

SUMMARY OF PROPOSED RULES AMENDMENTS

The following table summarizes the proposed amendments to the Rules of Summerland & District Credit Union (the “**credit union**”). The summary below does not address minor typographical corrections or updated Rule cross references, and does not necessarily address non-substantive changes.

	Current Rule	Proposed Rule Amendment	Summary/Rationale
	Title – Summerland & District Credit Union Rules	Title – Rules of Summerland Credit Union	The credit union is proposing a name change from “Summerland & District Credit Union” to “Summerland Credit Union”. A special resolution to amend the Constitution to reflect this change will be submitted to members and filed immediately prior to the filing of the revised Rules. The application for preliminary consent to the name change is being submitted concurrently with the application for preliminary consent to the Rules amendment.
1.	<p>DEFINITIONS</p> <p>In these Rules, unless the subject or context is inconsistent therewith:</p> <p>(a) "credit union" means Summerland & District Credit Union;</p> <p>(b) Credit Union Incorporation Act means the <i>Credit Union Incorporation Act</i> of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;</p>	<p>DEFINITIONS</p> <p>In these Rules, unless the subject or context is inconsistent therewith:</p> <p>(a) "chair" means the chair of the directors;</p> <p>(b) "credit union" means Summerland Credit Union;</p> <p>(c) "Credit Union Incorporation Act" means the <i>Credit Union Incorporation Act</i> of British Columbia from time to time in force</p>	<p>The definitions have been reordered so that they appear in alphabetical order.</p> <p>In addition, some new definitions have been inserted to help with the interpretation of the Rules.</p>

	<p>(c) Financial Institutions Act means the <i>Financial Institutions Act</i> of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;</p> <p>(d) "director" means a director of the credit union for the time being;</p> <p>(e) "directors", unless the context otherwise requires, means the board of directors of the credit union;</p> <p>(f) "chair" means the chair of the directors.</p> <p>The meaning of any words or phrases defined in the <i>Credit Union Incorporation Act</i> or the <i>Financial Institutions Act</i>, shall, if not inconsistent with the subject or context, have the same meaning in these Rules.</p>	<p>and all amendments thereto and regulations made pursuant thereto;</p> <p>(d) "director" means a director of the credit union for the time being;</p> <p>(e) "directors", unless the context otherwise requires, means the board of directors of the credit union;</p> <p>(f) "Electronic Transactions Act" means the <i>Electronic Transactions Act</i> of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;</p> <p>(g) "Financial Institutions Act" means the <i>Financial Institutions Act</i> of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;</p> <p>(h) "Securities Transfer Act" means the <i>Securities Transfer Act</i> of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;</p> <p>(i) "Superintendent" means the Superintendent of Financial Institutions appointed under the Financial Institutions Act; and</p> <p>(j) "vice-chair" means the vice-chair of the directors.</p>	
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2.	1.1 Application for Membership - Every application for membership shall be in writing 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.	1.1 Application for Membership - Every application for membership shall be 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.	New wording has been added to allow for the credit union to use electronic or other technological means to onboard members.
3.	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; Class "C" Participation Equity Shares; and Class "D" Non-Equity Shares.	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.	The reference to Class "D" Non-Equity Shares has been deleted. There are no such shares issued, and the credit union does not wish to have the ability to issue such shares in the future.
4.	N/A	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.	The new wording aligns with the Credit Union Incorporation Act.
5.	2.7 Class "A" Shares - Class "A" Membership Equity Shares have attached thereto the following rights and restrictions:	2.8 Class "A" Membership Equity Shares - Class "A" Membership Equity Shares have attached thereto the following rights and restrictions:	For consistency, the reference to Class "A" Shares has been updated to refer to Class "A" Membership Equity Shares.

	<p>(a) ownership, assignment, transfer and issue of Class "A" Membership Equity Shares is limited as set out in the Credit Union Incorporation Act;</p> <p>(b) subject to the Credit Union Incorporation Act, the credit union shall redeem the Class "A" Membership Equity Shares held by a member if:</p> <ul style="list-style-type: none">(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 which dissolves; or	<p>(a) ownership, assignment, transfer and issue of Class "A" Membership Equity Shares is limited as set out in the Credit Union Incorporation Act;</p> <p>(b) subject to the Credit Union Incorporation Act, the credit union shall redeem the Class "A" Membership Equity Shares held by a member if:</p> <ul style="list-style-type: none">(i) the member is a natural person and dies, 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	<p>New wording has been added in new Rule 2.8(b)(v) to provide that the credit union will redeem Class "A" Membership Equity Shares held by an unincorporated association upon dissolution of the unincorporated association. This change contemplates recent legislative changes regarding membership of unincorporated associations.</p>
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	<p>(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.</p> <p>(c) 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.</p> <p>(d) 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.</p> <p>(e) Any redemption or purchase of Class "A" Membership Equity Shares shall be at par value plus any dividends declared but unpaid thereon.</p>	<p>(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;</p> <p>(c) 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;</p> <p>(d) 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</p> <p>(e) any redemption or purchase of Class "A" Membership Equity Shares shall be at par value plus any dividends declared but unpaid thereon.</p>	
<p>6.</p>	<p>2.8 Class "B" Shares - Class "B" Voluntary Equity Shares have attached thereto the following rights and restrictions:</p>	<p>2.9 Class "B" Voluntary Equity Shares - Class "B" Voluntary Equity Shares have attached thereto the following rights and restrictions:</p>	<p>For consistency, the reference to Class "B" Shares has been updated to refer to Class "B" Voluntary Equity Shares.</p>

