



## 2020 Board of Directors Nominations & Elections Package



Forms required to be completed and returned to #200-678 Bernard Ave. Kelowna, BC by October 18, 2019 at 4:00 p.m. are:

- Candidates Seeking Nomination Application Form
- Nomination Form
- Consent to Act as a Director
- Code of Conflict & Conflict of Interest
- Personal Information Form (FICOM)

**Additional items required (see Nomination Checklist):**

- Submit a personal biography and resume (in Microsoft Word format with word count)
- Provide a current photograph
- Provide a copy of the Criminal Record Check

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If, after reviewing the 2020 Nominations & Elections Package, you have any questions or concerns about the nominations and elections process, please contact:

Gene Creelman, Senior Vice President, Member & Community Engagement and Corporate Secretary at 300-678 Bernard Ave, Kelowna, BC or at (250) 869-8243 or by email [gcreelman@interiorsavings.com](mailto:gcreelman@interiorsavings.com)

## Information for Nominees

Thank you for your interest in becoming a member of the Interior Savings Board of Directors. The election will take place between early-March to early-April 2020. Members can vote online or by mail ballot. Successful candidates will be announced in mid- April.

This year, there are four positions up for election, each for a three-year term on the 12 person Board.

The 2020 Nominations & Elections Package contains information on the qualifications, roles and responsibilities required of Directors, procedures for submitting your nomination papers, and nomination forms. Candidates are encouraged to familiarize themselves with the Interior Savings Credit Union Rules. A copy is included in these guidelines.

### Governance Committee and Nominations & Election Committee

The Governance Committee is responsible for reviewing the skill set of the current Board of Directors to determine if a skill set gap exists. Based on this, the Nominations & Election Committee's role is to:

- Ensure members are fully informed about the election process
- Oversee the conduct of the Board of Directors election
- Evaluates candidates to ensure they meet the minimum qualifications in place
- Evaluate candidates based on the Election Requirements (*see the Desired Candidate Profile for 2020*).
- Identify and recommend candidates to fill Board vacancies

## Board of Directors Requirements & Responsibilities

Directors of Interior Savings perform a vital role and have both legal and ethical responsibilities. The Board is the main decision making body and is responsible for overseeing the Credit Union operations in accordance with statutory requirements. The Board also acts in a fiduciary relationship to the Credit Union and must act with good faith toward the Credit Union and all members. Directors are not chosen to represent a particular constituency.

Directors have a great deal of responsibility and accountability, but have authority only jointly with other Directors through the actions of the Board. They have a duty to be informed, act with care, diligence and skill, and to conduct Credit Union affairs with honesty and good faith. While the Board exercises all powers of the Credit Union to ensure efficient operations, the Board delegates the management of business affairs to employees of the Credit Union.

The Board of Directors, as a whole, is responsible for:

- Fostering the Credit Union's long term success
- Understanding, reviewing and approving the corporate strategic plan, annual capital and operating plans and budgets, financial statements, and significant corporate actions including mergers, acquisitions and divestitures
- Monitoring performance against budget and strategic plans
- Appointing and evaluating the President and CEO
- Succession planning
- Establishing standards of business conduct and ethical behavior
- Overseeing liquidity, funding and capital management
- Overseeing effective corporate governance

### Interior Savings Credit Union Rules Requirements

- You must have been a member in good standing for at least 12 months prior to the closing date of nominations. A member in good standing is a person who:
  - Maintains a minimum of 5 Membership Equity Shares (\$1.00/share)
  - Maintains at least one account that has had activity anytime in the 18 months prior to the date on which good standing is determined
  - Not be more than 30 days in arrears in any obligation to the Credit Union
- Is 19 years or over
- Is not an employee of the Credit Union, or an immediate family member of an employee of the Credit Union (see Rule 6.3.j)

- You cannot be an owner, partner, employee or Director of any business or organization that is in the same or similar business as or in competition with the Credit Union
- Other standard requirements under the *Credit Union Incorporation Act, Financial Act and Company Act*

## 2020 Desired Candidate Competencies

Any member in good standing can seek nominations to the Board of Directors. Candidates should exhibit a commitment to co-operative values. For 2020, the Board of Directors is seeking candidates with skills, background, and experience in any of the following areas:

- **Technology** - encompasses two types of areas – core system upgrades and the use of technology in operations – e.g., online services, customer management systems, etc.
- **Insurance** – our subsidiaries offer other financial services such as financial planning and insurance. Knowledge of these market sectors with ability to comment and lead discussions regarding the different types of insurance products offered by Interior Savings would be an asset.
- **Finance & Accounting** – a strong financial background as a qualified accountant (CPA) and a strong understanding of the financial underpinnings of the organization.
- **Wealth Management** – similar to Insurance Services, we offer wealth management services. Knowledge of these market sectors with the ability to comment and lead discussions regarding the different types of investment products and protection offered by Interior Savings would be an asset.

Candidates who meet the Desired Candidate Profile and have a successful interview with our Nominations and Elections Committee will be recommended to our membership in the election voting materials.

## Individual Director Requirements & Responsibilities

Directors of Interior Savings Credit Union are expected to bring to the Board a broad range of knowledge, skills and experience including:

- Knowledge and depth of experience in business matters
- Ability to deal with business, financial and corporate issues
- An understanding of the values of the Credit Union and the trade areas and communities it serves

Directors should be fully informed regarding their responsibilities and liabilities as a Director prior to a commitment to service, and be willing to undertake appropriate training and development as may be required or available from time-to-time to members of the Board.

Please note that any member nominated by three members, can seek election regardless of their skillset. The Nomination & Election Committee will interview candidates/nominees. Based on this interview and the candidate's background, skills, and experience, the Nominations & Elections Committee may recommend candidates to the membership.

### Personal Characteristics

Directors of Interior Savings Credit Union need to have the following skills and characteristics:

- You are able to understand complex and detailed financial statements and assess business performance
- You are committed to on-going education
- You have been a credit union member for some time and understand the industry
- You are able to work in a team environment
- You have been on, or are involved in community organizations or service clubs
- You are comfortable with using computers and electronic communication

### Time Commitments

Directors spend approximately 15-20 hours per month on Credit Union business.

Following are some examples of how you will spend this time:

- Board meetings will be held on weekends (Friday and Saturday) five times during the year
- Special Board meetings and committee meetings are scheduled as required
- Regional and provincial meetings
- Annual General Meeting
- Director education
- Studying and evaluating minutes and meeting materials
  - *Reviewing the Financial Institutions Act, Credit Union Incorporation Act, Credit Union Regulations, the Credit Union Rules, and policies and information about Central1 and the Canadian Credit Union Association (CCUA)*
- Reviewing current affairs and market information that may affect the Credit Union

## Director Training

As an elected Director, you will need to:

- Take courses and workshops through the Credit Union Director Achievement Program. During your first year, it is mandatory that you complete the “Foundations of Governance” (Level A) course delivered by CUSOURCE Knowledge Network. This component of the CUDA Program consists of seven online modules and a one-day workshop “Foundations of Governance in Theory and Action”.
  - Overview of the credit union system
  - Board’s role and responsibilities
  - Directors’ roles and responsibilities
  - Legal basics
  - Financial statements
  - Monitoring credit union performance
  - Asset and liability management
- During your term as Director, there will be other workshops you will need to attend:
  - Accountability and risk oversight (1 day workshop)
  - Strategy: planning and oversight (1 day workshop)
  - Board development and performance evaluation (1/2 day workshop)
  - Management recruitment, performance planning and evaluation (1/2 day workshop)
  - The role of the Audit Committee (1/2 day workshop)
  - Credit: policy and monitoring (1/2 day workshop)
- Each Director is also expected to become familiar with:
  - Interior Savings Rules and mission, vision and values
  - The *Credit Union Incorporation Act*
  - The *Company Act and Business Corporations Act*
  - The *Financial Institutions Act*, including but not limited to sections 97-112 which pertain to Director duties and responsibilities
  - Other resource materials as needed

## Meetings Attendance and Preparation

As a Director, you will:

- Arrange your personal and business affairs to enable you to regularly attend meetings of the Board and its committees and adhere to the Board Attendance Standards Policy
- Be responsible for reviewing all meeting materials prior to attending meetings
- Fully disclose any information whereby you may be in conflict of interest
- When making decisions, you must act in good faith and exercise honest business judgment after due consideration of what you reasonably believe to be relevant factors

## Board of Directors Elections Process and Timing

Candidates should carefully review the Board of Directors Requirements & Responsibilities and the Desired Candidate Competencies. Candidates will be interviewed by the Nominations & Election Committee either before or after the close of nominations. Candidates are required to participate in the interview if you wish to be considered as a “recommended” candidate.

Interviews with new candidates and incumbents will be held on:

- October 23, 2019 between 9:00 a.m. to 4:00 p.m.
- If there are a number of candidates, then interviews may also be held on October 22, 2019 between 9:00 a.m. to 4:00 p.m.

Candidates will be evaluated and may or may not be recommended. If the candidate is recommended, this will be indicated in the election materials. If candidates are not recommended, they may continue to stand for election or choose to withdraw their name.

Potential candidates for membership on the Board will not be denied consideration by reason of race, colour, ancestry, place of origin, marital status, family status, age (provided the candidate is over 19 years of age), sex or sexual orientation, or religion, nor will any candidate be selected solely for such reason.

### Positions Up For Election

In 2020, four positions on Interior Savings’ 12-person Board are up for election, each for a 3-year term.

In 2020, three incumbents have indicated they plan to seek re-election to the Board.

The term of office for a Director is three years, unless the election is to replace a Director who cannot complete his/her term. The maximum number of successive terms a Director can be elected to is four terms.

### **Nominations Deadline**

All nominations must be received by the Nominations & Election Committee at the Interior Savings Credit Union Corporate Office (200-678 Bernard Avenue, Kelowna, BC V1Y 6P3) no later than 4:00 p.m. October 18, 2019. Only original forms with original signatures will be accepted. Delivery by fax, email, or to a branch office will not be accepted.

