



GENERAL GUIDELINES TO NOMINEES

- Nominees are reminded that all forms and affidavits must be accurately completed with all required information. Incomplete nomination forms will not be considered by the Nominating Committee of the Credit Union.
- As part of its fit and proper exercise the Credit Union will carry out mandatory judgment searches on all nominees seeking election to the Board of Directors, Supervisory Committee and Credit Committee. The existence of any registered judgments would result in automatic disqualification as a nominee.
- Nominations will also be subject to review against the fit and proper criteria of the Cayman Islands Monetary Authority (CIMA).
- Nominees are reminded that the intellectual property of the Credit Union, e.g., name, logo, slogan, windmill, documents, branches, or any other material that represents the credit union, must not be used by any nominee while canvassing. Failure to comply with this requirement could result in disqualification from the election process.
- Nominees should ensure that they and their nominators are eligible to nominate him/her. Nominees should confirm with the Credit Union to satisfy themselves that they and the nominators are in good standing with the Credit Union and are therefore qualified to stand as nominees/nominators.

NOMINATION PACKAGES

Nominations packages will be available at all branches of the Credit union and on the Credit Union's website at <https://www.creditunion.ky>

PLEASE COMPLETE AND RETURN

RETURN DETAILS:

All nominations for the 2022 Election must be received by the Nominations Committee by 5:00 pm, Monday, October 3, 2022 at the address below.

*Late applications will **not** be accepted.*

Please ensure all documentation is completed in full, signed by the appropriate individuals, and returned electronically to nominatingcommittee@creditunion.ky or hand delivered to the below address.

Nominating Committee

CICSA Co-op Credit Union Ltd
58 Huldah Ave, George Town
P.O. Box 1450 KY1-1110
CAYMAN ISLANDS



CHECKLIST FOR SUBMITTING YOUR NOMINATION PAPERWORK

The CICSA Cooperative Credit Union Nominating Committee welcomes you to submit nomination paperwork for the 2022 Director and Committee member Elections taking place on Wednesday, 30 November 2022 at the AGM.

There are several documents which are required for successful acceptance of your nomination; to help ensure your documentation is complete we have provided a checklist below. The documentation must be received by the Nominating Committee at the address on the front of this package no later than 5:00 pm on Monday, October 3, 2022.

- ☐ Completed Board of Directors' and Committee Members Nomination Form (page 3 of this package)
- ☐ High resolution colour portrait photo
- ☐ Candidate statement
- ☐ Candidate's Nominators' Forms (pages 4-5 of this package)
- ☐ Completed, signed and dated Conflict of Interest/Related Party Transaction annual statement (pages 6-7 of this package)
- ☐ Signed and dated Candidate's Declaration (page 8)
- ☐ Signed and completed CIMA's Personal Questionnaire along with Police Record
- ☐ Current resume including employment history



BOARD OF DIRECTORS' AND COMMITTEE MEMBERS NOMINATION FORM

- Be of the age of at least 18 years;
- Hold a minimum of \$1,000 'personal' membership shares; and
- Be a member in good standing for a minimum of one year on the date that nominations close.

NAME OF NOMINEE (PLEASE PRINT)	GENDER M <input type="checkbox"/> F <input type="checkbox"/>	DRIVER'S LICENSE#
MAILING ADDRESS		
OCCUPATION	EMAIL ADDRESS	
PHONE (RES.)	PHONE (BUS.)	
DATE OF JOINING CICSA COOPERATIVE CREDIT UNION	ACCOUNT NUMBER	BRANCH

Introduce yourself to the membership...

This your opportunity to introduce yourself to your fellow members and let them know how you would contribute as a member of the Board or Committee. All candidates are required to provide a short (approximately 250 words) biographical 'Candidate Statement' written in the first person. We encourage you to address the following points:

- Your experience and/or qualifications;
- Skills, strengths and talents, etc. you would bring to the Board;
- Your community service/involvement; and

Additionally, candidates are encouraged to submit a short video (maximum 3 minutes) addressing the points suggested above.

Please note that your Candidate Statement & optional video submission may be edited at the sole discretion of CICSA Cooperative Credit Union's Nominations Committee.

Candidate Statements and videos will be made available to the Credit Union membership by methods determined by the Committee. There will be no opportunity for edits once Candidate Statements and videos have been printed and/or uploaded to CICSA Cooperative Credit Union.

The Committee may reject any Candidate Statement or video submission that, in the opinion of the Committee, is lacking in good taste, irrelevant, defamatory or injurious to the reputation of the Credit Union and or exceeds the suggested length of time.

Please provide a high-resolution head and shoulders colour photo for use in the Director and Committee Members Election material.



BOARD OF DIRECTORS' AND COMMITTEE MEMBERS NOMINATION FORM

As per the Credit Union Rules:

- This form must be signed by the Candidate's two nominators;
- All nominees must be nominated in writing by two members in good standing of the age of majority; and
- No member, unless he or she is a member of the Nominations Committee, may nominate more than one candidate in respect of an election of a Director(s) and Committee Member(s).

I _____ nominate _____ to be a

☐ Director ☐ Credit Committee Member ☐ Supervisory Committee Member (select one).

I also confirm that I am Credit Union member in good standing (no loan delinquency, all my accounts are active, and all KYC is updated)

NAME OF NOMINATOR (PLEASE PRINT)	MAILING ADDRESS	
OCCUPATION	SIGNATURE	
PHONE (MOBILE)	PHONE (WORK)	
DATE OF JOINING CICSA COOPERATIVE CREDIT UNION	ACCOUNT NUMBER	BRANCH



BOARD OF DIRECTORS' AND COMMITTEE MEMBERS NOMINATION FORM

As per the Credit Union Rules:

- This form must be signed by the Candidate's two nominators;
- All nominees must be nominated in writing by two members in good standing of the age of majority; and
- No member, unless he or she is a member of the Nominations Committee, may nominate more than one candidate in respect of an election of a Director(s) and Committee Member(s).

I _____ nominate _____ to be a

☐ Director ☐ Credit Committee Member ☐ Supervisory Committee Member (select one).

