

2022 CALL FOR NOMINATIONS PACKAGE

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INTRODUCTION

First West is currently recruiting qualified candidates for four positions on the Board of Directors in the upcoming 2022 nominations and elections process. The Board is responsible for the stewardship of First West and overseeing the management of the credit union’s business, including shaping the strategic direction, setting the risk appetite, and ensuring appropriate processes and controls are in place to identify, manage and monitor applicable risks.

First West is at a pivotal point in its growth. After several years of analysis, careful thought and planning, the Credit Union is building on its strong foundation by expanding its horizons beyond provincial borders. In late Nov. 2021, members voted in favour of First West applying to be federally regulated by the Office of the Superintendent of Financial Institutions (OSFI). Becoming federally regulated will enable the Credit Union to grow and remain relevant today and for future generations. With a strong member mandate to proceed, First West has submitted a formal application to the provincial regulator, the BC Financial Services Authority, and the federal regulator, OSFI. First West anticipates the transition to federal regulation to be completed by 2024. More information is available at keepgrowing.ca.

The First West Board will maintain an important role in the journey to become federally regulated. Being a director is a position that demands a significant investment of time and expertise while still staying grounded in the co-operative principles that are at the heart of what it means to operate as a credit union.

This document provides information to any First West Credit Union member interested in a director position on the First West Board. If, after reading this information, you have any questions, just reach out.

Leslie Castellani
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AN OVERVIEW

NOMINATIONS TASK FORCE

The 2022 nominations and election process is conducted by First West’s Nominations Task Force (Task Force), which is composed of three members of the Governance and Nominations Committee and two at-large, non-director members drawn from First West’s membership. Consultants from WATSON Advisors Inc., support the Task Force by conducting candidate interviews, contacting references, and providing guidance on candidates that offer the best fit on the Board.

KEY COMPETENCIES THE BOARD IS LOOKING FOR IN 2022

Each year, the Board determines the expertise and experience required that will strengthen the Board.

Since First West is on a journey to become federally regulated, and because the financial services industry is complex with increased regulatory compliance, for 2022 the Board is seeking candidates with the following:

- Federally regulated financial institutions experience
- Risk management expertise
- Real estate lending/development experience

Additional details on these competencies can be found on page eight.

Possession of director accreditation, such as ICD.D, C.Dir or other designation, would be considered an asset.

EQUITY, INCLUSION & DIVERSITY

The Board has identified equity, diversity and inclusion as essential elements in attracting high-calibre directors and maintaining a high-functioning Board and business. In accordance with [First West’s Board Equity, Inclusion and Diversity Policy](#), and recognizing that competence is paramount, the Board is particularly seeking expressions of interest from well-qualified candidates who are from historically underrepresented groups, including women, people with disabilities, and Black, Indigenous and People of Colour.

More information can be found about the [Board Equity, Inclusion and Diversity Policy](#) on the First West website.

AVAILABLE SEATS IN 2022

Four directors will end their current term at the conclusion of the 2022 Annual General Meeting (AGM) with eligibility to stand for re-election. As of November 22, 2021, one director has confirmed they will not be seeking re-election. As such, there will be at least one new director elected in 2022 who will assume their role as a director at the conclusion of the 2022 AGM. Importantly, all seats available have been designated at-large, meaning directors who are elected do not need to be a resident of or represent a specific First West region.



THE PROCESS AT A GLANCE

The nominations and election process spans several months. The table below outlines key dates, actions prospective candidates should take, and references to supporting materials or additional information.

2021 – 2022 DATES	FIRST WEST EVENT	CANDIDATE ACTION	RELATED MATERIALS
Nov. 22	Call for Nominations Opens	Candidate application available on the First West and divisional brand websites	First West, Enderby & District Financial, Envision Financial, Island Savings and Valley First websites
Dec. 16 (revised from Dec. 7)	Candidate Information Session	Learn more at the virtual information session: 5:00 to 6:00 p.m. PST.	Page 5
Jan. 7	Prospective candidate applications due	Final date for candidates to submit their application and required materials	Page 5
Jan. 14	Call for Nominations closes; Final day to submit five member nominators	Ensure the five members in good standing have submitted their nomination forms	Page 5
Feb. 10, 11 (revised from Feb. 7, 8)	Candidate interviews	Attend interview with the Nominations Task Force. Location TBD	Page 6
Feb. 11	Endorsement meeting	Candidates will be notified of their endorsement status	Page 6
Apr. 1 to May 2	Campaign and voting period	Campaign per the guidelines	Pages 6-8
May 11	Election results announced at the First West AGM	Candidates will be informed of the election results before the meeting – all candidates are invited to attend the AGM	Page 8

