



Aldergrove
FINANCIAL GROUP

www.aldergrovecu.ca

Aldergrove Credit Union Rules

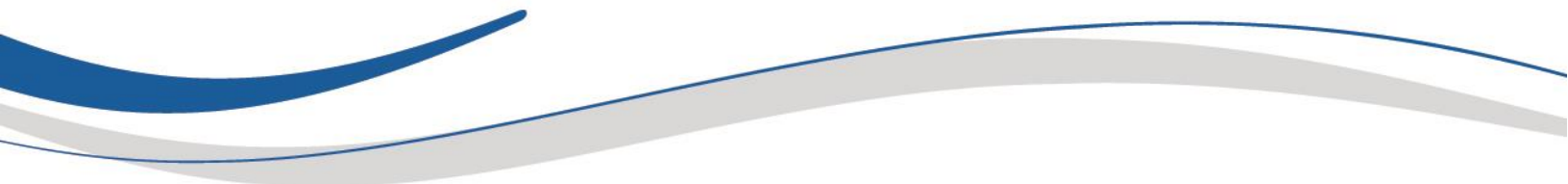


TABLE OF CONTENTS

DEFINITIONS..... 3

RULE 1 3

 Membership..... 3

RULE 2 4

 Shares and Deposits 4

RULE 3 9

 Borrowing and Lending..... 9

RULE 4 9

 Board of Directors..... 9

RULE 5 17

 General Meetings 17

RULE 6 19

 Seal..... 19

RULE 7 19

 Alteration..... 19

RULE 8 19

 Financial Year End 19

DEFINITIONS

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

- (a) "credit union" means ALDERGROVE Credit Union
- (b) 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
- (c) Business Corporation Act means the Business Corporation Act of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto
- (d) 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
- (e) 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
- (f) "Director" means a Director of the credit union for the time being
- (g) "Directors", unless the context otherwise requires, means the Board of Directors of the credit union
- (h) "chair" means the chair of the Directors
- (i) "electronic" means created, recorded, transmitted or stored in digital or other intangible form by electronic, magnetic or optical means or by any other similar means, including without limitation by telephone calls or messages, facsimile messages, electronic mail, transmission of data or information through automated touch-tone telephone systems, transmission of data or information through computer networks (including without limitation the Internet), and any other similar means

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 Corporation 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 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
 - (b) is not more than ninety (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 be divided into the following classes of shares, each consisting of an unlimited number of shares: Class "A" Membership Equity Shares; Class "B" Voluntary Equity Shares; and Class "D" Non-Equity Shares.
- 2.4 All shares shall have a par value of One Dollar (\$1.00) each.
- 2.6 Subject to the Credit Union Incorporation Act and these rules, the credit union may, by resolution of the Directors, redeem or purchase any of its shares.
- 2.7 If the credit union proposes, at its option, to redeem some, but not all of the shares of any class, the Directors may, subject to the special rights and restrictions attached to such class of shares, decide the manner in which the shares to be redeemed shall be selected.
- 2.8 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.
- 2.9 Class "A" Membership Equity Shares have attached thereto the following rights and restrictions:
- (a) ownership, assignment, transfer and issue of Class "A" Membership Equity Shares is limited as set out in the Credit Union Incorporation Act
 - (b) subject to the Credit Union Incorporation Act, the credit union shall redeem the Class "A" Membership Equity Shares held by a member if:
 - (i) the member is a natural person and dies, subject to Rule 2.21 and subject to any contrary instruction of the personal representative of the deceased member to transfer the shares to a person entitled to hold the same pursuant to the Credit Union Incorporation Act and these rules
 - (ii) the member is an incorporated company and is dissolved or wound up
 - (iii) the credit union terminates the membership of the member
 - (iv) the member withdraws from membership in the credit union
 - (v) the member is a partnership which dissolves

- (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
- 2.10 Class "B" Voluntary Equity Shares have attached thereto the following rights and restrictions:
- (a) class "B" Voluntary 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" Voluntary Equity Shares held by a member if all indebtedness of the member to the credit union has been fully paid and discharged and:
 - (i) the member is an individual and dies, subject to Rule 2.21
 - (ii) the member is an incorporated company and is dissolved or wound up
 - (iii) the member is a partnership which dissolves
 - (iv) the member, in any other case ceases to be a legal entity according to the statute by or pursuant to which it was created
 - (v) the member requests, in writing, that the Class "B" Voluntary Equity Shares be redeemed
 - (c) the credit union may redeem any Class "B" Voluntary 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 "B" Voluntary Equity Shares that the credit union may be required to redeem in any financial year is limited to 10% of the total amount of such shares issued and outstanding on the last day of the immediately preceding financial year
 - (e) any redemption or purchase of Class "B" Voluntary Equity Shares shall be at par value plus any dividends declared but unpaid thereon
- 2.12 The credit union may require evidence as to the events described in Rule 2.9, or Rule 2.10, before redeeming equity shares.
- 2.13 Each member of the credit union shall subscribe, fully pay for, and hold the following number of Class "A" Membership Equity Shares:

