

**BULKLEY VALLEY CREDIT UNION**

**SPECIAL RESOLUTION OF MEMBERS  
TO APPROVE ALTERATIONS TO RULES**

**BE IT RESOLVED**, as a special resolution, that the Rules of Bulkley Valley Credit Union (the “**Credit Union**”) be altered by deleting such Rules in their entirety and replacing them with the Rules set out in Schedule “A”.

**Bulkley Valley Credit Union Rules**

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## **DEFINITIONS**

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

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

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

## **RULE 1**

### **MEMBERSHIP**

- 1.1 Every application for membership shall be submitted in a form approved by the credit union and shall be accompanied by payment in full of the number of Class "A" Membership Equity Shares required to be held by a member on the date of application for membership.
- 1.2 A member may withdraw from membership, and the membership of any person may be terminated, in accordance with the Credit Union Incorporation Act.
- 1.3 A member in good standing is a member, including a junior member, who at the date on which good standing is determined:
  - (a) has purchased, paid for and holds the number of Class "A" Membership Equity Shares required by these Rules; and
  - (b) is not more than 90 days delinquent in any obligation to the credit union.
- 1.4 Subject to the provisions of the Credit Union Incorporation Act that specify the minimum number of membership shares for which a member must subscribe and pay, the directors may establish policies to waive or delay purchase, payment, redemption, and ownership in whole or in part of equity shares as required by these Rules.

## RULE 2

### SHARES AND DEPOSITS

- 2.1 The directors may determine the forms by which a person may withdraw monies on deposit or request redemption of shares.
- 2.2 Interest on deposits, in the absence of an express contract or agreement, shall be paid or credited at times, intervals, and in a manner determined by the directors and the directors may delegate the power to make such determinations.
- 2.3 The shares of the credit union shall consist of an unlimited number of Class "A" Membership Equity Shares.
- 2.4 All shares shall have a par value of One Dollar (\$1.00) each.
- 2.5 If the credit union proposes, at its option, to redeem some but not all of its shares, the directors may, subject to the special rights and restrictions attached to such shares, decide the manner in which the shares to be redeemed shall be selected.
- 2.6 Monies invested in equity shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia.
- 2.7 Class "A" Membership Equity Shares have attached thereto the following rights and restrictions:
- (a) ownership, assignment, transfer and issue of Class "A" Membership Equity Shares is limited as set out in the Credit Union Incorporation Act;
  - (b) subject to the Credit Union Incorporation Act, the credit union shall redeem the Class "A" Membership Equity Shares held by a member if:
    - (i) the member is a natural person and dies, subject to any contrary instruction of the personal representative of the deceased member to transfer the shares to a person entitled to hold the same pursuant to the Credit Union Incorporation Act and these Rules;
    - (ii) the member is an incorporated company and is dissolved or wound up;
    - (iii) the credit union terminates the membership of the member;
    - (iv) the member withdraws from membership in the credit union;

- (v) the member is a partnership or unincorporated association which dissolves; or
  - (vi) the member, in any other case, ceases to be a legal entity according to the statute by or pursuant to which it was created.
- (c) Subject to the Credit Union Incorporation Act, the credit union may redeem the Class "A" Membership Equity Shares held by a member on such terms and conditions and at such times as the directors, in their discretion, resolve.
- (d) Notwithstanding the foregoing but subject to the Credit Union Incorporation Act, the amount of Class "A" Membership Equity Shares that the credit union may be required to redeem in any financial year is limited to 10% of the amount of such shares issued and outstanding on the last day of the immediately preceding financial year.
- (e) Any redemption or purchase of Class "A" Membership Equity Shares shall be at par value plus any dividends declared but unpaid thereon.
- 2.8 As a condition of membership, each member of the credit union shall subscribe, fully pay for, and hold five Class "A" Membership Equity Shares.
- 2.9 The directors may, by resolution, determine that the number of Class "A" Membership Equity Shares required to be owned by a member shall be increased, PROVIDED THAT:
- (a) the directors may not determine that the total number of Class "A" Membership Equity Shares required to be owned by a member shall exceed 100 Class "A" Membership Equity Shares;
  - (b) on any one occasion, the directors may not determine to increase the number of Class "A" Membership Equity Shares required to be owned by more than 25 Class "A" Membership Equity Shares;
  - (c) a determination by the directors pursuant to this Rule may be made no more frequently than once per financial year;
  - (d) a subsequent determination by the directors shall not be made to have effect within six months of the last such determination; and
  - (e) subject to Rule 2.14, a determination by the directors pursuant to this Rule shall not be effective until the expiration of not less than 90 days after notice of a determination is deemed to have been received by the members.

