

FIRST WEST CREDIT UNION **2016 ANNUAL REPORT**

# Governance Report



# Governance Report

As a member-owned, democratic co-operative financial institution, First West is governed by a board of directors elected by the credit union's members.

The board bears fiduciary responsibility for the credit union, protecting members' interests and financial assets. It shapes the organization's strategic direction, establishes the credit union's overall risk appetite and ensures appropriate processes and controls are in place to identify, manage and monitor applicable risks.

The board selects the CEO, establishes the CEO's accountabilities and evaluates the CEO's performance. The board also communicates with members, clients and other stakeholders by being accessible and reporting its activities through this annual report, the annual general meeting and other channels.

## SIGNIFICANT ACTIVITIES IN 2016

- Directors Stewart Ladyman and Terry Enns completed their service to the board at the conclusion of the May 12, 2016, annual general meeting. These departures, along with the departure of director Michael Brydon in late 2015, returned First West's board to its regular complement of 12 seats, after having risen to 15 following the merger with Island Savings Credit Union on January 1, 2015.
- Incumbent directors Robin Middleton and Ken Voth were re-elected by acclamation to three-year terms.
- First West members passed three special resolutions to amend the credit union's rules. The amendments introduced a number of changes to the credit union's governance processes:
  - Members may now nominate and vote for board of director candidates in all regions, not just their home region
  - The board may introduce at-large directors as well as directors who represent the credit union's regions
  - The board chair and vice-chair are no longer required to come from different regions -- instead the board may select the best-qualified directors for those positions
  - There is now more flexibility in how the annual general meeting is held -- rather than specifying a specific number of sessions that must be held each year, the board may now choose to hold multiple sessions, one central session or one session that rotates between regions each year
- Directors participated in an assessment process that focused on the board as a whole, the board's committees and individual directors. The results will be reviewed in early 2017 and used to inform director development and changes to the credit union's governance practices.



- Taking the next step in their evolution, regional councils were moved from being special committees reporting to the board to being true local business advisory bodies appointed by and accountable to the credit union's regional presidents. This change became effective at the close of the annual general meeting.
- In July 2016, the board approved changes to its compensation as recommended by an independent member advisory committee. The committee reviewed the board's current compensation, industry trends and compensation paid to directors of other like-sized organizations in developing its recommendations. The board accepted all of the committee's recommendations, including moving to an annual flat-fee honorarium rather than receiving fees for each meeting attended. The new compensation system took effect on Sept. 1, 2016.

## **BOARD STRUCTURE AND DIRECTORS**

The credit union's rules allow for a board of 12 directors, rising to as many as 15 to accommodate a merger. Directors are normally elected to three-year terms, with four directors' terms ending each year.

Directors are responsible for stewarding the organization in the best interests of the credit union as a whole. Directors protect and uphold the credit union's values, exercising judgment with honesty and integrity. They offer a broad range of knowledge and depth of experience, as well as an understanding of the principles and values of the credit union and its communities. Additionally, directors demonstrate business, financial and social acumen and provide diverse views and up-to-date perceptions.

Directors must be independent from the credit union and financial services industry in general and must not have an interest or relationship with First West that could be seen to interfere with their ability to act in the best interest of the credit union. The board's Conduct Review and Governance Committee regularly reviews compliance with this requirement.

For a listing of each director's board service history, roles and background please see Table 1. More information about directors is also available on the First West website at [www.firstwestcu.ca](http://www.firstwestcu.ca).

## **BOARD EFFECTIVENESS AND RENEWAL**

To ensure they continue to provide an appropriate level of oversight and stewardship, directors conduct regular board and peer performance evaluations. These evaluations assess the board's ability to work as a whole, as well as each director's skills, experience and contributions in a number of key areas, including finance, technology, strategic planning, human resources, legal and regulatory matters and more. The evaluations help the board identify gaps it may address by recruiting new directors or through its ongoing director education program.

## **DIRECTOR EDUCATION**

Directors are encouraged to pursue educational opportunities and professional development to improve their contributions to governing the credit union. New directors are also required to complete Level A of the Credit Union Director Achievement program within 12 months of their appointment.



Recognizing that director education is directly linked to improvements in governance and oversight, the credit union provides each director with a \$10,000 allowance per three-year term to pay for registration, travel and accommodation related to courses and/or educational conferences. Attendance at these conferences must be approved by the board chair.

A listing of the educational opportunities pursued by each director in 2016 is included in Table 2.

