

RULES

DEFINITIONS

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

- (a) “chair” means the chair of the directors;
- (b) “credit union” means StellerVista Credit Union;
- (c) “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;
- (d) “director” mean a director of the credit union for the time being;
- (e) “directors”, unless the context otherwise requires, means the board of directors of the credit union;
- (f) “Electronic Transactions Act” means the Electronic Transactions Act of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (g) “Financial Institutions Act” means the Financial Institutions Act of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto.

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

RULE 1 – MEMBERSHIP

- 1.1 **Application of 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.
- 1.2 **Withdrawal or Termination of Membership** - A member may withdraw from membership, and the membership of any person may be terminated, in accordance with the Credit Union Incorporation Act.
- 1.3 **Member in Good Standing** - A member in good standing is a member, including a junior member, who, at the date on which good standing is determined:
 - (a) has purchased, paid for and holds the number of Class “A” Membership Equity shares required by these Rules;
 - (b) is not more than 90 days delinquent in any obligation to the Credit Union or its insurance subsidiary; and

- (c) has not had any obligation written off by the Credit Union or its insurance subsidiary in the last seven years, which obligation remains unpaid, whether the obligation was incurred as principal debtor, covenantor, guarantor, indemnitor or otherwise.

1.4 **Policies for Purchase, Payment, Redemption, and Ownership of Shares** - Subject to the provisions of the Credit Union Incorporation Act that specify the minimum number of membership shares for which a member must subscribe and pay, the directors may establish policies to waive or delay purchase, payment, redemption, and ownership in whole or in part of equity shares as required by these Rules.

RULE 2 – SHARES AND DEPOSITS

2.1 **Withdrawal and Redemption Forms** - The directors may determine the forms by which a person may withdraw monies on deposit or request redemption of shares.

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

2.3 **Class 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” Transaction Equity Shares; Class “C” Voluntary Equity Shares; and Class “D” Non-Equity Shares.

2.4 **Par Value** - All shares shall have a par value of One Dollar (\$1.00) each.

2.5 **Resolution of Directors to Redeem or Purchase Shares** - Subject to the Credit Union Incorporation Act and these Rules, the credit union may, by resolution of the directors, redeem or purchase any of its shares.

2.6 **Manner of Redemption or Purchase** - If the credit union proposes, at its option, to redeem some but not all of the shares of any class, the directors may, subject to the special rights and restrictions attached to such class of shares, decide the manner in which the shares to be redeemed shall be selected.

2.7 **No Guarantee** -

- (a) 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.
- (b) Monies invested in Class “D” Non-Equity Shares issued by the credit union on or after January 1, 2020, and dividends thereon shall not be guaranteed by the fund

administered by the Credit Union Deposit Insurance Corporation of British Columbia.

2.8 **Class "A" Shares** - Class "A" Membership Equity Shares have attached thereto the following rights and restrictions:

- (a) ownership, assignment, transfer and issue of Class "A" Membership Equity Shares is limited as set out in the Credit Union Incorporation Act;
- (b) subject to the Credit Union Incorporation Act, the credit union shall redeem the Class "A" Membership Equity Shares held by a member if:
 - (i) the member is a natural person and dies, subject to Rule 2.21 and subject to any contrary instruction of the personal representative of the deceased member to transfer the shares to a person entitled to hold the same pursuant to the Credit Union Incorporation Act and these Rules;
 - (ii) the member is an incorporated company and is dissolved or wound up;
 - (iii) the credit union terminates the membership of the member;
 - (iv) the member withdraws from membership in the credit union;
 - (v) the member is a partnership or unincorporated association which dissolves; or
 - (vi) the member, in any other case, ceases to be a legal entity according to the statute by or pursuant to which it was created.
- (c) Subject to the Credit Union Incorporation Act, the credit union may redeem the Class "A" Membership Equity Shares held by a member on such terms and conditions and at such times as the directors, in their discretion, resolve.
- (d) Notwithstanding 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.
- (e) Any redemption or purchase of Class "A" Membership Equity Shares shall be at par value plus any dividends declared but unpaid thereon.
- (f) No fractional Class "A" Membership Equity Shares shall be issued. Any Class "A" Membership Equity Share shall be issued as fully paid, inclusive of dividends, rounded down to the next dollar value.

