

R U L E S
OF
SHARONS CREDIT UNION

Amended by Special Resolution

at Annual General Meeting,

held on April 19, 2017

DEFINITIONS

- (a) In these rules, unless the subject or context is inconsistent therewith: "Board" unless the context otherwise requires, means the Board of Directors of the Credit Union;
- (b) "Business Corporations Act" means the Business Corporations Act of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (c) "Chair" means the Chair of the Board;
- (d) "Credit Union" means Sharons Credit Union;
- (e) "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;
- (f) "Director" means a Director of the Credit Union for the time being;
- (g) "Dormant Account" means an account
 - (i) in which there has been no member initiated activity for 12 months,
 - (ii) in respect of which, on three consecutive occasions, mail sent by the Credit Union to the last known address of the account holder has been returned, and
 - (iii) in respect of which, the account holder has not informed the Credit Union in writing of the new address.
- (h) "Electronic" has the meaning set out in the Electronic Transactions Act;
- (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) "Senior Member" means a member who has attained the age of sixty-five.

The meaning of any words or phrases defined in the Credit Union Incorporation Act, the Financial Institutions Act, and to the extent that it relates to the Credit Union, the Business Corporations 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 in writing or prescribed Electronic means 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, together with a membership fee as determined from time to time by the Board. The Board may, in its sole discretion, delegate the authority to approve or reject applications 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;
 - (b) is not more than 90 days delinquent in any obligation to the Credit Union;
 - (c) has paid an annual membership fee as determined from time to time by the Board.
- 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 Board 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 Board 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 Board and the Board may delegate the power to make such determinations.

- 2.3 The shares of the Credit Union shall be divided into the following classes of shares, each consisting of an unlimited number of shares; Class "A" Membership Equity Shares; Class "B" Transaction Equity Shares; Class "C" Investment Equity Shares; Class "F" Equity Shares.
- 2.4 All shares have a par value of One Dollar (\$1.00) each.
- 2.5 Subject to the Credit Union Incorporation Act and these Rules, the Credit Union may, by resolution of the Board, redeem or purchase any of its shares.
- 2.6 If the Credit Union proposes, at its option, to redeem some but not all of the shares of any class, the Board may, subject to the special rights and restrictions attached to such class of shares, decide the manner in which the shares to be redeemed shall be selected.
- 2.7 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.
- 2.8 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;
 - (ii) the Credit Union terminates the membership of the member;
 - (iii) the member withdraws from membership in the Credit Union;
 - (iv) where the Class "A" Membership Equity Shares are jointly held by two or more persons, the Credit Union may at any time, upon giving advance notice to the holders, apply any or all of the proceeds towards the subscription for Class "A" Membersip Equity Shares for and on behalf of all the persons named as joint holders;
 - (v) 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 Board, in its discretion, resolves;
 - (d) any redemption or purchase of Class "A" Membership Equity Shares shall be at par value plus any dividends declared but unpaid thereon.
- 2.9 Class "B" Transaction Equity Shares have attached thereto the following rights and restrictions:
- (a) Class "B" Transaction Equity Shares may only be issued to a member of the Credit Union;