THE PROCESS IN DETAIL

CALL FOR NOMINATIONS OPENS

To join First West's Board, you must be nominated by First West members. In accordance with First West Credit Union's Rules, the Task Force begins accepting nominations 90 days prior to the AGM and continues accepting them for at least 30 days. *The nominations period opens on November 22, 2021 and continues until 5 p.m. of January 14, 2022.*

CANDIDATE INFORMATION SESSIONS

If you have further questions regarding the nominations and election process, you are invited to attend *a virtual information session on December 16, 2021 from 5:00 pm to 6:00 p.m. PST.*

SUBMISSION OF INTENT TO STAND FOR ELECTION

Prospective candidates should review this year's information thoroughly to ensure the competencies, expertise and experience being sought for in a potential director are understood. Following this review, *candidates should submit their application form online no later than 5 p.m., January 7, 2022.* You will need to include a candidate statement, photograph, and three references.

SUBMISSION OF NOMINATIONS AND END OF THE NOMINATIONS PERIOD

Candidates must also ensure *the nominations of five members in good standing are submitted no later than January 14, 2022.*

What does a "member in good standing" mean? It means the member who nominates you holds at least five Class A membership shares and is not more than 90 days delinquent in any obligation to the credit union (such as a loan payment).

Note: Members may only nominate one candidate. Additionally, First West Rules require that candidates must be nominated either by the Governance and Nominations Committee or by five members of First West who are of the age of majority and in good standing. To avoid any actual or perceived conflicts of interest, the corporate secretariat, senior management and members of the Task Force are prohibited from nominating candidates for director.

WHY DOES THE NOMINATIONS TASK FORCE ASK FOR SO MUCH INFORMATION?

One of the Task Force's most important jobs is to determine whether members are eligible to stand for election as directors, and then to decide if candidates should be endorsed as having the competencies, expertise and experience sought by the Board. To assist the Task Force in making this determination, candidates are asked to provide some information including their membership, employment history, the expertise and experience they can offer the Board, and three references.

We also ask candidates to supply us with a statement and photograph we can share with all First West members so they can make an informed decision when it comes time for them to vote.

CANDIDATE INTERVIEWS

Once the nomination period ends, WATSON Advisors Inc., will review your application eligibility. After the Task Force receives this information and verifies your nomination is in order, telephone interviews will be conducted; references will also be phoned.

Incumbent and new candidates identified as possessing the expertise, experience and attributes identified by the Board will be contacted to *attend an interview with the Task Force, held on February 10 or 11, 2022*. The interview will be an opportunity for the candidate to share more about themselves and their qualifications.

ENDORSEMENT

Following the completion of the candidate interviews, the Task Force will decide which candidates it will endorse. Endorsement is a way to let members know which candidates have the expertise, experience and personal qualities needed to oversee the credit union on behalf of the membership. Every year, the Board evaluates its current composition, along with the experience and expertise that would position the Board to steward First West and its strategic direction forward.

The Task Force uses materials gathered from candidate submissions, candidate interviews and references to determine the right fit for the Board. The Task Force will endorse at least as many candidates as the number of positions available; additional endorsements may occur if it is in the best interest of the credit union. Candidates who are not endorsed may still choose to continue in the election.

Endorsement isn't a popularity contest; Task Force members work hard to remain impartial and objective. Incumbent candidates, for example, are not automatically endorsed; they are evaluated using the same criteria applied to new candidates. In the end, no matter who is endorsed, the membership ultimately decides who to vote for and who is elected.

Do we need to hold an election?

Following the endorsement period, the Task Force will determine how many candidates intend to run. If the number of candidates continuing in the process is equal to or fewer than the number of Board vacancies available, the candidates will be declared elected by acclamation. This means members do not vote on which candidates to select. If the number of candidates is greater, an election will be held.