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

- (a) Class "B" Transaction Equity Shares may only be issued to a member of the credit union.
- (b) Subject to the Credit Union Incorporation Act, the credit union may, but shall not be required to redeem the Class "B" Transaction Equity Shares held by a member if all indebtedness of the member to the credit union has been fully paid and discharged and:
 - (i) the member is an individual and dies, subject to Rule 2.21;
 - (ii) the member is an incorporated company and is dissolved or wound up;
 - (iii) the member is a partnership or unincorporated association which dissolves;
 - (iv) the member, in any other case ceases to be a legal entity according to the stature by or pursuant to which it was created; or
 - (v) the member requests, in writing, that the Class "B" Transaction Equity Shares be redeemed.
- (c) The credit union may redeem any Class "B" Transaction Equity Shares held by a member on such terms and conditions and at such a times as the directors, in their discretion, resolve.
- (d) Notwithstanding the foregoing, but subject to the Credit Union Incorporation Act, the amount of Class "B" Transaction 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.
- (e) Any redemption or purchase of Class "B" Transaction Equity Shares shall be at par value plus any dividends declared but unpaid thereon.

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

- (a) The credit union may redeem any Class "C" Voluntary Equity Shares on such terms and conditions and at such times as the directors, in their discretion, resolve.
- (b) Any redemption or purchase of Class "C" Voluntary Equity Shares shall be at par value plus any dividends declared but unpaid thereon.
- (c) No fractional Class "C" Voluntary Equity Shares shall be issued. Any Class "C" Voluntary Equity Share shall be issued as fully paid, inclusive of dividends, rounded down to the next dollar value.

- 2.11 **Class “D” Shares** – Class “D” Non-Equity Shares have attached thereto the following rights and restrictions;
- (a) The credit union or member may redeem any Class “D” Non-Equity Shares;
 - (b) Any purchase or redemption of Class “D” Non-Equity Shares shall be at par value plus any dividends declared but unpaid thereon.
 - (c) No fractional Class “D” Non-Equity Shares shall be issued. Any Class “D” Non-Equity Share shall be issued as fully paid, inclusive of dividends, rounded down to the next dollar value.
- 2.12 **Evidence Required for Redemption** - The credit union may require evidence as to the events described in Rule 2.8 or 2.9 before redeeming equity shares.
- 2.13 **Membership Share Requirements** - As a condition of membership, each member of the credit union shall subscribe, fully pay for, and hold five (5) Class “A” Membership Equity Shares.
- 2.14 **Date Rule 2.13 In Force** - Subject to Rule 2.20, Rule 2.13 shall come into force and effect on a date stated in a notice given to all members of the credit union, which date shall be not less than thirty (30) days following the date on which the notice is deemed to have been received by the members.
- 2.15 **Change in Membership Share Requirements** - The directors may, by resolution, determine that the number of Class “A” Membership Equity Shares required to be owned by a member shall be increased, PROVIDED THAT:
- (a) the directors may not determine that the total number of Class “A” Membership Equity Shares required to be owned by a member shall exceed 1000 Class “A” Membership Equity Shares;
 - (b) on any occasion, the directors may not determine to increase the number of Class “A” Membership Equity Shares required to be owned by more than 100 Class “A” Membership Equity Shares;
 - (c) a determination by the directors pursuant to this Rule may be made no more frequently than once per financial year;
 - (d) a subsequent determination by the directors shall not be made to have effect within six (6) months of the last determination; and
 - (e) subject to Rule 2.20, a determination by the directors pursuant to this Rule shall not be effective until the expiration of not less than ninety (90) days after notice of a determination is deemed to have been received by the members.
- 2.16 **Credit Union May Transfer Deposits to Purchase Membership Shares** - If, on the expiration of not less than 30 days after the deemed receipt of the notice described in

Rule 2.14 or 2.15 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 "C" Voluntary Equity Shares or Class "D" Non-Equity Shares and dividends created thereon in the name of the member so that the member shall hold the number of Class "A" Membership Equity Shares required by Rule 2.13 or Rule 2.15.

