



# Rules

2015

**WESTMINSTER SAVINGS CREDIT UNION  
RULES**

- 2015 -

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## Westminster Savings Credit Union Rules

### DEFINITIONS

The meaning of any words or phrases defined in the *Credit Union Incorporation Act*, the *Financial Institutions Act*, and, to the extent that it applies to the Credit Union, the *Business Corporations Act*, shall, if not inconsistent with the subject or context, have the same meaning in these Rules. Further, in these Rules, unless the subject or context is inconsistent therewith:

- (a) **Annual General Meeting** means the annual general meeting of the members of the Credit Union;
- (b) **Board of Directors** or **Board** means the board of directors of the Credit Union;
- (c) **Board Committee** means a committee of the Board of Directors appointed by the Board of Directors pursuant to these Rules;
- (d) **Business Corporations Act** means the *Business Corporations Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (e) **Chair** means the chair of the Board of Directors;
- (f) **Chief Executive Officer** means the chief executive officer of the Credit Union appointed by the Board of Directors;
- (g) **Credit Union** means Westminster Savings Credit Union;
- (h) **Credit Union Incorporation Act** means the *Credit Union Incorporation Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (i) **Director** means a director of the Credit Union for the time being;
- (j) **Electronic** means created, recorded, transmitted or stored in digital or other intangible form by electronic, magnetic or optical means or by any other similar means, including without limitation by transmission of data or information through computer networks (including without limitation the Internet), and any other similar means;
- (k) **Electronic Transactions Act** means the *Electronic Transactions Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (l) **Employee** includes a person who is paid to provide his or her services, directly or indirectly, to the Credit Union or a subsidiary of the Credit Union, as the case may be, on a full-time or part-time basis as an employee. The Board of Directors may, in its discretion, determine additional criteria for determining whether a person is an “employee” for the purposes of these Rules;

- (m) **Financial Institutions Act** means the *Financial Institutions Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (n) **Financial Literacy** or **Financially Literate** means the ability of a person to:
- (i) understand and interpret the Credit Union's financial performance, and in particular, the relationship between the Credit Union's strategic plan and its financial outcomes;
  - (ii) understand the basic principles of business and finance to enable him or her to make sound decisions on behalf of members of the Credit Union; and
  - (iii) feel comfortable discussing financial issues with the Credit Union's management and approving financial decisions.
- (o) **Immediate Family** means (i) Spouse, child or stepchild; and (ii) parent and any relative living in the same household as that person;
- (p) **Junior Member** means a member who is below the age of majority as determined by the *Age of Majority Act* of British Columbia;
- (q) **Member in Good Standing** means a member, including a Junior Member who, at the date on which good standing is determined:
- (i) has purchased, paid for and holds the number of Class A Membership Equity Shares required by these Rules; and
  - (ii) has maintained at least one (1) active account with the Credit Union since the last day of the month which is not less than ninety (90) days prior to the date on which good standing is determined; and
  - (iii) is not more than ninety (90) days in arrears in any obligation to the Credit Union.
- (r) **Ordinary Resolution** means a resolution of the Credit Union passed at a general meeting by a simple majority of the votes cast by members of the Credit Union eligible to vote pursuant to these Rules;
- (s) **Registered Holder** means with respect to an issued share in the capital of the Credit Union, the person registered in the books and records of the Credit Union as being the member holding that share;
- (t) **Returning Officer** means a returning officer appointed pursuant to these Rules;
- (u) **Securities Act** means the *Securities Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (v) **Special Resolution** means, subject to the requirements of the *Credit Union Incorporation Act* and any amendments thereto, a resolution of the Credit Union passed at a general meeting by a majority of not less than  $\frac{2}{3}$  of the votes cast by members of the Credit Union eligible to vote pursuant to these Rules;

- (w) **Spouse** has the meaning given to it in the *Credit Union Incorporation Act* and includes a Spouse of the same or opposite sex;
- (x) **Vice Chair** means the vice chair of the Board of Directors;
- (y) **Voting Record Date** means the date determined by the Board of Directors pursuant to these Rules, on which a Member in Good Standing is determined for the purposes of voting in elections of Directors, on Special Resolutions and on matters to be considered at a general meeting.

## **INTERPRETATION**

These Rules are subject to and must be read and applied in conjunction with, the *Credit Union Incorporation Act*, the *Financial Institutions Act*, the *Business Corporations Act* and all amendments thereto and Regulations made pursuant to these Acts. Except where such Acts state the Rules may otherwise provide, any applicable provision of such Acts that is inconsistent with these Rules shall prevail.

### **1. MEMBERSHIP**

- 1.1 **Application for Membership.** Every application for membership in the Credit Union shall be in writing or by Electronic means and 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. The Board of Directors may, in its sole discretion, delegate the authority to approve or reject applications for membership.
- 1.2 **Policies for Purchase, Payment, Redemption, and Ownership of Shares.** Subject to the provisions of the *Credit Union Incorporation Act* that specify the minimum number of Class A Membership Equity Shares for which a member must subscribe and pay, the Board of Directors may establish policies to waive or delay purchase, payment, redemption, and ownership in whole or in part of Class A Membership Equity Shares as required by these Rules, and may set minimum or maximum limits.
- 1.3 **Withdrawal From or Termination of Membership.** A member may withdraw from membership, and the membership of any person may be terminated in accordance with the *Credit Union Incorporation Act*.

### **2. VOTING**

- 2.1 **Voting Eligibility.** Only those Members in Good Standing on the Voting Record Date established pursuant to Rule 2.2, except a Junior Member, are eligible to vote in the election of Directors, on Special Resolutions and on all other matters to be considered at duly constituted general meetings.
- 2.2 **Voting Record Date.**
  - (a) The Board may fix in advance a Voting Record Date; and

- (b) The membership list of the Credit Union will, for the purpose of the vote, be closed and only those Members in Good Standing as of the close of business of the Credit Union on such date will be eligible to cast ballots in the election of Directors, on Special Resolutions or as to any other matter.

