

BOARD COMPOSITION/RECRUITMENT

4. Board of Directors

A. Selection of the Board

- i. The Board will be comprised of one resident from each of the Shareholder municipalities plus two Directors at large. Directors must possess a good knowledge of the community and its people. The Directors must be prepared to commit time and energy in guiding the activities of the Company and be available on a reasonable basis for meetings. Each Shareholder community shall be entitled to nominate one member to the Board and when so nominated the other Shareholders shall ratify and confirm the election of such person to the Board. Communities shall be entitled to change or remove their representatives to the Board at their discretion and such appointments shall not be subject to term limits, provided that any term limits imposed by funders shall always apply. Alternatively, a member may delegate the right to make that selection to the Company. The Board shall also consist of two Directors at large who are appointed by the Shareholders at a General Meeting as required.
- ii. Directors will preferably serve for a number of years to coincide with the civic election cycle, subject to ratification each year at the Annual General Meeting, provided that no director shall serve in excess of nine consecutive years. The two Directors at large shall be general community members and shall be elected to a four-year renewable term at the discretion of the Shareholders to be exercised at a General Meeting of Shareholders.
- iii. If a Board vacancy arises, the Company shall submit a letter to the council of the Shareholder without director representation asking this council to appoint a new representative to the Board and such new representative shall be entitled to serve on the Board forthwith and the selection shall be ratified at the next General Meeting of Shareholders. The Board may fill Director at large vacancies through appointment by it but such selections shall be subject to ratification at the next General Meeting of Shareholders.

- iv. CFLR will work towards having a well-rounded Board based on skills and gender.
- v. One role of the CFLR board is to analyze loan applications; therefore, we will endeavor to seek members with a working knowledge about running a business and finances.
- vi. Members at Large Recruitment – Board will seek to engage someone with either an entrepreneurial, legal or accounting background (if these skills are not already being met on the existing board).
- vii. Board terms will be reviewed yearly following the AGM.