	<p>(a) Class "B" Voluntary Equity Shares may only be issued to a member of the credit union.</p> <p>(b) 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.</p> <p>(c) Any redemption or purchase of Class "B" Voluntary Equity Shares shall be at par value plus any dividends declared but unpaid thereon.</p>	<p>(a) Class "B" Voluntary Equity Shares may only be issued to a member of the credit union;</p> <p>(b) 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</p> <p>(c) any redemption or purchase of Class "B" Voluntary Equity Shares shall be at par value plus any dividends declared but unpaid thereon.</p>	
<p>7.</p>	<p>2.9 Class "C" Shares - Class "C" Participation Equity Shares have attached thereto the following rights and restrictions:</p> <p>(a) Class "C" Participation Equity Shares may only be issued to a member of the credit union.</p> <p>(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:</p> <p style="padding-left: 40px;">(i) the member is an individual and dies;</p>	<p>2.10 Class "C" Participation Equity Shares - Class "C" Participation Equity Shares have attached thereto the following rights and restrictions:</p> <p>(a) Class "C" Participation Equity Shares may only be issued to a member of the credit union;</p> <p>(b) 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</p> <p>(c) any redemption or purchase of Class "C" Participation Equity Shares shall be at par value plus any dividends declared but unpaid thereon.</p>	<p>For consistency, the reference to Class "C" Shares has been updated to refer to Class "C" Participation Equity Shares.</p> <p>Unnecessary wording with respect to circumstances in which directors may consider redeeming Class "C" Participation Equity Shares, as well as with respect to the 10% limit on the required redemption of Class "C" Participation Equity Shares has been deleted, because the directors have absolute discretion with respect to whether to redeem Class "C" Participation Equity Shares (as is stated in Rule 2.10(b) of the proposed Rules).</p>

	<p>(ii) the member is an incorporated company and is dissolved or wound up;</p> <p>(iii) the member is a partnership which dissolves;</p> <p>(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</p> <p>(v) the member requests, in writing, that the Class "C" Participation Equity Shares be redeemed.</p> <p>(c) 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.</p> <p>(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.</p>		
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	<p>(e) Any redemption or purchase of Class "C" Participation Equity Shares shall be at par value plus any dividends declared but unpaid thereon.</p>		
8.	<p>2.10 Class "D" Shares - Class "D" Non-Equity Shares have attached thereto the following rights and restrictions:</p> <p>(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.</p> <p>(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.</p>	Deleted.	There are no Class "D" Non-Equity Shares issued, and the credit union does not wish to have the ability to issue such shares in the future.
9.	<p>2.12 Membership Share Requirements - Each member of the credit union, at the time this Rule comes into force, shall subscribe, fully pay for, and hold the following number of Class "A" Membership Equity Shares:</p> <p>(a) except as provided below, each member - <u>25</u> shares;</p>	<p>2.12 Membership Share Requirements - As a condition of membership, a person is required to subscribe, fully pay for and hold at least five Class "A" Membership Equity Shares.</p>	<p>The proposed change reduces the membership share requirement to the minimum that is required under the Credit Union Incorporation Act. Proposed Rule 2.12 aligns with section 44(3) of the Credit Union Incorporation Act, which refers to five shares.</p> <p>Reducing the share requirement to a total \$5.00 for all types of members will simplify</p>

	<p>(b) each junior member - <u>5</u> shares;</p> <p>(c) each member which is an incorporated company - <u>25</u> shares;</p> <p>(d) each member which is a legal entity, other than an incorporated company, created by or pursuant to statute - <u>25</u> shares.</p>		<p>administration and avoid having to collect an additional \$20.00 from junior members when they reach 19 years of age.</p> <p>A consistent amount will also make it easier to track member accounts in the banking system.</p> <p>The lower membership share requirement will also make it more accessible for people to become members of the credit union.</p> <p>There will be no material capital impact to the reduction in the minimum share requirement, even in the unlikely scenario that all members asked to redeem their membership shares in excess of five.</p>
10.	N/A	<p>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.</p>	<p>There are no jointly held shares issued, and the credit union does not wish to have the ability to issue jointly held shares in the future.</p>
11.	<p>2.14 Credit Union May Transfer Deposits or Shares to Purchase Membership Shares If, on the expiration of not less than 30 days after the deemed receipt of the notice described in Rule 2.13, a member does not hold the required number of Class "A" Membership Equity Shares, the credit union may apply any money on deposit and interest thereon or invested in Class "B" Voluntary Equity Shares, Class "C"</p>	<p>2.15 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 the period of notice described in Rule 2.14), the credit union may apply any money on deposit and interest thereon or invested in Class "B" Voluntary Equity Shares or Class "C" Participation Equity Shares and dividends</p>	<p>The wording has been updated to align with the wording of the notice period in Rule 2.13(e) (now Rule 2.14(e) of the proposed Rules) and to expand the wording to apply to members failing to hold the minimum number of Class "A" Membership Equity Shares required to be held under Rule 2.12 of the proposed Rules.</p> <p>The references to Class "D" Non-Equity Shares have been deleted. There are no</p>

	<p>Participation Equity Shares or Class "D" Non-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.</p>	<p>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 2.14, as applicable.</p>	<p>such shares issued, and the credit union does not wish to have the ability to issue such shares in the future.</p>
<p>12.</p>	<p>2.15 Termination of Membership for Insufficient Share Holdings - If, 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 and the member has insufficient monies on deposit or invested in Class "B" Voluntary Equity, 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, the directors may terminate that member's membership unless that membership shall terminate in accordance with the Credit Union Incorporation Act.</p>	<p>2.16 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 2.14), and the member has insufficient monies on deposit or invested in Class "B" Voluntary Equity Shares and Class "C" Participation Equity Shares to permit the purchase of sufficient Class "A" Membership Equity Shares pursuant to Rule 2.15, the member's membership shall terminate in accordance with the Credit Union Incorporation Act.</p>	<p>The directors do not have the authority to terminate a member's membership for the reasons stated at the end of Rule 2.15 (now Rule 2.16 of the proposed Rules). Instead, the member's membership automatically ceases in accordance with the Credit Union Incorporation Act.</p> <p>The wording has been updated to align with the wording of the notice period in Rule 2.13(e) (now Rule 2.14(e) of the proposed Rules) and to expand the wording to apply to members failing to hold the minimum number of Class "A" Membership Equity Shares required to be held under Rule 2.12 of the proposed Rules.</p> <p>The references to Class "D" Non-Equity Shares have been deleted. There are no such shares issued, and the credit union does not wish to have the ability to issue such shares in the future.</p>