2.3 **Who May Vote.** Eligible Members in Good Standing are entitled to one (1) vote in the election of Directors, on Special Resolutions and on all other matters to be considered at duly constituted general meetings to be cast by:

- (a) in the case of an individual by the member;
- (b) in the case of a society, corporation, partnership or any other entity, who is not an individual, by its representative (who may, but need not be a member of the Credit Union, but must be of the age of majority as defined by the *Age of Majority Act* of British Columbia) duly appointed in writing and deposited with the Credit Union as provided in the *Credit Union Incorporation Act* and in a form prescribed by the Nominations Committee, is authorized to vote at the meeting on behalf of the member. Such representative, if an eligible Member in Good Standing in their individual capacity, may vote in their individual capacity as well in their capacity as representative for such member society, corporation, partnership or other entity they represent.

2.4 **One Vote Cast per Member.** Subject to the exception contained in Rule 11.11, no member shall cast more than one (1) vote in the election of Directors, or Special Resolutions or on any other matters to be considered at duly constituted general meetings.

2.5 **No Proxy Voting.** No member may vote by proxy.

2.6 **Proof of Membership.** Individuals and representatives may be required to provide evidence of identity, age and membership, if applicable, and may be required to provide a declaration that the individual or representative has not previously cast a vote in the election of Directors, or a Special Resolution or on any other matter being considered at a duly constituted general meeting then in progress.

2.7 **Method of Voting.** Subject to the *Credit Union Incorporation Act*, the *Financial Institutions Act* and the *Electronic Transactions Act*, the Board of Directors in its discretion will determine whether the vote on an election of directors, or Special Resolution will be by:

- (a) Mail ballot;
- (b) Electronic means; or
- (c) Both mail ballot and Electronic means.

### 3. **SHARES**

3.1 **Authorized Capital.** The shares of the Credit Union shall consist of an unlimited number of Class A Membership Equity Shares with a par value of \$1.00 each and such shares are the membership shares of the Credit Union and shall have

attached thereto the special rights and restrictions as set out in attached Schedule A.

3.2 **Membership Share Requirements.** As a condition of admission as a member of the Credit Union, each member is required to subscribe for, fully pay for and hold the following number of Class A Membership Equity Shares:

- (a) each member who is an individual, including a Junior Member – five (5) shares;
- (b) if shares are held jointly, each joint account holder must hold – five (5) shares;
- (c) each member that is an incorporated or unincorporated entity – five (5) shares.

3.3 **Minimum and Maximum Number of Shares to be Held.** Notwithstanding the foregoing, at the discretion of the Board of Directors a member may subscribe for more than five (5) Class A Membership Equity Shares, to a maximum of one thousand (1,000) Class A Membership Equity Shares.

3.4 **Joint Ownership.**

- (a) Class A Membership Equity Shares may be held jointly and the joint holders must each acquire the requisite number of Class A Membership Equity Shares.
- (b) All jointly held Class A Membership Equity Shares shall carry the right of survivorship unless a contrary statement, in writing, is given at the time of subscription and signed by all parties jointly holding the shares.
- (c) The Credit Union shall not be required to redeem any Class A Membership Equity Share that is jointly held until one of the events described in paragraph 1.4(a) of Schedule A, Special Rights and Restrictions occurs in respect of the last surviving joint holder.

#### 4. **DEPOSITS**

4.1 **Deposit, Withdrawal, and Redemption Forms.** The Board of Directors may determine the forms by which a person may place monies on deposit, withdraw monies on deposit, and the Board of Directors may, by resolution, delegate the power to make such determination.

4.2 **Interest on Deposits and Distributions.** Interest on deposits, in the absence of an express contract or agreement, shall be paid or credited at times, intervals and in a manner determined by the Board of Directors and the Board of Directors may, by resolution, delegate the power to make such determinations.

4.3 **Joint Accounts.** Accounts may be held jointly.

## 5. **BORROWING AND LENDING**

- 5.1 **Directors Shall Determine Terms of Loans.** Subject to the *Credit Union Incorporation Act* and the *Financial Institutions Act*, the Board of Directors shall determine the terms and conditions of loans including, but not limited to, interest, other charges, term, repayment, security and approval and may, by resolution, delegate the power to make loans and such determination.
- 5.2 **Directors May Borrow.** Subject to the *Credit Union Incorporation Act* and the *Financial Institutions Act*, the Board of Directors may raise and borrow money for the purpose of the Credit Union upon such terms and conditions as to interest, terms, repayment and security as they determine by resolution.

## 6. **BOARD OF DIRECTORS**

- 6.1 **Number of Directors.** The Board of Directors shall consist of nine (9) members except if a vacancy occurs, there is an insufficient number of qualified candidates nominated or the number of members of the Board is increased by Directors resolution to not more than fifteen (15) members pursuant to Rule 6.6. At no time can the number of members on the Board be less than five (5).
- 6.2 **Term of Office.** Except where a Director is appointed or elected pursuant to Rule 6.5 to fill the unexpired portion of a term and subject to the provisions of Rule 6.6, each person elected as a Director shall take office for a three-year term so that, for continuity purposes, one-third ( $\frac{1}{3}$ ) of the Board of Directors shall retire each year. A term of office commences immediately following the close of the Annual General Meeting following such election and ends as at the close of the third Annual General Meeting following the commencement of such term. A retiring Director is eligible to be nominated for re-election subject to Rule 6.3.
- 6.3 **Term Limits.** Subject to Rule 6.6:
- (a) A Director of the Credit Union is eligible to serve a maximum of four (4) three-year terms, whether the terms are served consecutively or intermittently;
  - (b) A Director who has served four (4) three-year terms (excluding partial terms held to fill a vacancy) shall not be eligible to be nominated for re-election at the Annual General Meeting coinciding with the expiry of such Director's fourth three-year term of office;
  - (c) The restriction in paragraphs (a) and (b) of this Rule 6.3 is a lifetime limit and shall apply to all current and future Directors; and
  - (d) For the purposes of this Rule 6.3, effective September 23, 2015, all Directors shall be deemed to begin their first term, if re-elected, after their then current term expires.
- 6.4 **Varying Terms.** Where the offices of Directors being filled at any election are for different term lengths, the term of each person elected shall be determined in proportion to the number of votes received by the person, with the person



receiving the greatest number of votes to hold office for the longest term, provided that if there are two (2) or more persons who receive an equal number of votes, their term of office shall be determined by the Nominations Committee by lot, and if there is an election by acclamation the respective terms of the persons so elected shall be determined by lot by the Nominations Committee.