I also confirm that I am Credit Union member in good standing (no loan delinquency, all my accounts are active, and all KYC is updated)

NAME OF NOMINATOR (PLEASE PRINT)	MAILING ADDRESS	
OCCUPATION	SIGNATURE	
PHONE (MOBILE)	PHONE (WORK)	
DATE OF JOINING CICSA COOPERATIVE CREDIT UNION	ACCOUNT NUMBER	BRANCH



CONFLICT OF INTEREST

ANNUAL STATEMENT – CONFIDENTIAL

I HAVE READ **CICSA Cooperative Credit Union's** CONFLICT OF INTEREST AND DISCLOSURE POLICY (SEE APPENDIX E), AND I HEREBY DECLARE THAT I:

- a) Have no interest in any private or personal business which may conflict with the duties and responsibilities owed to CICSA Cooperative Credit Union or its subsidiaries by virtue of my being a director or employee of CICSA Cooperative Credit Union Ltd;
- b) Am not participating in, and do not contemplate participating in, any transaction either as an individual or as a member of another organization which is the kind of transaction in which CICSA Cooperative Credit Union engages, with the exception of transactions made on behalf of my credit union;
- c) Am not a member, director, officer, or employee of any other corporation, nor am I a partner in or owner of any firm other than those disclosed and approved, and other than those occurring as a result of my participation as a director/officer of said CICSA Cooperative Credit Union;
- d) Do not have any material, direct or indirect ownership, interest, or profit participation in outside business enterprises which have, or are contemplating having, dealings with CICSA Cooperative Credit Union;
- e) Will not accept any gift or hospitality of material value offered or tendered by virtue of my position as a director or employee of CICSA Cooperative Credit Union; and that each of the above terms applies with the exception(s) of:
(Specify paragraph(s) and provide details):

I acknowledge that should circumstances change with respect to any of the items noted on this disclosure during the period from this date to the date of the next annual filing, full disclosure of such change must be made and further that such disclosure must take place prior to the commencement of any change in status. I further acknowledge that in the case of an employee of the Credit Union, inadequate disclosure or failure to make timely disclosure as is required could constitute grounds for termination.

Signature

Print Name

Date



RELATED PARTY TRANSACTION

I understand that, being a director of CICSA Cooperative Credit Union, I am a related party of CICSA Cooperative Credit Union. I also understand that certain individuals and corporations may be related parties of CICSA Cooperative Credit Union by reason of their relationship to me. Therefore, in order to assist CICSA Cooperative Credit Union in identifying its related parties, I make the following disclosure:

1. The name of my spouse (including any person with whom I am now living as married, having done so continuously for the past two years) is:
2. The names of my children (less than 18 years of age) are:

NAME	RELATIONSHIP

I ACKNOWLEDGE that this Statement shall not relieve me from compliance with any other duty or disclosure imposed upon me by an enactment or rule of law or equity relating to the duties or liabilities of directors, committee members, officers, or employees of companies and credit unions.

Signature

Print Name

Date



GOVERNING REGULATORY LAWS, RULES AND POLICY

See Appendices A-E on pages 9-25.

CANDIDATE'S DECLARATION

I declare that I have been nominated as a candidate for election as a Director or Credit Committee Member or Supervisory Committee Member (circle one) of CICSA Cooperative Credit Union Ltd. and that I am prepared to stand for election. I have read the Rules of CICSA Cooperative Credit Union Ltd. and the functions and responsibilities of directors and committee members in Appendix A, to the best of my knowledge, information and belief, I am qualified to be a candidate for election and, if elected, to serve as Director or Credit Committee Member or Supervisory Committee Member (circle one) of the Credit Union. If elected I will undertake to act honestly and in good faith and in the best interest of the Credit Union.

I declare that I have read the Credit Union's Code of Conduct and Conflict of Interest Policy, as established by the Board of Directors of the Credit Union.

I hereby affirm that I am an adult member in good standing (minimum \$1,000 held in Membership Equity Shares, and at least 12 months membership, no delinquent loans, and updated KYC information) of CICSA Cooperative Credit Union and that I consent to let my name stand for nomination to the Board of Directors and Committee Members of CICSA Cooperative Credit Union.

I affirm that I have read and understand the preceding extracts from the CIMA's Regulatory Policy and Procedure on Fitness and Propriety for directors, the Credit Union Rules, and the Cooperative Societies Law.

I further acknowledge that the duties and responsibilities contained in the Code of Conduct and Conflict of Interest Policy are in addition to any other duties or responsibilities imposed by law upon a Director and Committee Members of CICSA Cooperative Credit Union and that the Code shall in no way relieve me from complying with any such law or with any rule of CICSA Cooperative Credit Union.

Signature

Date



APPENDIX A

FIDUCIARY FUNCTIONS OF THE BOARD OF DIRECTORS AND COMMITTEE MEMBERS

The functions of the Board of Directors and Committee Members are wide and diverse. For the purpose of this Manual, the major functions are as follows:

- Overall leadership, direction and control of the affairs of the Credit Union.
- Hiring and evaluation of the Chief Executive Officer.
- Development of policies to guide the successful operations of the organization.
- To set the risk appetite of the Credit Union and then to ensure it has a risk management framework to identify and manage risk on an ongoing basis.
- Entering into contracts on behalf of the Credit Union.
- Deciding on the long-term goals and objectives of the organization, and planning for their achievement.
- Receiving reports from the Chief Executive Officer.
- Reporting to members at Annual General Meetings.
- Calling Annual and Special General Meetings.
- Ensuring that the Credit Union's Rules, the Co-operative Societies Law and Regulations, and other relevant legislation are complied with.
- Recommending amendments to Rules.
- Approving acquisition and disposal of fixed assets.
- Ensuring on-going education and training of members, volunteers and staff.
- Maintaining good public relations.
- Ensuring the provision of competent and adequate personnel and facilities for efficient operation of the Credit Union.
- Monitoring and evaluating the performance of the Credit Union.
- Filling vacancies on the Board and Credit Committee between Annual General Meetings.
- Ensuring that members' funds and the assets of the Credit Union are adequately protected.
- Appointing relevant committees to assist the Board's functioning.
- Equipping themselves with the requisite skills and knowledge to effectively perform their functions.
- Attending the requisite courses for certification as Credit Union Professionals.