<p>13.</p>	<p>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.</p>	<p>Deleted.</p>	<p>The deemed delivery of notices is now dealt with in Rule 7.2 of the proposed Rules and therefore Rule 2.16 has been deleted.</p>
<p>14.</p>	<p>2.17 Junior Members</p> <p>(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.</p> <p>(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.</p>	<p>2.17 Junior Members - A junior member becomes a member with full membership rights and obligations on reaching 19 years of age.</p>	<p>Because the minimum number of Class "A" Membership Equity Shares required to be held by members under the proposed Rule 2.12 will apply to all members, whether junior members or adult members, the wording of Rule 2.17 has been updated to reflect that there will not be any difference in the minimum share ownership required of junior members upon reaching the age of majority.</p> <p>Because there will be no difference between the required number of Class "A" Membership Equity Shares for an adult member versus a junior member, Rule 2.17(b) has been deleted.</p> <p>Lastly, Rule 2.17 has been updated to specifically state that a junior member becomes a full member on reaching 19 years of age, rather than the age of majority. This change has simply been made for clarification purposes, and is not a substantive change.</p>

<p>15.</p>	<p>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 shall, as a condition of membership, subscribe and fully pay for the number of Class "A" Membership Equity Shares required to be held by a member.</p>	<p>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 2.14 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.</p>	<p>Rule 2.18 has been updated to clarify that a person who becomes a member of the credit union after the directors have provided notice of an increase in the minimum share requirement will be required to subscribe and fully pay for the increased number of shares at the time of becoming a member, even if the notice period for such increase has not yet expired.</p>
<p>16.</p>	<p>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, on proof of the loss or destruction to the satisfaction of the directors, 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.</p>	<p>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, a new certificate in place of the lost or destroyed certificate shall be issued to the party entitled to it.</p>	<p>This wording has been updated to acknowledge that there may be additional requirements set out in the Securities Transfer Act with respect to the replacement of lost or destroyed certificates.</p>
<p>17.</p>	<p>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, and the directors shall not be required to give</p>	<p>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 conditions as the directors may require to effect the transfer. The directors shall not be required to give any</p>	<p>A transfer of equity shares is not a practice that ever occurs with the credit union. In order to simplify the Rules and remove unnecessary provisions, the wording in Rule 2.22 is being broadened to allow for the directors to set the terms and conditions of any transfer. With this change made, Rules</p>

	any reason for refusing to consent to any such proposed transfer	reason for refusing to consent to any such proposed transfer.	2.23 to 2.29 can be deleted. In any event, the Credit Union Incorporation Act contains all necessary provisions that would be required in the unlikely event of a transfer of equity shares.
18.	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.	Deleted.	See rationale comment above made in reference to Rule 2.22.
19.	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	Deleted.	See rationale comment above made in reference to Rule 2.22.
20.	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.	Deleted.	See rationale comment above made in reference to Rule 2.22.
21.	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	Deleted.	See rationale comment above made in reference to Rule 2.22.

	union's share certificates or any other form that the directors may approve.		
22.	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.	Deleted.	See rationale comment above made in reference to Rule 2.22.
23.	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.	Deleted.	See rationale comment above made in reference to Rule 2.22.
24.	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	Deleted.	See rationale comment above made in reference to Rule 2.22.

	specified in the form of transfer in the name of the person named in that form as transferee.		
25.	<p>2.31 Transfer on Death or Bankruptcy - Subject to these Rules and the Credit Union Incorporation 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 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 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.</p>	<p>2.31 Transfer on Death or Bankruptcy - Subject to these Rules, 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 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.</p>	<p>This wording has been updated to reflect that there may be additional requirements set out in the Credit Union Incorporation Act or the Securities Transfer Act with respect to the transfer of shares.</p>
26.	<p>2.32 Maximum Share Ownership -</p> <p>(a) A member may subscribe for a maximum of <u>100</u> Class "A" Membership Equity Shares.</p> <p>(b) A person may subscribe for a maximum of <u>5000</u> Class "B" Voluntary Equity Shares.</p>	<p>2.32 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</p>	<p>Rule 2.32 has been updated to allow the directors to determine the maximum number of shares of any class or in total that may be held by a member and the form of applications for shares.</p> <p>The maximum allowable number for membership equity shares is 1,000, as is stated in section 44(7) of the Credit Union Incorporation Act.</p>

		auxiliary member and the minimum or maximum number of shares required for each application.	
27.	<p>2.33 Dividends</p> <p>(a) 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.</p> <p>(b) Dividends declared, if any, may, at the discretion of the directors, be at a different rate for different classes of shares.</p> <p>(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.</p>	<p>2.33 Dividends -</p> <p>(a) 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.</p> <p>(b) Dividends declared, if any, may, at the discretion of the directors, be at a different rate for different classes of shares.</p> <p>(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.</p>	<p>The wording has been revised to clarify the directors' powers with respect to dividends and align more closely to the wording in the Credit Union Incorporation Act.</p>

28.	<p>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.</p>	Deleted.	There are no Class "D" Non-Equity Shares issued, and the credit union does not wish to have the ability to issue such shares in the future.
29.	<p>4.1 Director Elections to be Held - Each year, directors shall be elected to replace those whose terms expire and a director whose term expires is eligible for re-election.</p>	<p>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.</p>	The wording has been updated to clarify that there may be restrictions on a director's ability to run for election as set out in the Rules.
30.	<p>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 years.</p>	<p>4.2 Term of Office - Except where an election is held to fill the unexpired portion of a term, directors shall be elected to hold office for three years.</p>	Outdated wording has been deleted from Rule 4.2, as the first election of directors has already occurred.
31.	<p>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.</p>	<p>4.4 Eligibility for Election as Director - A member in good standing, 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.</p>	Wording has been updated to clarify that a person must be a member in good standing at the time of election. This change aligns with the change to Rule 4.5(e), which allows the nominating committee to waive the 12 month waiting period.
32.	<p>4.5 Disqualification of Candidates - A person who: (a) is a person disqualified from becoming or acting as a director</p>	<p>4.5 Disqualification of Candidates - 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:</p>	Proposed Rule 4.5(c) will extend the prohibition on former employees of the credit union to the case where a director is appointed under the Rules (other than just "nominated" for election).

