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# Policy Manual

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## Description

This policy sets forth the description of the role and responsibilities of an individual member of the Board of Directors (Board) of Sydney Credit Union.

## Purpose

The Board of Sydney Credit Union works within a policy governance model and is comprised of individual members (each a Director). The Board is mandated to provide guidance and leadership to ensure Sydney Credit Union remains committed to the company's vision and delivers on its strategic objectives.

The Board acts collectively through its members and speaks "with one voice" once the Board has reached a consensus decision by voting.

The duties and responsibilities of the individual Director are of paramount importance to our Credit Union's governance, for it is only through the individual Directors, acting as a collective body, that a Board can act.

## Responsibility

Directors must effectively carry out their vital leadership, legal, and stewardship responsibilities and act in the best interests of the collective membership of Sydney Credit Union. As such, Directors are responsible for providing effective governance and leadership to the Credit Union. Directors play a key role based on their shared understanding of the purpose and goals of the Credit Union as well as their vision of how to best serve the evolving needs of the Credit Union's members.

The most fundamental set of governance responsibilities of the Board include constructively partnering with the Chief Executive Officer (CEO) and senior management team to:

- 1) Govern the Credit Union and promulgate a set of Board level policies, procedures, practices and risk boundaries that collectively empower the Credit Union to:
  - a. productively serve the collective membership;
  - b. foster the ongoing success of the Credit Union's financial health and operations;
  - c. maintain the safety and soundness of the assets entrusted to the Credit Union;
  - d. validate the Credit Union's compliance with applicable Acts and By-laws.
- 2) Participate in developing a forward-looking strategic vision, mission and set of values for the direction, work and culture of the Credit Union, as well as agreed-upon set of prioritized strategic goals, objectives, and relevant metrics of success designed to forward the Credit Union's mission.
- 3) Directors must delegate appropriate authority to the CEO to properly manage and operate the day-to-day affairs of the Credit Union.

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The duties of individual Directors are the duties of:

## **Care**

- Actively engage, contribute, participate, and ask questions;
- Keep informed, prepare for and attend Board meetings;
- Participate in Director development and educational activities;
- Support and participate in the Credit Union's community outreach efforts and activities;
- Understand and monitor the Credit Union's finances, safety, and soundness; must have at least a working familiarity with basic finance and accounting practices, including the ability to read and understand the Credit Union's balance sheet and income statement and the ability to ask, as appropriate, substantive questions of management and auditors;
- Assist in shaping the vision, mission, and strategy of the Credit Union;
- Cast their vote independently of other Directors in the best interests of the Credit Union and its members, relying upon their best judgment, knowledge and information.

## **Loyalty**

- Focuses on avoidance of improper conflicts of interests and requires fair dealing by Directors involved in transactions where a personal or financial interest may arise;
- Requires Directors to act in good faith and in the best interests of the Credit Union and not in their own interests or the interests of persons or organizations with which they are associated;
- Adhere to the Code of Conduct and Confidentiality Agreement;
- Declare all conflicts of interest and potential conflicts of interest regarding agenda items to the Chair;
- Attend and actively participate in monthly Board meetings, in the annual planning sessions, and in meetings of the membership of the Credit Union.

## **Obedience**

- Requires a Director to faithfully observe and comply with all properly implemented policy and procedures of the Credit Union;
- Ensure that the Credit Union is operating in observance of its stated vision, mission and strategic direction;
- Keep Board policies top of mind during all discussions and if necessary, make recommendations if a gap in policy is noticed;
- Focus on the strategic plan for Sydney Credit Union, not the operations;
- Directors can exercise their own reasoned judgment in how the Credit Union should best achieve its mission, but they cannot act in a manner that is inconsistent with the Credit Union's mission;
- Exercise due diligence and oversight to assure compliance to all applicable Bylaws, policies, and rules properly implemented by the Board;
- Participate on any committees or task forces as requested by the Board.