DUTIES OF THE EXECUTIVE OFFICERS OF THE BOARD

CHAIRMAN

The Chairman is the leader of the Board of Directors and Committee Members. It is the responsibility of the Chairman to guide the meetings of the Board, to ensure that the objectives of meetings are met and that every participant is given a fair chance to articulate his/her views.

The duties of the Chairman are as follows:

- To preside at all meetings of the Board and of the members, except Special General Meetings called by the Supervisory Committee.
- To sign, with the Secretary, the minutes of meetings of the Board of Directors, Committee Members, and Annual General Meetings.
- To countersign contracts and other legal documents on behalf of the Credit Union.
- To call Special Meetings of the Board and members when necessary or upon proper request.
- To report, on behalf of the Board, to the members at Annual General Meetings, on the affairs and performance of the Credit Union.
- To act as the Public Relations Officer of the Board of Directors and Committee Members.
- To lead and guide the Board in its deliberations and oversight of the Credit Union.

All duties to be performed by the Chairman are to be consistent with the Credit Union's Rules, the Co-operative Societies Law, and CIMA's Regulations, when enacted. An active Chairman will prevent the Credit Union from coming under the dominant influence of any one person or group of persons.

VICE CHAIRMAN

The Board of Directors and Committee Members may elect one or more Vice Chairmen. If more than one is elected, distinction must be given in descending order, such as first and second.

Duties of the 1st Vice Chairmen are as follows:

- To act in the absence of the Chairman.
- To exercise all the duties of the elected Chair when the Chair is unable to perform them
- To Chair the Scholarship Committee Meetings
- To perform any other duties assigned by the Board of Directors and Committee Members.
- To assist the Chairman as he presides over Annual General and other meetings

Duties of 2nd Vice Chairman are as follows:

- To act in the absence of the Chairman, 1st. Vice Chairman as the case may be
- To exercise all the duties of the elected Chair and 1st Vice Chair who are unable to perform these duties
- To perform any other duties assigned by the Board of Directors as may be necessary from time to time
- To assist the Chairman and the 1st Vice Chairman as they preside over the Annual General Meeting and/or Special General Meeting.

THE SECRETARY

The Secretary is the administrative officer of the Board, responsible for recording the minutes of the Board and the Annual General Meeting accurately and completely, as well as notifying the officers and members of meetings of the Credit Union.

Duties of the Secretary

- To prepare and maintain full and correct records of all meetings of the members and of the Board.
- To sign, with the Chairman, the minutes of meetings of the Board of Directors, Committee Members, and Annual General Meetings.
- To authenticate documents or signatures which bind the Credit Union and certify that resolutions are correct.



- To safeguard the corporate seal of the Credit Union.
- To issue or cause to be issued proper notice of all meetings in accordance with the Rules and the Co-operative Societies Law.
- To ensure that original minutes and the relevant reports are on file at the Credit Union's office.
- To oversee preparation of correspondence for the Board of Directors and Committee Members.
- To keep track of Directors' and Committee Members attendance at Board meetings and inform the Chairman of excessive absence.
- To ensure that files of contracts and corporate level correspondence are properly maintained.

THE TREASURER

The Treasurer is responsible to the Board Oversight of financial matters such as monthly financial reports, annual budget, annual audit, internal audits, and material risks.

Duties of the Treasurer

- To provide the Board with knowledge, assessments and insight into the financial plans, controls and results of the Credit Union.
- To ensure that the operations of the Credit Union comply with the Co-operative Societies Law and the Rules and Regulations of CIMA and other relevant operating standards and legislation.
- To present the Treasurer's and other financial reports of the Credit Union to the members at Annual General Meetings.
- Ensure that the annual audited accounts are forwarded to the Registrar of Cooperatives and CIMA within the prescribed period.

EXPERTISE AND KNOWLEDGE COLLECTIVELY REQUIRED BY MEMBERS OF THE BOARD

The Board of Directors and Committee Members should comprise a diversity of skills in:

- Strategic business management and planning
- Internal control
- Financial management and accounting
- Human resource management
- Management of legal matters
- Marketing
- Information Technology
- Public speaking
- Credit administration
- Governance
- Risk management
- Leadership
- Change management
- Applicable legislation in relation to the Credit Union's operations
- Cybersecurity

In addition, members of the Board should be Credit Union members in good standing, honest, unselfish, sincerely interested in the good of the organization and its members, know the business, behave ethically, avoid partisan politics, be objective, possess good social values and have courage to make unpopular decisions for the good of the Credit Union and its members.

ROLE AND FUNCTION OF THE CREDIT COMMITTEE

The Credit Committee has overall responsibility for the Loan Portfolio and Credit Administration of the organization, guided by the Credit Policy laid down by the Board of Directors and Committee Members. However, the Credit Committee may delegate some of its responsibilities to appointed Loans Officers employed by the Credit Union. The Credit Committee is also responsible for the promotion of thrift and the encouragement of wise use of credit.



The functions of the Credit Committee are as follows:

- Studying and implementing the Credit Policy of the organization.
- Recommending amendments to the Credit Policy, where necessary.
- Require that loan applications and agreements are properly completed with all required information prior to submission to the committee
- Evaluation and decision making on member loan requests
- Conducting interviews with loan applicants where required
- Determining the adequacy of security for loans.
- Financial counseling to members where required
- Ensuring that delinquency is effectively controlled through the committee's evaluation and approval of loans.
- Submitting monthly reports to the Board of Directors, Committee Members, and an Annual Report to the members at Annual General Meeting

Duties of the Credit Committee's Chairperson

The Chairperson is responsible for calling meetings of the Committee, developing the agenda for meetings along with the Secretary. This person should have good leadership skills, be knowledgeable in credit administration, loan underwriting and evaluation and have a very good understanding of the Credit Union's Credit Policy, rules, delinquency control policy and applicable legislation.

The Chairperson is also responsible for presenting the committee reports to the Board and the Annual General Meeting.