6.5 **Vacancy.** If the number of Directors of the Credit Union prescribed in this Rule 6 is reduced by death, resignation, disqualification, or removal from office or by failure to elect or appoint a Director pursuant to these Rules or for any other reason, the remaining Directors, save as may be provided by any other provision in these Rules, shall have all of the powers of the Board of Directors until the vacancy or vacancies caused thereby have been filled by appointment or election. Subject to Rule 6.6, the remaining Directors may appoint a person eligible under Rule 8.2 to fill any such vacancy. Any person so appointed shall hold office until the close of the next Annual General Meeting, at which time the unexpired portion of the term vacated shall be filled through the nominations and election process prescribed by these Rules.

6.6 **Number of Directors After Asset Purchase, Merger or Amalgamation.**

(a) Notwithstanding anything else contained in this Rule 6, if the Credit Union completes an agreement for the purpose of purchasing all or substantially all of the assets or all of the shares of another credit union, the Board of Directors may by resolution appoint such additional Directors, who are eligible to serve as Directors under Rule 8.2, as the Board of Directors shall determine and may designate their terms of office, but the total number of Directors following such appointment shall not in any event exceed fifteen (15), and the term of office of any such additional Director shall not continue beyond the close of the third Annual General Meeting following such appointment.

(b) Where the term of a Director appointed pursuant to this Rule 6.6 has expired or where such position becomes vacant prior to the termination of the term, no vacancy shall be deemed to exist and, for greater certainty, no person shall be appointed or elected pursuant to Rule 6.6 to fill any unexpired portion of the term of a Director appointed pursuant to this Rule 6.6, and Rule 6.2 shall not apply to any person appointed pursuant to this Rule 6.6 but a person so appointed whose term has expired shall be eligible for election for any other vacancy for which an election is to be held.

6.7 **Removal of Director.** A person may be removed as a Director by resolution passed by not less than two-thirds ( $\frac{2}{3}$ ) of the remaining Directors if that Director:

(a) has failed without being excused to attend three (3) consecutive meetings of the Board of Directors; or

(b) is required by Rule 8.2 to vacate the office of Director, but has not tendered his or her resignation as a Director; or

- (c) has breached the policies concerning Conflict of Interest or the Code of Conduct and Ethics for Directors; or
- (d) has breached the confidentiality of any proceedings, deliberations, or information of the Board of Directors,

as determined by the remaining Directors in accordance with the policies and procedures relating to Director review established by the Board of Directors. 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 Director's removal. The Director may appear and make submissions at the meeting prior to the Directors voting on the resolution for the Director's removal. Once such submissions are made the decision of the Board is final and binding.

## **7. PROCEEDINGS OF THE BOARD OF DIRECTORS**

- 7.1 **Frequency of Meetings.** The Board of Directors shall meet at least four (4) times in each calendar year and not less frequently than once in each quarter, and shall hold at least two (2) Board planning sessions in each calendar year.
- 7.2 **Appointment of Officers.** Within forty-five (45) days after each Annual General Meeting, the Board of Directors shall:
  - (a) elect from its own members a Chair and Vice Chair
  - (b) appoint a Chief Executive Officer to be the senior management officer and President of the Credit Union;
  - (c) appoint a Corporate Secretary; and
  - (d) appoint such additional officers as it deems necessary for the continuing operations of the Credit Union.
- 7.3 **Calling Meetings.** Upon notice pursuant to the provisions of Rule 7.4, the Chair:
  - (a) at any time may call a meeting of the Board of Directors; and
  - (b) within fourteen (14) days of receipt of a request in writing to call a meeting signed by three (3) Directors, shall call a meeting of the Board of Directors.
- 7.4 **Notice of Meetings.** Notice of the day, time and place of a meeting of the Board of Directors shall be given to each Director at the last address left by the Director for that purpose by personal delivery, mail or Electronic means, not less than three (3) days before the meeting, provided that notice to a Director may be waived by that Director. Attendance at a meeting shall be deemed to be a waiver of such notice. 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.

- 7.5 **Waiver of Notice.** A Director may waive notice of any past or present meeting of the Directors.
- 7.6 **Quorum.** A majority of the Directors shall constitute a quorum but a lesser number may adjourn from time to time until a quorum is obtained. A Director who is interested, directly or indirectly, in a proposed contract or transaction with the Credit Union may be counted for the purposes of determining a quorum.
- 7.7 **Duties of Chair and Vice Chair.** If the Chair is absent or is unable for any reason to act, or if the office of the Chair becomes vacant, the Vice Chair, or in their absence another member of the Board appointed by the Board of Directors shall assume and discharge the duties and responsibilities of the Chair at the meeting in question.
- 7.8 **Questions Arising at Meetings.** Questions arising at any meeting of the Board of Directors, except those that arise under Rule 6.7, shall be decided by a majority of votes, and the Chair shall not vote except in the event of an equality of votes.
- 7.9 **Appointment of Committees.** Subject to the *Credit Union Incorporation Act* and *Financial Institutions Act*, the Board of Directors:
- (a) shall, by resolution, elect or appoint Board Committees as required by the *Financial Institutions Act* consisting of such of the Directors and not fewer than three (3), as the Board of Directors thinks fit:
  - (b) may, by resolution, appoint one (1) or more other Board Committees consisting of such of the Directors and not fewer than three (3), as the Board of Directors thinks fit, and
  - (c) may, by resolution, delegate to any such Board Committee the powers of the Board of Directors and may from time to time revoke such delegation, but shall not delegate the following powers:
    - (i) power to fill vacancies in the Board of Directors;
    - (ii) the power to change the membership or fill vacancies in any Board Committee appointed by the Board of Directors; and
    - (iii) the power to appoint or to remove officers appointed by the Board of Directors, or the power to declare dividends.
- 7.10 **Terms of Reference.** Any Board Committee elected or appointed pursuant to Rule 7.9 shall:
- (a) conform to any regulations that may from time to time be imposed upon it by the Board of Directors;
  - (b) keep regular minutes of their meetings and cause them to be recorded in books kept for that purpose; and

