

RULES

OF

SUMMERLAND & DISTRICT CREDIT UNION RULES

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DEFINITIONS

In these Rules, unless the subject or context is inconsistent therewith:

- (a) "chair" means the chair of the directors;
- (b) ~~(a)~~"credit union" means Summerland ~~& District~~ Credit Union;
- (c) ~~(b)~~"Credit Union Incorporation Act-" means the *Credit Union Incorporation Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- ~~Financial Institutions Act means the (c)Financial Institutions Act of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;~~
- (d) "director" means a director of the credit union for the time being;
- (e) "directors", unless the context otherwise requires, means the board of directors of the credit union;
- (f) "Electronic Transactions Act" means the *Electronic Transactions Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (g) "Financial Institutions Act" means the *Financial Institutions Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (h) "Securities Transfer Act" means the *Securities Transfer Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (i) "Superintendent" means the Superintendent of Financial Institutions appointed under the *Financial Institutions Act*; and
- (j) ~~(f)"chair" means the~~ "vice-chair" means the vice-chair of the directors.

The meaning of any words or phrases defined in the Credit Union Incorporation Act or the Financial Institutions Act, shall, if not inconsistent with the subject or context, have the same meaning in these Rules.

RULE 1 - MEMBERSHIP

- 1.1 **Application for Membership** - Every application for membership shall be ~~in writing submitted in a form approved by the credit union~~ and shall be accompanied by payment in full of the number of Class "A" Membership Equity Shares required to be held by a member on the date of application for membership.
- 1.2 **Withdrawal or Termination of Membership** - A member may withdraw from membership, and the membership of any person may be terminated, in accordance with the Credit Union Incorporation Act.

- 1.3 **Member in Good Standing** - A member in good standing is a member, including a junior member, who at the date on which good standing is determined:
- (a) has purchased, paid for and holds the number of Class "A" Membership Equity Shares required by these Rules; [and](#)
 - (b) is not more than 60 days delinquent in any obligation to the credit union.
- 1.4 **Policies for Purchase, Payment, Redemption, and Ownership of Shares** - Subject to the provisions of the Credit Union Incorporation Act that specify the minimum number of membership shares for which a member must subscribe and pay, the directors may establish policies to waive or delay purchase, payment, redemption, and ownership in whole or in part of equity shares as required by these Rules.

RULE 2 - SHARES AND DEPOSITS

- 2.1 **Withdrawal and Redemption Forms** - The directors may determine the forms by which a person may withdraw monies on deposit or request redemption of shares.
- 2.2 **Interest on Deposits** - Interest on deposits, in the absence of an express contract or agreement, shall be paid or credited at times, intervals, and in a manner determined by the directors and the directors may delegate the power to make such determinations.
- 2.3 **Classes of Shares** - The shares of the credit union shall be divided into the following classes of shares, each consisting of an unlimited number of shares: Class "A" Membership Equity Shares; Class "B" Voluntary Equity Shares; [and](#) Class "C" Participation Equity Shares; ~~and Class "D" Non-Equity Shares.~~
- 2.4 **Par Value** - All shares shall have a par value of [one dollar \(\\$1.00\)](#) each.
- 2.5 **Resolution of Directors to Redeem or Purchase Shares** - Subject to the Credit Union Incorporation Act and these Rules, the credit union may, by resolution of the directors, redeem or purchase any of its shares.
- 2.6 **Manner of Redemption or Purchase** - If the credit union proposes, at its option, to redeem some but not all of ~~the-its~~ shares of any class, the directors may, subject to the special rights and restrictions attached to such class of shares, decide the manner in which the shares to be redeemed shall be selected.
- [2.7](#) **Monies Invested in Shares Not Guaranteed** - [Monies invested in equity shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia.](#)
- [2.8](#) **2.7Class "A" Membership Equity Shares** - Class "A" Membership Equity Shares have attached thereto the following rights and restrictions:
- (a) ownership, assignment, transfer and issue of Class "A" Membership Equity Shares is limited as set out in the Credit Union Incorporation Act;

- (b) subject to the Credit Union Incorporation Act, the credit union shall redeem the Class "A" Membership Equity Shares held by a member if:
- (i) the member is a natural person and dies ~~and~~ subject to any contrary instruction of the personal representative of the deceased member to transfer the shares to a person entitled to hold the same pursuant to the Credit Union Incorporation Act and these Rules;
 - (ii) the member is an incorporated company and is dissolved or wound up;
 - (iii) the credit union terminates the membership of the member;
 - (iv) the member withdraws from membership in the credit union;
 - (v) the member is a partnership or unincorporated association which dissolves; or
 - (vi) the member, in any other case, ceases to be a legal entity according to the statute by or pursuant to which it was created~~;~~
- (c) ~~Subject~~ subject to the Credit Union Incorporation Act, the credit union may redeem the Class "A" Membership Equity Shares held by a member on such terms and conditions and at such times as the directors, in their discretion, resolve~~;~~
- (d) ~~Notwithstanding~~ notwithstanding the foregoing but subject to the Credit Union Incorporation Act, the amount of Class "A" Membership Equity Shares that the credit union may be required to redeem in any financial year is limited to 10% of the amount of such shares issued and outstanding on the last day of the immediately preceding financial year~~;~~ and
- (e) ~~Any~~ any redemption or purchase of Class "A" Membership Equity Shares shall be at par value plus any dividends declared but unpaid thereon.

2.9 ~~2.8~~ **Class "B" Voluntary Equity Shares** - Class "B" Voluntary Equity Shares have attached thereto the following rights and restrictions:

- (a) Class "B" Voluntary Equity Shares may only be issued to a member of the credit union~~;~~
- (b) ~~The~~ the credit union may redeem any Class "B" Voluntary Equity Shares on such terms and conditions and at such times as the directors, in their discretion, resolve~~;~~ and
- (c) ~~Any~~ any redemption or purchase of Class "B" Voluntary Equity Shares shall be at par value plus any dividends declared but unpaid thereon.

2.10 ~~2.9~~ **Class "C" Participation Equity Shares** - Class "C" Participation Equity Shares have attached thereto the following rights and restrictions:

- (a) Class "C" Participation Equity Shares may only be issued to a member of the credit union~~;~~

~~(b) Subject to the Credit Union Incorporation Act, the credit union may, but shall not be required to redeem the Class "C" Participation Equity Shares held by a member if all indebtedness of the member to the credit union has been fully paid and discharged and:~~

~~(i) the member is an individual and dies;~~

~~(ii) the member is an incorporated company and is dissolved or wound up;~~

~~(iii) the member is a partnership which dissolves;~~

~~(iv) the member, in any other case ceases to be a legal entity according to the statute by or pursuant to which it was created; or~~

~~(v) the member requests, in writing, that the Class "C" Participation Equity Shares be redeemed.~~

(b) ~~(c)~~ ~~The~~ ~~the~~ credit union may redeem any Class "C" Participation Equity Shares held by a member on such terms and conditions and at such times as the directors, in their discretion, resolve; and

~~(d) Notwithstanding the foregoing, but subject to the Credit Union Incorporation Act, the amount of Class "C" Participation Equity Shares that the credit union may be required to redeem in any financial year is limited to 10% of the total amount of such shares issued and outstanding on the last day of the immediately preceding financial year.~~

(c) ~~(e)~~ ~~Any~~ ~~any~~ redemption or purchase of Class "C" Participation Equity Shares shall be at par value plus any dividends declared but unpaid thereon.

~~2.10 Class "D" Shares - Class "D" Non-Equity Shares have attached thereto the following rights and restrictions:~~

~~(a) Class "D" Non-Equity Shares may, at any time and from time to time, be issued in one or more series with each series consisting of such number of shares as may before the issue thereof be determined by resolution of the Board of Directors.~~

~~(b) The credit union may redeem any Class "D" Non-Equity Shares on such terms and conditions and at such times as the directors, in their discretion, resolve.~~

2.11 **Evidence Required for Redemption** - The credit union may require evidence as to the events described in Rule ~~2.7 or Rule 2.09~~ 2.8 before redeeming ~~equity~~ the applicable shares.

2.12 **Membership Share Requirements** - ~~Each member of the credit union~~ As a condition of membership, at the time this Rule comes into force, shall a person is required to subscribe, fully pay for, ~~and hold the following number of~~ at least five Class "A" Membership Equity Shares; ~~.~~

2.13 **Joint Ownership** - The credit union shall not issue jointly held shares and every share in the credit union may only be issued in the name of one member or shareholder, as the case may be.