Duties of the Credit Committee Secretary

The Secretary prepares and maintains the records of all actions taken by the Committee. Since these records serve as significant internal control material, importance must be placed on their accuracy and detail.

The records of meetings should be prepared during or immediately after a meeting and should be signed by the Chairperson and Secretary. The Secretary should also have good recording skills.

The Secretary also prepares committee reports for presentation to the Board and the Annual General Meeting

Expertise and Knowledge Required by Members of the Credit Committee

- Business loan granting
- Credit administration including loan analysis and granting
- Project appraisal, monitoring and implementation
- Delinquency Control and Collections
- Securities evaluation and execution
- Financial counseling
- Cash flow projection
- Knowledge of applicable legislation

In addition, members of the Credit Committee should keep up to date with economic conditions, investment options, interest rate trends and general financial information. They should have good inter-personal and analytical skills. Members should also be tactful, have excellent listening skills and the ability to handle confidential matters in a businesslike manner.

ROLE AND FUNCTION OF THE SUPERVISORY COMMITTEE

The Supervisory Committee is charged with the responsibility of being the Internal Audit Committee of the Credit Union for and on behalf of the members. The primary purpose of the **audit committee** is to provide oversight of the financial reporting process, the **audit** process, the company's system of internal controls and compliance with laws and regulations. This includes:

- Playing the lead role in the engagement and supervision of the full time Internal Auditor.
- Review of risk management through reports of the Chief Risk and Compliance Manager and audit of the Risk Management &



Compliance function.

- Arranging for and supervising the internal audits and receiving reports of these audits.
- Requiring the adequacy of internal control systems and procedures and adequate management of risks.
- To make recommendations to the Board on the appointment, re-appointment or replacement of the Credit Union's external auditor.
- Liaising with the Credit Union's external auditor in the conduct of this audit.
- Authority to engage advisors on financial and internal control matters.
- Dealing with member complaints.

The primary objectives of this Committee are:

- Requiring that the Board of Directors and Committee Members provides oversight of the Credit Union as a safe and sound financial institution
- Ensuring that the interests of the members are protected,
- Requiring that the Board of Directors, Committee Members, and staff comply with the laws, rules and policies of the Credit Union and
- Requiring that every transaction that is carried out in the Credit Union conforms to prudent and transparent business practices.

The main functions of the Supervisory Committee are as follows:

- Determining compliance with the Rules of the Credit Union, the Co-operative Societies Law, the regulations of CIMA, and other relevant laws in the Cayman Islands.
- Review the adequacy and effectiveness of risk management.
- Anti-fraud policy-Ensuring that no irregular or unauthorized transactions are carried out by either employees or volunteers or any parties connected to these persons
- Determining the reliability and integrity of financial and operating systems and information.
- Checking on the Credit Union's Credit Administration to ensure that delinquency is kept under control and that securities are adequately endorsed in the Credit Union's favour.
- Ensuring that meetings of the Supervisory Committee are properly arranged and conducted and that proper records of same are kept.
- Evaluating whether the policies and procedures established by the Board of Directors and Committee Members are documented and adhered to.
- Evaluating the adequacy of the Internal Control systems and making recommendations to the Board of Directors and Committee Members for improvement where necessary.
- Ascertaining whether the established systems of internal control provide reasonable assurance to the members that the assets of the Credit Union are adequately protected to ensure safeguards against errors, carelessness and fraud.
- Ensuring that the selection of the external auditors is done in a transparent manner and in conformity with all relevant rules/regulations.
- Ensuring that external auditors maintain independence and objectivity in carrying out audits.
- Evaluating the Credit Union's compliance with applicable legislation and making recommendations to the Board of Directors and Committee Members where necessary.
- Receive and investigate any complaint made by any member affecting the proper running of the Credit Union in accordance with the Member Feedback Policy approved by the Board.
- By a majority of its members, call a Special General Meeting of the members to consider any violation of the rules of the Credit Union or any practice of the Credit Union, which in the opinion of the Committee is unsafe and unauthorized.

Duties of the Supervisory Committee Chairperson

The Chairperson is the leader of the Committee and is responsible for:

- Calling meetings of the Committee and presiding over these meetings.
- Carrying out the directives of the Committee and ensuring that a copy of the report of the Committee is forwarded to the Board on a timely basis.
- Communicating to the Board in a timely manner reports regarding any anomaly and or problems that has been detected.
- Presenting the Committee's report to the Annual General Meeting



Duties of the Secretary of the Supervisory Committee

The main duties of the Secretary of the Supervisory Committee are:

- Recording accurately the minutes of meetings of the Committee, and documenting of the findings from audits.
- Informing members of the Committee of meetings and producing the report of the Committee for the Board and for the Annual General Meeting.

Expertise and Knowledge Required by Members of the Supervisory Committee

The Nominating Committee should ensure that nominees to this Committee have knowledge and experience in:

- Auditing, Accounting and Financial Management
- Business Administration
- Internal Control
- Computing
- Risk Management

In addition to the skills mentioned above, members of the Supervisory Committee should also:

- possess good inter-personal skills
- be scrupulous
- maintain high ethical standards
- have strong leadership skills
- be good communicators and
- not be afraid of opposition.

APPENDIX B

THE COOPERATIVE SOCIETIES LAW

Excerpt:

Powers and duties of the Authority

40. (1) Without prejudice to any other provision of this Law, it is the duty of the Authority —

- (a) to maintain a general review of credit union business practice in the Islands;
 - (aa) to assess the fitness and propriety of persons required to be so assessed under this Law and notify the Registrar of the determination of the assessment in respect of such persons;
- (b) whenever the Authority thinks fit, to examine the affairs or business of any credit union carrying on business in the Islands for the purpose of satisfying itself that this Law has been or is being complied with, and that the credit union is in a sound financial position and is carrying on its business in a satisfactory manner;
- (c) to assist in the investigation of any offence against the laws of the Islands which the Authority has reasonable grounds to believe has or may have been committed by a credit union or by any of its directors or officers in their capacity as such; and
- (d) to examine annual accounts prepared under section 39, and report on them to the Cabinet whenever the Authority thinks fit.