- 2.17 **Termination of Membership for Insufficient Share Holdings** - If, on the expiration of the period of notice described in Rule 2.14 or 2.15, 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 "C" Voluntary Equity and Class "D" Non-Equity Shares to permit the purchase of sufficient Class "A" Membership Equity Shares pursuant to Rule 2.16, the directors may terminate that member's membership unless that membership shall terminate in accordance with the Credit Union Incorporation Act.
- 2.18 Intentionally deleted.
- 2.19 **Junior Members** - 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.
- 2.20 **Membership 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 or Rule 2.15 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.
- 2.21 **Joint Ownership** -
- (a) Equity shares may be held jointly, but nothing in this Rule diminishes the number of Class "A" Membership Equity Shares that a member must hold.
 - (b) All jointly held 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 equity share that is jointly held, until the death of the last joint holder.
- 2.22 **Share Certificates** - Where required by applicable legislation, the credit union shall issue share certificates for equity shares, each of which shall state on its face the words "NOT GUARANTEED BY THE CREDIT UNION DEPOSIT INSURANCE CORPORATION."

- 2.23 **Form of Share Certificate** - Every share certificate issued by the credit union shall be in such form as the directors approve and shall comply with the Credit Union Incorporation Act.
- 2.24 **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 and on giving such indemnity as the directors deem adequate, a new certificate shall be issued to the party entitled to it.
- 2.25 **Delivery of Share Certificate** - A share certificate registered in the names of two or more persons shall be delivered to the person first named on the register of members.
- 2.26 **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 any reason for refusing to consent to any such proposed transfer.
- 2.27 **Effective Date of Transfer** - No transfer or assignment of equity shares is effective until the register of members of the credit union is completed, indicating the transfer or assignment.
- 2.28 **Instrument of Transfer Required** - No transfer of equity shares shall be registered unless a proper instrument of transfer has been delivered to the credit union, but an instrument of transfer is not required for the credit union to register a transmission of shares in compliance with the Credit Union Incorporation Act.
- 2.29 **Transfer Registration** - Subject to the Credit Union Incorporation Act, its constitution, and these Rules, the credit union shall, on application of the transferor, or transferee of an equity share, enter the name of the transferee on its register of members.
- 2.30 **Form of Instrument of Transfer** - The instrument of transfer of any equity share shall be in writing in the form, if any, on the back of the credit union's share certificates or any other form that the directors may approve.
- 2.31 **One Class per Transfer Instrument** - If the directors so require, each instrument of transfer shall be in respect of only one class of shares.
- 2.32 **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 the transferor's 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 accompanies the same when tendered for registration.

- 2.33 **Authorization to Transfer** - The signature of the registered owner of any equity shares or of the registered owner's duly authorized attorney on the form of transfer constitutes an authority to the credit union to register the shares specified in the form of transfer in the name of the person named in that form as transferee.
- 2.34 **Credit Union Not Required to Inquire into Title** - Neither the credit union nor any director, officer or agent is bound to inquire into the title of the transferee of those equity shares to be transferred or is liable to the registered or any intermediate owner of those shares, for registering the transfer.
- 2.35 **Transfer on Death or Bankruptcy** - Subject to these Rules and 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 Credit Union Incorporation 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 Credit Union Incorporation Act to hold such share.
- 2.36 **Maximum Share Ownership** -
- (a) A member may subscribe for a maximum of 1000 Class "A" Membership Equity Shares.
 - (b) A member may subscribe for a maximum of 1000 Class "B" Transaction Equity Shares.
 - (c) A member may subscribe for a maximum of 25,000 Class "C" Voluntary Membership Equity Shares.
- 2.37 **Dividends** -
- (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" Transaction Equity Shares, Class "C" Voluntary Equity Shares, or Class "D" Non-Equity Shares.
 - (b) Dividends declared, if any, may, at the discretion of the directors, be at a different rate for different classes of shares.

- (c) Subject to the provisions of the Financial Institutions Act and the Credit Union Incorporation Act, the credit union, or the directors on behalf of the credit union, may pay a commission or allow a discount to any person in consideration of that person subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the credit union, or procuring or agreeing to procure subscription, whether absolutely or conditionally, for any such shares, provided that the rate of the commission and discount shall not in the aggregate exceed the amount permitted by the Credit Union Incorporation Act.

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

RULE 3 – BORROWING AND LENDING

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

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

RULE 4 – DIRECTORS & MANAGEMENT

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. If, for any reason, the terms of the remaining directors will not allow for the expiry of one-third of the directors' terms at each successive annual general meeting, the directors may, by resolution, determine the lengths of terms to be served by directors elected in subsequent elections in such a manner that the board of directors may return as soon as is practicably possible to the normal cycle of one-third of directors' terms expiring at each successive annual general meeting.