- ~~(a) — (a) except as provided below, each member 25 shares;~~
- ~~(b) — (b) each junior member 5 shares;~~
- ~~(c) — (c) each member which is an incorporated company 25 shares;~~
- ~~(d) — (d) each member which is a legal entity, other than an incorporated company, created by or pursuant to statute 25 shares.~~

2.14 ~~2.13~~ **Increase in Membership Share Requirements** - The directors may, by resolution, determine that the number of Class "A" Membership Equity Shares required to be owned by a member shall be increased, PROVIDED THAT:

- (a) the directors may not determine that the total number of Class "A" Membership Equity Shares required to be owned by a member shall exceed 100 Class "A" Membership Equity Shares;
- (b) on any one occasion, the directors may not determine to increase the number of Class "A" Membership Equity Shares required to be owned by more than 10 Class "A" Membership Equity Shares;
- (c) a determination by the directors pursuant to this Rule may be made no more frequently than once per financial year;
- (d) a subsequent determination by the directors shall not be made to have effect within ~~6~~ six months of the last such determination; and
- (e) subject to Rule 2.18, a determination by the directors pursuant to this Rule shall not be effective until the expiration of not less than 90 days after notice of a determination is deemed to have been received by the members.

2.15 ~~2.14~~ **Credit Union May Transfer Deposits or Shares to Purchase Membership Shares** ~~If a member does not at any time hold the required number of Class "A" Membership Equity Shares under Rule 2.12 or under Rule 2.14 (in the latter case, on the expiration of not less than 30 days after the deemed receipt of the the period of notice described in Rule 2.13, a member does not hold the required number of Class "A" Membership Equity Shares 2.14),~~ the credit union may apply any money on deposit and interest thereon or invested in Class "B" Voluntary Equity Shares, ~~Class "C" Participation Equity Shares~~ or Class "~~D~~ Non-C" Participation Equity Shares and dividends credited thereon in the name of the member to the purchase of sufficient Class "A" Membership Equity Shares in the name of the member so that the member shall hold the number of Class "A" Membership Equity Shares required by Rule 2.12 or Rule ~~2.13~~ 2.14, as applicable.

2.16 ~~2.15~~ **Termination of Membership for Insufficient Share Holdings** - If a member does not at any time hold the required number of Class "A" Membership Equity Shares under Rule 2.12 or under Rule 2.14 (in the latter case, on the expiration of the period of notice described in Rule ~~2.13, a member does not hold the required number of Class "A" Membership Equity Shares 2.14),~~ and the member has insufficient monies on deposit or invested in Class "B" Voluntary Equity, ~~Shares and Class "C" Participation Equity Shares and Class "D" Non~~ Equity Shares to permit the purchase of sufficient Class "A" Membership Equity Shares pursuant to Rule ~~2.14~~ 2.15, the ~~directors may~~

~~terminate that~~ member's ~~membership unless that~~ membership shall terminate in accordance with the Credit Union Incorporation Act.

~~2.16 Method of Notice~~—Without precluding any other method of giving notice, a notice under Rule 2.13 sent by post, addressed to the member at the member's address shown on the register of members shall be deemed to have had service or delivery effected on the 5th day, Saturdays and holidays excepted, following the date of mailing.

2.17 **Junior Members** - A junior member becomes a member with full membership rights and obligations on reaching 19 years of age.

~~(a) — A junior member becomes a member with full membership rights and obligations on attaining the age of majority, provided that such member then holds the number of Class "A" Membership Equity Shares required to be held by a member of the age of majority.~~

~~(b) — If, on the 30th day following the day on which a junior member attains the full age of majority, that member does not own the number of shares referred to in Rule 2.12 (a), then Rules 2.14 and 2.15 shall apply, except that no notice shall be required.~~

2.18 **Membership Share Requirements After Notice is Given** - A person who becomes a member of the credit union at any time after notice is given under Rule ~~2.13~~ 2.14 shall, as a condition of membership, subscribe and fully pay for the increased number of Class "A" Membership Equity Shares required to be held by a member.

2.19 **Share Certificates** - Where required by applicable legislation, the credit union shall issue share certificates for equity shares, each of which shall state on its face the words "**NOT GUARANTEED BY THE CREDIT UNION DEPOSIT INSURANCE CORPORATION**".

2.20 **Form of Share Certificate** - Every share certificate issued by the credit union shall be in such form as the directors approve and shall comply with the Credit Union Incorporation Act.

2.21 **Replacement of Share Certificates** - If any share certificate is worn out or defaced, then, on production of that certificate to the credit union, the certificate may be cancelled and a new certificate issued in place of that certificate; and if any share certificate is lost or destroyed, then, subject to the Securities Transfer Act, on proof of the loss or destruction to the satisfaction of the directors, and on giving such indemnity as the directors deem adequate ~~and on such other reasonable requirements imposed by the directors~~, a new certificate in place of the lost or destroyed certificate shall be issued to the party entitled to it.

2.22 **Transfer Subject to Resolution of Directors** - No equity shares shall be transferred without the previous consent of the directors expressed by a resolution of the directors, on such terms and the conditions as the directors may require to effect the transfer. The directors shall not be required to give any reason for refusing to consent to any such proposed transfer.

~~2.23 — Effective Date of Transfer~~—No transfer or assignment of equity shares is effective until the register of members of the credit union is completed, indicating the transfer or assignment.

~~2.24 — **Instrument of Transfer Required**—No transfer of equity shares shall be registered unless a proper instrument of transfer has been delivered to the credit union, but an instrument of transfer is not required for the credit union to register a transmission of shares in compliance with the Credit Union Incorporation Act.~~

~~2.25 — **Transfer Registration**—Subject to the Credit Union Incorporation Act, its constitution, and these Rules, the credit union shall, on application of the transferor or transferee of an equity share, enter the name of the transferee on its register of members.~~

~~2.26 — **Form of Instrument of Transfer**—The instrument of transfer of any equity share shall be in writing in the form, if any, on the back of the credit union's share certificates or any other form that the directors may approve.~~

~~2.27 — **One Class per Transfer Instrument**—If the directors so require, each instrument of transfer shall be in respect of only one class of shares.~~

~~2.28 — **Presentation of Instrument of Transfer and Share Certificate**—Every instrument of transfer shall be executed by the transferor and left at the registered office of the credit union for registration, together with the share certificate, if any, for the shares to be transferred and such other evidence, if any, **as the directors may require to** prove the title of the transferor or his or her right to transfer the shares. All instruments of transfer which are registered shall be retained by the credit union but any instrument of transfer that the directors decline to register shall be returned to the person depositing the same, together with the share certificate which accompanied the same when tendered for registration.~~

~~2.29 — **Authorization to Transfer**—The signature of the registered owner of any equity shares or of his or her duly authorized attorney on the form of transfer constitutes an authority to the credit union to register the shares specified in the form of transfer in the name of the person named in that form as transferee.~~

2.23 ~~2.30~~**Credit Union Not Required to Inquire into Title** - Neither the credit union nor any director, officer or agent is bound to inquire into the title of the ~~transferee~~transferor of those equity shares to be transferred or is liable to the registered or any intermediate owner of those shares, for registering the transfer.

2.24 ~~2.31~~**Transfer on Death or Bankruptcy** - Subject to these Rules ~~and~~ the Credit Union Incorporation Act and the Securities Transfer Act, a person who becomes entitled to an equity share as a result of the death or bankruptcy of any member or auxiliary member, on producing the evidence required by the Credit Union Incorporation Act and the Securities Transfer Act, or who becomes entitled to a share as a result of an order of a court of competent jurisdiction or a statute, on producing such evidence as the directors think sufficient that ~~he or she~~ the person is so entitled, may be registered as holder of the share or may transfer the share to a person entitled by these Rules and the Credit Union Incorporation Act to hold such share.

~~2.32 — **Maximum Share Ownership**—~~

~~(a) — A member may subscribe for a maximum of 100 Class "A" Membership Equity Shares.~~

~~(b) — A person may subscribe for a maximum of 5000 Class "B" Voluntary Equity Shares.~~

~~2.33 — Dividends~~

2.25 **Maximum Share Ownership** - Subject to the Credit Union Incorporation Act and these Rules, the directors may from time to time, by resolution, determine the minimum and maximum number of shares, of any class or in total, in the credit union permitted to be purchased and held by any member or auxiliary member and all terms and conditions attaching to any application for shares in the credit union including the number of applications permitted by a member or auxiliary member and the minimum or maximum number of shares required for each application.