CAMPAIGNING

Following the endorsement process, and if an election is required, you may wish to campaign for member votes. We have developed a set of principles and guidelines to ensure campaigning is conducted fairly and equally by all candidates. As a general principle, campaigning for a Board seat is not the same as running for political office. There are no rallies, no attack ads, and no lawn signs. It is a process conducted individually and professionally. It is also a process we want to help you with to ensure your candidacy is known to members when it is time to vote.

How will we assist your campaign?

- Every member eligible to vote will receive a notice that includes your photograph and a candidate statement, which includes information about the competencies, skills and experience you believe you can bring to the Board. If you have been endorsed by the Task Force, this information will also be included, as well as an explanation of what being endorsed does and does not mean.
- We may provide an opportunity to shoot a video statement in which you may explain why you are running for a seat on the Board and why you believe you would be a good director. Your video will be posted on our websites and can be shared by you on social media.
- Our regional websites will notify and encourage members to vote during the campaign period and will include information about your candidacy on the online voting site, and a link to your video.
- We will monitor your campaign activities and let you know if we have any concerns or feedback.

Tips for conducting your campaign

DO:

- Conduct your campaign on your own; if you seek help from others, focus on people such as family or friends.
- Speak or engage with members you personally know and inform them you are running for election to the Board.
- Share the positive impacts of you becoming director, and how your qualifications would enhance the Board in overseeing the credit union. If you are endorsed by the Task Force, it is appropriate to mention during your campaign.
- Use social media but follow the guidelines about how to speak about your candidacy included in this section.
- Share your social links with governance@firstwestcu.ca so the Task Force may follow along.
- Share your perspective on the credit union's future, but make it clear these are your ideas alone and they have not been endorsed by the credit union, its Board or management.

DON'T:

- Campaign on credit union premises, including branches, regional offices or ATM locations.
- Ask credit union management or employees to assist with your campaign, this includes developing materials, writing candidate statements, taking photographs or campaigning on your behalf.
- Make promises about how the Board will act in the future.
- Do not use any logos, phrases or other elements of the First West, Envision Financial, Island Savings, Enderby & District Financial or Valley First branding in your campaign materials; as a candidate you are not a representative of the credit union, you are simply asking members to support you in becoming a director.
- Campaign negatively or use negative comments about First West, its regions, other candidates, management and staff or the Board.

THE VOTING PERIOD

In accordance with First West's Rules, the credit union will send all members eligible to vote a Notice of AGM, Election and Voting at least 18 days before the AGM. Along with information about the AGM, the notice will include materials you submitted in your application (statement and photo), and a list of your competencies, and experiences that you would bring to the Board. Members will be advised how many vacant seats are on the Board, how many candidates are standing for election, and which candidates have been endorsed. If candidates were declared elected by acclamation, the notice will inform members about this candidate.

In 2022, voting will be held from April 1 to May 2. Members will have options of voting online, text message, telephone, requesting a mail-in ballot, or on the mobile voting app. Full instructions on how to vote and who is eligible to vote will be included in the Notice of AGM.

ELECTION RESULTS

Once the voting period ends, ballots will be counted over the next few days. You will be notified of your candidacy results, prior to the announcement to our membership at our AGM, and to the public through our websites.

The 2022 AGM will be held May 11 in person and can also be viewed through webcast. Candidates elected are expected to attend the AGM so they may take part in a reorganization meeting immediately after the AGM. Candidates who are not elected are also invited to attend the AGM.



WHAT THE BOARD IS LOOKING FOR IN A DIRECTOR: 2022

GENERAL CHARACTERISTICS SOUGHT

Generally, First West is seeking directors with a broad range of business knowledge and depth of experience, as well as an understanding of the credit union's strategic direction and co-operative principles. Potential candidates should review the governance materials located on the First West website including:

- [The Board Charter](#)
- [The Individual Director Position Description](#)
- [The Board Effectiveness and Renewal Policy](#)

SPECIFIC EXPERTISE AND EXPERIENCE REQUIRED

For 2022, the Board is specifically looking for candidates who have significant skill and experience in the following areas:

- **Federally Regulated Financial Institutions Experience**

Experience in a senior leadership role in a federally regulated financial institution, with extensive experience in one or more of the following: credit risk, operational risk, regulatory compliance or treasury. In-depth knowledge of the capital, liquidity and OSFI corporate governance expectations and experience developing or reviewing significant policies, plans and strategic initiatives related to the management of, or that materially impact, capital and liquidity (e.g., internal capital targets, share issuances) and their effectiveness.