- (c) report the same to the Board of Directors at such times as the Board of Directors may from time to time require.
- 7.11 **Authority.** The Board of Directors shall have the power at any time to revoke or override any authority given to any Board Committee and to terminate the election or the appointment or change the membership of any Board Committee elected or appointed pursuant to Rule 7.9 and to fill vacancies in it.
- 7.12 **Committee Chair.** Subject to the *Credit Union Incorporation Act* and the *Financial Institutions Act*, a Board Committee elected or appointed pursuant to Rule 7.9 may elect its chair. If no such chair is elected or if at any meeting the chair so elected is not present within ten (10) minutes after the time appointed for holding the meeting, the members present may appoint one (1) of their numbers to be chair of that meeting.
- 7.13 **Committee Proceedings.** Unless otherwise determined by the Board of Directors, the members of a Board Committee may meet and adjourn as they think proper and questions arising at the meeting of a Board Committee shall be decided by a majority of votes and the chair shall not vote except in the event of an equality of votes.
- 7.14 **Committee Quorum.** A majority of the members of a Board Committee shall constitute a quorum and a Director who is interested, directly or indirectly, in a proposed contract or transaction with the Credit Union may be counted for the purposes of quorum.
- 7.15 **Ex officio Basis.** Where the Chair serves as a member of a Board Committee solely on an *ex officio* basis, the Chair shall not be counted in determining quorum for the Board Committee and shall not have a vote at meetings of that Board Committee, unless otherwise stated in the terms of reference adopted by the Board of Directors for such Board Committee.
- 7.16 **Meetings by Telecommunications.** If a majority of the Directors present at or participating in a meeting consent, a meeting of Directors or a Board Committee of Directors may be held by means of Electronic or other communications facilities that allow all Directors participating in the meeting to communicate with each other during the meeting, and a Director who participates in the meeting by those means shall be deemed to have so consented and to be present at the meeting and shall be counted in the quorum therefore and entitled to speak and vote thereat using those means. A meeting held under this Rule 7.16 shall be deemed to be held at the place where the records office of the Credit Union is located.
- 7.17 **Consent Resolution.** A resolution, whether or not in counterpart, consented to in writing or by Electronic means, by all Directors or all the members of a Board Committee and filed with the minutes of the Board of Directors or the Board Committee shall be as valid and effectual as if it had been passed at a meeting of the Board of Directors or of the Board Committee, duly called and constituted.

## 8. ELIGIBILITY TO BE A DIRECTOR

- 8.1 **Eligibility for Election as a Director.** Each person, other than a Junior Member or a person disqualified by Rule 8.2, who has been a Member in Good Standing of the Credit Union, or who is at the time a Member in Good Standing of the Credit Union and has been a member of another credit union of which all or substantially all of the assets or all of the shares of which have been purchased by the Credit Union, for at least ninety (90) days immediately before such member's election or appointment, is eligible to be a Director.
- 8.2 **Disqualification of Candidates and/or Board Members.** A person is not eligible to be elected or appointed to the office of Director of the Credit Union and, if holding the office of Director of the Credit Union, shall immediately vacate the office, if such person:
- (a) is not, or ceases to be, eligible to be insured as required under the *Financial Institutions Act*;
  - (b) is an employee of the *Credit Union Deposit Insurance Corporation of British Columbia*, an auditor of a credit union or a public servant concerned by his or her duties with the affairs of a credit union;
  - (c) is under the age of 19 years;
  - (d) is a corporation;
  - (e) is an undischarged bankrupt;
  - (f) is a discharged bankrupt and less than five (5) years have elapsed since the date of discharge from bankruptcy;
  - (g) unless the Supreme Court orders otherwise, is convicted in or outside of British Columbia, of an offence:
    - (i) in connection with the promotion, formation or management of a corporation; or
    - (ii) involving fraud;unless five (5) years have elapsed since the latest of:
    - (i) the expiration of the period fixed for suspension of the passing of sentence;
    - (ii) the imposition of a fine; or
    - (iii) the conclusion of a term of imprisonment and probation;but the disability imposed by this Rule 8.2(g) ceases on a pardon being granted under the *Criminal Records Act (Canada)*;
  - (h) is found to be incapable of managing his or her own affairs by reason of mental infirmity;

- (i) being a Director, fails to complete the director training program, if any, required by the *Credit Union Incorporation Act* within the period specified under the *Credit Union Incorporation Act*;
- (j) being a Director, has failed, without being excused, to attend three (3) consecutive meetings of the Board of Directors;
- (k) while holding office as a Director, ceases to be a Member in Good Standing;
- (l) is an employee of the Credit Union, a subsidiary of the Credit Union or an affiliated corporation of the Credit Union in which the Credit Union holds shares or a person who is a member of the Immediate Family of such an employee;
- (m) a person who is a member of the Immediate Family of a person who is a candidate or is an incumbent Director who would be on the Board at the same time as that person if that person was elected;
- (n) a person who has received from the Credit Union or any of its subsidiaries, or a person who was, or is a director or officer of a corporation, or a shareholder of a corporation controlled by that person, which has received from the Credit Union or any of its subsidiaries, payments for services of more than \$20,000 during the one-year period prior to the date for the close of nominations determined in accordance with Rule 9.3 other than payment received as remuneration for the person acting in the capacity of Director of the Credit Union;
- (o) has been an employee of the Credit Union, a subsidiary of the Credit Union or an affiliated corporation in which the Credit Union holds shares at any time during the seven-year period immediately before such member's election or appointment;
- (p) has ever been in default under any obligation to the Credit Union and has failed to pay the debt in full together with accrued interest;
- (q) is a director, officer, agent, or employee, or the spouse of a director, officer, agent or employee of a credit union (except a person who is a director or officer of a Central Credit Union), bank, trust company, savings and loan association, loan company, leasing company or any other firm, association, syndicate, company, corporation or other business enterprise engaged in or concerned with or interested in any business or any part thereof from time to time carried on by the Credit Union or by any of its subsidiaries, except where the Board of Directors determines, by resolution, that this Rule 8.2(q) shall not apply to such person;
- (r) is a person disqualified from becoming or acting as a director, pursuant to the *Business Corporations Act*, the *Credit Union Incorporation Act* or the *Financial Institutions Act*; or

- (s) was removed from the position of Director by the Board of Directors in accordance with Rule 6.7.

8.3 **Statement of Disclosure.** Every nominee for election or appointment as a Director shall file with the Nominations Committee, if for election, or with the Board of Directors, if for appointment, in forms prescribed by the Board of Directors:

- (a) the declaration contemplated in Rule 9.8; and
- (b) a statement of all known conflicts of interest between the nominee and the Credit Union.