- 2.10 If a member does not at any time hold the required number of Class "A" Membership Equity Shares under Rule 2.8 or under Rule 2.9 (in the latter case, on the expiration of the period of notice described in Rule 2.9), the credit union may apply any money on deposit and interest thereon in the name of the member to the purchase of sufficient Class "A" Membership Equity Shares in the name of the member so that the member shall hold the number of Class "A" Membership Equity Shares required by Rule 2.8 or Rule 2.9, as applicable.
- 2.11 If a member does not at any time hold the required number of Class "A" Membership Equity Shares under Rule 2.8 or under Rule 2.9 (in the latter case, on the expiration of the period of notice described in Rule 2.9), and the member has insufficient monies on deposit to permit the purchase of sufficient Class "A" Membership Equity Shares pursuant to Rule 2.10, the member's membership shall terminate in accordance with the Credit Union Incorporation Act.
- 2.12 Without precluding any other method of giving notice, a notice under Rule 2.9 sent by post, addressed to the member at the member's address shown on the register of members shall be deemed to have been received on the 5th day, Saturdays and holidays excepted, following the date of mailing.
- 2.13 A junior member becomes a member with full membership rights and obligations on attaining the age of majority, provided that such member then holds the number of Class "A" Membership Equity Shares required to be held by a member.
- 2.14 A person who becomes a member of the credit union at any time after notice is given under Rule 2.9 shall, as a condition of membership, subscribe and fully pay for the increased number of Class "A" Membership Equity Shares required to be held by a member.
- 2.15 If the credit union issues share certificates for equity shares, each share certificate shall state on its face the words **"NOT GUARANTEED BY THE CREDIT UNION DEPOSIT INSURANCE CORPORATION"**.
- 2.16 Every share certificate issued by the credit union shall be in such form as the directors approve and shall comply with the Credit Union Incorporation Act.
- 2.17 If any share certificate is worn out or defaced, then, on production of that certificate to the credit union, the certificate may be cancelled and a new certificate issued in place of that certificate; and if any share certificate is lost or destroyed, then, on proof of the loss or destruction to the satisfaction of the directors, and on giving such indemnity as the directors deem adequate, a new certificate in place of the lost or destroyed certificate shall be issued to the party

entitled to it.

- 2.18 No equity shares shall be transferred without the previous consent of the directors expressed by a resolution of the directors, and the directors shall not be required to give any reason for refusing to consent to any such proposed transfer.
- 2.19 No transfer or assignment of equity shares is effective until the register of members of the credit union is completed, indicating the transfer or assignment.
- 2.20 No transfer of equity shares shall be registered unless a proper instrument of transfer has been delivered to the credit union, but an instrument of transfer is not required for the credit union to register a transmission of shares in compliance with the Credit Union Incorporation Act.
- 2.21 Subject to the Credit Union Incorporation Act, its constitution, and these Rules, the credit union shall, on application of the transferor or transferee of an equity share, enter the name of the transferee on its register of members.
- 2.22 The instrument of transfer of any equity share shall be in writing in the form, if any, on the back of the credit union's share certificates or any other form that the directors may approve.
- 2.23 Every instrument of transfer shall be executed by the transferor and left at the registered office of the credit union for registration, together with the share certificate, if any, for the shares to be transferred and such other evidence, if any, as the directors may require to prove the title of the transferor or the transferor's right to transfer the shares. All instruments of transfer, which are registered, shall be retained by the credit union but any instrument of transfer that the directors decline to register shall be returned to the person depositing the same, together with the share certificate which accompanied the same when tendered for registration.
- 2.24 The signature of the registered owner of any equity shares or of the registered owner's duly authorized attorney on the form of transfer constitutes an authority to the credit union to register the shares specified in the form of transfer in the name of the person named in that form as transferee.
- 2.25 Neither the credit union nor any director, officer or agent is bound to inquire into the title of the transferee of those equity shares to be transferred or is liable to the registered or any intermediate owner of those shares, for registering the transfer.
- 2.26 Subject to these Rules and the Credit Union Incorporation Act, a person who becomes entitled to an equity share as a result of the death or bankruptcy of any member or auxiliary member, on producing the evidence required by the Credit



Union Incorporation Act, or who becomes entitled to a share as a result of an order of a court of competent jurisdiction or a statute, on producing such evidence as the directors think sufficient that the person is so entitled, may be registered as holder of the share or may transfer the share to a person entitled by these Rules and the Credit Union Incorporation Act to hold such share.