Powers of Authority in respect of credit unions

41. (1) Whenever the Authority is of the opinion that a credit union —

- (a) is or appears likely to become unable to meet its obligations as they fall due;
 - (aa) has a director or senior officer who is not a fit and proper person;
- (b) is carrying on business in a manner detrimental to the public interest or the interest of its members or creditors; or
- (c) has contravened this Part, the Authority may forthwith do any of the following —



- (i) require the substitution of any director or officer of the credit union;
- (ii) at the expense of the credit union, appoint a person to advise the union on the proper conduct of its affairs and to report to the Authority thereon within three months of the date of that person's appointment;
- (iii) at the expense of the credit union, appoint a person to assume control

APPENDIX C

THE CREDIT UNION RULES

Excerpt:

ARTICLE VIII, BOARD OF DIRECTORS, ARTICLE X, CREDIT COMMITTEE and ARTICLE X1 SUPERVISORY COMMITTEE:

- 31. i. The business of the Credit Union shall be conducted by the Board of Directors, which shall be elected at the Annual General Meeting of the Credit Union and shall consist of not less than 5 or more than 9 members, all of whom shall be members of the Credit Union, provided that the number of members comprising the Board of Directors shall at all times be an uneven number. Each member shall hold office until his successor is elected, unless he demits office earlier or has been expelled, and shall be eligible for re-election.
- iii. Members of the Board of Directors shall be members of the Credit Union, over 18 years of age and in good standing.
- ii. Any Director who, without due excuse approved by the Board, fails to attend 3 consecutive Meetings of the Board, shall be deemed to have vacated his office.
- vi. All Directors must be in good standing. Any Director whose loan with the Credit Union becomes delinquent shall be removed by the majority of the Board from his position as a director, provided however, he may retain his position as a Director if his loan is brought up to date within 15 days from the date of notification that the loan was due for payment.
- 44 v. All members of the Credit Committee must be in good standing. Any member of the Credit Committee whose loan with the Credit Union becomes delinquent shall be removed by the Board of Directors from his position as a member, provided however, that such member may retain his position as a member if his loan is brought up to date 15 days from the date of notification that the date the loan was due for payment.
- 45. i. Any member of the Committee who without due exercise approved by the Committee fails to attend 3 consecutive regular meetings of the Committee, shall be deemed to have vacated his office.
- 52 v. All members of the Supervisory Committee must be in good standing. Any member of the Supervisory Committee whose loan with the Credit Union becomes delinquent shall be removed by the Board of Directors from his position as a member, provided however, that such member may retain his position as a member of the Supervisory Committee if his loan is brought up to date within 15 days from the date of notification that the loan was due for payment.



APPENDIX D

CIMA'S REGULATORY POLICY AND PROCEDURES ON FITNESS AND PROPRIETY FOR DIRECTORS

Excerpt:

- 2.1 The regulatory laws list the following criteria for assessment as to whether a person is fit and proper:
- a) Honesty, integrity and reputation;
 - b) Competence and capability;
 - c) Financial soundness.
- 2.3 Failure to satisfy the Authority in relation to any of these criteria may result in the licensed entity being unable to appoint or continue to appoint the person to perform a controlled function.
- 2.6 The primary objective of assessing the fitness and propriety of persons in controlled functions is to protect the depositors, investors, policyholders, creditors or the public against future harmful conduct by that person.
- 3.1.3 A police or other certificate satisfactory to the Authority, such as an original affidavit, must be obtained from the last country of residence where the person was ordinarily resident for at least 12 months, and state that the person has not been convicted of a serious crime or any offence involving dishonesty.

APPENDIX E

THE CREDIT UNION'S CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY

AUDIENCE

All Directors and Committee Members of the Cayman Islands Civil Service Association Cooperative Credit Union Ltd. (The Credit Union)

KEY MESSAGES

- Directors and Committee Members must ensure that any private or personal business interest does not conflict with the duties and responsibilities owed to the Credit Union.
- To uphold our reputation, it is imperative that a high standard of ethical, moral and legal conduct be followed by Directors and Committee Members in all business practices.
- To avoid a conflict of interest and/or misconduct, there are scenarios where Directors and Committee Members must provide written disclosure as stated in this policy.

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1. OVERVIEW

Introduction

The purpose of this Directors and Committee Members' Code of Conduct and Conflict of Interest Policy (the "Policy") is to set the standards for director conduct and to identify, prevent and resolve conflicts of interest.

The Policies and Procedures Relating to Director Review is appended to and forms part of this Policy ("Appendix B"). Conduct that results, or potentially results, in a breach of this Policy shall be reviewed under Appendix B.

Rationale

To uphold our reputation, it is imperative that a high standard of ethical, moral and legal conduct be followed by Directors and Committee Members in all business practices.

Legal

This Policy is to be read in conjunction with:

- The Cooperative Societies Law
- The Credit Union Rules
- CIMA's Regulatory Policy on Fitness and Propriety for Directors and Committee Members
- CIMA's Statement of Guidance on Corporate Governance
- WOCCU's Code of Conduct/Conflict of Interest Guidelines

Scope

All Directors and Committee Members of the Credit Union.

2. KEY PRINCIPLES

a. Code of Conduct

Duties to The Credit Union

All Directors and Committee Members of the Credit Union shall act in the best interests of the Credit Union in accordance with their fiduciary duties prescribed by law and the policies of the Credit Union adopted by the Board from time to time. Directors and Committee Members are required to be familiar with these duties and policies, as well as the business and affairs of the Credit Union, in order to be capable of making appropriate contributions and decisions.

Standards of Conduct

Not every conduct issue can be specifically addressed by the Code. The Standards below are meant to provide guidance for a variety of scenarios. Directors and Committee Members are expected to apply the Standards to determine appropriate behaviour or actions respecting their role as a Director.