The candidate will contribute to the Board's responsibility to approve and/or oversee First West's business plan, strategy, risk appetite and culture, as well as Board, senior management and oversight functions, and the credit union's audit plans. They will also bring an experienced view to Board discussions and decisions, provide effective challenge, advice and guidance to senior management, while considering co-operative principles that underpin First West's business model.

- **Risk Management Expertise**

Extensive experience in a head of risk function (credit risk, enterprise risk management, market risk, compliance and regulatory risks, operational risk) or provided risk management consultancy service in the financial services industry. Experience in recognizing and managing risks, along with non-financial risks, and developing sound risk management frameworks and providing oversight. The ability to provide guidance on risk appetite and its relations to the strategy, risk identification and assessments of risk controls.

- **Real Estate Lending/Development Experience**

A senior leader with more than 10 years' experience as a key decision maker in a commercial real estate lending, commercial real estate brokerage and market research, and/or commercial construction development business or a senior leader who brings lending expertise gained in a federally regulated financial services environment. This individual knows what is happening in the real estate market, understands its complexity, and has their pulse on the trends shaping consumer and business demand for real estate.

The candidate will provide thought leadership in real estate industry trends, latest building and market insights (i.e., construction input costs, supply chain issues, labour shortages) and is able to provide guidance on the current and long-term risks and opportunities in the market.

Possession of director accreditation, such as ICD.D, C.Dir or other designation, would be considered an asset.

REQUIREMENTS UNDER FIRST WEST'S RULES

A prospective director must be:

- At least 19 years old
- A member in good standing for 12 months preceding the close of nominations (unless this requirement is waived by the Task Force)
- Eligible to hold office as a director under the requirements of the *Financial Institutions Act* and the *Credit Union Incorporation Act*

A prospective director must not be:

- An employee of the credit union, or an immediate family member of a credit union employee
- An owner, partner, employee, agent, representative or director of a bank, trust company, loan company, savings and loan association, lending institution, or any other business or organization that is in the same or similar business as or in competition with First West or its subsidiaries
- An employee of any other credit union or an affiliate of any other credit union, and have not been an employee of any other credit union or an affiliate of any other credit union in the five-year period prior to the date that nominations for the office of director closes
- Disqualified under Rule 5.9 of First West's Rules

LEGAL REQUIREMENTS

Candidates should familiarize themselves with relevant credit union legislation, including the *Credit Union Incorporation Act* and the *Financial Institutions Act*.

Note: First West will conduct background checks as stated in the declaration within the candidate application form. These checks include civil court search, education verification, credential verification, disciplinary action search, targeted media search, credit history, bankruptcy and insolvency search and criminal record check. If the results from these checks and searches deem a prospective candidate ineligible or raises concerns about suitability, the prospective director will be advised of their ineligibility.

All prospective directors are also subject to applicable background checks and approvals by regulatory authorities. Such results may deem a prospective director to be ineligible or require an elected director to resign (as all results may not be available by the date the director assumes the role).

TIME

First West's directors are required to attend several scheduled meetings each year. These meetings include quarterly Board meetings, a budget meeting, planning sessions and several other planned or unplanned special meetings. In addition, each director is required to serve on at least two Board committees, which meet quarterly. Thorough preparation and regular attendance at Board and committee meetings is required for acceptable director performance. Directors are expected to arrange their personal and business schedules so they are available for all regular Board and committee meetings. Participation is mandatory for the AGM and annual planning session.

TRAINING

All B.C. credit union directors are required to complete Level A of the Credit Union Director Achievement (CUDA) training program within their first year of service. In addition to mandatory CUDA training, directors are expected to participate in ongoing director education as determined by the Board.