- (b) subject to the Credit Union Incorporation Act, the Credit Union may, but shall not be required to, redeem the Class "B" Transaction Equity Shares held by a member if all indebtedness of the member to the Credit Union has been fully paid, discharged and:
 - (i) the member is a natural person and dies ; or
 - (ii) the member requests, in writing, that the Class "B" Transaction Equity Shares be redeemed;
 - (c) the Credit Union may redeem the Class "B" Transaction Equity Shares held by a member on such terms and conditions and at such times as the Board, in its discretion, resolves;
 - (d) notwithstanding the foregoing but subject to the Credit Union Incorporation Act, the amount of Class "B" Transaction Equity Shares that the Credit Union may be required to redeem in any financial year is limited to 10% of the amount of such shares issued and outstanding on the last day of the immediately preceding financial year;
 - (e) any redemption or purchase of Class "B" Transaction Equity Shares shall be at par value plus any dividends declared but unpaid thereon.
- 2.10 Class "C" Investment Equity Shares have attached thereto the following rights and restrictions:
- (a) the Credit Union may redeem any Class "C" Investment Equity Shares on such terms and conditions and at such times as the Board, in its discretion, resolves;
 - (b) any redemption or purchase of Class "C" Investment Equity Shares shall be at par value plus any dividends declared but unpaid thereon.
- 2.11 If a member becomes the owner of a number of Class "A" Membership Equity Shares in excess of the number required to be held pursuant to Rule 2.14, then the Credit union may but shall not be required to redeem that number of Class "A" Membership Equity Shares.
- 2.12 Class "F" Equity Shares shall have attached thereto the following rights and restrictions:
- a) Without the consent of the Board, Class "F" Equity Shares may be held or beneficially owned only by members or by one or more persons jointly with one or more members.
 - b) The Credit Union may redeem any Class "F" Equity Shares held by a member on such terms and conditions and at such times as the Board, in its discretion, resolves.
 - c) Any redemption or purchase of Class "F" Equity Shares at par value plus any dividends declared but unpaid thereon.
- 2.13 The Credit Union may require evidence as to the events described in Rule 2.8 or Rule 2.9, before redeeming Equity Shares. Notwithstanding anything contained in these Rules, but subject to the Credit Union Incorporation Act, no holder of any equity shares in the Credit Union shall have the right to redeem any of those shares and no redemption of any shares shall require the Credit Union to subsequently redeem any shares.
- 2.14 Each member of the Credit Union shall subscribe, fully pay for, and hold the following number of Class "A" Membership Equity Shares:
- (a) except as provided below, each member - 20 shares;

- (b) each junior member - 5 shares;
 - (c) each member which is an incorporated company - 50 shares;
 - (d) each member which is a legal entity, other than an incorporated company, created by or pursuant to statute - 50 shares;
 - (e) if shares are jointly held, 20 shares per member;
 - (f) each Senior Member - 10 shares.
- 2.15 The Board 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 Board may not determine that the total number of Class "A" Membership Equity Shares required to be owned by a member shall exceed 1,000 Class "A" Membership Equity Shares;
 - (b) on any one occasion, the Board may not determine to increase the number of Class "A" Membership Equity Shares required to be held as a condition of membership by more than twice the number of Class "A" Membership Equity Shares then required to be held as a condition or 50 shares, whichever is greater;
 - (c) a determination by the Board pursuant to this Rule may be made no more frequently than once per financial year;
 - (d) a subsequent determination by the Board shall not be made to have effect within six (6) months of the last such determination; and
 - (e) subject to Rule 2.19, a determination by the Board pursuant to this Rule shall not be effective until the expiration of not less than ninety (90) days after notice of a determination is deemed to have been received by the members.
- 2.16 If, on the expiration of not less than 30 days after the deemed receipt of the notice described in Rule 2.15, a member does not hold the required number of Class "A" Membership Equity Shares, the Credit Union may apply any money on deposit and interest thereon or invested in Class "B" Transaction Equity Shares or Class "C" Investment Equity Shares, Class "F" Equity Shares and dividends credited 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 2.15.
- 2.17 If, on the expiration of the period of notice described in Rule 2.15 a member does not hold the required number of Class "A" Membership Equity Shares and the member has insufficient monies on deposit or invested in Class "B" Transaction Equity Shares or Class "C" Investment Equity Shares, Class "F" Equity Shares to permit the purchase of sufficient Class "A" Membership Equity Shares pursuant to Rule 2.14, the Board may terminate that member's membership unless that membership shall terminate in accordance with the Credit Union Incorporation Act.
- 2.18 (a) A junior member becomes a member with full membership rights and obligations on attaining the age of majority, provided that such member then holds the number of Class "A" Membership Equity Shares required to be held by a member of the age of majority.