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.

4.3 **Terms Determined by Number of Votes** - Where any offices of directors being filled at any election are for different lengths of terms, the term of each person shall be determined in proportion to the number of votes the person receives, the person receiving the greatest number of votes to hold office for the longest term, provided that if there are 2 or more persons having an equal number of votes their election or terms

of office as the case may be shall be determined by lot; but if there is an election by acclamation, the chair of the nominating committee shall either determine the respective terms of the persons so elected or direct that the terms be determined by lot. In the event of a tie the chair of the meeting shall have a second or deciding vote.

4.4 Eligibility for Election as Director - Every member, other than a member disqualified by Rule 4.5, who has been a member in good standing continuously for at least one year prior to the close of nominations, shall be eligible to be nominated for election as a director of the Credit Union.

4.5 Disqualification of Candidates - A person who:

- (a) is a person disqualified from becoming or acting as a director pursuant to the Financial Institutions Act or the Credit Union Incorporation Act;
- (b) is or becomes a paid employee of the credit union or an affiliate of the credit union or the spouse, child, or step-child, of a paid employee of the credit union or an affiliate of the credit union;
- (c) was an employee of the 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
- (d) is an employee, officer or director of a bank, trust 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;

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 a director ceases to be a member in good standing or if a director fails, without being excused, to attend regular meetings of directors for three consecutive months in which meetings are held, that director shall vacate office forthwith.

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

4.7 Nominations Committee - At least one hundred twenty (120) days before an annual general meeting, the directors shall appoint a nominating committee of not less than three members, who shall be natural persons and not junior members, and who may, but need not be directors, provided however, that no director whose term of office is

expiring at the annual general meeting next following the appointment of the committee may serve as a member of the committee.

4.8 **Nominations** - At least ninety (90) days before an annual general meeting, the nominating committee shall:

- (a) notify all members of the credit union that an election of directors is to take place, specifying the number of positions which are to be filled;
- (b) advise all members that, for purposes of being eligible to vote in the election, a person must be a member, other than a junior member, in good standing 90 days prior to the date on which balloting is to commence; and
- (c) invite the submission to it, in writing, for consideration, the names of proposed candidates prior to the date on which nominations shall close which shall be specified in the notice, and which date shall not be less than thirty (30) days from the date of the notice.

4.9 **Number of Nominations per Member** - No member, unless the member is a member of the nominating committee, may nominate more than one (1) candidate in respect of an election of a director or directors.

4.10 **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.

4.11 Intentionally deleted.

4.12 **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

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

4.13 **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:

- (a) place in nomination the names of qualified candidates at least equal to the number of vacancies to be filled in the election;
- (b) place in nomination the names of other candidates nominated in writing by at least three (3) members in good standing of the age of majority;
- (c) inform each candidate of the provisions of these Rules with respect to the conduct of the election and provide to each candidate a copy of the Rules of the credit union and any determinations of the directors relating to elections and the conduct thereof;
- (d) request that each candidate complete the personal information required to be submitted to the superintendent pursuant to the Financial Institutions Act.

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

4.15 **Notice of Election to Members** - Where an election is to be held, the nominating committee shall forward, at least 21 days before the annual meeting, to all members of the credit union entitled to vote:

- (a) advice of the date (or dates) and time(s) during which voting in the election shall take place;
- (b) advice of the place or places at which polling in the election shall take place;
- (c) a photograph, resume and policy statement if submitted by a candidate for election pursuant to rule 4.28;
- (d) clear precise instructions for voting;
- (e) advice of the date (or dates) and times during which voting in election shall take place.

4.16 **Method of Voting** - Voting in an election of directors shall be in person on five (5) business days, ending not less than ten (10) days before the Annual General Meeting at any branch office of the credit union or by electronic means on five (5) business days ending not less than ten (10) before the Annual General Meeting.

4.17 **Appointment of Returning Officer** - The directors may appoint a returning officer.

4.18 **Qualifications of Returning Officer** - A returning officer appointed under Rule 4.17 may, but need not, be a member of the credit union but the returning officer shall not be an employee of the credit union.