The declaration and statement shall not excuse the nominee, if elected or appointed, from compliance with the *Credit Union Incorporation Act*, the *Financial Institutions Act*, and the *Business Corporations Act*, Credit Union policies and these Rules.

8.4 **Financial Literacy.** At least one-third ( $\frac{1}{3}$ ) of the Directors on the Board must be Financially Literate. If at least one third ( $\frac{1}{3}$ ) of the Directors are not Financially Literate, the number of Directors on the Board shall be increased, and the Board of Directors must appoint such number of individuals to the Board of Directors that are Financially Literate to ensure that at least one-third ( $\frac{1}{3}$ ) of the Directors on the Board of Directors are Financially Literate. The term of a Director appointed pursuant to this Rule shall be until the close of the next Annual General Meeting.

## 9. **NOMINATION AND ELECTION OF DIRECTORS**

9.1 **Appointment of Nominations Committee.** Not later than forty-five (45) days following each Annual General Meeting, the Board of Directors shall appoint a Nominations Committee of not less than three (3) Directors provided that no Director whose term of office expires at the next Annual General Meeting following the appointment of the committee may serve as a member of the committee.

9.2 **Returning Officer.** At least sixty (60) days prior to the date on which voting is to commence on an election of directors, the Board of Directors shall appoint a Returning Officer who shall be responsible for the supervision of elections and may, but need not, be a member of the Credit Union but shall not be a director of the Credit Union. The Returning Officer, with the agreement of the Nominations Committee, may engage such other resources as may be necessary for the proper conduct of the election.

9.3 **Call for Nominations.** At least ninety (90) days before an Annual General Meeting, the Nominations Committee shall:

- (a) notify members of the Credit Union that an election of Directors is to take place, specifying the number of positions known at that time that are required to be filled and the candidate criteria required;

- (b) notify members of the Credit Union of the date on which a member must be a Member in Good Standing to be eligible for nomination for the position of Director;
- (c) invite members to submit to the Nominations Committee in such form or forms the Nominations Committee shall from time to time prescribe for that purpose, the names of proposed candidates prior to the date specified in the notice, which date shall not be less than thirty (30) days from the date of the notice;
- (d) advise members that, for purposes of being eligible to nominate a member and to be eligible to vote in an election of Directors, a member, other than a Junior Member, must be a Member in Good Standing on the Voting Record Date established in accordance with Rule 2.2; and
- (e) provide to members such information as the Nominations Committee determines with respect to the role and responsibilities of the Board of Directors and individual Directors, and guidelines and qualifications for candidates for the position of Director.

9.4 **Number of Nominations Required.** Candidates for Director must be nominated either by the Nominations Committee or in writing by three (3) Members in Good Standing and of the age of majority. No member, other than a member of the Nominations Committee, may nominate more than one (1) candidate in respect of an election of Directors.

9.5 **Form of Nomination.** Each nomination of a member as a candidate for election as a Director must be in the form and accompanied by such information as is prescribed by the Nominations Committee from time to time.

9.6 **Rejection of Nomination.** If at least two-thirds ( $\frac{2}{3}$ ) of the Nominations Committee resolved that a member's nomination information is in any material respect false, incomplete or misleading, or that the candidacy is frivolous, vexatious or for the purpose of harming the Credit Union or is not in accordance with these Rules, the Nominations Committee may reject the member as a candidate for Director.

9.7 **Candidate Interview.** Before the name of a member is placed in nomination as a candidate for election as a Director, that member must attend an interview with the Nominations Committee within thirty (30) days of the close of nominations, at the time and place specified by the Nominations Committee, unless the requirement to attend such interview has been waived by the Nominations Committee in accordance with these Rules. If an individual is not able to attend an interview due to extenuating circumstances, the Nominations Committee may waive the applicable attendance requirement. The Nominations Committee may waive this attendance requirement for any member who is then currently serving on the Board of Directors.

9.8 **Declaration of Candidate Required.** Before the name of a person is placed in nomination as a candidate for election as director, that person shall deliver to the



Nominations Committee a declaration, in writing, stating that the member is willing:

- (a) to stand for election, and if elected or appointed, to serve as a Director;
- (b) to observe the provisions of the *Credit Union Incorporation Act*, the *Financial Institutions Act*, the *Business Corporations Act* and the *Securities Act* of British Columbia, as applicable;
- (c) to comply with the policies concerning Conflict of Interest and the Code of Conduct and Ethics, each as adopted by the Board of Directors from time to time; and
- (d) to observe these Rules and the procedures relating to the election and conduct of Directors contained herein,

and that the person meets the qualifications to serve as a director for which he or she has been proposed as set out in the notice issued by the Nominations Committee and that the member is not disqualified under Rule 8.2.

9.9 **Acceptance of Nominations.** The Nominations 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 complies with the *Financial Institutions Act* and these Rules and is otherwise in order and shall reject each nomination of a member who is not qualified to be a candidate or whose nomination does not comply with the *Financial Institutions Act* or these Rules or is otherwise not in order and shall notify each nominee accordingly and shall, forthwith after the date on which nominations close:

- (a) inform each member whose nomination has been accepted of the provisions of these Rules with respect to the conduct of the election and provide to each member whose nomination has been accepted a copy of these Rules and any determinations of the Board of Directors relating to elections and the conduct thereof, including campaign rules;
- (b) request that each member whose nomination has been accepted complete and deliver to the Nominations Committee, the personal information return required to be submitted to the Superintendent pursuant to the *Financial Institutions Act* in the event such member becomes a Director of the Credit Union;
- (c) place in nomination the names of all qualified candidates nominated in accordance with these Rules, including those qualified candidates nominated by the Nominations Committee, at least equal to the number of vacancies to be filled in the election; and
- (d) may endorse any number of candidates and may communicate its recommendation to the members in such manner as it deems fit.