All Directors and Committee Members shall:

- in performing their duties as a director, act honestly, ethically, in good faith, and in a manner which will enhance the image of and be in the best interests of the Credit Union, and exercise the care, diligence, and skill that a reasonably prudent person would in similar circumstances;
- conduct themselves in all personal, business and Directors and Committee Membership matter in a manner that will not directly or by association damage the reputation of the Credit Union; and
- deal with Directors and Committee Members, officers, employees, members, suppliers, and the public openly, honestly, fairly, ethically, and in good faith, and not direct any officer or employee of the Credit Union to take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, stealing proprietary information, misrepresentation of material facts, or any other unfair dealing practice.
- be loyal to the Credit Union and follow the conflict of interest provisions of this policy.

Respect for Others

All Directors and Committee Members shall:

- treat Directors and Committee Members, officers, employees and members with dignity and respect, irrespective of age, race, color, gender, sexual orientation, religion or nationality.



- not interfere with or exercise authority over officers or staff of the Credit Union, except where expressly authorized by the Board or the EC.
- discourage direct communication by staff who attempt to by-pass administration/internal policies and shall encourage staff to utilize reporting lines within the Credit Union.

Maintain confidentiality

- All Directors and Committee Members shall:
 - keep confidential all matters and information involving the Credit Union, the Board, its committees, and the employees and members of the Credit Union;
 - not disclose such matters and information to any one or in any manner whatsoever unless the information is already in the public domain through no misconduct by the director, or unless authorized by the Board or required by a court of law or a regulatory body; and
 - not use confidential information or assets of the Credit Union or any of its subsidiaries or affiliates in order to, directly or indirectly, obtain a benefit or advantage for the director or anyone else.

Knowledge of relevant Rules and Laws

- ensure they are in compliance with the requirements of the Regulator.
- be aware of the laws and regulations relating to the business the Credit Union conducts.
- know the Credit Union Board level policies and terms of reference and abide by them.

Promptly report concerns

All Directors and Committee Members shall:

- immediately advise the Board Chair if they have, or become aware of, any information (having regard to the purpose of this Policy) that would reasonably be considered relevant to ensuring the proper conduct and sound operation of the business and affairs of the Credit Union.

All Directors and Committee Members shall report in writing to the Board Chair and to the Chair of the Executive Committee (EC):

- any illegal or unethical act that the director becomes aware has been or reasonably suspects may be, committed by any director, officer or employee of the Credit Union;
- any potential work hazards that are brought to their attention; and
- any violations of this Policy that they may witness or reasonably suspect by any other director of the Credit Union.

Resignation events

All Directors and Committee Members shall submit their resignation to the Board if any of the following events occur ("Resignation Event"):

- the director determines that they are in breach of, or are in conflict with, any of the duties, standards, principles, expectations or obligations of this Policy and that breach or conflict is expected to materially adversely affect their ability to act as a director in compliance with this Policy;
- director has not attended three consecutive regularly scheduled meetings (including committee meetings) without the approval of the Chairman;
- the director determines that they have a conflict of interest (as defined below) or potential conflict of interest (as defined below)



that materially adversely affects their ability to act as a director in compliance with this Policy;

- the director becomes ineligible according to the EC; or
- there is any other change in the director's personal or professional circumstances that the director determines has impacted their ability to serve as a director in compliance with this Policy.

The Board has the discretion to accept or reject a resignation delivered upon a Resignation Event. The Board should accept any resignation delivered upon a Resignation Event if the director's ability to act as a director in compliance with this Policy has been materially adversely affected or they have become ineligible according to the EC.

Decision making

In reaching decisions, Directors and Committee Members must:

- act prudently and consider what is the best interest of the Credit Union alone;
- take into account all relevant matters and make decisions on an informed basis; and
- ignore personal or other factors which might improperly affect their judgement.

If a director disagrees with the decision of the Board properly reached, publicly he/she:

- must abide by and support the decision, or resign
- must not disclose his/her dissent while still a director.

Attendance requirements

Directors and Committee Members shall attend meetings on a regular and punctual basis. If they are unable to attend, they should advise the Secretary.

Training requirements

Directors and Committee Members must attend, at least annually, required AML/CFP/CFT, risk management, and governance training provided by the Credit Union or an agreed alternate/substitute training programme.

Directors and Committee Members are encouraged to attend CCCU/WOCCCU events and at least one CaribDE training.

Other requirements

Directors and Committee Members shall be familiar with the:

- The Cooperative Societies Law
- The Credit Union Rules
- CIMA's Regulatory Policy on Fitness and Propriety for Directors and Committee Members
- CIMA's Statement of Guidance on Corporate Governance
- The Code of Conduct/Conflict of Interest Guidelines
- The rules and procedures for proper conduct of meetings

Directors and Committee Members should also promptly review materials presented to the Board. This will enable decisions of the Board to be made in an informed, efficient and timely manner.

Annual attestation

All Directors and Committee Members shall, prior to becoming a director and annually as long as they are a director, acknowledge in writing in a form to be determined by the EC, that the director has read, considered and agrees to abide by this Policy, and any other policies, procedures, laws, regulations, and other documents as they may become subject to as a director.



b. Conflict of Interest

Background

Directors and Committee Members must take care to ensure that they identify and avoid any conflict of interest (as defined below). Directors and Committee Members must also take steps to avoid the appearance of a conflict of interest that might have the potential to interfere with their independent exercise of judgment, even where they believe that their actions as a director would not be influenced.

CIMA's Statement of Guidance on Corporate Governance states:

"5.6. Conflicts of Interest

5.6.1 The Governing Body is responsible for ensuring that the regulated entity's Conflicts of Interest policy is documented and adhered to.

5.6.2 Conflicts of Interest policies should include the requirement that Directors and Committee Members disclose interests in any contract to which the regulated entity is an existing or potential party.

5.6.3 Directors and Committee Members and senior managers should submit an annual declaration of any conflicts of interest. The Governing Body should consider whether this practice should be extended to all staff of the regulated entity.