## Board of Directors Election Campaign Policy

There is no public campaigning permitted by candidates. Candidates can gain support through their biography and photograph which will be included in the package sent to Interior Savings members along with the voting ballot. This is in keeping with the spirit and culture of Interior Savings Credit Union, and supports a fair and equitable election.

Interior Savings will create content on its corporate website for the election which will include information on nominated candidates. In addition, Interior Savings may create an election presence using Facebook to share information on the election and the nominated candidates.

The Rules of the Credit Union give the Nominations & Election Committee authority to deal with candidates who campaign publicly:

Rule 6.17: "... A candidate who, in the opinion of the Election Committee, breaches the campaign regulations shall be disqualified as a candidate and no vote cast in favour of that candidate shall be counted in the tally of ballots..."

Examples of prohibited campaigning include:

- newspaper, radio, social networks, and other media forms of public advertising
- pamphlet distribution
- mass telephone or electronic solicitation
- any form of public campaigning

### Candidate Biography Recommendation

The Nominations & Elections Committee recommends that you provide a brief personal biography that focuses on related experience, education, skills, and competencies required to be on the Board of Directors.

All biographies must be received in Microsoft Word format with the word count function enabled. PDFs will not be accepted. Candidates can also choose to submit a short video for publication on the voting website. You will be contacted about video requirements after your nomination package has been received by the credit union.

Candidates will be sent the final copy of the mail ballot package and website version for review prior to going to print. Limited timelines may require a quick response.

## Election Procedures

If the number of qualified nominees is less than or equal to the number of offices to be filled, the validated nominees shall be declared elected by acclamation.

If the number of qualified nominees exceeds the number of offices to be filled, an election will be held. This election information will include biographies, statements, videos, and photographs submitted by the nominees and approved by the Nominations & Election Committee, and the telephone number and email address (where applicable) where members can contact the nominee. This information will be available on an election website or hard copies can be picked up at a branch.

Incorporated businesses and non-profit associations must appoint an individual to vote so they will be required to vote by mail ballot. These organizations will be provided a notice explaining they need to request a mail voting package that includes biographies, statements and photographs submitted by the nominees and approved by the Nominations & Election Committee, and the telephone number and email address (where applicable) where members can contact the nominee.

Personal, incorporated businesses and non-profit associations can request a voting package by phone, email or by picking one up at a branch.

Balloting will take place by electronic and mail ballot.

Nominees, followed by the Board of Directors, and all members shall be informed of the election results immediately following the ballot count. Election results will also be announced at the Annual General Meeting.

### **2019-2020 Timeline**

Deadline for receiving nomination	October 18, 2019
Candidate interviews	October 22 & 23, 2019
Voting packages and instructions provided to all members	Early March 2020
Deadline for return of ballots and end of voting period	April 6, 2020
Votes tabulated and nominees contacted	April 9, 2020
Annual General Meeting	May 12, 2020

## FORMS SECTION

The forms sections must be completed, printed, signed and returned no later than 4:00 p.m. on October 18, 2019 to:

Interior Savings Credit Union Corporate Office  
200-678 Bernard Ave  
Kelowna, BC V1Y 6P3

***Only original forms with original signatures will be accepted.  
Delivery by fax, email, or to a branch will not be accepted.***

## Nominations Checklist

To run as a candidate for the Interior Savings Credit Union Board of Directors, you must:

- Be a member in good standing of Interior Savings Credit Union for at least 12 months prior to the closing date of nominations
- Submit an Application for Candidates Seeking Nomination to the Board of Directors
  - All Nominators must also be members in good standing of Interior Savings Credit Union
- Commit to comply with the Director's Code of Conduct and Conflict of Interest Policy
- Submit the Consent to Act as a Director form
- Submit a brief personal biography in Microsoft Word document (including word count)
  - This will be published in the voting package provided to the Interior Savings members
  - Must be written in the first person
  - May include personal and family information, credit union history, community services, work experience and a policy statement
  - The biography will be review by the Nominations & Elections Committee and may be rejected if considered it to be found lacking in good taste, defamatory, or injurious to the reputation of the Credit Union
  - Must include a telephone number and email address where members may contact you concerning your nomination
- Provide a current photograph to be included in the voting package provided to Interior Savings Credit Union members
  - Your photograph must be printed on photo quality paper or provided in electronic format on DVD or CD.
- Complete the FICOM Personal Information Return
- Include a copy of the Criminal Record Check
- Consent to Bankruptcy & Insolvency Check

## Candidates Seeking Nomination Application Form

### Personal Information:

Name:	
Account Number:	Home Branch:
Home Address:	
Mailing Address: (if different from above)	
Telephone:	Mobile:
Email:	
SIN:	Date of Birth:

### Educational Background (not required if on resume):

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### Brief Employment History (not required if on resume):

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Current Employer: \_\_\_\_\_ Position: \_\_\_\_\_

### List any current or past involvement with a credit union:

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### Business/Financial Experience:

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## Nomination Form

To be eligible for nomination, you must be nominated by at least three (3) adult members who are in good standing and a member in their own right, with Interior Savings Credit Union. Each of the three nominating members must hold a personal account for at least one (1) year, with Interior Savings Credit Union.

We hereby nominate (*please print*) \_\_\_\_\_ for the position of Director on the Board of Interior Savings Credit Union.

### FIRST NOMINATOR

Name (Please Print)			
Address			
Telephone #		Email	
Membership #		Branch	
I confirm that I have a personal account with Interior Savings Credit Union and have been a member in good standing for at least one (1) year or longer: YES / NO			
Signature			

### SECOND NOMINATOR

Name (Please Print)			
Address			
Telephone #		Email	
Membership #		Branch	
I confirm that I have a personal account with Interior Savings Credit Union and have been a member in good standing for at least one (1) year or longer: YES / NO			
Signature			

### THIRD NOMINATOR

Name (Please Print)			
Address			
Telephone #		Email	
Membership #		Branch	
I confirm that I have a personal account with Interior Savings Credit Union and have been a member in good standing for at least one (1) year or longer: YES / NO			
Signature			

By accepting the nomination for Director, the nominee agrees to abide by the campaigning guidelines as outlined in the Interior Savings Credit Union Nominations Kit. (Page 11)

#### Nominee's Acceptance

I hereby accept the above nomination for a position on the Board of Directors of Interior Savings Credit Union. I am aware of the Directors' Conflict of Interest and Code of Conduct guidelines. I will complete a Personal Information Return for submission to the Superintendent of Credit Unions. I have included my Consent to Act as a Director form, personal statement, my biography and a recent photograph that will be published by Interior Savings Credit Union and provided to members prior to the Board of Directors election.

I certify that the information provided in this application and on related attachments is true and complete to the best of my knowledge. I understand and agree that Interior Savings Credit Union may at any time take such steps as it sees fit to verify the information provided. I understand and agree Interior Savings Credit Union may perform reference, criminal record, bankruptcy, insolvency and credit checks as required.

Nominee's name: \_\_\_\_\_

Nominee's signature: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Membership #: \_\_\_\_\_

Branch: \_\_\_\_\_

Date: \_\_\_\_\_

Email address: \_\_\_\_\_

Telephone # where members can contact nominee: \_\_\_\_\_

Social Insurance Number: \_\_\_\_\_

Please forward this completed applications, along with a current resume, and all other items listed on the Checklist to the Nominations & Election Committee, Interior Savings Credit Union, 200-678 Bernard Avenue, Kelowna BC V1Y 6P3 no later than 4:00 p.m. on October 18, 2019. Only original forms with original signatures will be accepted. Delivery by fax, email, or to a branch office will not be accepted.

## Consent to Act as a Director

I, the undersigned candidate for election as a Director of Interior Savings Credit Union, acknowledge and do hereby certify that:

1. At least 12 months prior to the closing date of nominations, I was a member in good standing of the Credit Union and was of the full age of nineteen (19) years.
2. I am neither an employee of Interior Savings Credit Union, a subsidiary of the Credit Union, or an associated corporation in which the Credit Union holds share.
3. I am neither a spouse, parent, stepparent, child, stepchild, mother-in-law, father-in-law, daughter-in-law, or son-in-law of an employee of Interior Savings Credit Union, a subsidiary of the Credit Union, or an associated corporation in which the Credit Union holds shares.
4. I am neither an employee, officer, Director, or representative of; or the spouse of an employee, officer, Director or representative of: another credit union, bank, trust company, loan company, savings and loan association, deposit taking institution, insurance company or agency, stock brokerage or investment dealer, or any other firm, association, syndicate, company, corporation or other business enterprise engaged in, 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 the subsidiaries except where the Directors determine, by resolution, that the person serve as Director.
5. I have not been an employee of the Credit Union, a subsidiary of the Credit Union, or any associated corporation in which the Credit Union holds shares at any time during the 2 year period immediately before such election or proposed appointment.
6. I am not an employee of the Credit Union Deposit Insurance Corporation of BC, an auditor of a credit union, or a public servant concerned by your duties with the affairs of a credit union.
7. I acknowledge that no person may hold office as a Director of a credit union if he or she:
  - a. Under the age of 19 years;
  - b. Found to be incapable of managing his/her own affairs by reason of mental infirmity;
  - c. A corporation;
  - d. An undischarged bankruptcy;
  - e. Unless the court orders otherwise, convicted in or out of British Columbia or elsewhere of an offense:
    - i. In connection with the promotion, formation or management of a corporation; or,
    - ii. Involving fraud unless 5 years has elapsed since the expiration of a period fixed for suspension on the passing of sentence without sentencing or since a fine was imposed, or the term of imprisonment and probation imposed by this paragraph ceases on a pardon being granted under the Criminal Records Act (Canada); or,



- f. In the case of reporting company, a person whose registration in any capacity has been cancelled under:
  - i. The Securities Act by either the British Columbia Securities Commission or the executive Director; or,
  - ii. The Mortgage Brokers Act by either the Commercial Appeals Commission or the registrar unless the commission, the executive Director or the registrar, whichever is applicable, otherwise orders, or unless 5 years have elapsed since the cancellation of the registration.
  