2.27 A member may subscribe for a maximum of 1,000 Class "A" Membership Equity Shares.

2.28

(a) Dividends, patronage refunds, or bonuses declared, if any, at the discretion of the directors may be paid as an allocation of Class "A" Membership Equity Shares.

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

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

## **RULE 3**

### **BORROWING AND LENDING**

- 31 Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors of the credit union may raise and borrow money for the purposes of the credit union upon such terms and conditions as to interest, terms of repayment, and security as they determine by resolution.
- 32 Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors shall determine the terms and conditions of loans as to interest and other charges, terms of repayment and security, and may, by resolution, delegate the power to make loans and to make the determination aforesaid.

## **RULE 4**

### **DIRECTORS AND MANAGEMENT**

4.1 For the purpose of election of directors, there shall be four geographic areas of the credit union known as representative regions as follows:

Smithers Representative Region;  
Houston Representative Region;  
Burns Lake Representative Region; and  
Hazelton Representative Region.

- (a) A member carrying on the member's principal financial dealing with the credit union at the branch of the credit union situated in Smithers, British Columbia will be considered a member from the Smithers Representative Region.
- (b) A member carrying on the member's principal financial dealing with the credit union at the branch of the credit union situated in Houston, British Columbia will be considered a member from the Houston Representative Region.
- (c) A member carrying on the member's principal financial dealing with the credit union at the branch of the credit union situated in Burns Lake, British Columbia will be considered a member from the Burns Lake Representative Region.
- (d) A member carrying on the member's principal financial dealing with the credit union at the branch of the credit union situated in New Hazelton, British Columbia will be considered a member from the Hazelton Representative Region.
- (e) Wherever for the purpose of these Rules it shall be necessary to determine whether or not a member or a director is a member from a particular representative region, the nominating committee shall make the determination which shall be final and conclusive.
- (f) Subject to Rule 4.1(g), the board of directors of the credit union shall consist of the following:
  - (i) six directors being members from the Smithers Representative Region;
  - (ii) one director being a member from the Houston Representative

Region;

(iii) one director being a member from the Burns Lake Representative Region; and

(iv) one director being a member from the Hazelton Representative Region.

(g) At least 120 days before an annual general meeting, the directors of the credit union shall consider whether to adjust the number of directors to be elected from a representative region if, as determined by the directors, there has been a material change in the assets, profitability or number of members of the branch of the credit union located in that representative region relative to the assets, profitability or number of members of the other branches of the credit union over a particular period of time. In such case, the directors may adjust the number of directors to be elected from a representative region, provided that any increase or decrease in the number of directors from a representative region shall be carried out by increasing or decreasing the number of directors from another representative region by a like amount. A representative region shall, at all times, have no less than one director. A change in the number of directors to be elected by a representative region shall be put into effect at a time to be set by the directors, provided that if the members have been notified that an election is to take place, the directors may not change the number of directors to be elected by a representative region until the results of the election have been determined and newly elected directors have taken office. Any determination made by the directors pursuant to this Rule shall be final and conclusive.

(h) Each year, directors shall be elected to replace those whose terms expire and, subject to these Rules, a director whose term expires is eligible for re-election in the director's representative region.

4.2 Except as to the first election of directors or where an election is held to fill the unexpired portion of a term, directors shall be elected to hold office for three years.

4.3 Where any offices of directors being filled at any election are for different lengths of terms, the term of each person shall be determined in proportion to the number of votes each person receives, the person receiving the greatest number of votes to hold office for the longest term, provided that if there are two or more persons having an equal number of votes their terms of office shall be determined by lot; but, if there is an election by acclamation, the chair of the nominating committee shall either determine the respective terms of the persons so elected or direct that the terms be determined by lot.