5.6.4 Each Director should ensure that his/her potential or actual conflicts of interest are managed and controlled.

5.6.5 Directors and Committee Members should disclose any conflicts of interest relevant to discussions during meetings of the Governing Body"

Definition of Conflict of Interest

- A "conflict of interest" arises where a director has a duty, or a direct or indirect actual or apparent interest, that comes into conflict with, or is sufficient to influence or appear to influence, the performance of the director's duties owed to The Credit Union.
- A "potential conflict of interest" arises if there is a situation that could reasonably be expected to become a conflict of interest.
- An "apparent" interest/conflict is where there is not technically an actual interest/actual conflict, but where it might appear to an outsider that there is a conflict of interest.
- An "indirect" interest may arise through a relative, friend, firm supplier or any other personal relationship, or by being a director or officer of a party to a material contract or transaction or a person acting in a similar capacity, or by having a material interest in a party to a material contract or transaction.

Examples of conflicts

A conflict of interest includes both actual and apparent conflicts of interest and may potentially involve: the business of the Credit Union;

- companies in which the Credit Union has invested or in which it is planning to invest;
- transactions with the Credit Union;
- borrowing from or lending personal funds to an existing or potential member or supplier of the Credit Union;
- involvement with an organization that represents a special interest group or that carries out activities that, having regard to the purpose of this Policy and the role of a director of the Credit Union, would reasonably be considered to conflict with the values and goals of the Credit Union or the duties of a director. For example, involvement in a consumer advocacy group adverse to financial institutions may represent a conflict of interest or involvement in a group whose mandate is inconsistent with the "Respect for others" principles set out in this Policy;
- any political activities (such as campaigning for a particular political party) on the Credit Union property or political activities conducted by a director, in their capacity as a director of the Credit Union and not in their personal capacity, except where such activities have been previously been consented to by the EC or the Board;



- any business activities outside of a director's role with the Credit Union, unless such activities are passive investments that do not involve (i) any direct or indirect participation in the management or decision-making of such businesses nor (ii) such director having direct or indirect control over 20% or more of the voting securities of such businesses.
- As leaders, Directors and Committee Members must put the interests of the Credit Union before their own interests. Particularly, Directors and Committee Members must not:
 - attempt to influence the Credit Union's policies or decisions to gain a personal or business advantage for themselves or a related party;
 - use confidential information for any personal or business advantage for themselves or a related party; or
 - use their position with the Credit Union to attempt to gain personal benefits or to confer benefits upon other persons or businesses with whom they have a common personal or business interest.

Note: This is not an exhaustive list

Deemed conflicts

Unless the Board or EC determines otherwise, it shall be a conflict of interest for a director of the Credit Union to:

- be a director, employee (or equivalent position) or Advisory Board member of (or a person acting in a similar capacity for) any entity that competes with The Credit Union or any of its subsidiaries or affiliates;
- be a director, employee (or equivalent position) or Advisory Board member of (or a person acting in a similar capacity for) any entity that is a party to a proposed or current material contract or transaction with the Credit Union;
- have a material interest (direct or indirect), in a proposed or current material contract or transaction with the Credit Union;
- accept or provide any gift or hospitality of Material Value offered or tendered by reason of a person's position as a director of the Credit Union; and
- approach members of the Credit Union in respect of business activities other than the business activities of the Credit Union.

Note: This is not an exhaustive list.

Abide by the law and the Rules

This Policy does not relieve a director from complying with any laws or the EC. Directors and Committee Members must be free of conflict in exercising their fiduciary duties and therefore must advise the Board of any conflicts of interest or potential conflicts of interests that could impair their decision-making.

Note: A director will not be excused from compliance with this Policy or any other rule of law relating to conflicts of interest on the basis that the director did not realize that a conflict of interest existed or might arise.

Elections

The Board, on the recommendation of the Nominations Committee, recommends candidates to the membership who best meet the eligibility requirements under the Credit Union and the Regulator's Rules, demonstrate skills and experience in specific areas that complement and strengthen the existing Board, and possess attributes consistent with the values of the Credit Union.

Confidentiality

All Disclosable Interests shall be kept confidential by the CEO, Secretary, and Chairman and shall be disclosed to other Directors and Committee Members only with the consent of the relevant Director or as required by this Code or by law.

Disclosure procedures

Each director shall:

- sign a Conflict of Interest Disclosure Statement each year and a revised Conflict of Interest Disclosure Statement, as applicable, within 15 days of any change in any information contained in it.
- the Conflict of Interest Disclosure Statement and any revisions thereto shall be delivered to the Board Secretary for review and filing with the EC. Where the EC determines it appropriate, such disclosure reports will be delivered to the Board, which shall record the disclosure in its minutes. The Statements shall be in the form approved by the EC.



- seek guidance from the Board Chair if in doubt as to whether a situation is, or may appear to be, or could reasonably be expected to become, a conflict of interest, or from the Chair of the EC if the situation itself involves the Board Chair.
- notify the Chair of the EC if the director wishes to accept or tender a gift or hospitality of Material Value and await approval as required under this Policy prior to accepting or tendering the gift or hospitality.
- notify the Board Chair and the Chair of the EC in writing and await approval prior to accepting any position as a director, employee (or any similar position) or Advisory Board member of any other entity. This is necessary to ensure that there is no conflict of interest or potential conflict of interest (as defined in this Policy) between director's duties to The Credit Union and such other entity.
- immediately disclose in writing, to the Board Chair and the Chair of the EC or by requesting to have it entered in the minutes of a Board or Committee meeting, the nature and extent of any interest they have in a material contract or material transaction with the Credit Union, whether entered into or proposed, if they
 - are a party to the contract or transaction;
 - are a director or officer of a party to the contract or transaction or a person acting in a similar capacity; or
 - have a material interest in a party to the contract or transaction.
- if a proposed or current material contract or transaction would not require approval at a Board meeting, disclose to the General Counsel and CEO of the Credit Union in writing or by requesting to have entered into the minutes of the next Board or Committee meeting, immediately after they have become aware of the contract or transaction, the nature and extent of their interest.

Procedures for Resolution of Conflicts of Interest

If a conflict of interest relates to a proposed or current material contract or transaction involving The Credit Union:

The director shall:

- abstain from a meeting of the Board or of a Committee;
- not attempt to influence, in any way, the Board's, or any officer's or employees', dealing with the matter creating the conflict of interest.