- 8. I am eligible to be insured as required under the *Financial Institution Act* and the Credit Union Deposit Insurance Corporation Master Bond.
- 9. I will comply with the Election Guidelines established by the Interior Savings Credit Union.
- 10. Except as expressly permitted by the Governance Committee, I will not campaign for the Board of Directors election.
- 11. I will not interfere with or seek assistance in connection with the election from an employee of the Credit Union.
- 12. If elected, I will observe and comply with the Conflict of Interest Policy, Conflict of Interest Statement, and Code of Ethics for Directors.
- 13. If elected, I will comply with the Credit Union Incorporation Act with respect to training.
- 14. I know of no reason why I may not hold office as a Director of the

Credit Union.

DATED at \_\_\_\_\_, British Columbia this \_\_\_\_\_ day of

\_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Candidate's Name (Please print)

\_\_\_\_\_  
Candidate's Signature

## Code of Conduct and Conflict of Interest

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### **Purpose of Policy:**

The Code of Conduct provides guidelines to assist in defining the culture and code of conduct that Interior Savings Credit Union must consistently maintain in order to ensure a high standard of ethical, moral and legal conduct in all business practices.

### **Authorities:**

The policy is written and administered under the authority of the Board of Directors and delegated to the Governance & Conduct Review Committee.

### **Measures:**

Directors and Employees are provided with direction, advice and a vehicle through which to disclose conflicts of interest which might negatively impact upon their ability to represent the Credit Union.

### **Reporting:**

Each Director and officer - or any other employee at the direction of the President & CEO - shall annually complete, execute and return a Conflict of Interest Statement to either the Chair of the Governance & Conduct Review Committee or the President & CEO, as dictated by the terms of this policy.

### **Governance Responsibility for Oversight:**

The responsibility for oversight rests with the Governance & Conduct Review Committee. The complete Code of Conduct document is attached as Appendix "A".

### **Management Responsibility:**

The President & CEO is charged with the responsibility of managing this policy for employees. In addition, Human Resources is responsible for ensuring that all employees are aware of the policy contents by including it in the annual sign-off process. Human Resources is also responsible for ensuring the policy is sent forward for review annually or whenever a change in legislation or best practices dictates a change in policy content.

Committee approval date: November 2018

Board approval date: November 2018

Next Review date: September 2019

**1. BACKGROUND**

Interior Savings Credit Union expects its employees to maintain behaviour which is ethical, moral and legal in all business practices.

**2. SCOPE**

The Code of Conduct applies to the Board of Directors and all employees of Interior Savings Credit Union and its subsidiaries.

**3. POLICY**

The transactions in which Interior Savings Credit Union engages are diverse, multi-faceted and increasingly complex. It is not possible to state a set of rules that would codify proper behaviour in every situation. Interior Savings Credit Union is a quasi-public organization in which an important contribution is made by Directors who, in turn, rely upon the technical and professional advice and recommendation of employees.

To provide assistance and direction, guidelines have been developed which, when looked at in total, define the philosophy and code of conduct that the Interior Savings Credit Union must consistently maintain and which is relevant to all situations. It is imperative that a high standard of ethical, moral and legal conduct be evidenced in all business practices.

It is anticipated that Directors and employees of Interior Savings Credit Union may from time to time pursue personal and private business interests and ventures and participate in other forms of decision-making organizations. In doing so, it is the responsibility of each individual to remove any uncertainty that might develop or exist with respect to the applicability of this code of conduct. Employees are encouraged to obtain specific clarification from their supervisor or the President and CEO who will in turn, as the circumstances require, seek direction and guidance from the Board's Governance & Conduct Review Committee.

**4. PROCEDURES**

Where, in the opinion of either the President and CEO or the Governance & Conduct Review Committee, a conflict of interest exists, or may be expected to arise in a certain situation, or an appearance of a conflict exists, the employee, when requested to do so by the Governance & Conduct Review Committee or the President and CEO, shall so dispose of any ownership, interest or profit participation or become disassociated from the interest, venture or organization as may be directed.

This code of conduct shall in no way relieve any Director, officer or employee from complying with any laws, statutes, regulations, by-laws, rules or specific instruction of Interior Savings Credit Union.

- a) Each Director, officer and employee must use utmost care and discretion in the handling of confidential or privileged information coming to them by reason of the directorship; office or employment and such information shall not be used for personal benefit or for the benefit of family, friends or associations.

In this regard, employees are not permitted to bid upon assets foreclosed upon or repossessed by Interior Savings Credit Union,

- b) Each employee owes primary business loyalty to Interior Savings Credit Union and must avoid engaging in any private or personal business interest which may conflict with the duties and responsibilities owed to Interior Savings Credit Union. An employee must avoid any business or other interest outside Interior Savings Credit Union, which creates:
  - i. excessive demand upon time and effort of the employee and thereby depriving Interior Savings Credit Union of an employee's best effort on the job;
  - ii. a conflict of interest in the form of an obligation, interest, distraction or participation which would interfere with the independent exercise of judgement and efforts in Interior Savings Credit Union's best interests.
- c) Each Director, officer and employee who participates in any transaction either as an individual or as a member of another organization which is of the kind of transaction in which Interior Savings Credit Union engages, unless otherwise excused by the Governance & Conduct Review Committee, shall promptly disclose such participation. In the case of employees, such disclosure shall be made to the Board Chair. In the case of a Director or the Board Chair, such disclosure shall be made to the Governance & Conduct Review Committee.
- d) If an employee accepts a position as a Director of a corporation, including those registered under the Society Act, they will immediately advise their branch or department manager of doing so. The branch or department manager will in turn advise the President & CEO who will have a notation placed in the employees personnel file noting such Director appointment. Reference is also made to Chapter XVIII, #7 of the employee handbook (Proprietary Information).
- e) Each Director, officer or employee who has any material direct or indirect ownership, interest, or profit participation in outside business enterprises who have or may have dealings with Interior Savings Credit Union shall disclose such interest in writing. In the case of employees who are not officers, disclosure shall be made to the President and CEO, and in the case of a Director, an Officer, the

Chairperson or President and CEO, to the Governance & Conduct Review Committee.

- f) No Director, Officer or Employee shall accept any gift or hospitality of material value offered or tendered by virtue of the Director's, officer or employee's position with Interior Savings Credit Union. While costly gifts and hospitality are never to be accepted, it should be borne in mind that materiality may be determined not only by costliness, but by circumstances surrounding the giving and acceptance.
- g) Each Director, Officer and employee shall annually complete, execute and return a "Conflict of Interest" statement on a confidential basis – in the case of employees, to the President and CEO, and in the case of Directors and the President & CEO, to the Governance & Conduct Review Committee.
- h) No Director, Officer or Employee can process transactions of any type on their own accounts, or family member's accounts or any member that they have a significant relationship or outside business dealing with. No Director, Officer or Employee shall participate in any transaction using their own personal accounts or other sources of personal monies as part of, or to complete a transaction for a member.

## **5. EXEMPTION FROM DISCLOSURE OF INTEREST**

So long as each Director, officer and employee of Interior Savings Credit Union complies in other respects with the code of conduct and conflict of interest policies adopted, Interior Savings Credit Union shall excuse such Director, officer or employee from the requirement to make disclosure pursuant to Item 3 of that code of conduct with respect to the following transactions:

- a) The purchase from and disposal (to other than Interior Savings Credit Union), of real and personal property held for the benefit and enjoyment of the Director, officer or employee and his or her family, including personal residences and vacation homes, automobiles and other personal effects and any security taken or held in connection with such disposal.
- b) Investments in
  - i. deposits with savings institutions;
  - ii. recognized savings plans administered by a trustee, other than the Director, officer or employee including registered retirement savings plans, registered retirement income funds, registered education savings plans, and similar plans recognized for investment planning;
  - iii. the bonds, debentures and other evidences of indebtedness of the Government of Canada, any Province or Municipality or public body or any religious or charitable organization of which the Director, officer or employee is a bona fide member;

- iv. the shares and debt obligations of savings institutions and other recognized financial institutions and of corporations which do not have or to the knowledge of the Director, officer or employee do not contemplate obtaining credit from or having business dealings with Interior Savings Credit Union.
- c) Borrowings, where such borrowing is for the personal or business needs of the Director, officer or employee or a member of his or her family, provided that where the borrowing from a credit union is not secured in accordance with the regular lending policies of that credit union, this excusal shall not apply.

Employees are expected to keep their financial affairs in order so that the Credit Union will not become involved in or embarrassed by any creditor action. Failure to do so may be considered cause for termination of employment.

## **6. ANNUAL STATEMENT COMPLETION**

Each Director and officer, and any other employee at the direction of the President and Chief Executive Officer, shall annually complete, execute and return a Conflict of Interest Statement (attached as Schedule "A") in a form prescribed by the Board of Directors, in the case of employees to the President and Chief Executive Officer and in the case of Directors and the President and Chief Executive Officer to the Chairperson of the Governance & Conduct Review Committee on a confidential basis.

Each Director shall also annually execute the Director's Code of Conduct Statement (attached as Schedule "B") and return it to the Chair of the Governance & Conduct Review Committee.