<p>pursuant to the Financial Institutions Act or the Credit Union Incorporation Act;</p> <p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(e) has not been a member in good standing of the credit union for 12 consecutive months; or</p>	<p>(a) is a person disqualified from becoming or acting as a director pursuant to the Financial Institutions Act, the Credit Union Incorporation Act or these Rules;</p> <p>(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;</p> <p>(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;</p> <p>(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;</p>	<p>Proposed Rule 4.5(e) will allow the nominating committee to waive the 12 month waiting period, which requires that a person be a member in good standing for 12 months before being eligible. This waiver right will enable the nominating committee to recruit directors to fill missing skills and capacities. The candidates will still be required to become members of the credit union prior to election or appointment.</p> <p>Wording has been added to make a person ineligible as a director if they are acting against the credit union in a legal proceeding or if they have been removed as a director at any point in the past five years.</p>
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	<p>(f) does not meet the terms of the Director Qualification Policy set by the directors from time to time;</p> <p>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.</p>	<p>(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;</p> <p>(f) does not meet the terms of the director qualification policy set by the directors from time to time;</p> <p>(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</p> <p>(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.</p>	
<p>33.</p>	<p>4.6 Removal of Director – An individual may be removed as a director by a resolution passed by not less than two thirds (2/3) of the directors, if that director:</p> <p>(a) has failed, without being excused, to attend three consecutive meetings of the directors or any three consecutive meetings of a committee;</p>	<p>4.6 Removal of Director - A person may be removed as a director by a resolution passed by not less than two-thirds of the remaining directors if that director:</p> <p>(a) has failed, without being excused for reasonable circumstances by the chair (or, in the case of the chair, the vice-chair), to attend:</p> <p>(i) three consecutive regular meetings of the directors;</p>	<p>Instances where a director may be removed have been expanded in order to ensure that directors who are not properly fulfilling their duties or who are in conflict can be removed, after allowing the affected director to provide their view on the matter.</p>

	<p>(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</p> <p>(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.</p> <p>At least seven (7) days prior to the meeting at which the removal of a director is to be considered, the Corporate Secretary will provide such director with notice of the meeting and the grounds for considering the removal of the director. The director may appear and make submissions at the meeting prior to the directors voting on the resolution for the removal of the director.</p>	<p>(ii) three consecutive regular meetings of a committee of the directors to which the director has been appointed or elected; or</p> <p>(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;</p> <p>(b) ceases to be a member in good standing of the credit union;</p> <p>(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;</p> <p>(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;</p> <p>(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</p> <p>(f) has breached the confidentiality of any proceedings, deliberations or information of the directors,</p>	
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		<p>in each case, as may be determined by the resolution of the remaining directors. At least seven days prior to the meeting at which the removal of a director is to be considered, the secretary will provide such director with notice of the meeting and the grounds for considering the director’s removal. The director may appear and make submissions at the meeting prior to the directors voting on the directors resolution for the director’s removal.</p>	
<p>34.</p>	<p>N/A</p>	<p>4.9 Nominating Committee Responsibilities - The nominating committee shall be responsible for:</p> <p>(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;</p> <p>(b) preparing for delivery to the members, the notice of election required by Rule 4.16;</p> <p>(c) monitoring the conduct of candidates during the election process in accordance with the campaigning rules; and</p>	<p>Wording has been added to clarify the role and responsibilities of the nominating committee.</p>

		<p>(d) conducting the nomination and election of directors in accordance with these Rules.</p>	
<p>35.</p>	<p>4.9 Nominations - At least 90 days before an annual general meeting, the Nominating Committee shall:</p> <p>(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;</p> <p>(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 is to commence; and</p> <p>(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.</p>	<p>4.10 Call for Nominations - At least 90 days before an annual general meeting, the nominating committee shall:</p> <p>(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;</p> <p>(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 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</p> <p>(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.</p>	<p>Wording has been added in sub-rule (b) to allow for members of a credit union, which has merged with the credit union, to also vote in an election.</p>

36.	<p>4.11 Eligibility to Vote - Only a member in good standing who is not a junior member is eligible to cast a ballot in an election of a director or directors.</p>	<p>4.12 Eligibility to Vote - Only a member in good standing who meets the requirements of Rule 4.10(b) is eligible to cast a ballot in an election of a director or directors.</p>	<p>Wording changed to be more precise and align with Rule 4.10(b).</p>
37.	<p>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:</p> <p>(a) is not a member, and</p> <p>(b) by written authorization deposited with the credit union, is authorized to vote on behalf of that member.</p>	<p>Deleted</p>	<p>The current Rule 4.12 relates to voting by non-individuals at a meeting; however, the election of directors no longer occurs at meetings, but, instead, occurs prior to the AGM by mail ballot, branch ballot and/or electronic means.</p>
38.	<p>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 a declaration, in writing, stating that the member is willing:</p> <p>(a) to stand for election, and if elected, to serve as a director;</p> <p>(b) to observe the provisions of the Credit Union Incorporation Act and the Financial Institutions Act as applicable;</p>	<p>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 a declaration, in writing, stating that the member is willing:</p> <p>(a) to stand for election, and if elected, to serve as a director;</p> <p>(b) to observe the provisions of the Credit Union Incorporation Act and the Financial Institutions Act, as applicable;</p> <p>(c) to comply with the directors' conflict of interest policy, code of conduct & ethics or</p>	<p>Wording added to ensure a person who is placed into nomination will comply not just with the conflict of interest guidelines, but other board policies regarding ethics and confidentiality.</p>

	<p>(c) to comply with the directors' conflict of interest guidelines adopted by the directors, from time to time; and</p> <p>(d) to observe the Rules of the credit union and procedures relating to the election and the conduct thereof.</p>	<p>code of performance standards adopted by the directors from time to time; and</p> <p>(d) to observe the Rules of the credit union and procedures relating to the election and the conduct thereof.</p>	
<p>39.</p>	<p>4.14 Acceptance of Nominations - The 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:</p> <p>(a) place in nomination the names of qualified candidates at least equal to the number of vacancies to be filled in the election;</p> <p>(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;</p> <p>(c) inform each candidate of the provisions of these Rules with respect to</p>	<p>4.14 Acceptance of Nominations - The 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:</p> <p>(a) place in nomination the names of all qualified candidates nominated in writing by at least three members in good standing of the age of majority;</p> <p>(b) 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;</p> <p>(c) request that each candidate meet with the nominating committee for the</p>	<p>Changes contemplate that, if there are not a sufficient number of qualified candidates who have been nominated, the nominating committee will be unable to put forward the names of qualified candidates which are at least equal to the number of vacancies to be filled in the election. This objective will still be the goal, but factors outside of the control of the nominating committee may dictate otherwise.</p> <p>Other wording has been changed to correct grammatical errors.</p>