## **GOVERNANCE STANDARDS**

First West's governance practices guide how the board of directors functions, makes decisions and holds itself accountable. The board is guided, in part, by the FICOM Governance Guideline for B.C. Credit Unions<sup>1</sup>, which specifies standards related to:

- Risk governance, including the implementation of a risk governance framework
- Board competence with respect to strategy and oversight of operations
- An expectation that boards will be proactive in identifying best practices related to corporate governance and in adopting evolving best practices as they apply to their institutions
- Importance of internal oversight functions — ensuring the functions are sufficiently resourced and the heads of the functions (e.g. audit, risk) have sufficient stature, authority and independence from management
- Greater accountability and transparency, including detailing CEO and individual director pay in the credit union's annual report

In addition to direction provided by FICOM, the board measures its governance practices against standards issued by the Canadian Coalition for Good Governance, a not-for-profit organization that promotes corporate practices that best align the interests of boards and management with those of shareholders.

## **MEMBER INVOLVEMENT**

By participating in the democratic process, members shape and direct First West's future. The board encourages members to attend the First West annual general meeting and vote in director elections and on special resolutions. Unless they are First West employees, family of First West employees or employees of other financial institutions, First West members in good standing may also stand for election to the First West board.

## **BOARD COMPENSATION**

First West's directors are expected to devote considerable time and energy to fulfilling their obligation to oversee the credit union. Each year, directors are required to attend quarterly board meetings, a budget meeting, a planning session and a number of other planned and unplanned special meetings. In addition, each director is required to serve on at least two board committees, to travel as necessary and to prepare thoroughly for each meeting.

To attract and retain the best directors possible and pay them at a level that reflects the level of risk they accept, the professional expertise they offer and the level of contribution expected of them, compensation is set at a rate comparable with other large credit unions, regional financial institutions and publicly traded companies of similar size.

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<sup>1</sup> <http://www.fic.gov.bc.ca/pdf/creditUnionsTrusts/GovernanceGuidelineCUs.pdf>



First West's policies require the board to regularly seek the input and advice of an independent panel of members to determine its compensation. The recommendations made by the last independent panel were adopted in July 2016 and became effective Sept. 1, 2016.

In 2016, director compensation included:

#### January 1 to August 31

- Annual retainers of \$17,000 for directors and \$43,000 for the board chair; the Audit and Risk Management Committee chair received an additional annual retainer of \$10,000 and the chairs of other committees received additional annual retainers of \$5,000
- Board and committee meeting fees of \$700 for a full day (over four hours) and \$400 for meetings shorter than four hours
- Fees for travel time related to board duties of \$700 for travel of four hours or more and \$400 for less than four hours of travel

#### September 1 to December 31

- Flat-rate annual retainers of \$35,000 for directors and \$70,000 for the board chair, with no meeting fees paid; the Audit and Risk Management Committee chair received an additional annual retainer of \$10,000 and the chairs of other committees received additional annual retainers of \$5,000
- A set travel fee of \$500, regardless of time and distance travelled, when directors travel to and from meetings or other board duties outside their designated home regions; travel fees are not paid for travel within a director's home region or to and from community or First West social events

Total director and regional council advisor compensation for 2016 was \$620,556.95. This total includes \$355,351.13 for honoraria and retainers, \$181,400.00 for meeting and travel fees and \$83,805.82 for expenses. A breakdown of the amounts paid to each individual director is listed in Table 2.

### **REGIONAL COUNCIL ADVISOR COMPENSATION**

Prior to the close of the 2016 annual general meeting, First West's three regional councils were special committees of the board consisting of elected directors and appointed advisors. Following the annual general meeting, the regional councils ceased being board committees, and instead became local business advisory bodies appointed by and accountable to the credit union's regional presidents. Until the annual general meeting, compensation for regional council advisors was similar to the director compensation detailed above, and included:

- An annual retainer of \$2,000 for the regional council chair (no retainers for other advisors)
- Meeting fees of \$400 for attending regional council meetings and approved board events (such as the annual strategic planning session); no meeting fees for attending community or social events, as these were considered part of the volunteer portion of the job
- Travel fees of \$200 for travel of more than 60 minutes and less than four hours and \$400 for travel of four hours or more

Regional council advisors could not earn fees of more than \$400 for any 24-hour period. This included any combination of regional council meetings, attendance at business, educational or social events, or travel.



Total remuneration paid to each regional council advisor is listed in Table 3.

### **DIRECTOR AND REGIONAL COUNCIL ADVISOR EXPENSES**

Beyond the honorariums they receive, directors are reimbursed for reasonable expenses incurred in connection with authorized work performed on behalf of the credit union at the same level as the credit union's management. Like management, directors are required to supply receipts for all expenses they incur.