**Schedule "A"**

**DIRECTOR/EMPLOYEE STATEMENT - CONFIDENTIAL**

TO: INTERIOR SAVINGS CREDIT UNION

A. CODE OF CONDUCT & CONFLICT OF INTEREST STATEMENT

I have read Interior Savings Credit Union's Code of Conduct and hereby declare that I (initial each clause):

- \_\_\_ have not used and will not use for personal benefit or for the benefit of family, friends or associates, information not normally available to the public which has or may come to me by reason of my being a Director or employee of Interior Savings Credit Union;
- \_\_\_ have no interest in any private or personal business which may conflict with the duties and responsibilities owed to Interior Savings Credit Union by virtue of my being a Director or employee of Interior Savings Credit Union;
- \_\_\_ do not have any material direct or indirect ownership, interest or profit participation in outside business enterprises which have, or are contemplating having dealings with Interior Savings Credit Union;
- \_\_\_ have not accepted, and will not accept any gift or hospitality of material value offered or tendered by virtue of my position as a Director or employee of Interior Savings Credit Union;

with the exception(s) of:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

operate as power of attorney on the following accounts:

account #	principal(s)
_____	_____
account #	principal(s)
_____	_____
account #	principal(s)
_____	_____

**B. HARASSMENT POLICY & E-MAIL/INTERNET POLICY**

I certify that I have read Interior Savings Credit Union's Harassment Policy, and E-mail/Internet Policy and agree to act in accordance with them. I understand that any breach of the provisions may be cause for dismissal or other disciplinary actions, including reimbursement of any losses to Interior Savings Credit Union attributable to my actions.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Branch: \_\_\_\_\_

Date: \_\_\_\_\_

# Interior Savings

A Director, in discharging the office of Director of Interior Savings Credit Union, shall

1. act honestly, in good faith and in the best interests of the Credit Union;
2. exercise the care, diligence and skill of a reasonably prudent person under comparable circumstances;
3. take into account the interests of members, depositors and those to whom the Directors owe a fiduciary duty;
4. keep informed of the policies, business and affairs of the Credit Union and of the statutes and rules to which the Credit Union is subject and by which it is governed;
5. deal with fellow Directors, officers and employees of the Credit Union openly, honestly and in good faith;
6. make available to, and share with, fellow Directors and officers of the Credit Union all information as may be relevant and properly disclosed to ensure the proper conduct and sound operation of the business and affairs of the Credit Union;
7. treat in confidence all matters and information involving the Credit Union, its board of Directors, its committees, its employees and its members, and not disclose the same where it is not in the public record or domain unless required by law or unless sanctioned by the board of Directors to do so;
8. not enter into any transaction in which the Director makes use of confidential information in order, directly or indirectly, to obtain a benefit or advantage for the Director or anyone else, other than the Credit Union or a subsidiary thereof;
9. ensure that the policies of the Credit Union adopted by the board of Directors are accurately and clearly communicated to the employees of the Credit Union, as necessary, to ensure that the actions and conduct of the business and affairs of the Credit Union are conducted and carried out in accordance with those policies;
10. comply with the Conflict of Interest Policy for Directors in effect from time to time and with any other rule of law respecting the duties and responsibilities of Directors, generally;
11. remain a member in good standing including any related parties as defined in the Financial Institutions Act and not be in default of account obligations more than 2 times in any 12 month period.
12. request such information through the board of Directors from officers and employees of the Credit Union as may be necessary to permit the full discharge of the duties of a Director and ensure that accurate records, minutes and memoranda are maintained with respect to the conduct and discharge of the business of the Credit Union.

I acknowledge that I have read and considered the Code of Conduct for Directors of the Credit Union and agree to conduct myself as a Director in accordance with and to abide by the Code of Conduct. If I shall be found by my fellow Directors to have been in default of the Code of Conduct or to have acted contrary to the Code, I may be subject to sanctions by my fellow Directors including, without limitation, a request for my resignation from my office as Director.

I further acknowledge that the duties and responsibilities contained in the Code of Conduct are in addition to any other duties or responsibilities imposed by law upon a Director of the Credit Union and that the Code of Conduct shall in no way relieve me from complying with any such law or with any rule or policy of the Credit Union.

# *Interior Savings*

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_



## FICOM – Personal Information Return

The Financial Institutions Commissions (FICOM) requires directors or seniors officers of British Columbia provincially regulated financial institutions to submit a completed Personal Information Return (PIR) form with the following documents:

- a current resume;
- a bankruptcy and insolvency report; and (which will be completed by the Credit Union on your behalf)
- a criminal record check based on the name and date of birth

Further information on the Personal Information Return form and instructions for completion can be downloaded from the FICOM website at

[http://www.fic.gov.bc.ca/pdf/fid/pir\\_faq.pdf](http://www.fic.gov.bc.ca/pdf/fid/pir_faq.pdf)

The Personal Information Return form can be found at the following link:

[http://www.fic.gov.bc.ca/pdf/FicomForms/FinancialInstitutionsDivision\\_PIR.pdf](http://www.fic.gov.bc.ca/pdf/FicomForms/FinancialInstitutionsDivision_PIR.pdf)

**Please complete, print, and return it with your application package.**

I, \_\_\_\_\_ consent that Interior Savings Credit Union complete a bankruptcy and insolvency check for the purposes of seeking a role on the Interior Savings Board of Directors, which will be forwarded to the Financial Institutions Commission (FICOM) on my behalf.

---

Signature

Date



## APPENDICES



## Financial Institutions Act Part 5 – Related Parties

### *Interpretation and designation of related parties*

- 144** (1) In this Part, a "**related party**" of a financial institution means a person who
- (a) is a Director or senior officer of the financial institution or of the holding company of the financial institution or is acting in a similar capacity in respect of an unincorporated entity that controls the financial institution,
  - (b) ) is a member of a prescribed class of employees of the financial institution or the holding company of the financial institution,
  - (c) owns directly 10% or more of the non-voting shares in the financial institution, not counting any non-equity shares in the case of a credit union,
  - (d) ) owns or controls, directly or indirectly, 10% or more of any class of voting shares in the financial institution,
  - (e) ) is a sole practitioner who is an auditor of the financial institution,
  - (f) ) is actively engaged in auditing the financial institution and is a partner in a partnership that is an auditor of the financial institution,
  - (g) is the spouse of an individual who is a related party under paragraph (a), (b), (c), (d) or (j) or under subsection (2),
  - (h) ) is a child who is less than 18 years of age of an individual who is a related party under paragraph (a), (b), (c), (d) or (j) or under subsection (2),
  - (i) is a corporation in which a person who is a related party under paragraph (a), (b), (c), (d) or (j) or under subsection (2) has or controls, directly or indirectly, more than 50% of the votes that are attached to the outstanding voting shares of the corporation and that may be cast in the election of the Directors, or
  - (j) is designated under subsection (3) as a related party,
- but does not include,
- (k) when used in relation to a credit union, a central credit union or an entity that is designated by regulation, or

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- (l) when used in relation to a central credit union,
  - (i) a member of the central credit union,
  - (ii) a cooperative credit society incorporated under the *Cooperative Credit Associations Act* (Canada), or
  - (iii) an entity that is designated by regulation, and a member or shareholder of that entity.
- (2) An individual who, having been a related party under subsection (1) (a), (b), (c), (d) or (j) of a financial institution, ceases to be a related party under that subsection nevertheless continues for the purposes of this Part to be a related party of the financial institution for the 12 months commencing on the date the individual ceases to be a related party as defined in subsection (1) (a), (b), (c), (d) or (j).
- (3) For the purposes of this Part, the commission by order may
  - (a) designate a person as a related party of a financial institution if in the commission's opinion there exists between the person and the financial institution an interest or relationship that might reasonably be expected to affect the exercise of the best judgment of an officer or Director of the financial institution with respect to an investment, loan or other transaction, or
  - (b) designate a person as a related party of the financial institution if in the commission's opinion the person is acting in concert with one or more other persons to own or control, directly or indirectly, 10% or more of any class of voting shares in the financial institution.

## *When related party transactions are permitted*

- 145** A financial institution or a subsidiary of it may enter into the following transactions with related parties:
- (a) pay or confer a salary, fee, stock option, pension, benefit or incentive benefit to a Director or senior officer of the financial institution, or to a person who is in the class of employees prescribed for the purpose of section 144 (1) (b) or designated under section 144 (3);

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(b) provide to related parties of the financial institution, at not less than fair market value, services or products that the financial institution or the subsidiary also provides in the ordinary course of its business to the public or, in the case of a credit union, to its members;

(c) if the aggregate amount outstanding under all loans to an individual who is a related party of the financial institution will not exceed the prescribed amount, counting the amount of the intended loan, make a loan to an individual who is a related party of the financial institution under paragraph (a) or (b) of the definition of "related party" in section 144;

(d) buy from, or sell to, a related party of the financial institution, for a nominal amount, as defined in the regulations, property or services having a fair market value that does not exceed that nominal amount.

## *Conduct review committee's power to approve other transactions*

**146** (1) Except for a transaction that is described in section 145 or that is the subject of a consent under section 147, a financial institution or a subsidiary of it must not enter into a transaction with a related party of the financial institution unless the transaction, at the time it is entered into, is

(a) a specific transaction, or

(b) ) in a class of transactions

approved in writing for the purpose of this section by the conduct review committee of the financial institution.

(2) The conduct review committee of a financial institution must not approve a specific transaction or class of transactions for the purpose of this section unless the specific transaction or class of transactions is in the best interests of the financial institution or, if entered into by a subsidiary of it, in the best interests of both the financial institution and the subsidiary.

(3) The conduct review committee must specify in the written approval referred to in subsection (1) the factors considered by it in determining whether the specific transaction or the class of transactions is in the best interests of the

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financial institution or the financial institution and its subsidiary, as the case may be, and the factors considered must include

- (a) the fair market value of the consideration paid by or received by the financial institution or the subsidiary,
- (b) the nature of the transaction in relation to the usual business of the financial institution or the subsidiary,
- (c) in the case of a transaction involving a loan by the financial institution or the subsidiary, the nature of the security and its value in relation to the principal amount of the loan, and
- (d) prescribed factors.

## *When commission may consent to related party transactions*

**147** (1) A financial institution or a subsidiary of it may enter into a transaction with a related party of the financial institution if the transaction, at the time it is entered into, is

- (a) a specific transaction, or
  - (b) ) in a class of transactions
- consented to by the commission.

