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**To:** All Board of Directors, Managers and CEOs

**From:** Suzanne Tucker, Senior Manager, Policy & Research

**Subject:** **Corporate Governance Guidance Notes and Assessment Workbooks**

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DICO has developed a set of three Corporate Governance Guidance Notes (Guidance Notes) for the Board of Directors, the Audit Committee, and Management for immediate use.

The Guidance Notes are aligned with the governance standards of By-Law No.5 – Standards of Sound Business and Financial Practices and outline DICO's expectations. In addition, three self-assessment workbooks have been created to provide minimum considerations for credit unions to evaluate their level of compliance.

These documents incorporate the comments and suggestions received from stakeholders during the consultation period. An abbreviated list of suggestions and DICO's response is attached. We thank all respondents for providing comments and suggestions as they have helped to create a more comprehensive set of guidance documents.

DICO is also in the process of updating the Directors' Handbook and Audit Committee Handbook and expects to publish them later this fall.

To assist in fulfilling their duties, directors may find the following list of questions and considerations helpful in discussions with management when reviewing the credit union's governance practices against the corporate governance Guidance Notes and assessment workbooks:

- a) How do our governance practices compare to the minimum requirements and considerations set out in the documents?
- b) What changes do we need to make to ensure our governance practices are appropriate for the size and complexity of our credit union?
- c) Do we have a mechanism in place to identify gaps in corporate governance and track the progress towards rectifying them?
- d) If extensive changes are required, do we have an implementation plan?
- e) Are our policies, procedures and other documentation complete and properly documented to ensure compliance?
- f) Do we understand how our corporate governance score will affect our premiums since corporate governance represents 36% of the Differential Premium System score determination?