- 4.19 **Appointment 60 Days in Advance** - Where a returning officer is appointed, the returning officer shall be appointed at least 60 days prior to the date on which voting in an election is to commence.
- 4.20 **Engagement of Resource Persons** - The nominating committee and, where applicable, the returning officer may engage such other resource persons as the directors and the nominating committee or returning officer agree are required to conduct the election in a proper manner.
- 4.21 **Validity of Ballots** - A completed ballot must contain votes up to, but not more than, the number of persons to be elected and any ballot indicating another intention is void.
- 4.22 **Replacement of Ballots** - If a member who is entitled to receive a ballot does not receive a ballot or loses or destroys the member's ballot before it is cast, then, prior to the close of balloting, on declaration by the member that the ballot was not received or has been lost or destroyed and the member has not cast a ballot in the election, a new ballot shall be made available to that member, together with such information as was provided to other members entitled to vote in that election.
- 4.23 **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:
- (a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration that the member has not previously cast a ballot in the election then in progress;
 - (b) shall obtain all ballots and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be made in a manner that ensures the secrecy of the balloting;
 - (c) shall determine whether a ballot is to be accepted or rejected and, such determination is final and not open to review;
 - (d) following the completion of voting, shall inform the candidates and the Board of Directors of the results; and
 - (e) shall announce at the Annual General Meeting next following the completion of voting, results of the election including the total number of ballots cast and the number of spoiled ballots.
- 4.24 **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.
- 4.25 **When Directors Take Office** - Subject to the Financial Institutions Act, a person elected as a director shall take office at the annual general meeting at which the person was

elected or, if the election results with respect to the election of that person are not determined by the close of the annual general meeting, then as soon thereafter as the results are determined provided that, for the purpose of determining that person's length of term, the person shall be deemed to have taken office at the close of the annual general meeting.

- 4.26 **Campaigning Rules** - The directors, may from time to time, determine the method and manner in which candidates shall be permitted to campaign for election and candidates shall campaign in accordance with the methods and manner as determined by the directors.
- 4.27 **Conduct of Candidates** - No candidate shall interfere with the election process or seek assistance in connection with the election from any employee of the credit union.
- 4.28 **Candidate's Submission** - A candidate may submit a photograph of the candidate, a resume and a statement not exceeding, in the aggregate, two hundred and fifty (250) words, setting forth the candidate's biographical information, occupation, credit union affiliation, experience and qualifications, which statement shall be reviewed by the nominating committee and may be rejected by the committee if the committee considers it to be lacking in good taste, defamatory, injurious to the reputation of the credit union, or if it exceeds two hundred and fifty (250) words.
- 4.29 **Statement of Disclosure** - Every director shall, forthwith after the director's election as a director of the credit union, file with the conduct review committee a statement of disclosure in the form established by the conduct review committee disclosing any conflicts of interest which the director may have.
- 4.30.1 **Representative Regions** - The directors may, by resolution, establish and, from time to time, alter the boundaries of representative regions in which directors must reside in order to be eligible to be directors in a manner that is representative of the geographic areas in which members or classes of members reside; provided, however, all members in good standing who are not junior members may, regardless of the member's residence or location, vote for any candidate in an election of directors.
- 4.30.2 **Number of Directors** -
- (a) The number of directors will be set by resolution of the directors from time to time, but the number will be no fewer than six and no more than eighteen, provided that if the members have been notified that an election is to take place, the directors may not change the number of directors until the results of that election have been determined and the newly elected directors have taken office.