4.4 A member in good standing, other than a person disqualified by Rule 4.5, shall

be eligible for election as a director.

4.5 No person who:

- (a) is a person disqualified from becoming or acting as a director pursuant to the Financial Institutions Act or the Credit Union Incorporation Act, or these Rules;
- (b) is or becomes a paid employee of the credit union or an affiliate of the credit union or the spouse, child or step-child of a paid employee of the credit union or an affiliate of the credit union;
- (c) was an employee of a credit union or an affiliate of a credit union during the one-year period prior to the date that nominations for the office of director under these Rules closed;
- (d) is an employee, officer or director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution or another credit union (other than a director of a central credit union) or a subsidiary of any of them except where that person has been requested or authorized in writing by the directors to serve as a director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution, other credit union or a subsidiary of any of them;
- (e) has not been a member in good standing of the credit union for twelve consecutive months;
- (f) being a director, has failed, without being excused, to attend regular meetings of the directors for three consecutive months in which meetings are held;
- (g) is a party to any legal action or other proceeding in which the credit union, or any subsidiary or affiliate thereof, is a party adverse in interest to such person; or
- (h) is or has been removed at any time within the previous five years from the position of director by the directors in accordance with Rule 4.6,

is eligible to be nominated for election or to hold office as a director and, if holding office as a director, shall vacate office forthwith.

4.6 A person may be removed as a director by a directors resolution passed by not less than two-thirds of the remaining directors if that director:

- (a) has failed, without being excused for reasonable circumstances by the chair (or, in the case of the chair, the vice-chair), to attend:

- (i) three consecutive regular meetings of the directors;
  - (ii) three consecutive regular meetings of a committee of the directors to which the director has been appointed or elected; or
  - (iii) more than a total of three meetings of the directors and any committee of the directors to which the director has been appointed or elected in any financial year;
- (b) ceases to be a member in good standing of the credit union;
  - (c) owns or controls a 50% or greater interest in an incorporated or unincorporated entity which is more than 90 days delinquent in any obligation to the credit union;
  - (d) has breached these Rules or the campaigning guidelines established pursuant to Rule 4.26 when the director was a candidate for election as a director;
  - (e) has breached the conflict of interest policy, the code of conduct & ethics or the code of performance standards for directors, adopted by the directors from time to time; or
  - (f) has breached the confidentiality of any proceedings, deliberations or information of the directors,

in each case, as may be determined by the resolution of the remaining directors. At least seven days prior to the meeting at which the removal of a director is to be considered, the secretary will provide such director with notice of the meeting and the grounds for considering the director's removal. The director may appear and make submissions at the meeting prior to the directors voting on the directors resolution for the director's removal.

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

4.8 At least 120 days before an annual general meeting, the directors shall appoint a nominating committee of not less than three directors, provided however, that no director whose term of office is expiring at the annual general meeting next following the appointment of the committee may serve as a member of the committee. The nominating committee will be responsible for:

- (a) determining desired experience and skill of candidates for election as a director, taking into account the background of existing directors and the

specific ongoing needs of the credit union;

- (b) identifying, recruiting and, if considered appropriate by the nominating committee, endorsing or recommending candidates for election as directors who meet the criteria established in Rule 4.8(a);
- (c) preparing for delivery to the members, the notice of election required by Rule 4.15;
- (d) monitoring the conduct of candidates during the election process in accordance with the campaigning guidelines; and
- (e) conducting the nomination and election of directors in accordance with these Rules.

4.9 At least 90 days before an annual general meeting, the nominating committee shall:

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

4.10 No member, unless the member is a member of the nominating committee, may nominate more than one candidate in respect of an election of a director or directors.

4.11 Only a member in good standing who is not a junior member is eligible to cast a ballot in an election of a director or directors.