OVERVIEW OF FIRST WEST CREDIT UNION

First West offers members the financial strength, comprehensive product selection and extended branch network of a large financial institution while maintaining local brand identities and a unique grassroots approach to service. Led by Launi Skinner, First West is British Columbia's third-largest credit union with nearly \$15.5 billion in total assets and assets under administration, more than 250,000 members and approximately 1,250 employees.

First West operates 46 branches throughout the province under the following divisions (brands):

- Island Savings (Vancouver Island and Gulf Island communities)
- Envision Financial (Lower Mainland, Fraser Valley and North Coast communities)
- Valley First (Southern Interior communities)
- Enderby & District Financial (North Okanagan communities)



OUR WHY: SIMPLIFYING LIVES, AND HELPING MEMBERS AND COMMUNITIES THRIVE

As a member-owned financial co-operative, First West is intentional in fulfilling its vision to simplify lives, helping members and communities thrive. The credit union seeks to create real value for its membership through simple banking. Delivering on this objective, First West offers low or no-cost daily account products, competitive lending facilities, segment-tailored service and innovative online and digital experiences.

The credit union delivers products and services to its members through locally trusted brands. The divisional brands are variations of their former credit union names. These brands have been part of their communities for generations and have attained considerable brand affinity with consumers. The credit union has successfully leveraged the brand equity of the divisional names in their respective markets: competitive products and pricing made possible through the larger credit union are effectively marketed through the trusted divisional brands.

With its localized, multi-brand growth approach, First West has grown to become a financially strong and stable credit union. Notably, credit rating agency DBRS Morningstar has assigned a long-term issuer rating of BBB (high) and both a short-term instruments rating and short-term issuer rating of R-1 (low), noting the trend on all ratings is stable.

The ratings reflect First West's position as the third-largest credit union in B.C. and the fifth largest in Canada, with total assets and assets under management of more than \$15.5 billion as of June 30, 2021. Notably, the ratings highlight First West's strong earnings power, as well as solid liquidity and capital positions. The Credit Union has generated solid recurring earnings that are underpinned by a higher contribution from non-interest income relative to its credit union peers as well as above-average revenue per member.

Additionally, First West recently received its first-ever ESG Risk Rating of 18.6 low risk from Sustainalytics, a leader in ESG evaluation. An ESG rating measures the environmental, social and governance risks to an organization, and research shows that companies that adhere to ESG principles are lower risk and more resilient over time. First West's 18.6 low risk rating stands in contrast to the ratings for the banking industry, which tends toward medium-to-high risk ratings, with most companies (49%) facing high risk.

Though the use of market-tailored brands is not unique and can be found applied within the financial services sector within Canada and North America, this business model has resonated particularly well with First West's membership and target consumers who value the depth of First West's local knowledge and commitment to relationship-based banking.

The model is simple: First West is the legal entity, which provides financial strength, diversifies and manages risk, and creates efficient, standardized back-office functions (known as "shared services"). The divisional brands serve as the marketing and sales delivery channels of the credit union's products and services.

As the legal entity, First West has one Board of directors and holds all memberships and shares; the divisional brands do not. Treasury, financial management, corporate strategy and policies and procedure management are managed at the corporate level. Risk management frameworks and controls and external and internal audit functions are also led and managed by First West.

While consumers may identify with divisional brands, all deposits, loans and mortgages are disclosed to them as being held with First West. Internally, all systems, technologies, data management and reporting have centralized executive oversight and continue to be standardized, harmonized and rationalized as the organization grows and responds to market needs. First West also holds all material consumer, supplier and employment agreements.

First West's divisional brands market and promote the credit union's products and services and serve as the face of the credit union's community investment outreach, social responsibility endeavors and philanthropic actions.

OUR BIG IDEALS

We embrace four principles—we call them our Big Ideals—that enable us to change the way Canadians think about banking.

1. **Succeed together:** We bring real value to members by reinventing ourselves and our business again and again. Only by working together can we offer innovative solutions that help local communities thrive.
2. **Act local:** Our focus is on making decisions as close to members as possible. We work big to act local which means using our scale and resources to meet members' needs.
3. **Create remarkable experiences:** As a co-operative, we treat everyone with dignity, respect and honesty. As stewards for our members, we protect them from risk and provide thoughtful advice to meet their unique needs.