(2) The commission may give a consent under subsection (1) if satisfied that the specific transaction or that any transaction in the class of transactions, as the case may be,

- (a) is not and will not be contrary to the interests of
  - (i) the financial institution or the subsidiary or both, as the case may be,
  - (ii) depositors or policy holders of the financial institution,
  - (iii) any persons for whom the financial institution acts in a fiduciary capacity, or
  - (iv) the related party, and
- (b) does not, will not and is not intended to obscure the financial condition of the financial institution, of the subsidiary or of the related party.



*Restrictions on self dealing as a fiduciary*

**148** (1) Except as provided in this section, a financial institution that holds money as a fiduciary must not

(a) invest that money in securities issued by the financial institution or by a related party of it, or

(b) use that money in any transaction with a related party of the financial institution.

(2) A financial institution may act as a fiduciary in one or more trusts or estates in which there are securities issued by the financial institution or a related party of the financial institution if the securities were

(a) acquired by the person for whom the financial institution acts as a fiduciary, or

(b) held in the trust or estate before the financial institution assumed responsibility as a fiduciary.

(3) If a financial institution acts as a fiduciary in one or more trusts or estates in which securities are held that were issued by the financial institution or by a related party of it, the financial institution must not sell or vote the securities or refuse an offer for them without first receiving the written approval of the conduct review committee and that committee must enter the reasons for the sale, vote or refusal in its minutes.

(4) The conduct review committee at least annually must provide a written report to the Directors of the financial institution on securities that have been

(a) issued by the financial institution or by a related party of it, and

(b) held in a trust or estate by the financial institution as a fiduciary

during its immediately preceding financial year and the conduct review committee in the report must give the reasons for any approvals given or denied under subsection (3) during that financial year.

(5) Even though subsection (1) would otherwise prohibit it from doing so, a financial institution or a related party of it may

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- (a) carry out an express or a specific permission or a direction that is
  - (i) made by a court, or
  - (ii) contained in an instrument creating a fiduciary duty
    - (A) to purchase or sell securities of the financial institution or of the related party, or
    - (B) to enter into a transaction with the financial institution or a related party of the financial institution, as the case may be,
- (b) ) if the financial institution or related party does so as a fiduciary, make an investment in a bond, note or other evidence of indebtedness that is issued by the financial institution or by the related party, as the case may be, and for which there is a published market, or
- (c) if the financial institution or related party does so as a fiduciary, make an investment or enter into a transaction in which one or more co-fiduciaries of the financial institution or related party can direct and has or have directed that the investment or transaction be made without the agreement of the financial institution or related party.

## *Disclosure by related parties*

- 149** (1) Where, in respect of any proposed transaction of the financial institution or its subsidiary, a financial institution has reason to believe that the other party to the transaction is a related party of the financial institution, the financial institution must take all reasonable steps to obtain from the other party full disclosure, in writing, of an interest or relationship, direct or indirect, that would make the other party a related party of the financial institution.
- (2) A financial institution and a Director, officer, employee or agent of the financial institution may, if acting reasonably, rely on the information contained in a disclosure received by the financial institution in accordance with subsection (1) or information otherwise acquired in respect of a matter that might be the subject of the disclosure and no action or proceeding lies against the financial institution or a Director, officer, employee or agent for anything done or omitted in good faith in reliance on the information, including without limitation, an action or proceeding under section 150 or 151.

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(3) The disclosure referred to in subsection (1) of this section must not be relied on under subsection (2) of this section unless it is evidenced in a consent resolution, the minutes of a meeting or another record deposited in the financial institution's records office.

## *Voidable transactions*

### **150** (1) If

(a) a financial institution or its subsidiary, senior Director, officer or employee fails to comply with this Part, or

(b) ) a transaction that is prohibited under this Part takes place,

the financial institution or commission may apply to the Supreme Court for an order setting aside the transaction.

(2) On application under subsection (1), the Supreme Court may make any order it thinks fit, including, instead of or in addition to an order setting aside the transaction,

(a) an order that a person

(i) account for a profit or gain realized in the transaction,

(ii) pay to the financial institution or a subsidiary of a financial institution any damages suffered by the financial institution or the subsidiary in the transaction, or

(iii) pay to the financial institution or the subsidiary any amount

(A) paid by the financial institution or the subsidiary,

(B) lent by the financial institution or the subsidiary, or

(C) expended by the financial institution or the subsidiary in the transaction,

(b) ) an order for compensation for loss or damage suffered, and

(c) an order awarding punitive or exemplary damages against any person.

(3) A person is not liable in a proceeding under this section unless the person knew or reasonably ought to have known that the transaction was made in contravention of this Part.

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## *Derivative action*

**151** (1) If an action is brought under section 201 of the *Company Act* as it applies for the purposes of this Act in relation to a transaction that is prohibited under this Part, the powers of the Supreme Court include the power to make an order that a person who authorizes, acquiesces in, participates in or facilitates the transaction pay to the financial institution or a subsidiary of a financial institution any

(a) damages suffered by the financial institution or the subsidiary,

(b) ) amount paid by the financial institution or the subsidiary in the transaction,

(c) amount lent by the financial institution or the subsidiary, or

(d) ) amount expended by the financial institution in the transaction.

(2) If a transaction that is prohibited under this Part is made or entered into, the right to bring an action conferred on a member or Director by section 201 (1) (a) and (b) of the *Company Act* as it applies for the purposes of this Act, is deemed also to be conferred on the commission and because of this, other references in Part 7 of the *Company Act* to a member or Director must be read as including a reference to the commission.

## *Liability arising from related party transactions*

**152** (1) A person who authorizes, acquiesces in, participates in or facilitates a transaction that is prohibited under this Part is liable in an action brought under section 201 of the *Company Act*, as it applies for the purposes of this Act, jointly and severally with every other person who authorizes, acquiesces in, participates in or facilitates the prohibited transaction.

(2) A person is not liable in an action brought under section 201 of the *Company Act* as it applies for the purposes of this Act unless the person knew or reasonably ought to have known that the transaction was made in contravention of this Part.

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## *Burden of proof*

- 153** If a question arises in civil proceedings as to whether a financial institution, a subsidiary of a financial institution or a related party of a financial institution has, in acting under this Part, acted in compliance with the requirements of this Part, the burden of proof that it acted in compliance with the Part is on the financial institution, the subsidiary or the related party, as the case may be.

## *Reporting by auditor*

- 154** If an auditor of a financial institution has made a report to the Directors of a financial institution under section 123 (1) (c), and the report discloses a breach of a provision of this Part, the auditor must also immediately report the matter in writing to the commission.



## INTERIOR SAVINGS RULES

### 1. Definitions

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. Further, in these Rules:

- (a) **annual general meeting** means the annual general meeting of the members of the Credit Union;
- (b) **board committee** means a committee of the Board of Directors appointed or elected by the Board of Directors pursuant to these Rules;
- (c) **Board of Directors** means the Board of Directors of the Credit Union;
- (d) **Chair** means the chair of the Board of Directors;
- (e) **Credit Union** means Interior Savings Credit Union;
- (f) *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;
- (g) **director** means a director of the Credit Union for the time being;
- (h) **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 telephone calls or messages, facsimile messages, electronic mail, transmission of data or information through automated touch-tone telephone systems, transmission of data or information through computer networks (including without limitation the Internet), and any other similar means;
- (i) *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;
- (j) *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;
- (k) **junior member** is a member under the age of 19.
- (l) **Member in good standing** means 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 Membership Equity Shares required by these Rules; and
  - b. has maintained at least one account that has had activity anytime in the 18 months prior to the date on which good standing is determined; and
  - c. is not more than 30 days in arrears in any obligation to the Credit Union.



- (m) **President and Chief Executive Officer** means the chief executive officer of the Credit Union appointed by the Board of Directors;
- (n) **Returning Officer** means a returning officer appointed pursuant to these Rules;
- (o) **Special Resolution** means, subject to the requirements of the *Credit Union Incorporation Act* and any amendments thereto, a resolution of the Credit Union passed by a majority of not less than  $\frac{2}{3}$  of the votes cast by members of the Credit Union entitled to vote either at a general meeting or by some other balloting means allowed by the *Credit Union Incorporation Act* or these Rules;
- (p) **spouse** has the meaning given to it in the *Credit Union Incorporation Act*;
- (q) **Term** means the period of time for which a director has been elected to serve;
- (r) **Vice Chair** means the vice chair of the Board of Directors;

## 2. Membership

- 2.1 Every application for membership shall be in writing or electronic means prescribed by the Board of Directors from time to time and be accompanied by payment in full of the purchase price of the number of Membership Equity Shares required to be held as a condition of membership on the date of application for membership.
- 2.2 A member may withdraw from membership and the membership of any person may be terminated in accordance with the *Credit Union Incorporation Act*.

## 3. Shares and Deposits

- 3.1 The Board of Directors may determine the forms by which a person may place monies on deposit and withdraw monies on deposit, and the Board of Directors may, by resolution, delegate the power to make such determination.
- 3.2 The shares of the Credit Union shall be divided into the following classes of shares, each consisting of an unlimited number of shares, designated as Membership Equity Shares, Investment Equity Shares, and Non-Equity Shares. Each class of shares shall consist of an unlimited number of sub-classes, and, subject to the *Credit Union Incorporation Act* and these Rules, the directors may, in their unlimited discretion;
  - (i) set terms and conditions for entitlement to dividends for each class or sub-class of shares;
  - (ii) declare or pay dividends on either one or more classes or sub-classes of shares in such amounts and at such times as from time to time determined;
- 3.3 Monies invested in Membership Equity Shares and Investment Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia.
- 3.4 Membership Equity Shares and Investment Equity Shares may only be purchased by a member of the Credit Union or transferred between members thereof or the shares may be assigned to,

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transferred to or redeemed or purchased by the Credit Union and any purchase, transfer, or assignment shall be at par value of \$1.00 each and any redemption shall be at par value of \$1.00 each plus any dividends declared but unpaid on the shares.