4.12 Before the name of a person is placed in nomination as a candidate for election as a director, that person shall deliver to the nominating committee a declaration, in writing, stating that the member is willing:

- (a) to stand for election as a director for that person's representative region, and if elected, to serve as a director for such representative region;
- (b) to observe the provisions of the Credit Union Incorporation Act and the Financial Institutions Act, as applicable;

- (c) to comply with the directors' conflict of interest policy, code of conduct & ethics or code of performance standards, adopted by the directors, from time to time; and
  - (d) to observe the Rules of the credit union and procedures relating to the election and the conduct thereof.
- 4.13 The nominating committee shall examine each nomination received and determine whether the nomination complies with the Financial Institutions Act and these Rules, and shall accept each nomination of a member qualified to be a candidate whose nomination is in order and reject each nomination which is not in order or that does not comply and notify each nominee accordingly and, forthwith after the date on which nominations close:
- (a) place in nomination the names of qualified candidates at least equal to the number of vacancies to be filled in the election by members in those representative regions having vacancies on the board of directors;
  - (b) place in nomination the names of other candidates nominated in writing by at least three members in good standing of the age of majority from such candidates' representative region;
  - (c) inform each candidate of the provisions of these Rules with respect to the conduct of the election and provide to each candidate a copy of the Rules of the credit union and any determinations of the directors relating to elections and the conduct thereof;
  - (d) request that each candidate complete the personal information return required to be submitted to the superintendent pursuant to the Financial Institutions Act.
- 4.14 If the number of qualified persons nominated for the offices for which the election is to be held is less than or equal to the number of offices to be filled, the persons so nominated shall be declared by the nominating committee to be elected by acclamation.
- 4.15 Where an election is to be held in one of more representative regions of the credit union, the nominating committee shall forward at least 30 days before the annual general meeting, to all members of the credit union in such representative region entitled to vote:
- (a) a photograph, resume and policy statement if submitted by a candidate for election pursuant to Rule 4.28;
  - (b) if the nominating committee chooses to endorse or recommend a



candidate or candidates, an indication of which candidate or candidates the nominating committee endorses or recommends;

- (c) clear and precise instructions for voting in person, by electronic means, by mail ballot, or a combination of the three;
- (d) advice of the date (or dates) and time(s) during which voting in the election shall take place;
- (e) advice of the place or places at which polling in the election shall take place, if applicable;
- (f) a list of conditions under which members will be eligible to vote in the election;
- (g) advice of the right of each member to request in writing, not less than 10 days prior to the commencement of voting, a ballot which may be cast by mail instead of being cast by electronic means or at a branch;

and where the member requests a mail ballot:

- (h) a ballot listing, alphabetically, the name of all nominees for the representative region;
- (i) a ballot envelope which will ensure confidentiality;
- (j) a ballot authentication envelope with space for the name, address, branch, membership number, and signature of the member;
- (k) an addressed envelope bearing the address of the registered office of the credit union;
- (l) clear instructions for casting the ballot and return thereof by Canada Post or personal delivery, specifying the day on which the ballot must be received by the credit union in order to be counted.

4.16

- (a) Voting in an election of directors shall be by voting in person on five business days ending not less than 10 days before the annual general meeting at the branch office of the credit union in the member's representative region, or by mail ballot upon receipt of a member's written request in the manner and within the time provided in Rule 4.15(g), and may occur by electronic means if the directors determine to permit voting by electronic means and such means are made available.

- (b) Members of a representative region shall cast a ballot for the purpose of filling the vacancy(ies) to be elected from the representative region, and may not cast a ballot in any other representative region of the credit union.
- 4.17 The directors may appoint a returning officer.
- 4.18 A returning officer appointed under Rule 4.17 may, but need not, be a member of the credit union.
- 4.19 Where a returning officer is appointed, the returning officer shall be appointed at least 60 days prior to the date on which voting in an election is to commence.
- 4.20 The nominating committee and, where applicable, the returning officer may engage such other resource persons as the directors and the nominating committee or returning officer agree are required to conduct the election in a proper manner.
- 4.21 A ballot must contain votes for the number of persons to be elected and any ballot indicating another intention is void.
- 4.22 If a member who is entitled to receive a ballot does not receive a ballot or loses or destroys the member's ballot before it is cast, then, prior to the close of balloting, on declaration by the member that the ballot was not received or has been lost or destroyed and that the member has not cast a ballot in the election, a new ballot shall be made available to that member, together with such information as was provided to other members entitled to vote in that election.
- 4.23 The returning officer or, if there is no returning officer, the nominating committee shall supervise the election of directors and:
- (a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration that the member has not previously cast a ballot in the election then in progress;
  - (b) shall obtain all ballots and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be made in a manner that ensures the secrecy of the balloting;
  - (c) shall determine whether a ballot is to be accepted or rejected and, such determination is final and not open to review; and
  - (d) shall announce, at the annual general meeting following the completion of voting, the results of the election, including the total number of ballots cast, the number of spoiled ballots and the number of votes obtained by each candidate.