2.26 **Dividends** -

- (a) ~~Dividends~~, Subject to the Credit Union Incorporation Act, dividends, patronage refunds, or bonuses declared, if any, at the discretion of the directors may be paid as an allocation of Class "A" Membership Equity Shares, Class "B" Voluntary Equity Shares, or Class "C" Participation Equity Shares.
- (b) Dividends declared, if any, may, at the discretion of the directors, be at a different rate for different classes of shares.
- (c) Subject to the provisions of the Financial Institutions Act and the Credit Union Incorporation Act, the credit union, or the directors on behalf of the credit union, may pay a commission or allow a discount to any person in consideration of that person subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the credit union, or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any such shares, provided that the rate of the commission and discount shall not in the aggregate exceed the amount permitted by the Credit Union Incorporation Act.

2.27 ~~2.34~~ **Participation Programs** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors may develop and offer such participation programs as they deem in the best interest of the credit union.

~~2.35 — Redemption of Class "D" Shares — Subject to the rights of the credit union, Class "D" non-equity shares shall be redeemed by the credit union upon the written request of the member.~~

RULE 3 - BORROWING AND LENDING

3.1 **Directors May Borrow** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors of the credit union may raise and borrow money for the purposes of the credit union upon such terms and conditions as to interest, terms of repayment, and security as they determine by resolution.

3.2 **Directors Shall Determine Terms of Loans** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors shall determine the terms and conditions of loans as to interest and other charges, terms of repayment and security, and may, by resolution, delegate the power to make loans and to make the determination aforesaid.

RULE 4 - DIRECTORS AND MANAGEMENT

- 4.1 **Director Elections to be Held** - Each year, directors shall be elected to replace those whose terms expire and ~~, subject to these Rules,~~ a director whose term expires is eligible for re-election.
- 4.2 **Term of Office** - Except ~~as to the first election of directors or~~ where an election is held to fill the unexpired portion of a term, directors shall be elected to hold office for ~~3~~three years.
- 4.3 **Terms Determined by Number of Votes** - Where any offices of directors being filled at any election are for different lengths of terms, the term of each person shall be determined in proportion to the number of votes ~~he or she~~each person receives, the person receiving the greatest number of votes to hold office for the longest term, provided that if there are ~~2~~two or more persons having an equal number of votes their ~~election or~~ terms of office, ~~as the case may be,~~ shall be determined by lot; but, if there is an election by acclamation, the chair of the ~~Nominating Committee~~nominating committee shall either determine the respective terms of the persons so elected or direct that the terms be determined by lot.
- 4.4 **Eligibility for Election as Director** - A member in good standing ~~on the date nominations close,~~ other than a person disqualified by Rule 4.5, shall be eligible for election as a director, but no member of a nominating committee or of a committee responsible for the conduct of an election shall stand for office in that election.
- 4.5 **Disqualification of Candidates** - ~~A person who~~No person is eligible to be nominated for election or to hold office as a director and, if holding office as a director, shall vacate office forthwith, if the person:
- (a) is a person disqualified from becoming or acting as a director pursuant to the Financial Institutions Act ~~or,~~ the Credit Union Incorporation Act or these Rules;
 - (b) is or becomes a paid employee of the credit union or an affiliate of the credit union or the spouse, child, or step-child of a paid employee of the credit union or an affiliate of the credit union;
 - (c) was an employee of a credit union or an affiliate of a credit union during the one-year period prior to the date that nominations for the office of director under these Rules closed or, in the case of appointment, during the one-year period prior to the date of appointment;
 - (d) is an employee, officer or director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution or another credit union (other than a director of a central credit union) or a subsidiary of any of them except where that person has been requested or authorized in writing by the directors to serve as a director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution, other credit union or a subsidiary of any of them;
 - (e) has not been a member in good standing of the credit union for 12 consecutive months, except if such 12 consecutive month period has been waived by the nominating

committee for the nomination of the person in an election or by the directors for the appointment of the person to fill a casual vacancy among the directors;~~or~~

- (f) does not meet the terms of the ~~Director Qualification Policy~~ director qualification policy set by the directors from time to time;

~~is not eligible to be nominated for election or to hold office as a director and, if holding office as a director, shall vacate office forthwith. If, while holding office, a director ceases to be a member in good standing or if a director fails, without being excused, to attend regular meetings of the directors for three consecutive months in which meetings are held, that person shall vacate office forthwith.~~

- (g) is a party to any legal action or other proceeding in which the credit union, or any subsidiary or affiliate thereof, is a party adverse in interest to such person; or

- (h) is or has been removed at any time within the previous five years from the position of director by the directors in accordance with Rule 4.6.

4.6 **Removal of Director** ~~—An individual—~~ A person may be removed as a director by a resolution passed by not less than two ~~thirds (2/3)~~ thirds of the remaining directors, ~~if that director:~~

- (a) has failed, without being excused for reasonable circumstances by the chair (or, in the case of the chair, the vice-chair), to attend ~~three consecutive meetings of the directors or any three consecutive meetings of a committee;~~

(i) three consecutive regular meetings of the directors;

(ii) three consecutive regular meetings of a committee of the directors to which the director has been appointed or elected; or

(iii) more than a total of three meetings of the directors and any committee of the directors to which the director has been appointed or elected in any financial year;

(b) ceases to be a member in good standing of the credit union;

(c) owns or controls a 50% or greater interest in an incorporated or unincorporated entity which is more than 60 days delinquent in any obligation to the credit union;

(d) has breached these Rules or the campaigning rules established pursuant to Rule 4.34 when the director was a candidate for election as a director;

(e) has breached the conflict of interest policy, the code of conduct & ethics or the code of performance standards for directors, adopted by the directors from time to time; or

(f) has breached the confidentiality of any proceedings, deliberations or information of the directors,

~~(b) — has failed to submit to the Superintendent the personal information return in the form prescribed by the Financial Institutions Act within 15 days of taking office; or~~

~~(c) has breached the Code of Conduct as determined by the other directors in accordance with the policies and procedures relating to the director review established by the Conduct Review Committee.~~

in each case, as may be determined by the resolution of the remaining directors. At least seven ~~(7)~~ days prior to the meeting at which the removal of a director is to be considered, the ~~Corporate Secretary~~ secretary will provide such director with notice of the meeting and the grounds for considering the director's removal ~~of the director~~. The director may appear and make submissions at the meeting prior to the directors voting on the directors resolution for the director's removal ~~of the director~~.

4.7 **Personal Information Return** - Before commencing duties, a director shall complete and submit to the Superintendent the personal information return in the form prescribed by the Financial Institutions Act, disclosing the prescribed information.

4.8 **Nominating Committee** - At least 120 days before an annual general meeting, the directors shall appoint a ~~Nominating Committee~~ nominating committee of not less than three members, who shall be natural persons and not junior members, and who may, but need not, be directors, provided however, that no director whose term of office is expiring at the annual general meeting next following the appointment of the committee may serve as a member of the committee.

4.9 **Nominating Committee Responsibilities** - The nominating committee shall be responsible for:

(a) identifying, recruiting and, if considered appropriate by the nominating committee, endorsing or recommending candidates for election as directors who meet the criteria established in the director qualification policy set by the directors from time to time;

(b) preparing for delivery to the members, the notice of election required by Rule 4.16;

(c) monitoring the conduct of candidates during the election process in accordance with the campaigning rules; and

(d) conducting the nomination and election of directors in accordance with these Rules.

4.10 **4.9 Call for Nominations** - At least 90 days before an annual general meeting, the ~~Nominating Committee~~ nominating committee shall:

(a) notify all members of the credit union that an election of directors is to take place, specifying the number of positions which are to be filled;

(b) advise all members that, for purposes of being eligible to vote in the election, a person must be a member, other than a junior member, in good standing 60 days prior to the date on which balloting ~~voting is to commence or have been a member, other than a junior member, of another credit union, of which all or substantially all of the assets have~~

been purchased by the credit union, on the day which is 60 days prior to the date on which voting is to commence; and

- (c) invite the submission to it, in writing, for consideration, the names of proposed candidates, prior to the date on which nominations shall close which shall be specified in the notice, and which date shall be not less than 30 days from the date of the notice.

4.11 ~~4.10~~ **Number of Nominations per Member** - No member, unless ~~he or she~~ the member is a member of the ~~Nominating Committee~~ nominating committee, may nominate more than ~~1~~ one candidate in respect of an election of a director or directors.

4.12 ~~4.11~~ **Eligibility to Vote** - Only a member in good standing who ~~is not a junior member~~ meets the requirements of Rule (b) is eligible to cast a ballot in an election of a director or directors.