- 3.5 In the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs, Investment Equity Shareholders shall be entitled to receive the par value of their shares, together with any dividends declared but unpaid thereon, before any amount shall be paid, or any property or assets of the Credit Union distributed, to the holders of Membership Equity Shares on the occurrence of any such event. After payment to the holders of Investment Equity Shares of the amount so payable to them, the balance of the remaining assets, after conversion into money, shall be distributed pro rata to the holders of Membership Equity Shares.
- 3.6 A member of the Credit Union, including a junior member, shall purchase 5 Membership Equity Shares.
- 3.7 If a member does not hold the required number of Membership Equity Shares, the Credit Union may apply any money invested in the name of the member in Non-Equity Shares or apply any money on deposit and interest thereon in the name of the member toward the purchase of sufficient Membership Equity Shares so that the member shall own the number of Membership Equity Shares required by Rule 3.6.
- 3.8 The directors may establish policies to waive or delay purchase or payment in whole or in part of Membership Equity Shares as required by these Rules.
- 3.9 (a) Membership Equity Shares and Investment Equity Shares may be held jointly.
- (b) All jointly held shares shall carry the right of survivorship unless a contrary statement, in writing, is given at the time of application for purchase or transfer and signed by all parties jointly holding the shares.
- (c) Each joint shareholder must hold the minimum number of Membership Equity Shares required in order for each to be a voting member, otherwise the first named on the membership application shall be the voting member.
- 3.10 (a) Patronage refunds or dividends paid on shares shall be paid or credited at times, intervals and in a manner determined from time to time by the directors.
- (b) No dividends or patronage refund may be declared or made in any year until a dividend has been declared in that year on the Investment Equity Shares.
- (c) A resolution declaring a patronage refund or a dividend may direct payment of the patronage refund or dividend wholly or partly by the distribution of paid up shares.
- (d) Share dividends on Equity Shares must be issued as fully paid. If a member is entitled to dividends in an amount which is not at least \$1.00, those dividends will not be paid, and, if those dividends exceed \$1.00 but are not an exact multiple of \$1.00, the excess entitlement will not be paid.
- 3.11 Subject to the restrictions contained in the *Credit Union Incorporation Act*, the Credit Union shall redeem all of the Membership Equity Shares held by a member upon the happening of any of the following events:
- (a) the termination by the Credit Union of the membership of the member;



- (b) the member withdrawing from membership in the Credit Union; or,
  - (c) the death of the member; provided that where a member holds Membership Equity Shares jointly with right of survivorship, the Credit Union shall not be required to redeem those shares until the death of the last remaining joint holder.
  - (d) the member is a society, corporation or any other legal entity and is dissolved, wound-up or otherwise ceases to exist
- 3.12 (a) Subject to the restrictions contained in the *Credit Union Incorporation Act*, upon written request of the member the Credit Union shall redeem the Investment Equity Shares held by a member; provided that, without a resolution to the contrary, the directors shall limit the number of Investment Equity Shares redeemed in any one calendar year to 20% of the aggregate amount of Investment Equity Shares issued and outstanding as of the previous financial year end.
- (b) The limit set out in (a) does not apply in the case of the death of a member.
- 3.13 Redemption or re-purchase of shares by the Credit Union shall be on such terms and conditions and in such order and in such number as the directors may from time to time determine, and the Credit Union shall not be required to redeem or re-purchase such shares pro-rata.
- 3.14 A statutory declaration of a director or officer of the Credit Union that a lien of the Credit Union has been exercised or a share forfeited and stating the date of the exercise or forfeiture shall be conclusive evidence of the facts therein stated.

#### 4. Borrowing and Lending

- 4.1 Subject to applicable legislation, 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, term, repayment and security as they determine by resolution.
- 4.2 The directors of the Credit Union shall determine the terms and conditions of loans as to interest and other charges, term, repayment and any security and may, by resolution, delegate the power to make loans and to make the determinations aforesaid.

#### 5. Directors

- 5.1 (a) Except as provided for in Rule 5.1(c), the number of directors shall be a minimum of 9.
- (b) The representation on the Board of Directors shall be determined as hereinafter provided.
- (i) directors shall be elected or appointed to represent a designated geographical area (each, a "region") in which the Credit Union maintains a branch network.
  - (ii) the initial regions of the Credit Union are the Central and North Okanagan region and the Thompson and South Okanagan region, each of which consists of those branches designated to it by the Board of Directors.

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- (iii) candidates to represent each region must, be ordinarily resident in the Province of British Columbia.
  - (iv) Members or candidates who are members at any branch of the Credit Union and candidates who are ordinarily resident in the Province of British Columbia, shall vote in or represent the region as designated by the Board of Directors.
  - (v) The directors may, from time to time, but no more often than annually and prior to the notification of an election of directors to be given pursuant to Rule 6, designate additional regions, alter the description of any region, identify the region to which a branch belongs, and determine the number of directors to represent each region.\*
- (c) If the Credit Union enters into an agreement to acquire all or substantially all of the assets of another credit union, the directors may appoint, as additional directors, persons who were directors of the transferring credit union at the date of the transfer and designate their terms of office to a maximum of 3 years. Directors so appointed shall be exempt from the requirements of Rules 5.1(b) and 6.3(k).
- (d) When the term of office of a director appointed under Rule 5.1(c) has expired or, when the position becomes vacant prior to the expiration of the term, no vacancy shall be deemed to exist and Rule 6.1 shall not apply to a person appointed under Rule 5.1(c).
- 5.2 The directors shall meet within 30 days, or such longer time as the Superintendent may allow, after each annual general meeting and shall elect from their own members a Chair and Vice-Chair and may appoint such additional officers as they may deem necessary.
- 5.3 The directors shall meet not less frequently than once in each quarter.
- 5.4 The Chair may call a meeting of the directors at any time and shall, within 14 days of receipt of written request of three directors, call a meeting of the directors.
- 5.5 3 days notice shall be given of meetings of the directors by personal delivery, by mail, postage prepaid, addressed to each of the directors at his or her address as it appears on the books of the Credit Union, or by leaving it at his or her usual business or residential address or by telephone, fax or email or any method of transmitting legibly recorded messages including electronic means. 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. A director may waive, in writing, notice of any past or present meeting of the directors.
- 5.6 A majority of directors shall constitute a quorum but a lesser number may adjourn from time to time until a quorum is obtained.
- 5.7 The directors shall appoint a President and Chief Executive Officer to oversee the proper operation of the Credit Union.
- 5.8 In the case of the absence of the Chair, or his inability for any cause to act, or in the case the office of the Chair becomes vacant, the Vice-Chair shall discharge the duties of the Chair. In the event that the Vice-Chair is also not available to discharge the duties of the Chair, the directors shall elect from amongst themselves a temporary Chair to fulfill the Chair responsibilities until either of the Chair or Vice-Chair is available.
- 5.9 The directors shall elect the Conduct Review Committee, and elect or appoint other board

\* See Note 1



committees as required.

- 5.10 Directors may participate in a meeting of the directors or any committee of the directors by means of conference telephones or other communications facilities by means of which all directors participating in the meeting can hear each other, provided that all such directors agree to such participation. A director 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 and be entitled to speak and vote.
- 5.11 A resolution consented to in writing, whether by document, facsimile transmission, email or any other method of transmitting legibly recorded messages including electronic means by all of the directors or all of the members of a committee of directors, shall be as valid and effectual as if it had been passed at a meeting of the directors or of a committee of directors duly called and held. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the directors or the committee of directors as the case may be and shall be effective on the date stated thereon or on the latest date stated on any counterpart.

## 6. Nomination and Election of Directors

- 6.1 Each year directors shall be elected to replace those whose terms of office are expiring and a director whose term of office is expiring is eligible for re-election.
- 6.2 Except where an election is held to fill the unexpired portion of a term, directors shall be elected to hold office for 3 years. Beginning with the 2012 election as the starting point, the maximum number of successive terms a director can be elected to is 4 terms.
- 6.3 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) fails to maintain the minimum number of shares required for membership in the Credit Union;
  - (b) does not, or ceases to, meet the eligibility requirements of the *Financial Institutions Act* or the *Credit Union Incorporation Act*;
  - (c) 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 duties with the affairs of a credit union;
  - (d) is a corporation;
  - (e) is an undischarged bankrupt;
  - (f) is a discharged bankrupt and less than 5 years has elapsed since the date of discharge from bankruptcy;
  - (g) is convicted of an offense in connection with the promotion, formation or management of a corporation or involving fraud unless 5 years have elapsed since the latest of:
    - (i) the expiration of the period fixed for suspension of passing of sentence;
    - (ii) the imposition of a fine; or

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- (iii) the conclusion of a term of imprisonment and probation; but the disability imposed by this Rule 6.3(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) is an employee of the Credit Union, a subsidiary of the Credit Union or an associated corporation in which the Credit Union holds shares, or the spouse, parent, step-parent, child, step-child, mother-in-law, father-in-law, daughter-in-law or son-in-law of an employee of the Credit Union, a subsidiary of the Credit Union or an associated corporation in which the Credit Union holds shares;
  - (j) is, or is the spouse of, a director, officer, representative or employee of another credit union, bank, trust company, savings and loan association, loan company, deposit taking institution, insurance company or agency, stock brokerage or investment dealer 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 directors determine, by resolution, that this Rule 6.3(k) shall not apply to such person);
  - (k) has not been a member in good standing of the Credit Union or a credit union merged into the Credit Union for at least 1 year prior to the date on which nominations for the election of directors are closed pursuant to these Rules, except where a candidate is nominated by the Nominations and Elections Committee and this requirement is waived by the Nominations and Elections Committee;
  - (l) has been an employee of the Credit Union, a subsidiary of the Credit Union or an associated corporation in which the Credit Union holds shares at any time during the 2 year period immediately before such election or proposed appointment;
- 6.4 At least 120 days before each annual general meeting, the Chair shall appoint a Nominations and Elections Committee of not less than three persons who shall be members in good standing of the Credit Union, at least one being a director of the Credit Union, which Election Committee shall be charged with the conduct of the elections of those persons to be elected prior to the next annual general meeting.
- 6.5 At least 90 days before an annual general meeting, the Nominations and Elections Committee shall notify all members of the Credit Union that an election of directors is to take place, specifying the number of positions to be filled and the Region to be represented and shall invite the nomination of eligible members as provided herein that meet the desired skill set as identified by the Governance Committee prior to the close of nominations, and stating the date on which nominations close, which shall not be less than 21 days from the date of giving such notice.
- Candidates must be nominated in writing by at least three members in good standing or be invited to stand for election by the Nominations and Election Committee.
- 6.6 Before the name of a person is placed in nomination as a candidate for election as a director, that person shall deliver to the Nominations and Elections Committee a declaration, in writing, stating:
- (a) that the person is willing to stand for election, and if elected, to serve as a director; and,
  - (b) that the person is aware of the directors' Conflict of Interest guidelines and Code of Conduct and that if successful a Personal Information Return will be required to be submitted to the Superintendent pursuant to the *Financial Institutions Act*.