	<p>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;</p> <p>(d) request that each candidate meet with the Nominating Committee for the purpose of an interview, within 14 days of the close of nominations; and</p> <p>(e) request that each candidate complete the personal information return required to be submitted to the superintendent pursuant to the Financial Institutions Act.</p>	<p>purpose of an interview, within 14 days of the close of nominations; and</p> <p>(d) request that each candidate complete the personal information return required to be submitted to the Superintendent pursuant to the Financial Institutions Act.</p>	
<p>40.</p>	<p>4.16 Notice of Election to Members - Where an election is to be held, the Nominating Committee shall make available, at least 30 days before the annual general meeting, to all members of the credit union entitled to vote:</p> <p>(a) a photograph, resume and policy statement if submitted by a candidate for election pursuant to Rule 4.28;</p> <p>(b) clear and precise instructions for voting;</p> <p>(c) advice of the date (or dates) and time(s) during which voting in the election shall take place;</p>	<p>4.16 Notice of Election to Members - Where an election is to be held, the nominating committee shall forward, at least 30 days before the annual general meeting, to all members of the credit union entitled to vote:</p> <p>(a) a list of each of the candidates for election;</p> <p>(b) a photograph and statement, if submitted by a candidate for election pursuant to Rule 4.36;</p> <p>(c) such other information regarding the candidates as may be determined by the nominating committee in its sole discretion and instructions on how additional</p>	<p>Wording has been added to contemplate the circulation of additional information about candidates and allow the members to obtain additional information about the candidates.</p> <p>Proposed Rule 4.16(d) will allow the nominating committee to recommend or endorse candidates, as per the requirements in BCFA's Governance Guideline.</p> <p>Wording added to clarify how members are to receive ballots prior to the annual general meetings, based on the type of ballot.</p>

<p>(d) advice of the place or places at which polling in the election shall take place; and</p> <p>(e) a list of conditions under which members will be eligible to vote in the election;</p> <p>and if the directors determine that voting shall include voting by mail ballot and where the member requests a mail ballot:</p> <p>(f) a ballot listing, alphabetically, the names of all nominees;</p> <p>(g) a ballot envelope which will ensure confidentiality;</p> <p>(h) a ballot authentication envelope with space for the name, address, branch, membership number, and signature of the member;</p> <p>(i) an addressed envelope bearing the address of the registered office of the credit union; and</p> <p>(j) clear instructions for casting the ballot and return thereof by Canada Post or personal delivery, specifying the day on which the ballot must be received by the credit union in order to be counted.</p>	<p>information regarding the candidates for election may be obtained;</p> <p>(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;</p> <p>(e) clear and precise instructions for voting;</p> <p>(f) notice of the dates and times during which voting in the election shall take place;</p> <p>(g) a list of conditions under which members will be eligible to vote in the election;</p> <p>(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</p> <p>(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:</p> <p>(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-</p>	
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		<p>electronic ballot be provided to the member by mail, which ballot may then be cast by mail; or</p> <p>(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.</p>	
41.	N/A	<p>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:</p> <p>(a) a ballot listing the names of all candidates in the order chosen by lot by the nominating committee;</p> <p>(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</p> <p>(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,</p>	<p>New Rule 4.17 has been added to clarify what will be provided to members by the nominating committee when a member wishes to vote on a non-electronic basis.</p>

		specifying 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.	
42.	N/A	<p>4.18 Close of Voting - No ballot will be counted in the election unless:</p> <p>(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;</p> <p>(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</p> <p>(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.</p>	New Rule 4.18 added to specify when an electronic, mail, or dropped off ballot, is valid to be counted in an election.
43.	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	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:	The wording has been updated to be easier to understand and to align more closely with the <i>Credit Union Incorporation Act</i> .

	electronic means or any combination thereof and the procedures for voting by such method or methods.	<p>(a) electronic means;</p> <p>(b) mail ballot;</p> <p>(c) ballot at a branch office; or</p> <p>(d) any combination of the above methods of voting.</p>	
44.	N/A	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.	New Rule 4.24 has been added to confirm that it is “one member, one vote” in an election of directors.
45.	N/A	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.	Wording has been added to clarify that in the event a member submits an electronic ballot and a non-electronic ballot, only the electronic ballot will be counted.
46.	<p>4.24 Voting, Counting, and Announcement of Results - The returning officer or, if there is no returning officer, the Nominating Committee shall supervise the election of directors and:</p> <p>(a) may require a member to provide proof and particulars of membership and may require a member</p>	<p>4.28 Voting, Counting, and Announcement of Results - The returning officer or, if there is no returning officer, the nominating committee, shall supervise the election of directors and:</p> <p>(a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration</p>	Wording has been added to provide a procedure for the communication of the results of an election.

	<p>to provide a declaration that the member has not previously cast a ballot in the election then in progress;</p> <p>(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;</p> <p>(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</p> <p>(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.</p>	<p>that the member has not previously cast a ballot in the election then in progress;</p> <p>(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;</p> <p>(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;</p> <p>(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</p> <p>(e) shall announce, at the annual general meeting next following the completion of voting, the results of the election or, if the election results with respect to the election are not determined by the close of the annual</p>	
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		general meeting, then as soon thereafter as the results are determined.	
47.	4.25 Posting of Election Results - An alphabetic listing of the candidates and the number of votes received by each shall be posted in each office of the credit union as soon as the results of the ballot have been announced and shall remain posted for three clear business days.	4.29 Posting of Election Results – 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 election have been announced and shall remain posted for three clear business days.	Wording has been added to provide a procedure for the posting of results of an election on the credit union’s website.
48.	N/A	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	Wording has been added to provide for instances where a vote recount will be held.

		such recount, such length of term of office shall be determined by such recount.	
49.	N/A	<p>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:</p> <p>(a) notify every candidate concerned in the election of the time, date and place of the recount;</p> <p>(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;</p>	Wording has been added to provide a procedure for vote recounting.