~~4.12 — Voting by Businesses and Organizations — A member of a credit union who is not an individual may vote in an election of directors by an individual who:~~

~~(a) — is not a member, and~~

~~(b) — by written authorization deposited with the credit union, is authorized to vote on behalf of that member.~~

4.13 **Declaration of Candidate Required** - Before the name of a person is placed in nomination as a candidate for election as a director, that person shall deliver to the ~~Nominating Committee~~ nominating committee a declaration, in writing, stating that the member is willing:

- (a) to stand for election, and if elected, to serve as a director;
- (b) to observe the provisions of the Credit Union Incorporation Act and the Financial Institutions Act, as applicable;
- (c) to comply with the directors' conflict of interest ~~guidelines~~ policy, code of conduct & ethics or code of performance standards adopted by the directors, from time to time; and
- (d) to observe the Rules of the credit union and procedures relating to the election and the conduct thereof.

4.14 **Acceptance of Nominations** - The ~~Nominating Committee~~ nominating committee shall examine each nomination received and determine whether the nomination complies with the Financial Institutions Act and these Rules, and shall accept each nomination of a member qualified to be a candidate whose nomination is in order and reject each nomination which is not in order or that does not comply and notify each nominee accordingly and, forthwith after the date on which nominations close:

- (a) place in nomination the names of all qualified ~~candidates at least equal to the number of vacancies to be filled in the election;~~ candidates nominated in writing by at least three members in good standing of the age of majority;

~~(b) place in nomination the names of other candidates nominated in writing by at least 3 members in good standing of the age of majority;~~

~~(b)~~ ~~(c)~~ inform each candidate of the provisions of these Rules with respect to the conduct of the election and provide to each candidate a copy of the Rules of the credit union and any determinations of the directors relating to elections and the conduct thereof;

~~(c)~~ ~~(d)~~ request that each candidate meet with the ~~Nominating Committee~~ nominating committee for the purpose of an interview, within 14 days of the close of nominations; and

~~(d)~~ ~~(e)~~ request that each candidate complete the personal information return required to be submitted to the ~~superintendent~~ Superintendent pursuant to the Financial Institutions Act.

4.15 **Acclamation** - If the number of qualified persons nominated for the offices for which the election is to be held is less than or equal to the number of offices to be filled, the persons so nominated shall be declared by the ~~Nominating Committee~~ nominating committee to be elected by acclamation.

4.16 **Notice of Election to Members** - Where an election is to be held, the ~~Nominating Committee shall make available~~ nominating committee shall forward, at least 30 days before the annual general meeting, to all members of the credit union entitled to vote:

~~(a)~~ a list of each of the candidates for election;

~~(b)~~ ~~(a)~~ a photograph, ~~resume~~ and ~~policy statement~~, if submitted by a candidate for election pursuant to Rule ~~4.28~~4.36;

~~(c)~~ such other information regarding the candidates as may be determined by the nominating committee in its sole discretion and instructions on how additional information regarding the candidates for election may be obtained;

~~(d)~~ if the nominating committee chooses to endorse or recommend a candidate or candidates, an indication of which candidate or candidates the nominating committee endorses or recommends;

~~(e)~~ ~~(b)~~ clear and precise instructions for voting;

~~(f)~~ ~~(c)~~ advice notice of the ~~date (or dates)~~ and ~~time(s)~~ times during which voting in the election shall take place;

~~(d)~~ ~~advice of the place or places at which polling in the election shall take place; and~~

~~(g)~~ ~~(e)~~ a list of conditions under which members will be eligible to vote in the election;

~~and if the directors determine that voting shall include voting by mail ballot and where the member requests a mail ballot;~~

~~(f) a ballot listing, alphabetically, the names of all nominees;~~

~~(g) a ballot envelope which will ensure confidentiality;~~

~~(h) a ballot authentication envelope with space for the name, address, branch, membership number, and signature of the member;~~

(h) a ballot by electronic or non-electronic means, listing the names of the candidates in an order chosen by lot by the nominating committee; and

(i) if the directors have determined that voting may be conducted by mail ballot or by ballot at a branch office and ballots are provided solely by electronic means, advice of the right of each member to:

(i) if voting may be conducted by mail ballot, request in writing, by telephone or in person at a branch of the credit union, not less than 10 days prior to the close of voting, that a non-electronic ballot be provided to the member by mail, which ballot may then be cast by mail; or

(ii) if voting may be conducted by ballot at a branch office, request in person at a branch of the credit union, prior to the close of voting, that a non-electronic ballot be made available to the member, which ballot may then be cast at a branch of the credit union.

4.17 **Non-Electronic Ballots** - If the nominating committee decides to provide ballots by non-electronic means with the notice of election or if a member requests a ballot under Rule 4.16(i), the nominating committee will provide with the notice of election or to the member, as the case may be:

(a) a ballot listing the names of all candidates in the order chosen by lot by the nominating committee;

(b) ~~(i)an addressed envelope~~ one or more envelopes, which may be included as part of the ballot and bearing the address of the ~~registered office of the credit union~~ credit union or the returning officer, which envelope(s) will allow for verification of the voting member, and provide for confidentiality of voting; and

(c) ~~(j)clear instructions for casting the ballot and return thereof by Canada Post or personal delivery~~of the ballot, whether by mail or drop-off at a branch of the credit union, specifying the day ~~on~~ by which the ballot must be received by the credit union or the returning officer in order ~~to be counted~~ for the ballot to be considered returned and properly cast.

4.18 **Close of Voting** - No ballot will be counted in the election unless:

(a) if a mail ballot, the ballot is post-marked no later than the last day of the election as stated in the notice of election and the ballot is actually received by the credit union or the returning officer before the close of business of the credit union on the fifth business day following the last day of the election as stated in the notice of election;

- (b) if a ballot dropped-off at a branch, the ballot is actually received by the credit union or the returning officer before the close of business of the credit union on the last day of the election as stated in the notice of election; and
- (c) if a ballot cast by electronic means, the ballot is actually received by the credit union or the returning officer before 11:59 p.m. on the last day of the election as stated in the notice of election.

4.19 **Method of Voting** - Subject to the Credit Union Incorporation Act and the Electronic Transactions Act, the directors shall determine the method of voting in an election of directors, which may include voting by:

- (a) electronic means;
- (b) mail ballot;
- (c) ballot at a branch office; or
- (d) any combination of the above methods of voting.

~~4.17~~**Method of Voting** - ~~The directors shall determine whether voting in an election of directors shall be by voting in person at a general meeting, by written means, by electronic means or any combination thereof and the procedures for voting by such method or methods.~~

4.20 ~~4.18~~**Appointment of Returning Officer** - The directors may appoint a returning officer.

4.21 ~~4.19~~**Qualifications of Returning Officer** - A returning officer appointed under Rule ~~4.18~~ 4.20 may, but need not, be a member of the credit union but the returning officer shall not be an employee of the credit union.

4.22 ~~4.20~~**Appointment 60 Days in Advance** - Where a returning officer is appointed, ~~he or she~~ the returning officer shall be appointed at least 60 days prior to the date on which voting in an election is to commence.

4.23 ~~4.21~~**Engagement of Resource Persons** - The ~~Nominating Committee~~ nominating committee and, where applicable, the returning officer may engage such other resource persons as the directors and the ~~Nominating Committee~~ nominating committee or returning officer agree are required to conduct the election in a proper manner.

4.24 **One Vote Per Person** - Subject to the Credit Union Incorporation Act and these Rules, no member has more than one vote in an election of directors.

4.25 **Multiple Ballots** - If a member casts more than one ballot in an election, all of the ballots cast by the member will be void and none of them will be counted in the tally of ballots; provided, however, if one of the ballots is an electronic ballot and the other ballot is a non-electronic ballot, the electronic ballot will be counted in the tally of ballots and the non-electronic ballot will not be counted.