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- (c) that the person is not disqualified from eligibility by the operation of these Rules or applicable legislation in effect at the time the person is nominated.
- 6.7 A junior member is not eligible to nominate candidates for, or vote in, a director election.
- 6.8 The Nominations and Elections Committee shall:
- (a) evaluate individual director candidates based on the required background and expertise that has been identified by the board's Governance Committee as needed to complement the skill set of the board, and identify and recommend candidates to fill board vacancies based on this evaluation;
  - (b) identify and recommend candidates to fill board vacancies;
  - (c) limit the number of recommended candidates on each ballot to a maximum of five (5) candidates per region, with no limit being placed on the total number of candidates that may appear on each ballot;
  - (d) 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 with the Election Guidelines;
  - (e) notify each nominee accordingly;
  - (f) place in nomination the names of qualified candidates at least equal to the number of vacancies to be filled in the election;
  - (g) inform each candidate of the provisions of these Rules with respect to the conduct of the election and any determinations of the directors or the Nominations and Elections Committee relating to elections and the conduct thereof, and;
  - (h) conduct the elections of directors in accordance with these Rules and the Election Requirements as approved by the Board of Directors from time to time.
- 6.9 A candidate may submit, by the date on which nominations close, a current photograph and a combined resume and statement, which shall be reviewed by the Nominations and Elections Committee. The statement shall be rejected by the Committee if considered by the Committee to be lacking in good taste, defamatory, or injurious to the reputation of the Credit Union.
- 6.10 If the number of qualified persons nominated for the offices to be filled is less than or equal to the number of offices to be filled, those persons shall be declared elected by acclamation.
- 6.11 If there is an election by acclamation, the respective terms of the persons so elected shall be decided by lot by the Nominations and Elections Committee.
- 6.12 Subject to the *Credit Union Incorporations Act*, the *Financial Institutions Act*, the *Electronic Transactions Act* and these Rules, the Board of Directors, in its sole discretion, will determine the means by which the election of directors will be carried out.
- 6.13 If the number of qualified persons nominated for election exceeds the number of offices to be filled, an election shall be conducted and the Nominations and Elections Committee, after determining which elements of Rule 11 to include, shall at least 18 days before the date set for closure of voting, provide to all members entitled to vote a notice setting forth:
- (a) a ballot listing alphabetically and by Region represented, the name of all nominees;

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- (b) a photograph, resumé and statement if submitted by a candidate pursuant to Rule 6.9;
  - (c) clear and precise instructions for casting an electronic or paper ballot and the return thereof, which shall specify the date by which the ballot must be returned to the address specified in the voting instructions; and;
  - (d) if the election is to be conducted using a mail-in paper ballot
    - (i) a ballot envelope;
    - (ii) a ballot authentication envelope which must provide spaces for the name, address, membership number and signature of the member; and
    - (iii) an addressed envelope bearing the address to which the completed ballot papers are to be mailed or delivered;
- 6.14 The membership list of the Credit Union shall, for the purpose of voting in the election, be closed on a date determined by the Directors which date shall be no more than 31 days before the mailing of the notice required to be mailed pursuant to Rule 6.13, and only those members in good standing, except junior members, as of the close of business of the Credit Union on such voting record date shall be eligible to vote in the election.
- 6.15 The accidental omission to mail the material referred to in Rule 6.13 to any member, or the non-receipt of the material does not invalidate an election. If an eligible member does not receive a ballot pursuant to Rule 6.13, or loses or destroys the ballot before it is cast, then upon receipt prior to the close of voting of a declaration 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 that election, the Credit Union shall make available to that member the items and information to be provided pursuant to Rule 6.13.
- 6.16 Every member desiring to cast a ballot in the election shall:
- (a) provide such proof and particulars of membership as the directors 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 cast a ballot in the election then in progress.
- 6.17 Subject to applicable legislation, the directors shall from time to time determine the method and manner in which candidates shall be permitted to campaign for election and candidates shall campaign only in accordance with the permitted method and manner. A candidate who, in the opinion of the Nominations and Elections Committee, breaches the campaign regulations 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 and Elections Committee, the Committee shall give written notice of such disqualification to the candidate and the notice shall specify the reason or reasons for the disqualification. The candidate shall have the right within 72 hours to appeal the disqualification to the directors and the directors shall consider the appeal and advise the candidate of their decision within 7 days. The decision of the directors shall be final and binding.
- 6.18 The Nominations and Elections Committee shall appoint a Returning Officer from time to time, who shall be responsible for supervising the tallying of the election ballots, and for any other balloting conducted concurrently therewith pursuant to these Rules. The final decision on whether a ballot is to be rejected or accepted shall be made prior to the tallying of votes by the Returning Officer, whose discretion is absolute and not open to question or review.

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- 6.19 The Returning Officer shall, after the close of balloting, cause all ballots received to be tallied, in a manner to ensure the secrecy of balloting.
- 6.20 No ballot shall be counted in the election unless:
- (a) such ballot is received by the Credit Union within the time and in the manner specified in the voting instructions;
  - (b) such ballot has been marked in a manner which indicates that the voter intended to vote for any number of duly nominated candidates up to and including, but not exceeding, the number of persons required to be elected; and
  - (c) all valid requirements of the directors have been fulfilled with respect to the casting of the ballots.
- 6.21 Subject to Rules 6.11 and 6.22, where any directors' terms of office being filled at any election are for different lengths, the term of each person shall be determined in proportion to the number of votes received, with the person receiving the greatest number of votes holding office for the longest term.
- 6.22 In any election if there are two or more persons having an equal number of votes, the successful nominees (or length of terms of office, as the case may be) shall be decided by lot by the Returning Officer.
- 6.23 As soon as practicable but not later than 10 days from the closing of an election in accordance with the voting instructions, the Returning Officer shall communicate the results of the election to the Chair of the Nominations and Elections Committee who will communicate such results to each of the Directors and each of the candidates for election.
- 6.24 An alphabetic listing of the candidates and the Region to be represented and the number of votes received by each shall be posted on the Credit Union website and in the Administration Office of the Credit Union as soon as the ballots have been counted and shall remain posted until the close of business on the third business day following the date upon which the ballots were tabulated.
- 6.25 The results of the election, including the total number of ballots cast, the number of spoiled ballots and the number of votes obtained by each candidate, shall be announced at the next annual general meeting after the balloting has taken place.
- 6.26 If the margin for the least successful elected candidate or candidates in the election is less than 20 votes in excess of the most successful of the unelected candidates in that election for the Region to be represented an official recount of votes cast at such election of directors may be held provided that:
- (a) such recount shall have been initiated by any unsuccessful candidate within the 20 vote margin by notice in writing delivered to the Administration Office of the Credit Union (for the attention of the Chair) within 5 clear business days from the date upon which the election results were posted in accordance with Rule 6.24.
  - (b) no official recount will be initiated for any purpose other than determining the successful candidate for election, and only the votes (including those contained in any spoiled or rejected ballots) affecting those candidates whose election may be in doubt, shall be considered (that is to say, the votes of any candidate or candidates who have been elected, or have failed to be elected by a margin of less than 20 votes); and

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- (c) if the length of term of office of any candidate shall incidentally be affected by any such recount, such length of term of office shall be determined by such recount.
- 6.27 If an official recount shall have been initiated by the aforesaid procedure, the Chair shall, within 1 week after receipt of such written notice requesting an official recount, direct the existing Nominations and Elections Committee to conduct the recount tally. The Nominations and Elections Committee shall conduct and determine the required recount within 25 clear days of the original ballot count date and the result of any such official recount shall be final, conclusive and binding on all persons involved in that election or affected thereby. In conducting such recount, the Committee shall:
- (a) notify every candidate concerned in the election of the time, date and place of the recount;
  - (b) permit every candidate concerned in the election to attend the recount, either in person or by scrutineer appointed in writing by the candidate to attend on his/her behalf;
  - (c) in considering the validity of any ballot, be bound by the voting instructions prescribed for the election concerned by the directors;
  - (e) in the event of a tie resulting from any such recount, determine the successful candidate by lot; and,
  - (f) submit their final report to the Chair within 5 days after making their final determination.
- 6.28 If, as a result of any such official recount, there is a change in the successful candidates for election, or any change in the length of term of office of any elected candidate, the fact of such result (but not the detailed counts relating thereto) shall be published in the next regular newsletter of the Credit Union published after such recount has been determined.
- 6.29 Subject to the *Financial Institutions Act* and Rule 6.30 a person elected as a director shall take office at the close of the annual general meeting next following his election, or, if the election results with respect to the election of that person are not determined by the close of the annual general meeting, then as soon thereafter as the results are determined provided that, for the purpose of determining that person's length of term, he or she shall be deemed to have taken office at the close of the annual general meeting.
- 6.30 If a nominated candidate dies or becomes ineligible for election, before the end of the nomination period, the election will proceed as if the candidate was not nominated. If a nominated candidate dies following the nomination period and during the voting period for election, the election is cancelled and new election proceedings will be initiated. Candidates properly nominated in the first election are deemed to be candidates in the new election without re-nomination.
- 6.31 Where a 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 for the remaining term related to the vacancy or unfilled position.
- 6.32 Subject to the limitations contained in the *Financial Institutions Act*, the Credit Union shall indemnify:
- (a) each director and officer of the Credit Union;
  - (b) each former director and officer of the Credit Union; and

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(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 including any personal tax liability, 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 his conduct was lawful.

