

BOARD DIVERSITY POLICY

Purpose This policy sets out the philosophy of First West Credit Union’s Board of Directors (“the Board”) with regard to diversity.

Application of this policy This policy applies to the Board. It does not apply to diversity with respect to the employees of First West.

Policy statement

The Board recognizes that diversity is important to ensuring its members as a whole possess the qualities, attributes, experience and skills required to effectively steward and oversee the strategic direction and management of the organization.

The Board recognizes the benefits of having a diverse composition, and has identified diversity as an essential element in attracting high-calibre directors, maintaining a high-functioning board and building a competitive advantage.

The Board will consider diversity in determining the optimum composition of the Board and its committees. To the extent possible through the democratic process, the Board will take steps to ensure its membership is balanced appropriately.

Recommendations for candidates or appointees to the Board will be based on the abilities, skills and experience the Board as a whole determines it requires from time to time, while recognizing that a diverse complement can result in a more effective board.

Definition of diversity For purposes of this policy, the term “diversity” includes, but is not limited to:

- Gender
- Ethnicity/culture
- Geography
- Age

Board responsibilities The Board is responsible for:

- Ensuring this policy is consistently applied to all board recruitment and election processes
- Setting targets and developing specific actions plans as deemed necessary to achieve the optimum level of diversity on the Board from time to time
- Approving changes to this policy

Governance and Nominations Committee responsibilities The Governance and Nominations Committee reviews and assesses Board composition on behalf of the Board and recommends any amendments to the Board Skills, Competencies and Attributes Matrix that is used to create the annual director recruitment profile that is ultimately approved by the Board.

In reviewing the Board’s composition, the committee will consider diversity as defined in this policy to maintain an appropriate mix and balance of diversity, attributes, skills, experience and backgrounds.

The Governance and Nominations Committee also oversees the Board’s annual performance evaluation in accordance with the Board Effectiveness and Renewal Policy. As part of this process, the committee will consider the balance of skills, experience, independence and knowledge on the Board as well as the Board’s diversity.

Nominations Task Force responsibilities The Nominations Task Force is responsible for endorsing qualified candidates for recommendation to the membership based on the requirements outlined in the approved director recruitment profile, and plays an integral role in seeking candidates who bring diverse perspectives to the Board.

In identifying suitable candidates for election/appointment to the Board, the Nominations Task Force will consider candidates on merit against objective criteria and with due regard for the benefits of diversity in the Board’s composition.

Ideal composition The following table outlines the ideal composition of the Board with respect to each of the diversity dimensions the Board has identified as material to its success:

Dimension	Why it matters	Ideal composition
Gender	Studies show boards with a good gender mix make better decisions, consider issues differently and operate more effectively	At least one-third (4) female directors
Geography	Local economies, politics and needs in First West’s service areas differ broadly; these points of view should be represented at the board table	Representation from each of First West’s regions
Ethnicity/ Culture	The people who call First West’s communities home come from a variety of ethnicities and cultures; it is important to include representation from at least each of the most populous of these groups	At least one director from each ethnic group that makes up more than 15% of the population in any of First West’s service areas (Caucasian, Chinese, South Asian)
Age	Each generation approaches problems and issues differently; as the credit union serves members in all life stages, it is important to include a good mix of ages on the board	No more than one-third of directors in each age bracket: <ul style="list-style-type: none"> • Under 50 • 50 – 60 • 60 and over

Reporting

The Governance and Nominations Committee will report:

- Annually to the Board on the diversity of the Board and its committees
 - Annually, in the governance section of the First West Annual Report, on the process it has used to optimize Board diversity; the report will include a summary of this policy, the measurable objectives set for implementing the policy and progress toward achieving those objectives
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Review cycle

The Governance and Nominations Committee will review this policy and its effectiveness at least annually and recommend any necessary revisions to the Board for approval.

Related policies

- Board Effectiveness and Renewal Policy
 - Governance and Nominations Committee Charter
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