Expenses directors may be reimbursed for include mileage, flights, accommodations and meals. Until Sept. 1, 2016, each director also received \$103 per month to cover the cost of technology associated with fulfilling board responsibilities (home office, computer, etc.); this fee was eliminated when directors moved to flat-fee annual retainers.

Regional council advisors were reimbursed for mileage, flights, accommodations and meals. Each regional council advisor received \$150 quarterly to cover the cost of technology associated with fulfilling regional council responsibilities (home office, computer, etc.).

Total expenses paid to each director and regional council advisor are included in Tables 2 and 3.

### **COMMITTEES OF THE BOARD**

Directors are required to serve on committees of the board that carry out legislated and delegated duties. These committees include:

- **Audit and Risk Management**  
Assists the board in fulfilling its obligations and oversight responsibilities related to the audit process, financial reporting, the system of corporate controls and risk management. Assesses and monitors level of risk and control over the risks through receipt of reports from management and others (including internal and external auditors), and the regulator, make inquiry and determine if risk levels are appropriate. The committee consists of three to five directors elected by the board on the recommendation of the board chair.
- **Investment and Loan**  
Reviews and recommends board approval of the credit union's investment and loan policy. The committee reviews management reports on the credit union's compliance with board policies on credit risk, interest rate risk, investment risk, liquidity and funding risk, reviews management reports on capital and assesses the credit union's capital position and capital adequacy. The committee consists of three to five directors elected by the board on the recommendation of the board chair.
- **Conduct Review and Governance**  
Ensures statutory requirements are met and procedures are in place to deal with related party transactions. The committee also ensures First West has an effective corporate governance regime, reviews director conduct, monitors reputational risk and oversees procedures for resolving conflicts of interest, restricting the use of confidential information and handling member complaints. The committee consists of five members elected by the board on the recommendation of the board chair. One member must be the board's vice-chair, who serves as committee chair.

- **Human Resources**

Assists the board with all matters relating to human resources and ensures sound human resources policies and practices are in place and are consistent with First West's values, vision and strategic plan. The committee consists of three to five members appointed by the board on the recommendation of the board chair.

- **Nominations and Elections**

Identifies and oversee the nomination of candidates for election or appointment to the board, and oversees the director election process. The committee is composed of not less than three members of the credit union who may be, but need not be, directors.

- **Partnership and Government Relations**

Guides management in developing and evolving First West's multi-brand operating model. The committee reviews and counsels management on First West's partnership-growth strategy, monitors government relations activities and advocates for favourable legislation. The committee also represents the board in discussions with potential partners and consists of the board chair, vice-chair and two other directors appointed annually on the recommendation of the board chair.

## **BOARD AND COMMITTEE ATTENDANCE**




Although director attendance records can be used to assess board performance, First West believes simple attendance does not constitute effective directorship. Rather, the credit union believes it is more important for directors to be thoroughly prepared, to be engaged in meetings and to make a sustained, positive contribution to the credit union's success.

Each director's performance is measured through regular board/peer assessments, the results of which are used to suggest educational and development opportunities and to inform the Nominations and Elections Committee's recruitment efforts.




Reporting attendance is, however, widely defined as a governance best practice and required by the FICOM Governance Guideline for B.C. Credit Unions. Meeting attendance for each First West director is listed in Table 2; attendance for regional council advisors is listed in Table 3.

