by the CEO?

45 responses



Do you feel your CEO is compensated fairly?

48 responses



- Yes
- No
- Slowly raising to meet industry mid-range for our size
- Not sure.
- Not sure
- Depends on the size of THE CU... 500...
- some compensation should be tied to...
- Yes, but not sure
- CEO does not want to be compensate...

Key Takeaways

1. Many tools used for performance evaluation, 3rd party used to develop CEO performance review, 360 evaluation, Governance professional
2. Resources used/available – C1 has tools, this is now moved over to CCUA
3. Are bonuses categorized? Long term variable pay over 3 to 5 years?
4. Change in credit union size groupings to better reflect groups



Q&A