The EC and the Board shall:

- require the director to abstain from a meeting of the Board or of a Committee as required by the Credit Union Rules and instruct Committee Chairs as needed. If a conflict of interest relates to a gift or hospitality of Material Value, the director shall:
- obtain the consent of the EC prior to accepting such gift or hospitality; or
- refuse, return or refund the value of such gift or hospitality.

For any other conflicts aside from those referenced in this section, the director shall immediately disclose the conflict of interest in accordance with this Policy. The EC shall then undertake a review of the facts and conduct of the director under Appendix B.

In all cases, the EC shall, upon becoming aware of an alleged or possible conflict of interest involving a director that has not been disclosed by such director, undertake a review of the facts and conduct of the director under Appendix B.

Roles and Responsibilities in Executing Policy Requirements

ROLE

Board of Directors

RESPONSIBILITIES

Adhere to this Policy and all related Policies

Board Chair

Adhere to this Policy and all related Policies
Provide advice to Directors

Executive Committee (EC)

Adhere to this Policy and all related Policies
Make determinations as needed on directors conduct

Chair of Executive Committee

Adhere to this Policy and all related Policies
Provide advice to Directors as needed



Legal Council

Ensure directors submit documents as provided by the Policy and provide advice to Board as needed

Policy Governance

ROLE	RESPONSIBILITIES	CYCLE
Board of Directors	Review and approve any changes to the Policy	As Needed
Executive Committee (EC)	Review the Policy	Every 2 years
Legal Council	Review and provide policy advice	At least every 2 years

Appendix A – Definitions

Advisory Board

- A body, including without limitation an advisory committee, that advises a board of Directors and Committee Members and management of an entity but does not have the authority to vote on governance matters, nor a legal fiduciary responsibility. The main purpose of an advisory board is to provide expertise, experience, support and instructions to the senior management team of an organization.

Material Value

- Means a value that is \$200 or greater and (a) could be perceived as creating a sense of obligation or a real or perceived conflict of interest or (b) not of a style or value commonly accepted for business occasions.

Appendix B – Policies and Procedures Relating to Director Review

Director Review

Any Board Director who believes another has breached the duties of a Director may communicate his or her concerns to the Chair of the Executive Committee (EC) or, if the concerns relate to the Chair of the EC, to the Vice-Chair of the EC.

If the EC determines the complaint is without merit, it shall notify the complainant. If it determines the complaint warrants review, it may:

- investigate the complaint by gathering additional information, including the engagement of legal counsel or others to assist with the investigation;
- consult employees and Directors and Committee Members;
- retain and consult with Legal Counsel and other advisors;
- hear directly from the complainant; and/or
- request that the respondent appear before the EC to address the matters raised in the complaint.

Following its review, the EC shall determine appropriate action to take. Among the actions it may recommend to the Board are:

- the Director be censured or reprimanded;
- the Director undertake remedial action, (such as training) as may be specified by the Board; or
- the Director be removed pursuant to Rule 54c of the Credit Union Rules.

If the EC makes a recommendation to the Board, it must issue a report which sets out in detail:

- the specific grounds for the recommendation;
- (the procedures followed by the EC leading to the recommendation; and
- the facts and reasons by which the EC came to the conclusions in its report.

Upon receiving a recommendation for sanction or removal by the EC, the Board shall:

- invite the Director under review to respond to the EC report in writing;



- set a meeting date for the Board to consider the recommendation, which gives the Director under review a reasonable period of time in which to prepare a response; and
- invite the Director under review to attend, in person, the Board meeting convened to consider the EC's recommendation.

At the meeting, the Board shall provide the Director with an opportunity to address the EC report and questions from Board members (if any). A Director under review is entitled to be represented by legal counsel, who may attend the meeting and speak on the Director's behalf at the meeting.

Following such representations, the remaining members of the Board shall deliberate in camera whether to adopt, amend, or reject the recommendation of the EC. The substance of such deliberation, as well as the outcome, shall be minuted and form part of the Board's in-camera record.

Reporting to members to the Registrar of Companies (Registrar) and to the Cayman Islands Monetary Authority (CIMA)

The Board will ensure that a director's statement will be circulated to the members and to CIMA and the REGISTRAR according to the Cooperative Societies Law. The Board will ensure that CIMA and the REGISTRAR are notified within 10 days of:

- any changes in the membership of the Board;
- any potential changes in the membership of the Board; and
- any circumstances that may adversely affect the suitability of Board members.

Appendix C -Conflict of Interest

Annual Statement – Confidential

I HAVE READ **CICSA Co-operative Credit Union's** CONFLICT OF INTEREST AND DISCLOSURE POLICY, and I HEREBY DECLARE THAT I:

- Have no interest in any private or personal business which may conflict with the duties and responsibilities owed to The Credit Union or its subsidiaries by virtue of my being a director of the Credit Union;
- Am not participating in, and do not contemplate participating in, any transaction either as an individual or as a member of another organization which is the kind of transaction in which The Credit Union or its subsidiaries engages, with the exception of transactions made on behalf of my credit union;
- Am not a member, director, officer, or employee of any other corporation, nor am I a partner in or owner of any firm other than those disclosed and approved, and other than those occurring as a result of my participation as a director/officer of said the Credit Union;
- Do not have any material, direct or indirect ownership, interest, or profit participation in outside business enterprises which have, or are contemplating having, dealings with the Credit Union or its subsidiaries;
- Will not accept any gift or hospitality of material value offered or tendered by virtue of my position as a director or employee of the Credit Union or its subsidiaries; and that each of the above terms applies with the exception(s) of: (Specify paragraph(s) and provide details):



- I acknowledge that should circumstances change with respect to any of the items noted on this disclosure during the period from this date to the date of the next annual filing, full disclosure of such change must be made and further that such disclosure must take place prior to the commencement of any change in status. I further acknowledge that in the case of an employee of the Credit Union, inadequate disclosure or failure to make timely disclosure as is required could constitute grounds for termination.

I ACKNOWLEDGE that this Statement shall not relieve me from compliance with any other duty or disclosure imposed upon me by an enactment or rule of law or equity relating to the duties or liabilities of Directors and Committee Members, officers, or employees of companies and credit unions.

Signature

Print Name

Date