- (b) If the number of directors is reduced to fewer than the number set by the directors pursuant to Rule 4.30.2(a) by death, resignation, disqualification or removal from office or by failure to elect or appoint a director pursuant to these Rules, the remaining directors, save as provided by any other provision of these Rules, shall have the power of the directors until the vacancy or vacancies caused have been filled by appointment or election.
 - (c) Notwithstanding Rules 4.4 and 4.5(d), if the credit union acquires all or substantially all of the assets of another credit union (the “transferring credit union”), the directors may at the time of acquiring the assets of the transferring credit union or within a reasonable period after such time, by directors resolution, appoint as additional directors one or more persons who were directors of the transferring credit union at or prior to the date of the asset transfer and designate their terms of office, and such appointed directors will be in addition to the number of directors set by the directors under Rule 4.30.2(a), provided that the total number of directors of the credit union after such appointment shall not exceed eighteen.
 - (d) Where the term of office of a director appointed pursuant to Rule 4.30.2(c) has expired or where the position becomes vacant prior to the expiration of the term of office, no vacancy will be deemed to exist and the number of directors shall be deemed to have been reduced accordingly.
- 4.31 **Appointment to Fill Vacancy** – Subject to Rule 4.30.2(d), where a casual vacancy occurs among the directors or, for any reason, the office of director is not filled in an election; the remaining directors may appoint a qualified person to fill the vacancy. Any person so appointed shall hold office until the close of the next annual general meeting.
- 4.32 **Number of Directors Less than Quorum** - Where the number of directors of a credit union is reduced below the number fixed by, or pursuant to, Rule 4.38 as the quorum for directors, the continuing directors may act for the purpose of filling the vacancies up to that number, or of summoning a general meeting of the credit union, but for no other purpose.
- 4.33 **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 4.40 may appoint such additional officers as they consider necessary.
- 4.34 **Frequency of Meetings** - The directors shall meet at least 9 times in each year and not less frequently than once in each quarter.
- 4.35 **Calling Meetings** - The chair may call a meeting of the directors at any time and shall, within 14 days of receipt of a written request of three directors, call a meeting of the directors.

4.36 **Notice of Meetings** - A notice may be given to a director either personally, by delivery, courier or by mail posted to the last known mailing address of a director, or, where the director has provided a fax number or electronic mail address, by fax or electronic mail, respectively. A notice sent by mail will be deemed to have been given effected on the 5th day, Saturdays and holidays excepted, following the date of mailing. In proving that notice has been given, it is sufficient to prove the notice was properly addressed and put in a Canadian Government post office receptacle with adequate postage affixed, provided that if, between the time of posting and the deemed giving of the notice, a mail strike or other labour dispute which might reasonably be expected to delay the delivery of such notice by the mails occurs, then such notice will only be effective when actually received.

Any notice delivered personally, by delivery or courier, facsimile, or electronic mail will be deemed to have been given on the day it was so delivered or sent.

It shall not be necessary to give notice of a meeting of directors to any director if such meeting is to be held immediately following a general meeting at which such director shall have been elected or is a 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.

4.37 **Waiver of Notice** - A director may waive, in writing, notice of any past or present meeting of the directors that the director did not receive notice of pursuant to Article 4.36.

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

4.39 **Director with Conflict Counted in Quorum** - A director who is interested, directly or indirectly, in a proposed contract or transaction with the credit union may be counted for the purposes of the quorum required by Rule 4.38.

4.40 **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.

4.41 **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 shall discharge the duties of the chair.

4.42 **Rules of Order** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors may adopt rules of order governing their conduct but,

where no rules are adopted, the current edition of "Robert's Rules of Order Newly Revised" shall be used.

- 4.43 **Meeting by Telecommunication** - 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 by means 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 participating in the meeting must be in British Columbia at the time of the meeting. A director or committee member participating in accordance with this Rule shall be deemed to be present at the meeting and to have so agreed and shall be counted in a quorum therefore and be entitled to speak and vote thereat.
- 4.44 **Consent Resolution** - A resolution, whether or not in counterpart, consented in writing by all directors or all the members of a committee shall be as valid and effectual as if it had been passed at a meeting of the directors or of the committee duly called and constituted.
- 4.45 **Audit Committee** - The directors shall annually elect three of their number as the Audit Committee.
- 4.46 **Investment and Loan Committee** - The directors shall annually appoint an Investment and Loan Committee.
- 4.47 **Conduct Review Committee** - The directors shall annually elect three (3) of their number as the Conduct Review Committee.
- 4.48 **Delegation of Powers** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors may delegate any of their powers to:
- (a) committees consisting of not fewer than three individuals who are such persons as the directors think fit; and
 - (b) to such officer or officers as the directors think fit;
- and may from time to time revoke any such delegations.
- 4.49 **Terms of Reference** - Any committee formed under Rule 4.48 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.
- 4.50 **Committee Proceedings** - The meetings and proceedings of any committee consisting of three or more persons shall be governed by the provisions herein contained for

regulating the meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulations made by the directors under Rule 4.49.

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

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

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

against all costs, charges and expenses, including an amount paid to settle any action or satisfy any judgment, reasonably incurred by the director or officer or person for any civil, criminal or administrative action or proceeding to which the director or officer or person is made a party by reason of being or having been a director or officer of the credit union or corporation if the director or officer of the credit union or corporation acted honestly and in good faith with a view to the best interests of the credit union and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer of the credit union or corporation had reasonable grounds for believing that the director or officer's conduct was lawful.