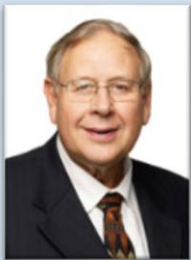







**TABLE 1: DIRECTORS' BOARD SERVICE HISTORY, ROLES AND BACKGROUND**



Name	Board Service	Current Board/Committee Roles	Profile
<b>Mark Aston</b> 	2011-Present  Current term expires: 2017	<ul style="list-style-type: none"> <li>• Chair, Investment and Loan Committee</li> <li>• Audit and Risk Management Committee</li> </ul>	<p><b>Residence:</b> Salt Spring Island, B.C.</p> <p><b>Education:</b> Master's degree in business administration from Heriot-Watt University in Scotland, Master's degree in chemistry from the University of British Columbia</p> <p><b>Employment:</b> Partner and co-owner of Spark+Co, an independent BC-based consulting firm. More than 20 years' experience as an executive and senior manager with the Rick Hansen Institute/Rick Hansen Foundation and Environmental Programs at the University of British Columbia</p> <p><b>Other board service:</b> Former Island Savings Credit Union director (2011-2014) served on the Conduct Review, Governance, Compensation and Audit and Risk committees</p>
<b>Wayne Becker</b> 	2006-Present  Most recent election: 2015  Current term expires: 2018	<ul style="list-style-type: none"> <li>• Chair, Audit and Risk Management Committee</li> <li>• Investment and Loan Committee</li> </ul>	<p><b>Residence:</b> Kamloops, B.C.</p> <p><b>Education:</b> Bachelor of Arts (accounting and economics), Simon Fraser University; CPA, CA</p> <p><b>Employment:</b> Self-employed accountant Wayne C. Becker Inc.; previously sold partnership interest in Chartered Accounting Firm</p> <p><b>Other board service:</b> Past-president Rotary Daybreak, former Thompson Rivers University Foundation and Kamloops chamber of commerce board member</p>
<b>Quentin Bruns</b> 	2006-Present  Most recent election: 2014  Current term expires: 2017	<ul style="list-style-type: none"> <li>• Vice-chair, Human Resources Committee</li> <li>• Conduct Review and Governance Committee</li> <li>• Partnership and Government Relations Committee</li> <li>• First West Foundation</li> </ul>	<p><b>Residence:</b> Mara, B.C.</p> <p><b>Employment:</b> Owner and manager of Hamberlin Holsteins Ltd., an organic dairy farm in the North Okanagan</p> <p><b>Other board service:</b> Past director and board chair of Enderby &amp; District Credit Union, former vice-chair of the Lower Shuswap Stewardship Society, served as school trustee for School District #3</p>



Name	Board Service	Current Board/Committee Roles	Profile
<b>Terry Enns</b> 	1980- May 12, 2016  Most recent election: 2013  Retired from the board: May 12, 2016	<ul style="list-style-type: none"> <li>• Retired from the board at the conclusion of the 2016 annual general meeting</li> <li>• Chair Emeritus</li> </ul>	<b>Residence:</b> Surrey, B.C.  <b>Education:</b> Diploma in Urban Land Economics from the University of British Columbia; MBA from Simon Fraser University; Certified Credit Union Director designation from the Credit Union Executive Society's Directors Leadership Institute  <b>Employment:</b> After a long career in real estate and later a custom metal finishing company, now focuses on family and board responsibilities  <b>Other board service:</b> Former director of Credit Union Central of Canada, former chair of Central 1 Credit Union, sits on the board of the CUMIS Insurance Group; previously chair of First West and its predecessor, Envision Credit Union
<b>Richard Hill</b> 	2006-Present  Current term expires: 2017	<ul style="list-style-type: none"> <li>• Vice-chair, Partnership and Government Relations Committee</li> <li>• Conduct Review and Governance Committee</li> <li>• Vice-chair, First West Foundation</li> </ul>	<b>Residence:</b> Ladysmith, B.C.  <b>Employment:</b> President and owner of Yellow Point Lodge Ltd.  <b>Other board service:</b> Former Island Savings Credit Union board member (2006-2014) serving three years as vice-chair, chair of the Governance Committee and former chair of the Nominations Committee. Also a member of the Compensation and Audit and Risk Committees. Previously served and chaired various regional district commissions.
<b>Henry Jansen</b> 	1979-Present  Most recent election: 2014  Current term expires: 2017	<ul style="list-style-type: none"> <li>• Vice-chair, Audit and Risk Management Committee</li> <li>• Investment and Loan Committee</li> <li>• First West Foundation</li> <li>• Foundation Finance and Investment Committee</li> </ul>	<b>Residence:</b> Chilliwack, B.C.  <b>Education:</b> Diploma of Technology, BCIT; CPA, CGA  <b>Employment:</b> Chartered professional accountant in public practice  <b>Other board service:</b> Previous director for Credit Union Central of B.C for 21 years, including three years as board chair; director for Credit Union Central of Canada for nine years, previous board member for the University of the Fraser Valley for six years.