		<p>(c) in considering the validity of any ballot, be bound by the voting instructions previously prescribed for the election by the nominating committee;</p> <p>(d) in the event of a tie resulting from any such recount, determine the successful candidate by lot; and</p> <p>(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.</p>	
50.	N/A	<p>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.</p>	<p>Wording has been added to provide a procedure for posting recount results.</p>
51.	<p>4.31 Number of Directors - The number of directors of the credit union shall be <u>9</u>, 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</p>	<p>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</p>	<p>The proposed wording allows there to be a range of directors, between seven and nine, provided that the number is set before the election cycle commences.</p>

	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.	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.	
52.	N/A	<p>4.40 Appointment of Directors Upon Purchase of All or Substantially All of the Assets of Another Credit Union -</p> <p>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.</p>	New Rule 4.40 allows for the credit union to appoint directors of a purchased credit union so long as the total number of credit union directors does not exceed 13.
53.	N/A	<p>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.</p>	New Rule 4.41 provides that any additional director’s seat, which is added under Rule 4.40, is temporary and ceases to exist when the seat is vacated.

<p>54.</p>	<p>4.34 Election of Officers - 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, may appoint such additional officers as they consider necessary.</p>	<p>4.43 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 4.50, 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.</p>	<p>Wording added to specify when and how the credit union committees are created. This wording replaces current Rules 4.46, 4.47 and 4.48. The reason for this change is to accommodate a pending change to the Credit Union Incorporation Act, which will remove the requirement to have an Investment and Loan Committee and to have, instead, a committee for risk management, among other things.</p>
<p>55.</p>	<p>4.35 Frequency of Meetings - The directors shall meet at least <u>10</u> times in each year and not less frequently than once in each quarter.</p>	<p>4.44 Frequency of Meetings - The directors shall meet as often as they deem appropriate in each year and not less frequently than once in each quarter.</p>	<p>Wording altered to allow more flexibility in the frequency that directors meet.</p>
<p>56.</p>	<p>4.37 Notice of Meetings - Reasonable notice of a meeting of directors specifying the place, day and hour of such meeting shall be given by mail, postage prepaid, addressed to each of the directors at his or her address as it appears on the books of the credit union or by leaving it at his or her usual business or residential address or by telephone, telegram, telex, or any method of transmitting legibly recorded messages. It shall not be necessary to</p>	<p>4.46 Notice of Meetings - Reasonable notice of a meeting of directors specifying the day, hour and, if applicable, place of such meeting shall be given by mail, postage prepaid, addressed to each of the directors at the director's address as it appears on the books of the credit union or by leaving it at the director's usual business or residential address or by telephone, 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:</p>	<p>Wording altered to remove the requirement to specify a place in the Notice of Meeting.</p>

	<p>give notice of a meeting of directors to any director:</p> <p>(a) who is at the time not in the Province of British Columbia; or</p> <p>(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.</p>	<p>(a) who is at the time not in the Province of British Columbia; or</p> <p>(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.</p> <p>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.</p>	<p>Wording added to state that accidental failure to give notice of a meeting will not invalidate the meeting unless that meeting also had insufficient quorum.</p>
<p>57.</p>	<p>4.41 Appointment of Other Officers - The directors shall appoint the president, the secretary, the general manager, and may appoint or authorize the appointment of such additional employees as may be required for the proper operation of the credit union.</p>	<p>4.50 Appointment of Other Officers - The directors shall appoint the president, the secretary 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.</p>	<p>Wording altered to refer to a chief executive officer, instead of a general manager.</p>
<p>58.</p>	<p>N/A</p>	<p>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.</p>	<p>New Rule 4.51 added to clarify the duties of the chair.</p>

<p>59.</p>	<p>4.42 Duties of Vice-chair - In the absence of the chair or his or her inability for any cause to act or in case the office of the chair becomes vacant, the vice-chair shall discharge the duties of the chair.</p>	<p>4.52 Duties of Vice-chair - In the absence of the chair or 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.</p>	<p>Wording altered to allow flexibility in who is able to fill in for the chair when the chair is unable to act or the chair position is vacant.</p>
<p>60.</p>	<p>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 or other communications facilities by means of which all directors or committee members participating in the meeting can hear each other, provided that all such directors or committee members agree to such participation. 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.</p>	<p>4.54 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 telephone or other communications medium of which all directors or committee members participating in the meeting 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 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.</p>	<p>Wording changed to align more closely to the wording used in the Credit Union Incorporation Act.</p>
<p>61.</p>	<p>4.46 Audit Committee - The directors shall annually appoint three of their number as the Audit Committee.</p>	<p>Deleted</p>	<p>Rule 4.46 deleted in anticipation of updates to the legislation with respect to required board committees and to increase the flexibility of the directors in appointing committees.</p>

62.	4.47 Investment and Loan Committee - The directors shall annually appoint an Investment and Loan Committee.	Deleted	Rule 4.47 deleted in anticipation of updates to the legislation with respect to required board committees and to increase the flexibility of the directors in appointing committees.
63.	4.48 Conduct Review Committee - The directors shall annually elect three of their number as the Conduct Review Committee.	Deleted	Rule 4.48 deleted in anticipation of updates to the legislation with respect to required board committees and to increase the flexibility of the directors in appointing committees.
64.	4.50 Terms of Reference - Any committee formed under Rule 4.49 shall, in the exercise of the powers so delegated, conform to any terms and conditions that may from time to time be imposed upon it by the directors.	4.57 Terms of Reference - Subject to the Financial Institutions Act, any committee formed under Rule 4.56 shall, in the exercise of the powers delegated to it, conform to any terms and conditions that may from time to time be imposed upon it by the directors.	Wording added to acknowledge that the Financial Institutions Act places restrictions on what can be delegated to board committees.
65.	N/A	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.	New Rule 4.59 added to clarify the chair's role as an ex officio member of committees.
66.	N/A	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.	New Rule 4.62 added to allow for flexibility in the determination of director remuneration. This approach reflects a standard approach in other BC credit union Rules.