RULE 5 – GENERAL MEETINGS

5.1 **Date of Annual General Meeting** - The annual general meeting of the credit union shall be held on a date to be fixed by the directors and shall be convened and held in accordance with the provisions of the Credit Union Incorporation Act.

5.2 **Other General Meetings** - Other general meetings may be convened and held in accordance with the provisions of Credit Union Incorporation Act.

5.3 **Multiple Meetings** - The credit union may hold a general meeting, including its annual general meeting, by holding two or more meetings at different times and, if applicable, different places, which meetings together shall constitute a single meeting, if convened and held in accordance with the provisions of the Credit Union Incorporation Act.

5.4 **Electronic Meetings** - 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 an electronic meeting, the notice must contain instructions for attending and participating in the meeting by telephone or other communications medium, including, if applicable, instructions for voting at the meeting.

5.5 **Rules of Order** - Subject to the Credit Union Incorporation Act, a general meeting may adopt rules of order for its conduct, but if no rules are adopted, the current edition of “Robert’s Rules of Order Newly Revised” shall be used.

5.6 **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.

5.7 **Order of Business** - So far as is practical, the order of business at an annual meeting shall be as follows:

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

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

5.9 **Who May Vote** -

- (a) Only a member in good standing who is not a junior member may vote on a resolution.

(b) A member of a credit union who is not an individual may be represented and vote at meetings of the credit union by an individual who meets the requirements of the Credit Union Incorporation Act for such purposes.

- 5.10 **Chair** - The chair or a director designated by the chair shall chair general meetings of the credit union.
- 5.11 **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 be it in-person written ballot or by electronic means.
- 5.12 **No Proxy Voting** - Neither a member nor an auxiliary member shall vote by proxy.
- 5.13 **Member's Proposal** - 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 an annual general meeting, it must be submitted to the credit union in advance in accordance with the Credit Union Incorporation Act; provided, however, this Rule 5.13 does not apply to ordinary resolutions or other matters invited by the chair at an annual general meeting.

RULE 6 – SEAL

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

RULE 7 – ALTERATION

- 7.1 **Special Resolution Required** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the credit union may alter its constitution or these Rules from time to time.

RULE 8 – FINANCIAL YEAR END

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

RULE 9 – SPECIAL RESOLUTIONS

- 9.1 **Special Resolution Voting** - Voting on a special resolution will occur by voting by mail ballot and voting by ballot at a branch office, whichever method the member chooses, and may occur by electronic means if the directors determine to permit voting by electronic means and such means are made available.

9.2 **Notice of Special Resolution** - On any special resolution to be voted on, the directors shall, at least eighteen (18) days prior to the date set for close of voting on the special resolution, provide to all members entitled to vote a notice setting forth:

- (a) such required or permitted information as the directors deem necessary or advisable in connection with the special resolution;
- (b) notice of when voting will take place;
- (c) clear and precise instructions for voting; and
- (d) notice of how a member may access or obtain a ballot.

9.3 **Member Declaration** - Every member desiring to vote on a special resolution shall:

- (a) provide such proof and particulars of membership as the directors or the returning officer, if any, may prescribe; and
- (b) provide a declaration, in the form prescribed by the directors, that the member is a member in good standing and has not previously voted on the special resolution.

RULE 10 - MISCELLANEOUS

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

- (a) where these Rules require the use of documents that are “written”, “in writing” and other similar words, the directors may in their discretion permit the use of documents in such electronic forms as the directors consider desirable in the circumstances, provided that such electronic documents are accessible in a manner useable for subsequent reference;
- (b) where these Rules, the Credit Union Incorporation Act or the Financial Institutions Act require the provision or delivery of documents, the directors may in their discretion permit the provision or delivery of such documents in such electronic form and by such electronic means (including, without limitation, making such electronic documents accessible to the intended recipient by an electronic means notified to the intended recipient) as the directors consider desirable in the circumstances, provided that such electronic documents are accessible by the recipient in a manner useable for subsequent reference and capable of being retained by the recipient in a manner useable for subsequent reference; and

- (c) for the purposes of this Rule 10.1, “document” includes, without limitation, notices, instruments, financial statements, resolutions and ballots.