Name	Board Service	Current Board/Committee Roles	Profile
<b>Stewart Ladyman</b> 	1985-1988 1993-1996 2006-May 12, 2016  Most recent election: 2015  Retired from the board: May 12, 2016	<ul style="list-style-type: none"> <li>Retired from the board at the conclusion of the 2016 annual general meeting</li> </ul>	<b>Residence:</b> Penticton, B.C.  <b>Education:</b> Bachelor of Science, University of British Columbia; Masters of Education, University of British Columbia  <b>Employment:</b> Retired; managing principal, Ladyman Consulting Inc.; formerly superintendent of schools in B.C.  <b>Other board service:</b> Former federal boundary commissioner and provincial boundary commissioner; previous director for Science World, Vancouver; former director Irving K. Barber Scholarship Society, former chair of Armstrong Spallumcheen Savings and Credit Union (1985 to 1988)
<b>David Letkemann</b> 	2006-Present  Most recent election: 2015  Current term expires: 2018	<ul style="list-style-type: none"> <li>Board vice-chair</li> <li>Chair, Conduct Review and Governance Committee</li> <li>Vice-chair, Nominations and Elections Committee</li> <li>Partnership and Government Relations Committee</li> </ul>	<b>Residence:</b> Abbotsford, B.C.  <b>Education:</b> Bachelor of Business Administration, Simon Fraser University; Bachelor of Laws, University of British Columbia  <b>Employment:</b> Partner with Linley Welwood, a general practice law firm in Abbotsford that serves the Fraser Valley  <b>Other board service:</b> Director, Run for Water Society
<b>James McKenzie</b> 	2006-Present  Current term expires: 2017	<ul style="list-style-type: none"> <li>Vice-chair, Conduct Review and Governance Committee</li> <li>Human Resources Committee</li> </ul>	<b>Residence:</b> Victoria, B.C.  <b>Education:</b> Civil engineering degree from Queen's University  <b>Employment:</b> Owner of Shawnigan Storage Ltd, a mini warehouse facility serving the lower Vancouver Island region, CEO of Camaxco Holdings Ltd, holding interests in Monk Office, B.C.'s largest independent office products dealer, Cook Culture, B.C.'s largest independent kitchen store and cooking school, as well as commercial real estate holdings  <b>Other board service:</b> Former Island Savings Credit Union board member (2006-2014) with the last two years serving as board chair. Previous member of the Board of Governors of the Canadian Federation of Independent Business, former director of the Entrepreneurial Learning Foundation, previous board member of the Greater Victoria Hospital Foundation Patron's Council, former director of the Victoria Symphony and a number of other Island-based boards

Name	Board Service	Current Board/Committee Roles	Profile
<b>Robin Middleton</b> 	2012-Present  Most recent election: 2016  Current term expires: 2019	<ul style="list-style-type: none"> <li>• Chair, Human Resources Committee</li> <li>• Audit and Risk Management Committee</li> <li>• Nominations and Elections Committee</li> </ul>	<b>Residence:</b> Kelowna, B.C.  <b>Education:</b> CPA, CA  <b>Employment:</b> Professional Standards Officer with Crowe MacKay LLP Chartered Accountants; previously a chief financial officer; chief internal audit executive for large crown corporation and a senior manager in the assurance division of a large national firm  <b>Other board service:</b> Currently a volunteer coach and mentor for CPA Canada, served on the Habitat for Humanity board; previously involved with the Okanagan Mission Rotary Club and previously served as volunteer and treasurer for organizations such as UNICEF, United Way and Project Literacy in Victoria, B.C.
<b>Shawn Neumann</b> 	1998-Present  Most recent election: 2014  Current term expires: 2017	<ul style="list-style-type: none"> <li>• Board chair</li> <li>• Partnership and Government Relations Committee</li> <li>• Investment and Loan Committee</li> <li>• Human Resources Committee</li> <li>• Ex-officio member of all committees he is not a member of</li> </ul>	<b>Residence:</b> Abbotsford, B.C.  <b>Education:</b> Bachelor of Arts in economics and history from Simon Fraser University, Certified Credit Union Director  <b>Employment:</b> CEO of Domain7 Solutions Inc., a Vancouver-based Internet solutions company  <b>Other board service:</b> Past board member of CloudFactory, an Asian venture-backed technology company, past director of the University of the Fraser Valley Foundation Board
<b>Peter Scherle</b> 	1992-Present  Most recent election: 2015  Current term expires: 2018	<ul style="list-style-type: none"> <li>• Conduct Review and Governance Committee</li> <li>• Nominations and Elections Committee</li> <li>• First West Foundation</li> <li>• Foundation Finance and Investment Committee</li> </ul>	<b>Residence:</b> Hope, B.C.  <b>Employment:</b> Retired; 30 years in retail, hospitality and real estate development; 17 years as shareholder and manager of Manning Park Resort, as well as several provincial campgrounds  <b>Other board service:</b> None