67.	N/A	<p>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.</p>	<p>New Rule 5.3 added to reinforce that the credit union can hold a partial or fully electronic meeting, if held in accordance with the Credit Union Incorporation Act. Meetings can also still be held in person.</p>
68.	N/A	<p>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.</p>	<p>New Rule 5.4 allows the credit union to hold a single meeting where the members are in multiples places as per Section 75 of the Credit Union Incorporation Act.</p>
69.	N/A	<p>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.</p>	<p>New Rule 5.5 set out provisions in relation to class meetings, other than general meetings of members.</p>

70.	<p>5.4 Quorum - 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.</p>	<p>5.7 Quorum -</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>	<p>Wording has been added to ensure consistency with new Rule 5.4 and to set a quorum for meetings of holders of any class of shares other than a general meeting of members.</p>
71.	<p>5.5 Order of Business - So far as is practical, the order of business at an annual general meeting shall be as follows:</p> <ul style="list-style-type: none">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,	<p>5.8 Order of Business - Business to be conducted at an annual general meeting shall be 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.</p>	<p>The new wording provides more flexibility with respect to the order of business to be addressed at an annual general meeting, while still requiring compliance with the Credit Union Incorporation Act.</p>

	<p>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.</p>		
72.	N/A	<p>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.</p>	<p>New Rule 5.9 has been added in contemplation of section 77.1 of the Credit Union Incorporation Act, which relates to member proposals at annual general meetings.</p>
73.	<p>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</p>	<p>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:</p> <p>(a) the proposal or special resolution was not deposited at the registered office of the credit union at least 90 days before the</p>	<p>Minor adjustments have been made in order to more closely align these provisions with the Credit Union Incorporation Act.</p>

	<p>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:</p> <p>(a) the requisition was not deposited at the registered office of the credit union at least ninety (90) days before the anniversary date of the last annual general meeting, or at least ninety (90) days before the date on which it is proposed that the meeting is held;</p> <p>(b) it clearly appears that the proposal is submitted by the 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 of the credit union; or</p> <p>(c) substantially the same proposal 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 the requisition containing the current proposal of the credit union.</p>	<p>anniversary date of the last annual general meeting, or at least 90 days before the date on which it is proposed that the meeting be held;</p> <p>(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 purposes of the credit union; or</p> <p>(c) substantially the same proposal or special resolution was considered and defeated by the membership within the two years immediately before the date of deposit, at the registered office of the credit union, of the current proposal or the requisition containing the current special resolution.</p>	
74.	<p>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</p>	<p>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</p>	<p>The wording has been updated to clarify that this Rule is only applicable to voting at general meetings of the credit union, because this Rule appears in the part of the Rules that deals with general meetings.</p>

	previously voted or cast a ballot on the issue or in the election then in progress.	previously voted on the issue then being considered.	
75.	<p>5.7 Who May Vote -</p> <p>(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.</p> <p>(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:</p> <p>(i) is not a member, and</p> <p>(ii) by written authorization deposited with the credit union, is authorized to vote at the meeting on behalf of the member.</p>	<p>5.15 Who May Vote - To be eligible to vote at a general meeting of the credit union, a person must:</p> <p>(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</p> <p>(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.</p>	<p>The wording has been revised to be consistent with subsection 78.1(3) of the Credit Union Incorporation Act, which provides that a record date for determining members entitled to vote at a general meeting must not precede the date on which the meeting is held by more than two months.</p> <p>In addition, the representation and voting provisions for non-individual members and unincorporated associations is now dealt with in proposed Rules 5.16 and 5.17.</p>
76.	<p>5.8 Chair - The chair, the vice-chair, or a director designated by the chair shall chair general meetings of the credit union.</p>	<p>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.</p>	<p>The wording has been updated to clarify that the chair is responsible for chairing general meetings of credit unions, unless the chair is absent or unable to act, in which case the meeting will be chaired by the vice-chair or another director.</p>
77.	<p>5.11 Directors May Convene Special General Meeting – The directors may convene special general meetings as</p>	Deleted.	<p>This Rule essentially repeats what is stated in Rule 5.2 and is not needed.</p>

	they deem fit but subject always to the Credit Union Incorporation Act.		
78.	<p>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.</p>	Deleted.	Voting on special resolutions is dealt with in proposed Rule 9 and is more appropriately dealt with in that Rule (rather than under the Rule dealing with general meetings).
79.	N/A	<p>5.13 Permitted Attendees - The only persons entitled to be present at a general meeting will be:</p> <ul style="list-style-type: none"> (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. <p>Any other person may be admitted only on the invitation of the chair or with the consent of the meeting.</p>	The proposed Rule adds clarity about who may attend general meetings.

80.	<p>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.</p>	Deleted.	The manner of voting on ordinary resolutions is already dealt with in proposed Rule 5.19 and, as such, current Rule 5.14 is not necessary.
81.	<p>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.</p>	Deleted.	The level of detail stated here is not necessary to include in Rules. They are commonly understood principles, which are also contained in Robert’s Rules of Order (for ordinary resolutions) and the Credit Union Incorporation Act (for special resolutions).
82.	<p>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).</p>	<p>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.</p>	Wording added to clarify the number of votes a member has on a resolution at a general meeting.
83.	<p>5.17 Tie Vote – If the result of a vote on a resolution is a tie, the resolution shall fail.</p>	Deleted.	This is a matter dealt with in Robert’s Rules of Order and, as such, does not need to appear in the Rules.
84.	<p>5.7 Who May Vote - ... (b) A member of a credit union who is not an individual may be represented and</p>	<p>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:</p>	New Rules 5.16 and 5.17 regarding the representation and voting provisions for non-individual members and unincorporated associations have been separated into distinct rules, in order to be consistent with

	<p>vote at meetings of the credit union by an individual who:</p> <p>(i) is not a member, and</p> <p>(ii) by written authorization deposited with the credit union, is authorized to vote at the meeting on behalf of the member.</p>	<p>(a) is not a member of the credit union; and</p> <p>(b) by written authorization deposited with the credit union, is authorized to vote at the meeting on behalf of the member.</p>	<p>subsections 70(3) and (4) of the Credit Union Incorporation Act with respect to whether the individual voting on behalf of the non-individual member or unincorporated association is required to be a member of the credit union.</p>
85.	<p>5.7 Who May Vote -</p> <p>...</p> <p>(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:</p> <p>(i) is not a member, and</p> <p>(ii) by written authorization deposited with the credit union, is authorized to vote at the meeting on behalf of the member.</p>	<p>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:</p> <p>(a) is a member of the credit union; and</p> <p>(b) by written authorization deposited with the credit union, is authorized to vote at the meeting on behalf of the unincorporated association.</p>	
86.	<p>5.18 Manner of Voting - Subject to the Credit Union Incorporation Act the chair shall determine the manner by which voting shall be undertaken at a meeting of the credit union.</p>	<p>5.19 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.</p>	<p>The wording has been updated to bring clarity to the voting process at annual general meetings, and expressly allows for written votes or voting by electronic means at a meeting.</p>
87.	<p>5.19 No Proxy Voting – Except for representatives described in Rule 5.7(b)</p>	<p>5.21 No Proxy Voting - Except as contemplated in Rules 5.16 and 5.17, no</p>	<p>The wording has been updated to acknowledge the voting rules as set out in</p>