- (b) If, on the 30th day preceding the day on which a junior member attains the full age of majority, that member does not own the number of shares referred to in rule 2.14(a), the Rule 2.16 and Rule 2.17 shall apply, except that no notice shall be required.
- 2.19 A person who becomes a member of the Credit Union at any time after notice is given under Rule 2.16 but before the expiration of that notice shall, as a condition of membership, subscribe and fully pay for the number of Class "A" Membership Equity Shares which will be required to be held by a member after the expiration of the notice.
- 2.20 (a) Equity shares may be held jointly, but nothing in this Rule diminishes the number of Class "A" Membership Equity Shares that a member must hold.
- (b) All jointly held equity shares shall carry the right of survivorship unless a contrary statement, in writing, is given at the time of subscription and signed by all parties jointly holding the shares.
- (c) The Credit Union shall not be required to redeem any equity share that is jointly held, until the death of the last joint holder.
- 2.21 Where required by applicable legislation, the Credit Union shall issue share certificates for equity shares, each of which shall state on its face the words "NOT GUARANTEED BY THE CREDIT UNION DEPOSIT INSURANCE CORPORATION".
- 2.22 Every share certificate issued by the Credit Union shall be in such form as the Board approves and shall comply with the Credit Union Incorporation Act and the Business Corporations Act.
- 2.23 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 Board, on paying to the Credit Union a fee not exceeding that prescribed under the Business Corporations Act, and on giving such indemnity as the Board deems adequate, a new certificate in place of the lost or destroyed certificate shall be issued to the party entitled to it.
- 2.24 A share certificate registered in the name of two or more persons shall be delivered to the person first named on the register of members.
- 2.25 No equity share shall be transferred without the previous consent of the Board expressed by a resolution of the Board, and the Board shall not be required to give any reason for refusing to consent to any such proposed transfer.
- 2.26 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.
- 2.27 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 and the Business Corporations Act.
- 2.28 Subject to the Credit Union Incorporation Act and the Business Corporations 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.
- 2.29 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 Board may approve.
- 2.30 If the Board so requires, each instrument of transfer shall be in respect of only one class of shares.

- 2.31 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 Board may require to prove the title of the transferor or their 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 Board declines to register shall be returned to the person depositing the same, together with the share certificate which accompanied the same when tendered for registration.
- 2.32 The signature of the registered owner of any equity shares or of their 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.
- 2.33 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.
- 2.34 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 Business Corporations 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 Board thinks sufficient that they are 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.
- 2.35 (a) The maximum number of Class "A" Membership Equity Shares for which a member may subscribe shall be the number required to be held pursuant to Rule 2.14 and 2.15.
- (b) A member may subscribe for a maximum of 1,000 Class "B" Transaction Equity Shares.
- (c) A member may subscribe for a maximum of 3,000 Class "C" Investment Equity Shares.
- (d) A person may subscribe for a maximum of 3,000 Class "F" Equity Shares.
- 2.36 (a) Dividends, patronage refunds, or bonuses declared, if any, at the discretion of the Board may be paid as an allocation of Class "B" Transaction Equity Shares, Class "C" Investment Equity Shares or Class "F" Equity Shares, or any combination of them.
- (b) Dividends declared, if any, may at the discretion of the Board, be at a different rate for different classes of shares.
- (c) Subject to the provisions of the Business Corporations Act, the Financial Institutions Act and the Credit Union Incorporation Act, the Credit Union, or the Board 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 commission and discount shall not in the aggregate exceed the amount permitted by the Business Corporations Act. The Board may also pay such brokerage as may be lawful.
- 2.37 Subject to the Credit Union Incorporation Act, the Financial Institutions Act, and the Business Corporations Act, the Board may develop and offer such participation programs as they deem in the best interest of the Credit Union.

RULE 3

BORROWING & LENDING

- 3.1 Subject to the Credit Union Incorporation Act, the Financial Institutions Act, and the Business Corporations Act, the Board of the Credit Union may raise and borrow money for the purposes of the Credit Union upon such terms and conditions as to interest, terms of repayment and security as they determine by resolution.
- 3.2 Subject to the Credit Union Incorporation Act, the Financial Institutions Act, and the Business Corporations Act, the Board shall determine the terms and conditions of loans as to interest and other charges, terms of repayment and security and may require an additional number of Equity Shares be subscribed for and purchased by a member as a condition of a loan to that member and may, by resolution, delegate the power to make loans and to make the determination aforesaid.