6.33 A person may be removed as a director by a resolution passed by not less than 2/3 of the remaining directors, if that director meets any of the following:

- (a) has failed to comply with the Board of Directors Attendance Standards Policy;
- (b) ceases to be a Member in good standing;
- (c) relocates their permanent residence outside of the Province of British Columbia
- (d) owns or controls, directly or indirectly, an interest of 50 per cent or more in any entity that is a member that ceases to be a member in good standing;
- (e) is consistently in default of account obligations to the Credit Union, or
- (f) owns or controls, directly or indirectly, an interest of 50 per cent or more in any entity that is a member that is consistently in default of account obligations to the Credit Union;
- (g) has breached the Code of Conduct and Business Ethics or Conflict of Interest Policy for the Board of Directors, or the confidentiality of any proceedings, deliberations, or information of the board, as determined by the remaining directors in accordance with policies and procedures relating to director review established by the Conduct Review Committee.

Per the above, at least 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 prior to the remaining directors voting on the resolution for the director's removal.

## 7. General Meeting

- 7.1 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*.
- 7.2 General meetings can be conducted simultaneously in different locations connected by video conference or other electronic means, and such simultaneous meetings shall constitute a single meeting with the meeting quorum and votes to be calculated accordingly.
- 7.3 Other general meetings may be convened and held in accordance with the provisions of the *Credit Union Incorporation Act*.

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- 7.4 A general meeting may adopt rules of order for its conduct but, if no rules are adopted, Robert's Rules of Order Newly Revised shall be used.
- 7.5 At a general meeting of the Credit Union, 50 members shall constitute a quorum, but a lesser number may adjourn from time to time until a quorum is obtained.
- 7.6 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) approval of previous minutes
  - (e) business arising from previous minutes
  - (f) report from Board of Directors
  - (g) report from President and Chief Executive Officer and other management reports, if any
  - (h) report of the Auditor
  - (i) board committee reports, if any
  - (j) appointment of Auditor
  - (k) other resolutions, if any
  - (l) other business, if any
  - (m) adjournment
- 7.7 The Chair or a director designated by the Chair shall chair general meetings of the Credit Union.
- 7.8 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.
- 7.9 Except for resolutions submitted by the Board of Directors, in order for an Ordinary Resolution to be eligible for consideration by members at a general meeting, it must be submitted to the Board of Directors for review and consideration at least 90 days prior to the general meeting, and the Board of Directors, in its discretion, shall determine whether the resolution shall be submitted to the members for consideration at the general meeting.
- 7.10 Subject to the provisions of Rules 7.11 and 7.13, a resolution adopted at a general meeting of the Credit Union by the requisite majority shall be binding.
- 7.11 The directors may, within 30 days after any general meeting at which a resolution has been adopted by the requisite majority, determine to refer the resolution to the general membership for affirmation, and the resolution shall be of no force or effect unless affirmed.
- 7.12 If the Board decides to refer a resolution for affirmation in accordance with Rule 7.11, the

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Board will appoint a Returning Officer to oversee the process of affirmation, including the balloting process and count.

- 7.13 Where the directors make a determination to submit a resolution adopted at any general meeting to the members for affirmation as provided in Rule 7.11, the directors shall within 180 days of the general meeting at which the resolution was adopted and after determining which elements of Rule 11 to include, provide to each member entitled to vote at the date of that meeting:
- (a) a notice containing a brief statement of the action taken by the membership, the determination taken by the directors to refer the resolution to the membership for affirmation and the reason of the directors for referring the resolution to the members for affirmation;
  - (b) a ballot containing provision for a vote 'for' or 'against' the affirmation of the resolution;
  - (c) clear and precise instructions for casting an electronic or paper ballot and the return thereof, which shall specify the date by which the ballot must be returned to the address specified in the voting instructions; and;
  - (d) if the election is to be conducted using a mail-in paper ballot:
    - (i) a ballot envelope;
    - (ii) a ballot authentication envelope which must provide spaces for the name, address, membership number and signature of the member; and
    - (iii) an addressed envelope bearing the address to which the completed ballot papers are to be mailed or delivered;
- 7.14 The accidental omission to mail the material referred to in Rule 7.13 to any member, or the non-receipt of the material, does not invalidate the result of the balloting. If an eligible member does not receive a ballot pursuant to Rule 7.13, or loses or destroys the ballot before it is cast, then upon receipt prior to the close of voting of a declaration 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 that vote, the Credit Union shall make available to that member the items and information to be provided pursuant to Rule 7.13.
- 7.15 Every member desiring to vote on the resolution shall:
- (a) provide such proof and particulars of membership as the directors may prescribe; and,
  - (b) provide a declaration, in the form prescribed by the directors, that the member was a member in good standing at the date of the meeting and has not previously voted by mail or other means on the resolution.
- 7.16 A junior member is not eligible to vote on Special Resolutions or on matters to be considered at a general meeting.
- 7.17 No vote on the resolution shall be counted unless:
- (a) such ballot is received by the Credit Union within the time and in the manner specified in the voting instructions;
  - (b) such ballot has been marked in a manner which indicates that the voter intended to vote for or against the resolution; and,



- (c) all valid requirements of the directors have been fulfilled with respect to the casting of the ballot.

7.18 The Returning Officer appointed pursuant to Rule 7.12 shall, after the close of balloting, cause all ballots received by mail, delivery or other permitted means to be tallied, in a manner to ensure the secrecy of balloting. The result of the vote on the resolution shall be posted in the Administration Office of the Credit Union as soon as the ballots have been counted and shall remain posted until the close of business on the third clear business day following the close of balloting.

## 8. Special Resolutions

- 8.1 Voting on a Special Resolution shall be by any means permitted by these Rules.
- 8.2 On any Special Resolution to be voted on, the directors shall, at least 18 days prior to the date set for closure of voting on the Special Resolution and after determining which elements of Rule 11 to include, provide to all members entitled to vote a notice setting forth:
  - (a) the Special Resolution to be voted on;
  - (b) a ballot containing the provision for a vote 'for' or 'against' the Special Resolution;
  - (c) clear and precise instructions for casting an electronic or paper ballot and the return thereof, which shall specify the date by which the ballot must be returned to the address specified in the voting instructions; and;
  - (d) if the election is to be conducted using a mail-in paper ballot:
    - (i) a ballot envelope;
    - (ii) a ballot authentication envelope which must provide spaces for the name, address, membership number and signature of the member; and
    - (iii) an addressed envelope bearing the address to which the completed ballot papers are to be mailed or delivered;
  - (e) required or permitted information as the Board of Directors deems necessary or advisable in connection with the voting;
- 8.3 The membership list of the Credit Union shall, for the purpose of voting on Special Resolutions, be closed on a date determined by the Directors which date shall be no more than 31 days before the mailing of the notice required to be mailed pursuant to Rule 8.2, and only those members in good standing, except junior members, as of the close of business of the Credit Union on such voting record date shall be eligible to vote on the Special Resolution.
- 8.4 The accidental omission to mail the material referred to in Rule 8.2 to any member, or the non-receipt of the material does not invalidate the result of the balloting. If an eligible member does not receive a ballot pursuant to Rule 8.2, or loses or destroys the ballot before it is cast, then upon receipt prior to the close of voting of a declaration 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 that vote, the Credit Union shall make available to that member the items and information to be provided pursuant to Rule 8.2.
- 8.5 Every member desiring to vote on the Special Resolution shall:

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- (a) provide such proof and particulars of membership as the directors 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.

8.6 No vote on the Special Resolution shall be counted unless:

- (a) such ballot is received by the Credit Union within the time and at that address, or in the manner specified in the voting instructions;
- (b) such ballot has been marked in a manner which indicates that the voter intended to vote for or against the Special Resolution; and
- (c) all valid requirements of the directors have been fulfilled with respect to the casting of the ballots.

8.7 If a proposed Special Resolution ballot is being conducted concurrently with the election of Directors, then the Returning Officer appointed for the Election shall also supervise the tallying of the ballots for the Special Resolution. If the ballot being conducted is not concurrent with an election, the Board will appoint a Returning Officer for the purpose of supervising the Special Resolution process and balloting.

8.8 The Returning Officer shall, after the close of balloting, cause all ballots to be tallied, in a manner to ensure the secrecy of balloting.

8.9 The final decision on whether a ballot is to be rejected or accepted shall be made prior to the tallying of votes by the Returning Officer, whose discretion is final and absolute.

8.10 As soon as practicable but in no event later than 10 days from the closing of balloting the Returning Officer shall communicate the results of the election to the Chair of the Board of Directors.

8.11 The result of the vote on the Special Resolution shall be posted on the Credit Union website and in the Administration Office of the Credit Union as soon as the ballots have been counted and shall remain posted until the close of business on the third clear business day following the close of balloting.

## 9. Seal

9.1 The Credit Union shall have a corporate seal.

9.2 The corporate seal shall be held in safekeeping at the registered office of the Credit Union or at such other place as the directors shall determine.

## 10. Alteration

10.1 The Credit Union may alter these Rules by Special Resolution from time to time.

## 11. Miscellaneous

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- 11.1 These Rules are subject to the provisions of applicable legislation.
- 11.2 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.
- 11.3 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” or 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 notified to the intended recipient) as the Board of Directors in its discretion considers 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 purpose of this Rule, “documents” includes without limitation notices, instruments, resolutions and ballots.

**Note 1:** The rules for Interior Savings Credit Union enable to board to change the voting regions. At the regular June 22, 2019 meeting of the credit union directors, the Board agreed to no longer have two voting regions. Elections in the future will see all candidates elected at large.