4. **Lead with courage:** We're forward thinking when it comes to serving members and communities. Every day we make courageous decisions keeping their best interests at heart.

BOARD OF DIRECTORS

The Board is responsible for the stewardship of First West and overseeing the management of the credit union's business, including shaping the strategic direction, setting the risk appetite, and ensuring appropriate processes and controls and in place to identify, manage and monitor applicable risks.

The Board delegates certain duties to committees of the Board and to management. The specific duties delegated to each committee of the Board are outlined in their charters, which are available on the [First West website](#). These committees include:

- [Audit and Conduct Review](#)
- [Governance and Nominations](#)
- [Risk, Investment and Loan](#)
- [Human Resources](#)
- [Government Relations and Partnership](#)

EXECUTIVE TEAM

The CEO appoints the senior management team, known as the First West leadership team (FWLT), and from time to time may make changes to the team's composition and size. The FWLT is currently composed of nine executive members:

- Chief Financial Officer
- Chief Treasury & Investment Officer
- Chief Credit Officer
- Chief Member Officer
- Chief People and Culture Officer
- Chief Risk Officer
- Chief Transformation Officer
- Chief Governance and Corporate Affairs Officer
- Senior Vice-President, Strategy and Market Growth

Full biographies are available on the [First West website](#).



FIRST WEST'S IMPACT

MEMBERS

A staggering \$100 million has been kept in members' pockets through First West's Simply Free Account®. First West is proud that it charges no monthly fee and offers free and unlimited Interac® e-Transfers within Canada through its Simply Free Account®. Launched in 2012 as a best-in-class everyday chequing account, the Simply Free Account® continues to be a market leader today, saving members approximately \$190 in banking fees each year.

What's more, through mobile and digital technology advancements, the credit union has introduced new banking options and enhanced our ability to provide personalized, expert financial advice to its members. Launched in 2015, our Member Advice Centre has responded to more than one-million-member calls. When COVID-19 required our members to bank differently to stay safe—and keep others safe—our Member Advice Centre was able to pivot, increasing its size and offerings to meet the demand.

ECONOMY

Nearly 98 per cent of all business in Canada is small business. In British Columbia small business creates 34 per cent of the province's total gross domestic product and employs nearly 1.1 million people. Whether starting, growing or transitioning a business, First West stands shoulder to shoulder with business owners understanding their needs.

First West was able to offer critical government financing programs to small businesses almost as soon as they were introduced, ensuring our small business owners had access to the capital they needed to keep their businesses running. For example, as of June 2021, First West supported the distribution of nearly \$190 million in Canada Emergency Business Account loans to our business members.

First West and our local divisions—Envision Financial, Valley First, Island Savings and Enderby & District Financial—were able to do all this and much more because we have continually adapted and readied ourselves to meet the current and future needs of our members. What affirms that we're assuredly on the right track for our members is the fact that as of March 2021, we're not aware of a single First West business member that has failed due to COVID-19.

COMMUNITIES

First West believes in supporting local non-profit and charitable organizations that serve the most vulnerable, which is why the credit union has invested more than \$28.1 million into its local communities since 2010. First West seeks to create capacity in the social sector by leveraging its financial strength and social vision, Lead Well. Through Lead Well, employees volunteer their knowledge and skills to help local communities thrive.

Knowing we have a role to play in economic recovery, we distributed more than \$1.6 million in COVID-19 community funding and support in 2020 to keep our towns and cities strong during the crisis. Our COVID-19 recovery efforts in 2021 are even more ambitious as we anticipate investing more than \$1.5 million to help B.C. families, small businesses, social enterprises and community organizations through another year of recovery.

FIRST WEST FOUNDATION

The First West Foundation cares about the well-being of the communities served by First West Credit Union and its regional divisions, Envision Financial, Valley First, Island Savings and Enderby & District Financial. The Foundation, with assets over \$18 million, uses income generated from its endowments to help create resourceful and resilient communities. Since its inception in 1996, the First West Foundation has donated over \$7 million in grants to local community groups and projects. The Foundation grows its endowments through charitable gifts and bequests. To learn more about First West Foundation, visit firstwestfoundation.ca.