	neither a member nor an auxiliary member shall vote by proxy.	member or auxiliary member may vote by proxy.	the Credit Union Incorporation Act for unincorporated associations and other non-individual members at general meetings of the credit union.
88.	5.20 Decorum – The Chair of a general meeting may refuse entry to or request removal from a general meeting, any individual the Chair determines, in his or her sole discretion, is acting in an inappropriate manner.	5.22 Decorum - The chair of a general meeting may refuse entry to or request removal from a general meeting, any individual the chair determines, in the chair’s sole discretion, is acting in an 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.	New wording has been added to provide the chair with the power to remove individuals from general meetings if such individual is acting in an inappropriate or disruptive manner.
89.	6.1 Seal - The credit union shall have a corporate seal.	8.1 Seal - The credit union may have a corporate seal.	The proposed change makes having a corporate seal discretionary. This change reflects modern laws about corporate seals.
90.	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.	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.	The proposed changes are consequential to the change made to proposed Rule 8.1.
91.	7.1 Special Resolution Required - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the credit union may	Deleted.	It is not necessary to expressly state that a special resolution is required in order to amend the Rules. This is already stated in the Credit Union Incorporation Act.

	alter its constitution or these Rules from time to time, by special resolution.		
92.	9.1 Board Proposed - Special resolutions may be proposed by the Board of Directors.	Deleted.	Rule 9.1 has been deleted because the concept in this Rule is sufficiently captured by the Credit Union Incorporation Act
93.	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.	6.1 Voting Eligibility - To be eligible to vote on a special resolution a person must: (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.	The new wording allows for voting by members who are from another credit union, with which the credit union has merged.
94.	9.3 Method of Voting - The directors shall determine whether 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.	6.2 Method of Voting - Subject to the Credit Union Incorporation Act and the Electronic Transactions Act, the directors shall determine the method of voting on a special resolution, which may include voting by: (a) electronic means; (b) mail ballot; (c) ballot at a branch office; or	The wording has been updated to be easier to understand and to align more closely with the Credit Union Incorporation Act.

		(d) any combination of the above methods of voting.	
95.	9.5 Supervision of Vote - A returning officer (who may, but need not 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.	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.	More detail is included in relation to the appointment of a returning officer.
96.	N/A	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.	New wording allows for the allocation of resources to oversee the vote.
97.	9.4 Voting Information - The directors shall forward to each member eligible to vote a notice of each special resolution.	6.5 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 on a special resolution: (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	Wording has been added to provide clarity with respect to the required content of a notice of special resolution. In addition, the wording has been updated to permit the directors to provide in a notice of special resolution, if the special resolution is lengthy, a summary of the proposed special resolution, while still requiring that the full wording of the special resolution be made available to members. This approach is being implemented for cost and environmental reasons.

		<p>not limited to, on the website of the credit union) and in any branch of the credit union;</p> <p>(b) clear and precise instructions for voting;</p> <p>(c) notice of the dates and times during which voting on the special resolution will take place;</p> <p>(d) a ballot by electronic or non-electronic means; and</p> <p>(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:</p> <p>(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</p> <p>(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.</p>	
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98.	N/A	<p>6.6 Non-Electronic Ballots - If the directors decide to provide ballots by non-electronic means with 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:</p> <p>(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;</p> <p>(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</p> <p>(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.</p>	<p>New Rule 6.6 has been added to clarify what will be provided to members when a member wishes to votes on a non-electronic basis.</p>
99.	N/A	<p>6.7 Close of Voting - No ballot will be counted for the vote on the special resolution unless:</p> <p>(a) if a mail ballot, the ballot is post-marked no later than the last day of voting as</p>	<p>New Rule 6.7 added to specify when an electronic, mail, or dropped off ballot, is valid to be counted in an election.</p>

		<p>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;</p> <p>(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</p> <p>(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.</p>	
100	N/A	<p>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.</p>	<p>New Rule 6.8 sets out the principle of “one member, one vote”.</p>
101	N/A	<p>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.</p>	<p>New Rule 6.9 added to clarify that in the event a member submits an electronic ballot and a non-electronic ballot, only the electronic ballot will be counted.</p>

<p>102</p>	<p>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.</p>	<p>6.10 Voting and Counting of Ballots - The returning officer or, if there is no returning officer, the directors, shall supervise the vote and:</p> <p>(a) 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;</p> <p>(b) 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 confidentiality of the voting; and</p> <p>(c) shall communicate the results of the vote on the special resolution to the chair within seven days of the tally of the ballots.</p>	<p>More detail is provided in the new Rule for proof of membership, counting of ballots, and communication of results to the chair.</p>
<p>103</p>	<p>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.</p>	<p>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.</p>	<p>Wording changes align with the new approach in proposed Rule 6.11.</p>
<p>104</p>	<p>N/A</p>	<p>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</p>	<p>The new Rule sets out a procedure for voting on separate resolutions by a class of shareholders, other than the holders of the membership equity shares.</p>

		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.	
105	N/A	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.	Notice provisions have been added to align with section 78(1) of the Credit Union Incorporation Act.
106	N/A	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.	Deemed date of delivery provisions have been added to align with section 78(5) of the Credit Union Incorporation Act.
107	N/A	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.	New provision addresses the possibility that there could be an <i>accidental</i> omission of notice, and such accidental omission should not invalidate a whole election, meeting or resolution.
108	N/A	7.4 Members Occupying Same Home - If a member consents in writing to the giving of notice of elections, general meetings and	New provision has been added to align with section 78(3) of the Credit Union Incorporation Act.

		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.	
109	N/A	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.	New provision has been added to align with section 78(4) of the Credit Union Incorporation Act.
110	N/A	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	This new Rule 7.6 repeats what is stated in the Rules of many other BC credit unions and allows the members of the credit union to take advantage of receiving notices and delivering documents on an electronic basis.

		<p>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</p> <p>(c) for the purposes of this Rule 7.6, "document" includes, without limitation, notices, instruments, financial statements, resolutions and ballots.</p>	
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