- 9.10 **Campaigning Rules.** Subject to applicable laws, the Nominations Committee shall from time to time determine the method and manner in which candidates shall be permitted to campaign for election and candidates shall campaign in accordance with the permitted method and manner as determined by the Nominations Committee.
- 9.11 **Campaigning Prohibited.** Notwithstanding Rule 9.10, no candidate shall:
- (a) campaign, or permit any person to campaign on his or her behalf:
    - (i) in any of the premises of the Credit Union;
    - (ii) in any of the premises of a subsidiary of the Credit Union; or
    - (iii) on any property where any premises or facilities of the Credit Union or subsidiary of it are situated;
  - (b) interfere with, ingress or egress to the property of the Credit Union;
- in connection with any election, except in the method and manner permitted pursuant to these Rules and any regulations as may be determined by the Board of Directors.
- 9.12 **Campaigning Disqualification.** Subject to applicable laws, a candidate who campaigns or permits any person to campaign on his or her behalf in any method or manner which in the unanimous opinion of the Nominations Committee is not in compliance with these Rules or is other than as determined by the Nominations Committee shall be disqualified as a candidate and no vote cast in favour of that candidate shall be counted in the tally of ballots, but the ballots shall not otherwise be deemed to be void. Within 24 hours of the disqualification of a candidate by the Nominations Committee, the Nominations Committee shall deliver written notice of such disqualification to the candidate and the notice shall specify the reason or reasons for the disqualification, and such written notice shall be delivered to the candidate by Electronic means and if such method was not provided by the candidate the written notice shall be delivered to the candidate by mail. The determination of the Nominations Committee shall be final and binding.
- 9.13 **Conduct of Candidates.** Notwithstanding Rule 9.10, no candidate shall interfere with the election process or seek assistance in connection with the election from any employee of the Credit Union or subsidiary thereof, the Returning Officer or any person employed by the Returning Officer.
- 9.14 **Acclamation.** If the number of qualified candidates nominated for the offices for which the election is to be held is less than or equal to the number of offices to be filled, the candidates so nominated shall be declared elected by acclamation by the Nominations Committee.
- 9.15 **Elections to be Held.** Where the number of qualified candidates nominated for the offices for which the election is to be held exceeds the vacancies to be filled, an election will be held before the next Annual General Meeting of the Credit Union.

- 9.16 **Validity of Ballots.** A ballot cast in the election of directors must contain votes for the number of persons to be elected and any ballot indicating another intention is void.
- 9.17 **Notice of Election to Members.** Where an election is to be held, the Nominations Committee shall forward to all Members in Good Standing entitled to vote in the election:
- (a) a list of conditions under which the member will be eligible to vote;
  - (b) a description of the method of voting;
  - (c) notice of the dates during which voting in the election shall take place;
  - (d) if the member is not an individual, the form of written authorization required to appoint an authorized representative of the member to vote on behalf of the member and clear and precise instructions for completing and returning the authorization with the ballot;
  - (e) a summary of qualifications and/or statement submitted by each candidate for election pursuant to Rule 9.5;
  - (f) subject to Rule 2.7, a ballot with the names of all candidates listed alphabetically, which allows for verification that the member voting is a Member in Good Standing, and provides for confidentiality of voting;
  - (g) clear and precise instructions for casting the ballot and for returning the ballot, and such instructions must specify the date by which the ballot must be received by the Returning Officer in order to be counted, which day must be not less than fourteen (14) days from the date that voting commences;
  - (h) such other materials as the Nominations Committee deems necessary or advisable in connection with the voting, including its endorsement of any candidate.

The Nominations Committee may provide these items by mail, or by Electronic or other means in accordance with the *Electronic Transactions Act* of British Columbia, including advertisement.

- 9.18 **Lost or Destroyed Ballot.** If a member who is eligible to vote in the election, does not receive a ballot pursuant to Rule 9.17(f), or loses or destroys the ballot before it is cast, then upon receipt prior to the close of voting of a declaration, in the form prescribed by the Nominations Committee, from that member that the ballot was not received, or has been lost or destroyed, and that the member has not cast a ballot in the election and signed by that member, the Credit Union shall make available to that member a replacement ballot and any other information to be provided pursuant to Rule 9.17.
- 9.19 **Supervision of Vote.** The Returning Officer shall supervise the election of Directors and:

- (a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration, in the form prescribed by the Nominations Committee, that the member has not previously cast a ballot in the election then in progress signed by the member;
- (b) shall obtain all ballots and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be made in a manner that ensures the secrecy of the balloting;
- (c) notwithstanding anything herein contained, the final decision in determining whether a ballot is to be accepted or rejected shall be made prior to the tallying of votes by the Returning Officer, whose discretion is absolute and not open to question or review.

9.20 **Communication of Election Results.** As soon as practicable, but no later than ten (10) days from the closing of an election and no later than twenty-four (24) hours before the commencement of the Annual General Meeting, the Returning Officer shall communicate the results of the election to the Chair of the Nominations Committee, who will communicate such results to each of the Directors and each of the candidates for election.

9.21 **Announcement of Election Results.** The results of the election shall be announced at the Annual General Meeting next following the election.

9.22 **When Directors Take Office.** A person elected as a Director shall take office at the close of the Annual General Meeting next following his or her election or at such later date as the Superintendent accepts the person's Personal Information Return for filing.

9.23 **Notice of Directors.** A notice of the election or appointment of a person as a Director of the Credit Union shall be filed with the Superintendent in accordance with all applicable laws.

## 10. **INDEMNIFICATION AND PROTECTION OF DIRECTORS, OFFICERS AND CERTAIN AGENTS**

10.1 **Indemnification.** Subject to the *Financial Institutions Act*, the Credit Union shall indemnify:

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

against all costs, charges and expenses, including an amount paid to settle any action or proceeding or to satisfy any judgment, reasonably incurred by the

Director, officer, former Director, former officer or person for any civil, criminal or administrative action or proceeding, whether threatened, pending, continuing or completed, to which the Director, officer, former Director, former officer or person is or may be made a party by reason of being or having been a Director or officer of the Credit Union or corporation, if the Director, officer, former Director or former officer of the Credit Union or corporation acted honestly and in good faith with a view to the best interests of the Credit Union or corporation, as the case may be, and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Director or officer or former Director or former officer of the Credit Union or corporation has reasonable grounds for believing that his or her conduct was lawful, and if the Director, officer, former Director, former officer or person is required to include in income or in the income of that individual's estate, any payment made under this indemnification for the purpose of determining income tax payable by the Director, officer, former Director, former officer or person, the Credit Union shall pay an amount by way of indemnity that will fully indemnify for the amount of all liabilities described herein and all income taxes payable as a result of the receipt of the indemnity payment.