RULE 4

ELECTION OF DIRECTORS AND COMPOSITION OF THE BOARD

- 4.1 Each year, Directors shall be elected to replace those whose terms expire and a Director whose term expires is eligible for re-election. Subject to the Financial Institutions Act, persons elected as Directors shall take office at the close of the annual general meeting at which they were elected. Directors shall be elected to hold office for three (3) years.
- 4.2 A member in good standing, other than a person disqualified by Rule 4.3 shall be eligible for election as a Director.
- 4.3 No person who:
- (a) is a person disqualified from becoming or acting as a Director pursuant to the Business Corporations Act, the Financial Institutions Act or the Credit Union Incorporation Act;
 - (b) is or becomes a paid employee of the Credit Union or an affiliate of the Credit Union or the spouse, child or step-child, of a paid employee of the Credit Union or an affiliate of the Credit Union;
 - (c) was an employee of the Credit Union or an affiliate of the 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 Board to serve as a director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution or another credit union or a subsidiary of any of them;
 - (e) has not been a member in good standing of the Credit Union for 24 consecutive months;
- is eligible to hold office as a Director and , if holding office as a Director, shall vacate office forthwith.
- 4.4 At least 120 days before an annual general meeting, the Board shall appoint a nominating committee of not less than three (3) members, who shall be natural persons and not junior members, and who may, but need not be Directors, provided however, that no Director whose term of office is expiring at the annual general

meeting next following the appointment of the committee may serve as a member of the committee. The committee shall elect its chair.

- 4.5 No member, unless they are a member of the nominating committee, may nominate more than one (1) candidate in respect of an election of a Director or Directors.
- 4.6 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.
- 4.7 A member of the Credit Union who is not a natural person may vote in an election of Directors by:
- (a) an individual who is not a member, and
 - (b) by written authorization to vote on behalf of that member, deposited with the Credit Union.
- 4.8 Before the name of a member is placed in nomination as a candidate for election as a Director, that member must:
- (a) attend an interview with the nominating committee, at a time and place specified by the nominating committee, unless the requirement to attend such interview has been waived by the nominating committee, and
 - (b) deliver to the nominating committee a declaration, in writing, stating that the member is willing to stand for election, and if elected, to serve as a Director.
- 4.9 The nominating committee shall:
- (a) Place in nomination the names of qualified candidates who are members in good standing with skills, knowledge and personal attributes that may enhance their abilities to act as Directors, at least equal to the number of vacancies to be filled in the election;
 - (b) place in nomination the names of other qualified candidates nominated in writing by a member in good standing of the age of majority; and
 - (c) request that each candidate complete and return to the Credit Union the personal information return required to be submitted to the Superintendent pursuant to the Financial Institutions Act in the event such member becomes a Director of the Credit Union.
- 4.10 The Board may, from time to time, set Campaign Regulations which will 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 Board.
- 4.11 A ballot must contain votes for the number of persons to be elected and any ballot indicating another intention is void.
- 4.12 Where an election is to be held, the chair of the nominating committee shall appoint scrutineers, who shall supervise the election of Directors and:
- (a) may require a member to provide proof and particulars of membership;
 - (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 be entrusted to hold the ballots, tallies, reports and other material related to the election for a period of thirty (30) days after the election and then to destroy them, but the minutes pertaining to the election shall be retained.

The chair of the nominating committee shall announce, at the annual general meeting, the results of the election.

- 4.13 If in an election there are two or more persons receiving an equal number of votes, the Chair shall have a second or casting vote.
- 4.14 In an election of Directors or voting on a Special Resolution, voting will be by one of (a) to (f) as determined by the Board from time to time:
- (a) voting in person at a general meeting or voting by mail ballot, whichever method the member chooses,
 - (b) voting in person at a general meeting or voting by ballot at a branch office, whichever method the member chooses,
 - (c) voting in person at a general meeting, voting by mail ballot or voting by ballot at a branch office, whichever method the member chooses,
 - (d) voting by mail ballot or voting by ballot at a branch office, whichever method the member chooses,
 - (e) voting by ballot at a branch office,
 - (f) voting by mail ballot.

A reference to voting by ballot or mail ballot may be read by the Credit Union as a reference to voting by Electronic means.