- 4.24 An alphabetic listing of the candidates and the number of votes received by each shall be posted in each office of the credit union or be published electronically, including posting the results on the website of the credit union, as the directors shall determine, in their sole discretion, as soon as the results of the ballot have been announced and shall remain posted for three clear business days.
- 4.25 Subject to the Financial Institutions Act, a person elected as a director shall take office at close of the annual general meeting at which the person was elected or, if the election results with respect to the election of that person are not determined by the close of the annual general meeting, then as soon thereafter as the results are determined provided that, for the purpose of determining that person's length of term, the person shall be deemed to have taken office at the close of the annual general meeting.
- 4.26 The directors may, from time to time, determine the method and manner in which candidates shall be permitted to campaign for election and candidates shall campaign in accordance with the method and manner as determined by the directors.
- 4.27 No candidate shall interfere with the election process or seek assistance in connection with the election from any employee of the credit union.
- 4.28 A candidate may submit a photograph of the candidate, a resume and a statement not exceeding, in the aggregate, 250 words, setting forth the candidate's biographical information, occupation, credit union affiliation, experience and qualifications, which statement shall be reviewed by the nominating committee and may be rejected by the committee if the committee considers it to be lacking in good taste, defamatory, injurious to the reputation of the credit union, or if it exceeds 250 words.
- 4.29 Every director shall, forthwith after the director's election as a director of the credit union, file with the conduct review committee a statement of disclosure in the form established by the conduct review committee disclosing any conflicts of interest which the director may have.
- 4.30 The number of directors of the credit union shall be nine, but if that number is reduced by death, resignation, disqualification or removal from office or by failure to elect or appoint a director pursuant to these Rules, the remaining directors, save as provided by any other provision in these Rules, shall have all of the power of the directors until the vacancy or vacancies caused thereby have been filled by appointment or election.
- 4.31 Subject to Rule 4.33, where a casual vacancy occurs among the directors or, for any reason, the office of director is not filled in an election, the remaining

directors may appoint a qualified person to fill the vacancy. Any person so appointed shall hold office until the close of the next annual general meeting.

- 4.32 Notwithstanding Rules 4.1, 4.4, and 4.5(d) and (e), whenever the credit union enters into an agreement to purchase all or substantially all of the assets of another credit union, in accordance with the Credit Union Incorporation Act, the directors may appoint as additional directors persons who were directors of the transferring credit union at the date of the transfer and designate their terms of office, but the total number of directors of the credit union following such appointment shall not exceed 13.
- 4.33 Where the term of office of a director appointed pursuant to Rule 4.32 has expired or where the position becomes vacant prior to the expiration of the term of office, no vacancy shall be deemed to exist and the number of directors shall be deemed to have been reduced accordingly.
- 4.34 Where the number of directors of a credit union is reduced below the number pursuant to Rule 4.40 as the quorum for directors, the continuing directors may act for the purpose of filling the vacancies up to that number, or of summoning a general meeting of the credit union, but for no other purpose.
- 4.35 The directors shall meet within 30 days after each annual general meeting and shall elect from their own numbers a chair and vice-chair and, subject to Rule 4.42, may appoint such additional officers, as they consider necessary.
- 4.36 The directors shall meet as often as they deem appropriate in each year and not less frequently than once in each quarter.
- 4.37 The chair may call a meeting of the directors at any time and shall, within 14 days of receipt of a written request of three directors, call a meeting of the directors.
- 4.38 Reasonable notice of a meeting of directors specifying the day, hour and, if applicable, place of such meeting shall be given by mail, postage prepaid, addressed to each of the directors at the director's address as it appears on the books of the credit union or by leaving it at the director's usual business or residential address or by telephone, email or any other method of transmitting legibly recorded messages. It shall not be necessary to give notice of a meeting of directors to any director:
- (a) who is at the time not in the Province of British Columbia; or
  - (b) if such meeting is to be held immediately following a general meeting at which such director shall have been elected or is the meeting of directors at which such director is appointed.

Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any director shall not invalidate the proceedings at that meeting.

- 4.39 A director may waive, in writing, notice of any past or present meeting of the directors.
- 4.40 A majority of the directors shall constitute a quorum but a lesser number may adjourn from time to time until a quorum is obtained.
- 4.41 A director who is interested, directly or indirectly, in a proposed contract or transaction with the credit union may be counted for the purposes of the quorum required by Rule 4.40.
- 4.42 The directors shall appoint the president, the secretary, the chief executive officer, and may appoint or authorize the appointment of such additional employees as may be required for the proper operation of the credit union.
- 4.43 In the absence of the chair or the chair's inability for any cause to act or in case the office of the chair becomes vacant, the vice-chair shall discharge the duties of the chair.
- 4.44 Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors may adopt rules of order governing their conduct but, where no rules are adopted, the current edition of "Robert's Rules of Order Newly Revised" shall be used.
- 4.45 A director or a committee member may participate in a meeting of the directors or any committee of the directors by means of telephone or other communications medium if all directors or committee members participating in the meeting are able to participate in it, whether by telephone, other communications medium or in person, provided that in the case of an in person meeting or a partially electronic meeting of the directors, a majority of the directors or committee members participating in the meeting are in British Columbia at the time of the meeting. A director or committee member participating in accordance with this Rule shall be deemed to be present at the meeting and to have so agreed and shall be counted in a quorum therefore and be entitled to speak and vote thereat.
- 4.46 A resolution, whether or not in counterpart, consented to in writing by all directors or all the members of a committee and filed with the minutes of the directors or the committee shall be as valid and effectual as if it had been passed at a meeting of the directors or of the committee, duly called and constituted.
- 4.47 At the first meeting of the directors following each annual general meeting, the directors will appoint or elect such committees as may be required by Credit

Union Incorporation Act and the Financial Institutions Act, provided that the composition of such committees shall be consistent with the requirements of Credit Union Incorporation Act and the Financial Institutions Act, as applicable.

- 4.48 Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors may delegate any of their powers to committees consisting of such persons as the directors think fit, and to such officer or officers as the directors think fit, and may from time to time revoke such delegation.
- 4.49 Any committee formed under Rule 4.48 shall, in the exercise of the powers so delegated, conform to any terms and conditions that may from time to time be imposed upon it by the directors.
- 4.50 The meetings and proceedings of any committee consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulations made by the directors under Rule 4.49.
- 4.51 Every committee shall report to the next succeeding meeting of the directors all business dealt with by the committee since the last preceding meeting of the directors.
- 4.52 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 member or creditor,

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

union shall pay an amount by way of indemnity that will fully indemnify for the amount of all liabilities herein described and all income taxes payable as a result of the receipt of the indemnity payment.

- 4.53 The remuneration of the directors of the credit union in relation to their service as directors, including attendance at meetings, be established, allocated and distributed to the directors at the discretion of the board of directors.

## RULE 5

### GENERAL MEETINGS

- 5.1 The annual general meeting of the credit union shall be held on the date, hour and, if applicable, place to be fixed by the directors and shall be convened and held in accordance with the provisions of the Credit Union Incorporation Act.
- 5.2 Other general meetings may be convened and held in accordance with the provisions of the Credit Union Incorporation Act.
- 5.3 Subject to the provisions of the Credit Union Incorporation Act, the credit union may hold a general meeting, including its annual general meeting or any special general meeting of the members of the credit union, by holding two or more meetings at different times and, if applicable, different places, which meetings together shall constitute a single meeting, and the directors of the credit union may fix the times and, if applicable, places of the general meeting.
- 5.4 The credit union may hold a general meeting in person, by a partially electronic meeting or by a fully electronic meeting, as determined by the directors, if convened and held in accordance with the provisions of the Credit Union Incorporation Act. If a general meeting is an electronic meeting, the notice must contain instructions for attending and participating in the meeting by telephone or other communications medium, including, if applicable, instructions for voting at the meeting.
- 5.5 Subject to the Credit Union Incorporation Act, a general meeting may adopt rules of order for its conduct, but if no rules are adopted, the current edition of "Robert's Rules of Order Newly Revised" shall be used.
- 5.6 At a general meeting of the credit union, 25 members shall constitute a quorum, but a lesser number may adjourn from time to time until a quorum is obtained.
- 5.7 So far as is practical, the order of business at an annual general meeting shall be as follows:

call to order,  
ascertainment of quorum,  
appointment of recording secretary and of parliamentarian,  
adoption of agenda,  
approval of minutes,  
business arising out of minutes,  
report of the directors,  
report of management,  
presentation of financial statements,



report of the auditor,  
approval of auditor's report,  
report of other committees,  
announcement of election results,  
appointment of auditor,  
unfinished business,  
new business,  
good and welfare,  
adjournment.