- 4.26 ~~4.22~~ **Validity of Ballots** - A ballot must contain votes for the number of persons to be elected and any ballot indicating another intention is void.
- 4.27 ~~4.23~~ **Replacement of Ballots** - If a member who is entitled to receive a ballot does not receive a ballot or loses or destroys ~~his or her~~ the member's ballot before it is cast, then, prior to the close of balloting, on declaration by the member that the ballot was not received or has been lost or destroyed and that the member has not cast a ballot in the election, a new ballot shall be made available to that member, together with such information as was provided to other members entitled to vote in that election.
- 4.28 ~~4.24~~ **Voting, Counting, and Announcement of Results** - The returning officer or, if there is no returning officer, the ~~Nominating Committee~~ nominating committee, shall supervise the election of directors and:
- (a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration that the member has not previously cast a ballot in the election then in progress;
 - (b) shall obtain all ballots and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be made in a manner that ensures the secrecy of the balloting;
 - (c) shall determine whether a ballot is to be accepted or rejected and, except in the case of a recount of votes conducted according to these Rules, such determination is final and not open to review; ~~and~~
 - (d) shall, as soon as practicable following the close of voting, communicate the results of the election (including the number of votes received by each candidate) to the chair of the nominating committee or, if there is no returning officer, to the directors, following which the chair (or another director designated by the chair if the chair is a candidate in the election) and the chief executive officer of the credit union will use reasonable efforts to communicate such information to each of the candidates for election; and
 - (e) ~~(d)~~ shall announce, at the annual general meeting next following the completion of voting, the results of the election, including the total number of ballots cast, the number of spoiled ballots and the number of votes obtained by each candidate or, if the election results with respect to the election are not determined by the close of the annual general meeting, then as soon thereafter as the results are determined.
- 4.29 ~~4.25~~ **Posting of Election Results** ~~— An alphabetic listing of the candidates and the number of votes received by each —~~ The results of the election shall be posted in each office of the credit union or be published electronically, including posting the results on the website of the credit union, as the directors shall determine, in their sole discretion, as soon as the results of the ~~ballot~~ election have been announced and shall remain posted for three clear business days.
- 4.30 **Recounts** - If the margin for the least successful elected candidate or candidates in the election is less than 20 votes in excess of the most successful of the unelected candidates in that election, a recount of votes cast at such election will be held, provided that:

- (a) no recount will be initiated for any purpose other than determining the successful candidate(s) for election, and only the votes (including those contained in any spoiled or rejected ballots) affecting those candidates whose election may be in doubt, shall be considered (that is to say, the votes of any candidate or candidates who have been elected or have failed to be elected by a margin of less than 20 votes); and
- (b) if the length of term of office of any candidate shall incidentally be affected by any such recount, such length of term of office shall be determined by such recount.

4.31 **Recount Procedure** - If a recount is required under Rule 4.30, the chair of the nominating committee shall, within five business days after the nominating committee or the directors (as the case may be) receive the results of the election pursuant to Rule 4.28(d), direct the returning officer or, if there is no returning officer, the nominating committee (as it was comprised at the time of the election) to conduct the recount tally. The returning officer or, if there is no returning officer, the nominating committee, shall conduct and determine the required recount within 10 business days of the date the results of the election were received by the nominating committee or the directors (as the case may be), and the result of any such recount shall be final, conclusive and binding on all persons involved in that election or affected thereby. In conducting such recount, the returning officer or, if there is no returning officer, the nominating committee, shall:

- (a) notify every candidate concerned in the election of the time, date and place of the recount;
- (b) permit every candidate concerned in the election to attend the recount, either in person or by scrutineer appointed in writing by the candidate to attend on the candidate's behalf;
- (c) in considering the validity of any ballot, be bound by the voting instructions previously prescribed for the election by the nominating committee;
- (d) in the event of a tie resulting from any such recount, determine the successful candidate by lot; and
- (e) submit a final report to the chair of the nominating committee or, if there is no returning officer, to the directors within five days after making the final determination.

4.32 **Posting of Recount Results** - If, as a result of any such recount, there is a change in the successful candidates for election, or any change in the length of term of office of any elected candidate, the revised results of the election, as confirmed pursuant to the recount, will be posted on the website of the credit union and will remain posted for three clear business days after the chair of the nominating committee or the directors have received the final report from the returning officer or the nominating committee, as the case may be.

4.33 **4.26When Directors Take Office** - Subject to the Financial Institutions Act, a person elected as a director shall take office at the close of the annual general meeting next following ~~his or her~~ the person's election or, if the election results with respect to the election of that person are not determined by the close of the annual general meeting, then as soon thereafter as the results are determined provided that, for the purpose of determining that person's length of term, ~~he or she~~ the person shall be deemed to have taken office at the close of the annual general meeting.

- 4.34 ~~4.27~~**Campaigning Rules** - The ~~directors~~nominating committee may, from time to time, determine the method and manner in which candidates shall be permitted to campaign for election and candidates shall campaign in accordance with the method and manner as determined by the ~~directors~~nominating committee.
- 4.35 ~~4.28~~**Conduct of Candidates** - No candidate shall interfere with the election process or seek assistance in connection with the election from any employee of the credit union.
- 4.36 ~~4.29~~**Candidate's Submission** - A candidate may submit a photograph of the candidate, ~~a resume~~ and a statement not exceeding, in the aggregate, 250 words, setting forth the candidate's biographical information, occupation, credit union affiliation, experience and qualifications, which statement shall be reviewed by the ~~Nominating Committee~~nominating committee and may be rejected by the committee if the committee considers it to be lacking in good taste, defamatory, injurious to the reputation of the credit union, or if it exceeds 250 words.
- 4.37 ~~4.30~~**Statement of Disclosure** - Every director shall, forthwith after ~~his or her~~the director's election as a director of the credit union, file with the ~~Conduct Review Committee~~conduct review committee a statement of disclosure in the form established by the ~~Conduct Review Committee~~conduct review committee disclosing any conflicts of interest which ~~he or she~~the director may have.
- ~~4.31~~**Number of Directors**—~~The number of directors of the credit union shall be 9, but if that number is reduced by death, resignation, disqualification or removal from office or by failure to elect or appoint a director pursuant to these Rules, the remaining directors, save as provided by any other provision in these Rules, shall have all of the power of the directors until the vacancy or vacancies caused thereby have been filled by appointment or election.~~
- 4.38 **Number of Directors** - Subject to Rule 4.40, the number of directors of the credit union shall be set by the directors from time to time, but shall be no fewer than seven and no more than nine, provided that if the members have been notified that an election is to take place, the directors may not change the number of directors until the results of that election have been determined and the newly elected directors have taken office.
- 4.39 ~~4.32~~**Appointment to Fill Vacancy** - ~~Where~~Subject to Rule 4.41, where a casual vacancy occurs among the directors or, for any reason, the office of director is not filled in an election, the remaining directors may appoint a qualified person to fill the vacancy. Any person so appointed shall hold office until the close of the next annual general meeting.
- 4.40 **Appointment of Directors Upon Purchase of All or Substantially All of the Assets of Another Credit Union** - Notwithstanding Rules 4.4 and 4.5(d) and (e), whenever the credit union enters into an agreement to purchase all or substantially all of the assets of another credit union (the "transferring credit union") in accordance with the Credit Union Incorporation Act, the directors may appoint as additional directors persons who were directors of the transferring credit union at or immediately prior to the date of the transfer and designate their terms of office, but the total number of directors of the credit union following such appointment shall not exceed 13.
- 4.41 **Vacancy of Director Appointed Pursuant to Rule 4.40** - Where the term of office of a director appointed pursuant to Rule 4.40 has expired or where the position becomes vacant prior to the

expiration of the term of office, no vacancy shall be deemed to exist and the number of directors shall be deemed to have been reduced accordingly.

4.42 ~~4.33~~ **Number of Directors Less than Quorum** - Where the number of directors of a credit union is reduced below the number ~~fixed by, or~~ pursuant to, ~~Rule 4.39-4.48~~ as the quorum for directors, the continuing directors may act for the purpose of filling the vacancies up to that number, or of summoning a general meeting of the credit union, but for no other purpose.

4.43 ~~4.34~~ **Election of Board Officers and Statutory Committees** - The directors shall meet within 30 days after each annual general meeting and shall elect from their own numbers a chair and vice-chair and, subject to Rule ~~4.41~~4.50, may appoint such additional officers as they consider necessary. At such meeting, the directors will also appoint or elect such committees as may be required by the Credit Union Incorporation Act and the Financial Institutions Act, provided that the composition of such committees shall be consistent with the requirements of the Credit Union Incorporation Act and the Financial Institutions Act, as applicable.

4.44 ~~4.35~~ **Frequency of Meetings** - The directors shall meet ~~at least 10 times as often as they deem appropriate~~ in each year and not less frequently than once in each quarter.

4.45 ~~4.36~~ **Calling Meetings** - The chair may call a meeting of the directors at any time and shall, within 14 days of receipt of a written request of three directors, call a meeting of the directors.

4.46 ~~4.37~~ **Notice of Meetings** - Reasonable notice of a meeting of directors specifying the ~~place, day and, hour~~ and, if applicable, place of such meeting shall be given by mail, postage prepaid, addressed to each of the directors at ~~his or her~~ the director's address as it appears on the books of the credit union or by leaving it at ~~his or her~~ the director's usual business or residential address or by telephone, ~~telegram, telex, email~~ or any method of transmitting legibly recorded messages. It shall not be necessary to give notice of a meeting of directors to any director:

- (a) who is at the time not in the Province of British Columbia; or
- (b) if such meeting is to be held immediately following a general meeting at which such director shall have been elected or is the meeting of directors at which such director is appointed.

Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any director shall not invalidate the proceedings at that meeting, except where a quorum as set out in Rule 4.48 is not met.

4.47 ~~4.38~~ **Waiver of Notice** - A director may waive, in writing, notice of any past or present meeting of the directors.

4.48 ~~4.39~~ **Quorum** - A majority of the directors shall constitute a quorum but a lesser number may adjourn from time to time until a quorum is obtained.

4.49 ~~4.40~~ **Director with Conflict Counted in Quorum** - A director who is interested, directly or indirectly, in a proposed contract or transaction with the credit union may be counted for the purposes of the quorum required by Rule ~~4.39~~4.48.

- 4.50 ~~4.41~~**Appointment of Other Officers** - The directors shall appoint the president, the secretary, ~~the general manager, and the chief executive officer,~~ and may appoint or authorize the appointment of such additional employees as may be required for the proper operation of the credit union.
- 4.51 **Duties of Chair** - The chair will preside at each meeting of the directors and perform such other duties as may be required of the chair under these Rules and, subject to the Credit Union Incorporation Act, the Financial Institutions Act and these Rules, as may be determined by the directors from time to time.
- 4.52 ~~4.42~~**Duties of Vice-chair** - In the absence of the chair or ~~his or her~~ the chair's inability for any cause to act or in case the office of the chair becomes vacant, the vice-chair, ~~or such other director as may be designated by the directors,~~ shall discharge the duties of the chair.
- 4.53 ~~4.43~~**Rules of Order** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors may adopt rules of order governing their conduct but, where no rules are adopted, the current edition of "Robert's Rules of Order Newly Revised" shall be used.
- 4.54 ~~4.44~~**Meetings by Telecommunications** - A director or a committee member may participate in a meeting of the directors or any committee of the directors by means of ~~conference telephones~~ telephone or other communications ~~facilities by means medium~~ of which all directors or committee members participating in the meeting ~~can hear each other, provided that all such are able to participate in it, whether by telephone, other communications medium or in person, provided that in the case of an in person meeting or a partially electronic meeting of the directors, a majority of the~~ directors or committee members ~~agree to such participation~~ participating in the meeting are in British Columbia at the time of the meeting. A director or committee member participating in accordance with this Rule shall be deemed to be present at the meeting and to have so agreed and shall be counted in a quorum therefore and be entitled to speak and vote thereat.
- 4.55 ~~4.45~~**Consent Resolution** - A resolution, whether or not in counterpart, consented to in writing by all directors or all the members of a committee and filed with the minutes of the directors or the committee shall be as valid and effectual as if it had been passed at a meeting of the directors or of the committee, duly called and constituted.
- ~~4.46 — **Audit Committee** — The directors shall annually appoint three of their number as the Audit Committee.~~
- ~~4.47 — **Investment and Loan Committee** — The directors shall annually appoint an Investment and Loan Committee.~~
- ~~4.48 — **Conduct Review Committee** — The directors shall annually elect three of their number as the Conduct Review Committee.~~
- 4.56 ~~4.49~~**Delegation of Powers** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors may delegate any of their powers to committees consisting of such persons as the directors think fit, and to such officer or officers as the directors think fit, and may from time to time revoke such delegation.

4.57 ~~4.50~~**Terms of Reference** - ~~Any~~ Subject to the Financial Institutions Act, any committee formed under Rule ~~4.49-4.56~~ shall, in the exercise of the powers ~~so~~ delegated to it, conform to any terms and conditions that may from time to time be imposed upon it by the directors.

4.58 ~~4.51~~**Committee Proceedings** - The meetings and proceedings of any committee consisting of ~~3~~ three or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulations made by the directors under Rule ~~4.50~~4.57.

4.59 **Role of Chair on Committee as Ex Officio Member** - Where the chair serves as a member of a committee solely on an ex officio basis, the chair will be counted in determining the quorum for the committee and will have a vote at meetings of that committee, unless otherwise stated in the terms of reference adopted by the directors for such committee.

4.60 ~~4.52~~**Committee Reports** - Every committee shall report to the next succeeding meeting of the directors all business dealt with by the committee since the last preceding meeting of the directors.

4.61 ~~4.53~~**Indemnification of Directors** - Subject to the limitations contained in the Financial Institutions Act, the credit union shall indemnify:

- (a) each director and officer of the credit union;
- (b) each former director and officer of the credit union; and
- (c) each person who acts or who has acted at the request of the credit union as a director or officer of a corporation of which the credit union is or was a member or creditor;

against all costs, charges and expenses, including an amount paid to settle any action or proceeding or satisfy any judgement, reasonably incurred by the director or officer or person for any civil, criminal or administrative action or proceeding to which the director or officer or person is made a party by reason of being or having been a director or officer of the credit union or corporation, if the director or officer of the credit union or corporation acted honestly and in good faith with a view to the best interests of the credit union or the corporation, as the case may be and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer of the credit union or corporation had reasonable grounds for believing that ~~his or her~~ the director's or officer's conduct was lawful, and, if the director or officer is required to include in income or in the income of that individual's estate, any payment made under this indemnification for the purpose of determining income tax payable by the director or officer, the credit union shall pay an amount by way of indemnity that will fully indemnify for the amount of all liabilities herein described and all income taxes payable as a result of the receipt of the indemnity payment.

4.62 **Director Remuneration** - The remuneration of the directors of the credit union in relation to their service as directors, including attendance at meetings, may be established, allocated and distributed to the directors at the discretion of the directors.

RULE 5 - GENERAL MEETINGS

- 5.1 **Date of Annual General Meeting** - The annual general meeting of the credit union shall be held on a date to be fixed by the directors and shall be convened and held in accordance with the provisions of the Credit Union Incorporation Act.
- 5.2 **Other General Meetings** - Other general meetings may be convened and held in accordance with the provisions of the Credit Union Incorporation Act.
- 5.3 **Method of Meeting** - The credit union may hold a general meeting in person, by a partially electronic meeting or by a fully electronic meeting, as determined by the directors, if convened and held in accordance with the provisions of the Credit Union Incorporation Act. If a general meeting is a partially or fully electronic meeting, the notice must contain instructions for attending and participating in the meeting by telephone or other communications medium, including, if applicable, instructions for voting at the meeting.
- 5.4 **Multiple Locations** - General meetings, including the annual general meeting, may be convened by holding two or more meetings at different times and, if applicable, different places, which meetings together shall constitute a single meeting, if convened and held in accordance with the provisions of the Credit Union Incorporation Act.
- 5.5 **Class Meetings** - Any meeting of holders of any class of shares may be convened by the directors and the provisions of these Rules with respect to general meetings will be applicable to such meetings of holders of any class of shares, except as specifically provided in these Rules and unless the subject or context requires otherwise.
- 5.6 **~~5.3~~ Rules of Order** - Subject to the Credit Union Incorporation Act, a general meeting may adopt rules of order for its conduct, but if no rules are adopted, the current edition of "Robert's Rules of Order Newly Revised" shall be used.
- 5.7 **Quorum** -
- (a) At a general meeting of the credit union, 25 members shall constitute a quorum, but a lesser number may adjourn from time to time until a quorum is obtained.
 - (b) If a general meeting is held at different times and, if applicable, different places, the quorum for such meeting shall be a combined total of 25 members, but a lesser number may adjourn from time to time until a quorum is obtained.
 - (c) At any meeting of holders of any class of shares other than a general meeting of members, the quorum for such meeting shall be such person or persons holding not less than 20% of the aggregate amount paid up on such class of shares.
- 5.8 **~~5.5~~ Order of Business** - ~~So far as is practical, the order of business~~ Business to be conducted at an annual general meeting shall be ~~as follows:~~ such business as may be required by the Credit Union Incorporation Act or these Rules, and such other business as may be determined by the directors.
- 5.9 **Resolutions Proposed by Members** - In order for an ordinary resolution or other matter which is proposed by a member of the credit union to be eligible for consideration at a general meeting,

including a special resolution, it must be submitted to the credit union in advance in accordance with the Credit Union Incorporation Act; provided, however, this Rule 5.9 does not apply to ordinary resolutions or other matters invited by the chair at a general meeting.