Name	Board Service	Current Board/Committee Roles	Profile
<b>James Thomson</b>  	2014-Present  Most recent election: 2014  Current term expires: 2017	<ul style="list-style-type: none"> <li>• Audit and Risk Management Committee</li> <li>• Human Resources Committee</li> </ul>	<b>Residence:</b> Kamloops, B.C.  <b>Education:</b> Bachelor of Administration from University of Regina, Certified Credit Union Director  <b>Employment:</b> Owner and president of Plainsman Construction  <b>Other board service:</b> Currently serves as chair of the Thompson Rivers University board of governors, past-president of the Canadian Homebuilders' Association (National); chair and past-president of New Home Warranty Program of B.C. and the Yukon, past-president of CHBA-BC and president of CHBA Kamloops; former member of the Canadian Commission on Construction Material Evaluations (National Research Council); past-chair of the Southern Interior Development Initiative Trust, previous chair of Thompson Rivers University finance and audit and risk committees
<b>Ken Voth</b>  	1980-Present  Most recent election: 2016  Current term expires: 2019	<ul style="list-style-type: none"> <li>• Chair, Nominations and Elections Committee</li> <li>• Chair, Partnership and Government Relations Committee</li> <li>• Vice-chair, Investment and Loan Committee</li> <li>• First West Foundation</li> <li>• Foundation Finance and Investment Committee</li> </ul>	<b>Residence:</b> White Rock, B.C.  <b>Employment:</b> President of Voth Bros. Developments Ltd. a real estate development company doing business throughout the Lower Mainland, Okanagan, Washington and Oregon  <b>Other board service:</b> Director, Canuck Place Children's Hospice, Member of Central 1 Legislative Committee and Nominations Committee, Director of Stabilization at Central Credit Union from 1997-2006; former board chair/vice-chair.

**TABLE 2: DIRECTOR 2016 ATTENDANCE, EDUCATION AND COMPENSATION**

Director	Board and Committee Meeting Attendance			Education in 2016	Remuneration	Expenses
Shawn Neumann <sup>1, 2, 7</sup> Chair	Regular Board	11/11	(100%)	Enterprise Risk Management	Honorarium: \$51,999.96	Total expenses: \$24,372.22
	Human Resources	4/4	(100%)	Conflict of Interest		
	Investment and Loan	6/6	(100%)	Cyber Security		
	Nominations and Elections	2/2	(100%)	CUES Governance Leadership Institute		
	Partnership and Government Relations	4/5	(80%)	ICAAP Integration with ERM Stress Testing Alternative Liquidity Options		
	OVERALL ATTENDANCE	27/28	(96%)		Meeting and travel fees: \$25,200.00	
David Letkemann <sup>3, 8</sup> Vice-Chair	Regular Board	11/11	(100%)	Enterprise Risk Management	Honorarium: \$28,000.08	Total expenses: \$3,016.03
	Conduct Review and Governance	4/4	(100%)	Conflict of Interest		
	Nominations and Elections	6/6	(100%)	Cyber Security		
	Partnership and Government Relations	3/3	(100%)	ICAAP Integration with ERM Stress Testing		
	Regional Council – Envision	1/1	(100%)	Alternative Liquidity Options		
	OVERALL ATTENDANCE	25/25	(100%)		Meeting and travel fees: \$11,900.00	
Mark Aston <sup>4</sup>	Regular Board	8/11	(73%)	Enterprise Risk Management	Honorarium: \$28,103.31	Total expenses: \$3,731.42
	Audit and Risk Management	6/6	(100%)	Conflict of Interest		
	Investment and Loan	6/6	(100%)	Cyber Security		
	Regional Council – Island Savings	1/1	(100%)	ICAAP Integration with ERM Stress Testing Alternative Liquidity Options		
		OVERALL ATTENDANCE	21/24	(88%)		
Wayne Becker <sup>5</sup>	Regular Board	11/11	(100%)	Enterprise Risk Management	Honorarium: \$33,731.20	Total expenses: \$3,999.46
	Audit and Risk Management	6/6	(100%)	Conflict of Interest		
	Investment and Loan	6/6	(100%)	Cyber Security		
	Regional Council – Valley First	1/1	(100%)	ICAAP Integration with ERM Stress Testing Alternative Liquidity Options		
		OVERALL ATTENDANCE	24/24	(100%)		
Quentin Bruns <sup>10</sup>	Regular Board	10/11	(91%)	Enterprise Risk Management	Honorarium: \$23,000.04	Total expenses: \$4,014.06
	Conduct Review and Governance	4/4	(100%)	Conflict of Interest		
	Human Resources	6/6	(100%)	Cyber Security		
	Partnership and Government Relations	4/5	(80%)	ICAAP Integration with ERM Stress Testing Alternative Liquidity Options		
		OVERALL ATTENDANCE	24/26	(92%)		
Terry Enns <sup>11</sup>	Regular Board	5/5	(100%)	Enterprise Risk Management	Honorarium: \$6,215.07	Total expenses: \$1,183.71
	Conduct Review and Governance	2/2	(100%)	Conflict of Interest		
	Human Resources	2/2	(100%)	Cyber Security		
		OVERALL ATTENDANCE	9/9	(100%)		