- 4.15 Where an election is to be held, the nominating committee shall forward to all members in good standing entitled to vote in the election:
- (a) a list of conditions under which the member will be eligible to vote;
 - (b) a description of the method of voting;
 - (c) notice of the dates during which voting in the election shall take place;
 - (d) if the member is not an individual, the form of written authorization required to appoint an authorized representative of the member to vote on behalf of the member and clear and precise instructions for completing and returning the authorization with the ballot;
 - (e) a summary of qualifications, information and/or statement submitted by each candidate for election in such form as is prescribed by the nominating committee from time to time;
 - (f) a ballot with the names of all candidates listed alphabetically;
 - (g) clear and precise instructions for casting the ballot and for returning the ballot, and such instructions must specify the date by which the ballot must be received by the Returning Officer in order to be counted; and
 - (h) such other materials as the nominating committee deems necessary or advisable in connection with the voting, including its endorsement of any candidate(s).

- 4.16 The Credit Union will not mail notification of the call for nominations or election notification to Dormant Account members but will attempt to notify such members through other means as determined by the Board and permitted by the Act.
- 4.17 On a date, as determined by the Board, after January 1 but prior to February 1 of the election year, the membership list of the Credit Union will, for the purpose of the election, be closed and only those members in good standing as of the close of business of the Credit Union on such date will be eligible to cast ballots in the election.
- 4.18 The number of Directors of the Credit Union shall be seven (7). If the number of Directors fixed by this Rule 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.
- 4.19 Every Director shall, forthwith after his 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 they may have.
- 4.20 Where a casual vacancy occurs among the Board 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 expiry of the term of office of the position that was vacated or not filled.
- 4.21 Where the number of Directors of the Credit Union is reduced below the number fixed by or pursuant to Rule 4.18, 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.
- 4.22 The Board 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 4.31, may appoint such additional officers as they consider necessary. The Chair shall chair meetings of the Board.
- 4.23 At any time the Conduct Review Committee may review any Director's actions in order to make a determination (a "Determination") that the Director:
- (a) breached or violated these Rules, the Conflict of Interest Policy, the Code of Conduct and Ethics for Board, or such other codes and policies as that Director may become subject to as a Director of the Credit Union from time to time;
 - (b) breached the confidentiality of any proceeding, deliberations, or information of the Board; or
 - (c) when a candidate for election as a Director, the Director violated the Campaign Regulations or these Rules.
- The Director will be provided the opportunity to address the Conduct Review Committee prior to a Determination under this Rule 4.23. In the event that the Conduct Review Committee has made a Determination regarding a particular Director, that Director may be removed as a Director by a resolution passed by not less than 2/3 of the remaining Board. The Director will be provided the opportunity to address the Board prior to a vote under this Rule 4.23.
- 4.24 The directors shall meet at least five times in each year and not less frequently than once in each quarter.
- 4.25 The Chair may call a meeting of the Board at any time and shall, within 14 days of receipt of a written request of four Directors, call a meeting of the Board.

- 4.26 Reasonable notice of a meeting of the Board specifying the place, day and hour of such meeting shall be given by email, by telephone or any method of transmitting legibly recorded messages. It shall not be necessary to give notice of a meeting of the Board 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 the Board 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.

- 4.27 A Director may waive, in writing, notice of any past or present meeting of the Board.
- 4.28 A majority of the Board shall constitute a quorum but a lesser number may adjourn from time to time until a quorum is obtained.
- 4.29 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 4.28.
- 4.30 A Director or a committee member may participate in a meeting of the Board or any committee of the Board by means of conference telephones or other communication facilities by means of which all Directors or committee members participating in the meeting can hear each other, provided that all such Directors or committee members agree to such participation. 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.
- 4.31 The Board shall appoint the secretary, **the chief executive officer as president**, and may appoint or authorize the appointment of such additional employees as may be required for the proper operation of the Credit Union.
- 4.32 In the absence of the Chair or their 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.
- 4.33 Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the Board may adopt rules of order governing its conduct but, where no rules are adopted, the current edition of "Robert's Rules of Order Newly Revised" shall be used.
- 4.34 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 Board or the committee shall be as valid and effectual as if it had been passed at a meeting of the Board or of the committee, duly called and constituted.
- 4.35 The Board shall annually elect at least three (3) of their number as the Audit & Risk Committee.
- 4.36 The Board shall annually elect at least three (3) of their number as Investment & Lending Committee.
- 4.37 The Board shall annually elect at least three (3) of their number as Conduct Review Committee.
- 4.38 The Board shall annually elect at least three (3) of their number as Governance & Human Resources Committee.
- 4.39 Subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Business Corporations Act, the Board may delegate any of their powers to committees, elected or appointed by them, consisting of such

persons as the Board thinks fit, and to such officer or officers as the Board thinks fit, and may from time to time revoke such delegation.