- 5.8 In order for an ordinary resolution or other matter which is proposed by a member of the credit union to be eligible for consideration at an annual general meeting, it must be submitted to the credit union in advance in accordance with the Credit Union Incorporation Act; provided, however, this Rule 5.8 does not apply to ordinary resolutions or other matters invited by the chair at an annual general meeting.
- 5.9 Each person desiring to cast a vote on any issue or a ballot in person in an election shall, on request, present evidence of age, identity and membership, and a declaration that the member has not previously voted or cast a ballot on the issue or in the election then in progress.
- 5.10
- (a) Only a member in good standing who is not a junior member may vote on a resolution.
  - (b) A member of a credit union who is not an individual or a member who is an unincorporated association may be represented and vote at meetings of the credit union by an individual who meets the requirements of the Credit Union Incorporation Act for such purposes.
- 5.11 The chair or a director designated by the chair shall chair general meetings of the credit union.
- 5.12 Voting at a general meeting of the credit union will be by show of hands, unless the chair determines to permit voting by a written vote or electronic means and such means are made available.
- 5.13 Neither a member nor an auxiliary member shall vote by proxy.
- 5.14 The record date for the purpose of:
- (a) determining members entitled to notice of a general meeting; and
  - (b) determining members entitled to vote at a general meeting,

in each case, shall be two months preceding the date on which the general meeting is to be held and the membership list of the credit union, for such purposes, shall be closed at 5 p.m. on such date.

## **RULE 6**

### **SPECIAL RESOLUTIONS**

- 6.1 Voting on a special resolution will occur by voting by mail ballot and voting by ballot at a branch office, whichever method the member chooses, and may occur by electronic means if the directors determine to permit voting by electronic means and such means are made available.
- 6.2 On any special resolution to be voted on, the directors shall, at least 18 days prior to the date set for commencement of voting on the special resolution, provide to all members entitled to vote a notice setting forth:
- (a) such required or permitted information as the directors deem necessary or advisable in connection with the special resolution;
  - (b) notice of when voting will take place;
  - (c) clear and precise instructions for voting; and
  - (d) notice of how a member may access or obtain a ballot.
- 6.3 Every member desiring to vote on a special resolution shall:
- (a) provide such proof and particulars of membership as the directors or the returning officer, if any, may prescribe; and
  - (b) provide a declaration, in the form prescribed by the directors, that the member is a member in good standing and has not previously voted on the special resolution.

## **RULE 7**

### **SEAL**

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

## **RULE 8**

### **ALTERATION**

- 8.1 Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the credit union may alter its constitution or these Rules from time to time, by special resolution.

## **RULE 9**

### **FINANCIAL YEAR END**

- 9.1 The financial year-end of the credit union is December 31.

## **RULE 10**

### **ELECTRONIC COMMUNICATIONS**

- 10.1 Subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Electronic Transactions Act, unless these Rules expressly provide otherwise:
- (a) where these Rules require the use of documents that are “written”, “in writing” and other similar words, the directors may in their discretion permit the use of documents in such electronic forms as the directors consider desirable in the circumstances, provided that such electronic documents are accessible in a manner useable for subsequent reference;
  - (b) where these Rules, the Credit Union Incorporation Act or the Financial

Institutions Act, require the provision or delivery of documents, the directors may in their discretion permit the provision or delivery of such documents in such electronic form and by such electronic means (including, without limitation, making such electronic documents accessible to the intended recipient by an electronic means notified to the intended recipient) as the directors consider desirable in the circumstances, provided that such electronic documents are accessible by the recipient in a manner useable for subsequent reference and capable of being retained by the recipient in a manner useable for subsequent reference; and

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