Director	Board and Committee Meeting Attendance			Education in 2016	Remuneration	Expenses
Richard Hill <sup>2, 8</sup>	Regular Board	10/11	(91%)	Enterprise Risk Management	Honorarium: \$23,000.04	Total expenses:
	Conduct Review and Governance	4/4	(100%)	Conflict of Interest	Meeting and travel fees: \$12,200.00	\$3,787.20
	Nominations and Elections	1/2	(50%)	Cyber Security		
	Partnership and Government Relations	3/3	(100%)	ICAAP Integration with ERM Stress Testing		
				Alternative Liquidity Options		
				Filene and CCUA Symposium		
	OVERALL ATTENDANCE	18/20	(90%)			
Henry Jansen	Regular Board	10/11	(91%)	Enterprise Risk Management	Honorarium: \$24,828.01	Total expenses:
	Audit and Risk Management	5/6	(83%)	Conflict of Interest	Meeting and travel fees: \$10,400.00	\$2,703.86
	Investment and Loan	5/6	(83%)	Cyber Security		
				ICAAP Integration with ERM Stress Testing		
	OVERALL ATTENDANCE	20/23	(87%)			
Stewart Ladyman <sup>11</sup>	Regular Board	5/5	(100%)	Enterprise Risk Management	Honorarium: \$6,215.07	Total expenses:
	Conduct Review and Governance	2/2	(100%)	Conflict of Interest	Meeting and travel fees: \$7,600.00	\$3,043.56
	Nominations and Elections	2/2	(100%)	Cyber Security		
	Partnership and Government Relations	2/2	(100%)			
	OVERALL ATTENDANCE	11/11	(100%)			
James McKenzie <sup>6</sup>	Regular Board	9/11	(81%)	Enterprise Risk Management	Honorarium: \$24,828.01	Total expenses:
	Conduct Review and Governance	4/4	(100%)	Conflict of Interest	Meeting and travel fees: \$12,300.00	\$4,014.55
	Partnership and Government Relations	2/2	(100%)	Cyber Security		
	Human Resources	6/6	(100%)	ICAAP Integration with ERM Stress Testing		
				Alternative Liquidity Options		
	OVERALL ATTENDANCE	21/23	(91%)			
Robin Middleton <sup>9</sup>	Regular Board	7/11	(64%)	Conflict of Interest	Honorarium: \$27,919.43	Total expenses:
	Audit and Risk Management	5/6	(83%)	Cyber Security	Meeting and travel fees: \$14,600.00	\$9,155.35
	Human Resources	5/6	(83%)	ICAAP Integration with ERM Stress Testing		
	Nominations and Elections	2/4	(50%)			
	OVERALL ATTENDANCE	19/27	(70%)			
Peter Scherle <sup>3</sup>	Regular Board	10/11	(91%)	Conflict of Interest	Honorarium: \$23,000.04	Total expenses:
	Conduct Review and Governance	4/4	(100%)	Cyber Security	Meeting and travel fees: \$14,400.00	\$5,614.22
	Nominations and Elections	6/6	(100%)	ICAAP Integration with ERM Stress Testing		
	Regional Council - Envision	0/1	(0%)	Alternative Liquidity Options		
	OVERALL ATTENDANCE	20/22	(91%)			

Director	Board and Committee Meeting Attendance			Education in 2016	Remuneration <sup>10</sup>	Expenses <sup>11</sup>
James Thomson	Regular Board	10/11	(91%)	Enterprise Risk Management	Honorarium: \$23,000.04  Meeting and travel fees: \$12,200.00	Total expenses: \$6,735.16
	Audit and Risk Management	6/6	(100%)	Conflict of Interest		
	Human Resources	6/6	(100%)	Cyber Security CUES Governance Leadership Institute ICAAP Integration with ERM Stress Testing Alternative Liquidity Options		
	OVERALL ATTENDANCE	22/23	(96%)			
Ken Voth <sup>3, 9, 10</sup>	Regular Board	11/11	(100%)	Enterprise Risk Management	Honorarium: \$31,010.82  Meeting and travel fees: \$13,000.00	Total expenses: \$5,385.07
	Investment and Loan	6/6	(100%)	Conflict of Interest		
	Nominations and Elections	4/4	(100%)	Cyber Security		
	Partnership and Government Relations	5/5	(100%)	ICAAP Integration with ERM Stress Testing		
	Regional Council - Envision	0/1	(0%)	Alternative Liquidity Options		
	OVERALL ATTENDANCE	26/27	(96%)			