5.10 Refusal to Present Member Proposals and Requisitions - The directors may refuse to present a proposal or special resolution contemplated by Rule 5.9 for consideration at a general meeting on one or more of the following grounds:

~~call to order,
ascertainment of quorum,
appointment of recording secretary and of parliamentarian,
adoption of agenda,
approval of minutes,
business arising out of minutes,
report of the directors,
report of management,
presentation of financial statements,
report of the auditor,
approval of auditor's report,
report of other committees,
elections,
appointment of auditor,
unfinished business,
new business,
good and welfare,
adjournment.~~

~~5.6 — **Member Declaration**— Each person desiring to cast a vote on any issue or a ballot in person in an election shall, on request, present evidence of age, identity and membership, and a declaration that the member has not previously voted or cast a ballot on the issue or in the election then in progress.~~

~~5.7 — **Who May Vote**—~~

~~(a) — Only a member in good standing at least 90 days prior to the commencement of voting and who is not a junior member may vote on a resolution, including a special resolution.~~

~~(b) — A member of a credit union who is not an individual may be represented and vote at meetings of the credit union by an individual who:~~

~~(i) — is not a member, and~~

~~(ii) — by written authorization deposited with the credit union, is authorized to vote at the meeting on behalf of the member.~~

~~5.8 — **Chair**— The chair, the vice chair, or a director designated by the chair shall chair general meetings of the credit union.~~

~~5.9 **Matters Proposed by Members**— Subject to the Credit Union Incorporation Act, any matter proposed by members for consideration at a general meeting including a proposed special resolution, shall be made~~

~~by requisition signed by not less than five (5) per cent in number of the members or 300 members, whichever is the lesser, stating the proposal or special resolution to be considered and deposited at the registered office of the credit union. The directors may refuse to present the proposal or special resolution for consideration on one or more of the following grounds:~~

- (a) the ~~requisition proposal or special resolution~~ was not deposited at the registered office of the credit union at least ~~ninety (90)~~ 90 days before the anniversary date of the last annual general meeting, or at least ~~ninety (90)~~ 90 days before the date on which it is proposed that the meeting ~~is~~ be held;
- (b) it clearly appears that the proposal ~~or special resolution~~ is submitted by the ~~member or~~ members for the purpose of enforcing a personal claim or redressing a personal grievance against the credit union or its directors or officers, ~~or~~ primarily for the purpose of promoting causes that are extraneous to the ~~purpose~~ purposes of the credit union; or
- (c) substantially the same proposal ~~or special resolution~~ was considered and defeated by the membership within the two ~~(2)~~ years immediately before the date of deposit, ~~at~~ the registered office of the credit union ~~of~~, of the current proposal or the requisition containing the current ~~proposal of the credit union~~ special resolution.

5.11 ~~5.10~~ **Requisition for Special General Meeting** ~~—~~ — Members may requisition a special general meeting for consideration of a proposal or proposed special resolution in accordance with the Credit Union Incorporation Act.

~~5.11 Directors May Convene Special General Meeting — The directors may convene special general meetings as they deem fit but subject always to the Credit Union Incorporation Act.~~

5.12 **Directors May Propose Resolutions** ~~—~~ — The directors may propose resolutions for consideration of the members, including special resolutions, as they deem fit but subject always to the Credit Union Incorporation Act. The directors may, but shall not be required to, convene a special general meeting in conjunction with any resolution proposed by the directors for consideration of the members.

~~5.13 — Method of Voting on Special Resolution — Voting on a special resolution shall be by a method or combination of methods provided by the Credit Union Incorporation Act as determined by the directors and included in the notice of special resolution, and the directors shall determine the procedures for voting by such method or methods.~~

~~5.14 — Method of Voting on Other Resolution — Voting on a resolution other than a special resolution may, if the directors so determine, be conducted by the same method as voting on a special resolution, in which case Rule 5.13 shall apply.~~

~~5.15 — Majority Requirements — Unless otherwise provided by these rules or the Credit Union Incorporation Act in any matter voted upon by the members, the majority of those voting shall determine the act of the credit union unless the matter is proposed as a special resolution in which case a two-thirds majority of those voting must approve the resolution.~~

~~5.16 — One Vote Per Person — No person shall cast more than one (1) vote on a resolution (whether in a personal or representative capacity).~~

~~5.17 — **Tie Vote** — If the result of a vote on a resolution is a tie, the resolution shall fail.~~

5.13 **Permitted Attendees** - The only persons entitled to be present at a general meeting will be:

- (a) those entitled to vote;
- (b) the directors;
- (c) the auditor of the credit union; and
- (d) others who, although not entitled to vote, are entitled or required under any provision of the Credit Union Incorporation Act, the Financial Institutions Act or these Rules to be present at the meeting.

Any other person may be admitted only on the invitation of the chair or with the consent of the meeting.

5.14 **Member Declaration** - Each person desiring to cast a vote on any issue at a general meeting shall, on request, present evidence of age, identity and membership, and a declaration that the member has not previously voted on the issue then being considered.

5.15 **Who May Vote** - To be eligible to vote at a general meeting of the credit union, a person must:

- (a) have been a member in good standing, other than a junior member, on the day which is two months prior to the date the general meeting is to be held; or
- (b) have been a member, other than a junior member, of another credit union, of which all or substantially all of the assets have been purchased by the credit union, on the day which is two months prior to the date the general meeting is to be held.

5.16 **Voting by Non-Individual Members** - A member of the credit who is not an individual or an unincorporated association may be represented and vote at meetings of the credit union by an individual who:

- (a) is not a member of the credit union; and
- (b) by written authorization deposited with the credit union, is authorized to vote at the meeting on behalf of the member.

5.17 **Voting by Unincorporated Associations** - A member of the credit union who is an unincorporated association may be represented and vote at meetings of the credit union by an individual who:

- (a) is a member of the credit union; and
- (b) by written authorization deposited with the credit union, is authorized to vote at the meeting on behalf of the unincorporated association.

5.18 **Chair** - The chair shall chair general meetings of the credit union. If the chair is absent or is unable for any reason to act, the vice-chair or such other director as may be designated by the directors shall discharge the duties of the chair.

5.19 ~~5.18~~ **Manner of Voting** - Subject to the Credit Union Incorporation Act and these Rules, the chair shall determine the manner by which voting shall be undertaken at a meeting of the credit union, which may include electronic means if such means are made available.

5.20 **One Vote Per Person** - Subject to the Credit Union Incorporation Act and these Rules, no member has more than one vote on a resolution at a general meeting.

5.21 ~~5.19~~ **No Proxy Voting** — ~~Except for representatives described in Rule 5.7(b) neither a member nor an~~ Except as contemplated in Rules 5.16 and 5.17, no member or auxiliary member ~~shall~~ may vote by proxy.

5.22 ~~5.20~~ **Decorum** — ~~The Chair~~ chair of a general meeting may refuse entry to or request removal from a general meeting, any individual the ~~Chair~~ chair determines, in ~~his or her~~ the chair's sole discretion, is acting in an ~~inappropriate manner~~ abusive, hostile, bullying, harassing or disruptive manner or has persistently failed to comply with directions or orders of the chair. If the meeting ~~is an electronic meeting, the chair may, in the chair's sole discretion, elect to mute such individual or request that the individual disconnect or be disconnected from the meeting~~.

RULE 6 — SEAL

~~6.1 — Seal — The credit union shall have a corporate seal.~~

~~6.2 — Custody — The directors shall provide for safe custody of the corporate seal at the registered office of the credit union or such other place as the directors determine it shall be kept for safekeeping and shall provide for its use.~~

RULE 7 — ALTERATION

~~7.1 — Special Resolution Required — Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the credit union may alter its constitution or these Rules from time to time, by special resolution.~~

RULE 8 — FINANCIAL YEAR END

~~8.1 — Year-end — The financial year end of the credit union is December 31.~~

RULE 9 - SPECIAL RESOLUTIONS

~~9.1 — Board Proposed — Special resolutions may be proposed by the Board of Directors.~~

6.1 ~~9.2~~ **Voting Eligibility** - To be eligible to vote on a special resolution a person must ~~be a member in good standing, other than a junior member, at least 90 days prior to the commencement of voting~~:

(a) have been a member in good standing, other than a junior member, on the day which is 90 days prior to the commencement of voting; or

(b) have been a member, other than a junior member, of another credit union, of which all or substantially all of the assets have been purchased by the credit union, on the day which is 90 days prior to the commencement of voting.

6.2 ~~9.3~~**Method of Voting** - ~~The~~Subject to the Credit Union Incorporation Act and the Electronic Transactions Act, the directors shall determine ~~whether the method of~~ voting on a special resolution ~~shall be by voting in person at a general meeting, by written means, by electronic means or any combination thereof and the procedures for voting by such method or methods,~~ which may include voting by:

- (a) electronic means;
- (b) mail ballot;
- (c) ballot at a branch office; or
- (d) any combination of the above methods of voting.