- 4.40 Any committee formed under rule 4.35 and to 4.38 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 Board.
- 4.41 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 Board so far as the same are applicable thereto and are not superseded by any terms and conditions imposed by the Board under Rules 4.39 and 4.40.
- 4.42 Every committee shall report to the next succeeding meeting of the Board all business dealt with by the committee since the last preceding meeting of the Board.

RULE 5

GENERAL MEETINGS

- 5.1 The annual general meeting of the Credit Union shall be held on a date to be fixed by the Board and shall be convened and held in accordance with the provisions of the Credit Union Incorporation Act. No less than 18 days' notice of any general meeting, specifying the time and place of meeting, and in the case of special business, the general nature of the business, shall be given to the membership of the Credit Union.
- 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 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.
- 5.4 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.
- 5.5 So far as is practical, the order of business at an annual general meeting may be as follows:
 - A. Call to order,
 - B. Ascertainment of quorum,
 - C. Appointment of recording secretary and of parliamentarian,
 - D. Adoption of agenda,
 - E. Approval of minutes,
 - F. Business arising out of minutes,
 - G. Report of the Board,
 - H. Report of management,
 - I. Presentation of financial statements,
 - J. Report of auditor,

- K. Approval of auditor's report,
 - L. Report of other committees,
 - M. Report of election of Directors,
 - N. Appointment of auditor,
 - O. Unfinished business,
 - P. New business,
 - Q. Good and welfare,
 - R. Adjournment.
- 5.6 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.
- 5.7 (a) Only a member in good standing who is not a junior member may vote on a resolution.
- (b) A member of the Credit Union who is not a natural person may be represented and vote at meetings of the Credit Union by:
- (i) a natural person who is not a member, and
 - (ii) by written authorization to vote on behalf of that member, deposited with the Credit Union.
- 5.8 Any person participating in a general meeting and entitled to vote at the meeting may, subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Electronic Transactions Act, vote by means of the Electronic or other communication facilities made available by the Credit Union for that purpose.
- 5.9 For greater certainty, subject to the Credit Union Incorporation Act, the Board may, in its sole discretion, determine that voting may take place by written vote or by Electronic means in an election or on a resolution as to any other matter.
- 5.10 The Chair or a Director designated by the Chair shall chair general meetings of the Credit Union.
- 5.11 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.
- 5.12 Neither a member nor an auxiliary member shall vote by proxy.

Rule 6

INDEMNIFICATION AND PROTECTION OF BOARD, OFFICERS AND CERTAIN AGENTS

- 6.1 Subject to the Financial Institutions Act, the Credit Union shall indemnify:
- (a) each Director and officer of the Credit Union;

(b) each former Director and officer of the Credit Union; and

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

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

RULE 7

SEAL

- 7.1 The Credit Union shall have a corporate seal.
- 7.2 The Board shall provide for the safe custody of the corporate seal 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, the Financial Institutions Act and the Business Corporations 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

MISCELLANEOUS

- 10.1 These Rules are subject to the provisions of all applicable legislation.

- 10.2 Subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Electronic Transactions Act, at the Board’s discretion, any information or notices that are required to be provided or mailed to members may be either mailed or provided by Electronic means and members may vote by Electronic means, the Board may prescribe such technological and other requirements for the use of such Electronic means as the Board in their discretion considers desirable in the circumstances.
- 10.3 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” and other similar words, the Board may in their discretion permit the use of documents in such Electronic means as the Board in their discretion considers desirable in the circumstances, provided that such documents are accessible in a manner useable for subsequent reference;
 - (b) where these Rules require the notice of, provision or delivery of documents or information, the Board may in their discretion permit the provision or delivery of such documents or information 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 in their 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 purposes of this Rule 10.3, “document” includes without limitation notices, instruments, resolutions and ballots.