

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 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, 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.
 - (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 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
 - (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*.
 - (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;
 - (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.
- 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
 - (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
 - (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*.
- 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 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:
- (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

- 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.