6.3 **Returning Officer** - The directors may appoint a returning officer for a vote on a special resolution. The returning officer may, but not need be, a member of the credit union, but the returning officer shall not be an employee of the credit union. Where a returning officer is appointed, the returning officer will be appointed at least 60 days prior to the date on which voting on the resolution is to commence.

6.4 **Resources for Vote** - The directors and the returning officer, if any, may engage such other resource persons as the directors and the returning officer may agree are required to conduct the vote in a proper manner.

6.5 ~~9.4~~**Voting Information** - ~~The directors shall forward~~ **Notice of Resolution** - At least 18 days before the commencement of voting permitted under Rule 6.5(c), the directors shall provide to each member eligible to vote a notice of each on a special resolution.~~Supervision of Vote - A returning officer (who may, but need not~~;

- (a) the wording of the proposed special resolution or, if the special resolution is lengthy, a summary description of the change or action proposed to be made by the special resolution accompanied by instructions for how to access the wording of the special resolution by electronic means (including, but not limited to, on the website of the credit union) and in any branch of the credit union;
- (b) clear and precise instructions for voting;
- (c) notice of the dates and times during which voting on the special resolution will take place;
- (d) a ballot by electronic or non-electronic means; and
- (e) if the directors have determined that voting may be conducted by mail ballot or by ballot at a branch office and ballots are provided solely by electronic means, advice of the right of each member to:
 - (i) if voting may be conducted by mail ballot, request in writing, by telephone or in person at a branch of the credit union, not less than 10 days prior to the close of voting, that a non-electronic ballot be provided to the member by mail, which ballot may then be cast by mail; or

- (ii) if voting may be conducted by ballot at a branch office, request in person at a branch of the credit union, prior to the close of voting, that a non-electronic ballot be made available to the member, which ballot may then be cast at a branch of the credit union.

6.6 **9.5 Non-Electronic Ballots** - If the directors decide to provide ballots by non-electronic means with ~~be, a member of the credit union)~~ appointed by the Board of Directors shall be responsible for the supervision of the voting on special resolutions. A determination of the returning officer shall be conclusive and binding upon all concerned. the notice of special resolution or if a member requests a ballot under Rule 6.5(e), the directors will provide with the notice of special resolution or to the member, as the case may be:

- (a) a ballot, which includes a space to enable the member to indicate whether the member is in favour of or opposed to the special resolution;
- (b) one or more envelopes, which may be included as part of the ballot and bearing the address of the credit union or the returning officer, which envelope(s) will allow for verification of the voting member, and provide for confidentiality of voting; and
- (c) clear instructions for casting the ballot and return of the ballot, whether by mail or drop-off at a branch of the credit union, which will specify the day by which the ballot must be received by the credit union or the returning officer in order for the ballot to be considered returned and properly cast.

6.7 **Close of Voting** - No ballot will be counted for the vote on the special resolution unless:

- (a) if a mail ballot, the ballot is post-marked no later than the last day of voting as stated in the notice of resolution and the ballot is actually received by the credit union or the returning officer before the close of business of the credit union on the fifth business day following the last day of voting as stated in the notice of resolution;
- (b) if a ballot dropped-off at a branch, the ballot is actually received by the credit union or the returning officer before the close of business of the credit union on the last day of voting as stated in the notice of resolution; and
- (c) if a ballot cast by electronic means, the ballot is actually received by the credit union or the returning officer before 11:59 p.m. on the last day of voting as stated in the notice of resolution.

6.8 **One Vote Per Person** - Subject to the Credit Union Incorporation Act and these Rules, no member has more than one vote on a resolution and no auxiliary member has more than one vote on a separate resolution.

6.9 **Multiple Ballots** - If a member casts more than one ballot on a special resolution, all of the ballots cast by the member will be void and none of them will be counted in the tally of ballots; provided, however, if one of the ballots is an electronic ballot and the other ballot is a non-electronic ballot, the electronic ballot will be counted in the tally of ballots and the non-electronic ballot will not be counted.

6.10 Voting and Counting of Ballots - The returning officer or, if there is no returning officer, the directors, shall supervise the vote and:

- (a) ~~9.6~~**Proof of Membership**—~~The returning officer~~ may require a member to provide proof and particulars of membership and eligibility and may require a member to provide a declaration that the member has not previously cast a ballot during the special resolution vote then in progress;
- (b) ~~9.7~~**Tally**—~~The returning officer~~ shall cause all ballots to be returned to the returning officer or, if there is no returning officer, the directors, following the close of voting and shall cause a tally to be made of all ballots, such tally to be conducted in a manner which ensures the ~~secrecy~~ confidentiality of the voting; and
- (c) shall communicate the results of the vote on the special resolution to the chair within seven days of the tally of the ballots.

6.11 ~~9.8~~**Acceptability of Ballots** - Subject to the Credit Union Incorporation Act, notwithstanding anything herein contained, the final decision in determining whether a ballot is to be accepted or rejected shall be made by the returning officer when the votes are tallied and the decision of the returning officer is final and not open to question or review.

~~9.9~~**Results**—~~The returning officer shall communicate the results of the vote on a special resolution to the chair of the directors within 7 days of the tally of ballots, and the directors shall communicate the results of the vote on a special resolution to the members within 60 days of receiving the results from the returning officer.~~

6.12 **Results** - The directors shall communicate the results of the vote on a special resolution to the members within 60 days of the last day of voting as stated in the notice of special resolution.

6.13 ~~9.10~~**Filing with Superintendent** - The credit union will file with the Superintendent ~~of Financial Institutions~~ every special resolution passed by its members.

6.14 **Separate Resolutions** - The provisions of these Rules and of the Credit Union Incorporation Act relating to notice of and voting on special resolutions shall apply, with the necessary changes and so far as are applicable, to separate resolutions of the holders of any class of equity shares, other than the Class "A" Membership Equity Shares.

RULE 7 – NOTICES

7.1 **Notice of General Meetings and Special Resolutions** - Subject to the Credit Union Incorporation Act and these Rules, the directors shall give at least 18 days' notice of each general meeting and each special resolution to each member of the credit union and to the Superintendent.

7.2 **Deemed Date of Delivery** - If a notice, statement or report is sent by post, service or delivery, it is deemed to be effected by properly addressing, prepaying and mailing the notice and the service or delivery is deemed to have been effected five days, Saturdays, Sundays and holidays excepted, following the date of mailing.

7.3 **Accidental Omission** - Where a call for nominations or notice of an election, meeting or resolution of the credit union is received generally by members of the credit union, the accidental omission to give the call for nominations or notice to any member or the non-receipt thereof by any member will not invalidate the election, resolution passed or proceedings taken at the meeting.

7.4 **Members Occupying Same Home** - If a member consents in writing to the giving of notice of elections, general meetings and special resolutions to another member who occupies the same home as the member, notice to that other member is effective notice to the person consenting.

7.5 **Junior Members** - The credit union need not give notice of an election, a general meeting or a special resolution to a junior member.

7.6 **Electronic Communication** - Subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Electronic Transactions Act, unless these Rules expressly provide otherwise:

(a) where these Rules require the use of documents that are “written”, “in writing” and other similar words, the directors may in their discretion permit the use of documents in such electronic forms as the directors consider desirable in the circumstances, provided that such electronic documents are accessible in a manner useable for subsequent reference;

(b) where these Rules, the Credit Union Incorporation Act or the Financial Institutions Act require the provision or delivery of documents, the directors may in their discretion permit the provision or delivery of such documents in such electronic form and by such electronic means (including, without limitation, making such electronic documents accessible to the intended recipient by an electronic means notified to the intended recipient or by attachment to or inclusion in the member’s regular statement) as the directors consider desirable in the circumstances, provided that such electronic documents are accessible by the recipient in a manner useable for subsequent reference and capable of being retained by the recipient in a manner useable for subsequent reference; and

(c) for the purposes of this Rule 7.6, “document” includes, without limitation, notices, instruments, financial statements, resolutions and ballots.

RULE 8 - SEAL

8.1 **Seal** - The credit union may have a corporate seal.

8.2 **Custody** - If the credit union has a corporate seal, the directors shall provide for its safe custody at the registered office of the credit union or such other place as the directors determine it shall be kept for safekeeping and shall provide for its use.

RULE 9 - FINANCIAL YEAR END

9.1 **Year-end** - The financial year end of the credit union is December 31.