## 11. **GENERAL MEETINGS**

- 11.1 **Notice of General Meeting.** In addition to the methods of giving notice of a general meeting provided by the *Credit Union Incorporation Act*, notice may be delivered by Electronic means, in which case the provisions of Rule 17.3 apply.
- 11.2 **Date of Annual General Meeting.** Annual General Meetings of the Credit Union shall be held annually on a date fixed by the Board of Directors and shall be convened and held in accordance with the provisions of the *Credit Union Incorporation Act* and these Rules.
- 11.3 **Other General Meetings.** Other general meetings may be convened and held in accordance with the provisions of the *Credit Union Incorporation Act*. Every general meeting not being the annual meeting shall be considered a special general meeting.
- 11.4 **Rules of Order.** Subject to the *Credit Union Incorporation Act* and these Rules, a general meeting may adopt rules of order for its conduct, but if no rules are adopted, the current edition of *Robert's Rules of Order Newly Revised* shall be used.
- 11.5 **Quorum.** At general meetings of the Credit Union, fifty (50) Members in Good Standing, shall constitute a quorum, but a lesser number may adjourn from time to time until a quorum is obtained.
- 11.6 **Member Verification.** At general meetings each person must on request present evidence of identity, age and being a Member in Good Standing.
- 11.7 **Who May Vote at a General Meeting.** Only those Members in Good Standing on the Voting Record Date established pursuant to Rule 2.2 for voting on matters to be considered at an Annual General Meeting or General Meeting shall be eligible to vote.

- 11.8 **Chair of General Meeting.** The Chair or in the absence of the Chair, the Vice Chair or in the absence of both of them, another member of the Board appointed by the Board of Directors, shall be the Chair of all general meetings.
- 11.9 **Ordinary Resolutions.** Save and except for Ordinary Resolutions proposed by the Board of Directors, voting shall be permitted only on Ordinary Resolutions submitted to the Chair of the Board or the Chair's designate prior to the commencement of a general meeting, provided however the Chair of the meeting may waive such notice.
- 11.10 **Manner of Voting.** Subject to these Rules and the *Credit Union Incorporation Act* the Chair shall determine whether voting at a meeting of the Credit Union shall be undertaken by show of hands or by written vote on any matter, other than an election of directors or a Special Resolution, to be voted on at a meeting of the Credit Union.
- 11.11 **Casting Vote.** No member shall cast more than one (1) vote on a resolution except that in the case of an equality of votes, whether by show of hands, poll or ballot, the Chair of the meeting shall have a second or deciding vote.
- 11.12 **Order of Business.** So far as practical the order of business at an Annual General Meeting shall be:
- (a) Call to Order
  - (b) Ascertainment of Quorum
  - (c) Appointment of Recording Secretary and Parliamentarian
  - (d) Adoption of Agenda
  - (e) Approval of Minutes of previous general meetings
  - (f) Pending Business
  - (g) Receipt of the Report of Board of Directors
  - (h) Receipt and Approval of the Report of the Auditor
  - (i) Appointment of Auditor
  - (j) Receipt of the Report of the Chief Executive Officer
  - (k) Receipt of the Financial Statements
  - (l) Receipt of Reports of any Board Committees
  - (m) Report of Election of Directors
  - (n) Other Resolutions
  - (o) Other Business
  - (p) Adjournment
- 11.13 **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.

12. **ALTERATION**

12.1 **Special Resolution Required.** The Credit Union may alter its Constitution or these Rules by Special Resolution from time to time.

13. **SPECIAL RESOLUTIONS**

13.1 **Notice of Special Resolution.** In addition to the methods of giving notice of a Special Resolution provided by the *Credit Union Incorporation Act*, notice may be delivered by Electronic means, in which case the provisions of Rule 17.3 shall apply.

13.2 **Special Resolutions.** Subject to the *Credit Union Incorporation Act*, Special Resolutions:

- (a) may be proposed by the Board of Directors; and
- (b) may be proposed by the members, and if so proposed must be signed by not less than five (5) per cent in number or three hundred (300) Members in Good Standing, whichever is the lesser, who are eligible to vote, and must be requisitioned in accordance with the provisions of the *Credit Union Incorporation Act*, and deposited at the registered office of the Credit Union at least ninety (90) days before a general meeting.

and such proposed Special Resolutions, whether proposed by the Board of Directors or requisitioned by a member, shall be brought before the membership to vote at the next Annual General Meeting, and the Directors may, but shall not be required to, convene a special general meeting in conjunction with any resolution proposed by the Board of Directors for consideration by the membership.

13.3 **Voting Information.** Subject to the *Credit Union Incorporation Act*, the Board of Directors shall forward to all Members in Good Standing entitled to vote at least fourteen (14) days before voting commences on a Special Resolution:

- (a) a list of conditions under which the member will be eligible to vote;
- (b) a description of the method of voting;
- (c) notice of the dates during which voting on the Special Resolution shall take place;
- (d) if the member is not an individual, the form of written authorization required to appoint an authorized representative of the member to vote on behalf of the member and clear and precise instructions for completing and returning the authorization with the ballot;
- (e) the wording of the Special Resolution with required or permitted information as the Board of Directors deems necessary or advisable in connection with the voting;

- (f) subject to Rule 2.7, a ballot containing the provision for a vote for or against the Special Resolution, which allows for the verification that the member voting is a Member in Good Standing and provides for the confidentiality of voting;
- (g) clear and precise instructions for casting the ballot and the return of the ballot; and such instructions must specify the day by which the ballot must be received by the Returning Officer in order to be counted, which day must be not less than fourteen (14) days from the date that voting commences;
- (h) such other materials as the Board of Directors deems necessary or advisable in connection with the voting.

The Board of Directors may provide these items by mail, by Electronic means in accordance with the *Electronic Transactions Act*, or by other means as permitted under the Act, including advertisement.