1. Although the board chair is an ex-officio member of all committees, attendance is only recorded for those committees of which he is an official member
2. Member of the Nominations and Elections Committee Jan. 1 to May 12
3. Member of the Envision Regional Council Jan. 1 to May 12
4. Member of the Island Savings Regional Council Jan. 1 to May 12
5. Member of the Valley First Regional Council Jan. 1 to May 12
6. Member of the Partnership and Government Relations Committee Jan. 1 to May 12
7. Member of the Human Resources Committee May 24 to Dec. 31
8. Member of the Partnership and Government Relations Committee May 24 to Dec. 31
9. Member of the Nominations and Elections Committee May 24 to Dec. 31
10. Member of First West Foundation May 13 to Dec. 31
11. Retired from board at the close of the 2016 annual general meeting
12. Until Aug. 31, 2016, meeting and travel fees were paid at a rate of \$700 for a full day and \$400 for a half day (less than four hours), at which time no director could collect more than \$700 for any 24-hour period, including any combination of board or committee meetings, attendance at business, educational or social events or travel.
13. Effective Sept. 1, 2016 directors no longer received a meeting fee and instead began receiving an annual flat-fee paid in equal instalments over the year. As of the same date, directors began being paid a flat fee of \$500 when traveling to and from meetings or other board duties outside their designated home regions. Travel fees are not paid for travel to and from community or First West social events.

14. Directors are reimbursed for costs associated with mileage, flights, accommodations and meals incurred while carrying out credit union business; each director received \$103 per month to cover the cost of technology associated with fulfilling board responsibilities (home office, computer, etc.)
15. Regular board meetings include quarterly board meetings, other regularly scheduled board meetings and meetings held by conference call as necessary





**TABLE 3: REGIONAL COUNCIL ADVISOR 2016 ATTENDANCE AND COMPENSATION**

Advisor	Envision Regional Council	Valley First Regional Council	Island Savings Regional Council	At-large Nominations and Elections Committee	Remuneration <sup>2,3</sup>	Expenses
<b>Gloria Daly</b> <sup>1</sup>			1/1	3/3	Meeting and Travel Fees: \$2,400.00	\$450.40
<b>Paul Durose</b>		1/1			Meeting and Travel Fees: \$400.00	\$232.50
<b>Terry Flannigan</b>		1/1			Meeting and Travel Fees: \$400.00	\$224.25
<b>Peter Foodikoff</b>		1/1			Meeting and Travel Fees: \$400.00	\$275.40
<b>Andrew Grieve</b>	1/1				Meeting and Travel Fees: \$400.00	\$150.00
<b>Mike Hartshorne</b>			1/1		Meeting and Travel Fees: \$400.00	\$194.00
<b>Andrew Higginson</b>			1/1		Meeting and Travel Fees: \$400.00	\$178.60
<b>Melanie King</b>		1/1			Meeting and Travel Fees: \$400.00	\$315.00
<b>Hazel Postma</b>	1/1				Meeting and Travel Fees: \$400.00	\$180.80
<b>Ramesh Rikhi</b>		1/1			Meeting and Travel Fees: \$400.00	\$166.50
<b>Sheila Service</b>			1/1		Meeting and Travel Fees: \$400.00	\$150.00
<b>Odai Sirri</b>			1/1		Meeting and Travel Fees: \$400.00	\$150.00
<b>Dave Whitman</b>			1/1		Meeting and Travel Fees: \$400.00	\$232.50
<b>Lois Wilkinson</b>	1/1				Honorarium: \$500.00 Meeting and Travel Fees: \$400.00	\$150.00

1. Appointed to Nominations and Elections Committee as at-large member July 27 to Dec. 31 and to First West Foundation board for 2016; meeting fees, travel fees and expenses incurred to attend these meetings are included

2. Advisors were reimbursed for travel time related to regional council meetings at a rate of \$200 for travel 60 minutes to four hours and \$400 for travel over four hours

3. Advisors received \$150 per quarter to cover the cost of technology associated with fulfilling regional council responsibilities (home office, computer, etc.)