- 13.4 **Lost or Destroyed Ballot.** If a member, eligible to vote on the Special Resolution, does not receive a ballot pursuant to Rule 13.3(f), or loses or destroys the ballot before it is cast, then upon receipt of a declaration, in a form prescribed by the Board of Directors, and signed by that member prior to the closing of voting that the ballot was not received, or has been lost or destroyed, and the member has not cast a ballot on the Special Resolution, the Credit Union shall make available to that member a replacement ballot and any other information to be provided pursuant to Rule 13.3.
- 13.5 **Returning Officer.** At least sixty (60) days before voting on a Special Resolution is to commence, the Board of Directors shall appoint a Returning Officer who shall be responsible for the supervision of the voting on a Special Resolution and may, but need not, be a member of the Credit Union but shall not be a director of the Credit Union. The Returning Officer, with the agreement of the Board of Directors, may engage such other resources as may be necessary for the proper conduct of the voting on the Special Resolution.
- 13.6 **Supervision of Vote.** The Returning Officer shall supervise the voting on a Special Resolution and:
- (a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration, in a form prescribed by the Board of Directors, and signed by the member declaring that the member has not previously cast a ballot on the Special Resolution vote then in progress;
  - (b) shall obtain all ballots, and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be conducted in such manner so as to ensure the secrecy of the balloting;
  - (c) notwithstanding anything contained herein, the final decision in determining whether a ballot is to be accepted or rejected shall be made



prior to the tallying of votes by the Returning Officer, whose discretion is absolute and not open to question or review.

- 13.7 **Results.** As soon as practicable but in no event later than seven (7) days after the close of voting, the Returning Officer shall communicate the results of the voting to the Chair of the Board of Directors.
- 13.8 **Communication to Members.** The Board of Directors shall communicate the results of the vote on a Special Resolution to the members by mail or Electronic means no later than thirty (30) days after receiving the results from the Returning Officer.
- 13.9 **Filing with Superintendent.** The Credit Union will file with the Superintendent of the Financial Institutions Commission every Special Resolution approved by its members.
- 13.10 **Voting on Special Resolutions Without a Meeting.** A Special Resolution passed in accordance with Rule 13 is valid as if it had been passed at a meeting of members and satisfies all the requirements of the *Credit Union Incorporation Act* and *Financial Institutions Act* relating to meetings of members.

14. **AUDITOR**

- 14.1 **Appointment of Auditor.** At each Annual General Meeting of the Credit Union an auditor shall be appointed to hold office until the close of the next Annual General Meeting and, if at that meeting a new appointment is not made, the auditor in office shall continue as auditor until a successor is appointed.
- 14.2 **Remuneration.** The Board of Directors shall fix the remuneration of the auditor.

15. **FINANCIAL YEAR END**

- 15.1 **Financial Year End.** The financial year end of the Credit Union shall be December 31.

16. **SEAL**

- 16.1 **Seal.** The Credit Union shall have a corporate seal.
- 16.2 **Custody of Seal.** The Board of Directors shall provide for the safe custody of the corporate seal of the Credit Union at the registered office of the Credit Union or at such other place as the Board of Directors determines it shall be kept for safekeeping.
- 16.3 **Execute Under Seal.** The Board of Directors shall appoint authorized signatories to execute documents required to be executed under seal.

17. **MISCELLANEOUS**

- 17.1 **Legislation.** These Rules are subject to the provisions of all applicable legislation.

- 17.2 **Vote by Electronic Means.** Subject to the *Credit Union Incorporation Act*, the *Financial Institutions Act* and the *Electronic Transactions Act*, if the Board of Directors determines pursuant to these Rules that members may vote by electronic means, the Board of Directors may prescribe such technological and other requirements for the use of such Electronic means as the Board of Directors in its discretion considers desirable in the circumstances.
- 17.3 **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 Board of Directors may in its discretion permit the use of documents in such Electronic forms as the Board of Directors in its discretion considers desirable in the circumstances, provided that such Electronic documents are accessible in a manner useable for subsequent reference;
  - (b) where these Rules require the provision or delivery of documents, the Board of Directors may in its 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 of which the intended recipient is notified) as the Board of Directors in its discretion considers desirable in the circumstances, provided that such Electronic documents are (i) accessible by the recipient in a manner useable for subsequent reference and (ii) capable of being retained by the recipient in a manner useable for subsequent reference; and
  - (c) for the purposes of this Rule 17.3, “document” includes without limitation notices, instruments, resolutions and ballots.
- 17.4 **Omission of Notice.** Where a call for nominations, a notice of a Board election, or a notice of a meeting of the Credit Union, including a Special Resolution, is received generally by members of the Credit Union, the omission to give notice to any member or the non-receipt of notice by any member will not invalidate the election, the Special Resolution, or any ordinary resolution passed or any proceedings taken at the meeting.

## SCHEDULE A

### Special Rights and Restrictions Class A Membership Equity Shares

1. The Class A Membership Equity Shares shall have attached thereto the following rights and restrictions:
  - 1.1 **Par Value.** Class A Membership Equity Shares shall be issued at and shall have a par value of \$1.00 each.
  - 1.2 **No Guarantee.** Money invested in Class A Membership Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the *Credit Union Deposit Insurance Corporation* of British Columbia.
  - 1.3 **Transfer of Shares.** Unless permitted by a resolution of the Board of Directors, Class A Membership Equity Shares are not transferable.
  - 1.4 **Redemption of Shares.**
    - (a) Subject to the *Credit Union Incorporation Act*, the Credit Union shall redeem, in such manner and on such terms as the Board of Directors may determine from time to time, all the Class A Membership Equity Shares of a member if:
      - (i) the member withdraws from membership in the Credit Union;
      - (ii) the Credit Union terminates the membership of the member;
      - (iii) the member is a natural person and dies, subject to Rule 3.4; or
      - (iv) the member is a society, corporation, partnership or any other entity and is dissolved, wound-up, or otherwise ceases to be a legal entity according to the statute by or pursuant to which it was created;
    - (b) Subject to the *Credit Union Incorporation Act* and these Rules, the Credit Union may redeem or purchase any Class A Membership Equity Shares held by a member on such terms and conditions and at such times as the Board of Directors, in their discretion, resolve;
    - (c) Class A Membership Equity Shares which are redeemed or purchased by the Credit Union shall be redeemed or purchased at par value, plus any dividends declared but unpaid thereon.
  - 1.5 **Liquidation, Dissolution or Winding-up.** In the event of the liquidation, dissolution or winding-up of the Credit Union, or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs, whether voluntary or involuntary, the holders of Class A Membership Equity Shares shall be entitled to receive the remaining property and assets of the Credit Union.