- (a) each member who is an individual, including a junior member – five (5) shares
 - (b) each member that is an incorporated or unincorporated entity – five (5) shares
- 2.14 Rule 2.13 is in force and effect, pursuant to the Credit Union Incorporation Act.
- 2.15 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 -1,000 - 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 (6) months of the last such determination
 - (e) subject to Rule 2.20, a determination by the Directors pursuant to this Rule shall not be effective until the expiration of not less than ninety (90) days after notice of a determination is deemed to have been received by the members
- 2.16 If, on the expiration of not less than thirty (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" Voluntary Equity Shares or Class "D" Non-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 a member does not hold the required number of Class "A" Membership Equity Shares pursuant to rule 2.13 and 2.15 and the member has insufficient monies on deposit or invested in Class "B" Voluntary Equity and Class "D" Non-Equity Shares to permit the purchase of sufficient Class "A" Membership Equity Shares, the Directors may terminate that member's membership unless that membership shall terminate in accordance with the Credit Union Incorporation Act.
- 2.18 Without precluding any other method of giving notice, a notice under Rule 2.15 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 4th day, Saturdays and holidays excepted, following the date of mailing.
- 2.19
- (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 2.19 (a), then rules 2.16 and 2.17 shall apply, except that no notice shall be required

- 2.20 A person who becomes a member of the credit union at any time after notice is given under Rule 2.15 shall, as a condition of membership, subscribe and fully pay for the number of Class "A" Membership Equity Shares required to be held by a member.
- 2.21 (a) Equity shares may be held jointly, but nothing in this Rule diminishes the number of Class "A" Membership Equity Shares that a member must hold
- (b) All jointly held equity shares shall carry the right of survivorship unless a contrary statement, in writing, is given at the time of subscription and signed by all parties jointly holding the shares
- (c) The credit union shall not be required to redeem any equity share that is jointly held, until the death of the last joint holder
- 2.22 Where required by applicable legislation, the credit union shall issue share certificates for equity shares, each of which shall state on its face the words "**NOT GUARANTEED BY THE CREDIT UNION DEPOSIT INSURANCE CORPORATION**".
- 2.23 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 and the Business Corporation Act.
- 2.24 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, on paying to the credit union a fee not exceeding that prescribed under the Business Corporation Act, 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.
- 2.25 A share certificate registered in the names of two or more persons shall be delivered to the person first named on the register of members.
- 2.26 No equity shares shall be transferred without the previous consent of the Directors expressed by a resolution of the Directors, and the Directors shall not be required to give any reason for refusing to consent to any such proposed transfer.
- 2.27 No transfer or assignment of equity shares is effective until the register of members of the credit union is completed, indicating the transfer or assignment.
- 2.28 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 Corporation Act.
- 2.29 Subject to the Credit Union Incorporation Act, the Business Corporation Act, its constitution, and these rules, the credit union shall, on application of the transferor or transferee of an equity share, enter the name of the transferee on its register of members.
- 2.30 The instrument of transfer of any equity share shall be in writing in the form, if any, on the back of the credit union's share certificates or any other form that the Directors may approve.
- 2.31 If the Directors so require, each instrument of transfer shall be in respect of only one class of shares.

- 2.32 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 his 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.
- 2.33 The signature of the registered owner of any equity shares or of his duly authorized attorney on the form of transfer constitutes an authority to the credit union to register the shares specified in the form of transfer in the name of the person named in that form as transferee.
- 2.34 Neither the credit union nor any Director, officer or agent is bound to inquire into the title of the transferee of those equity shares to be transferred or is liable to the registered or any intermediate owner of those shares, for registering the transfer.
- 2.35 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 Corporation 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 he 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.
- 2.36 (a) A member may subscribe for a maximum of 1,000 Class "A" Membership Equity Shares
(b) A member may subscribe for a maximum of 5,000 Class "B" Voluntary Equity Shares
- 2.37 (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 or Class "B" Voluntary Equity Shares
(b) Dividends declared, if any, may, at the discretion of the Directors, be at a different rate for different classes of shares
(c) Subject to the provisions of the Business Corporation Act, 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 Business Corporation Act
- 2.38 Subject to the Credit Union Incorporation Act, Financial Institutions Act, and the Business Corporation Act, the Directors may develop and offer such participation programs as they deem in the best interest of the credit union.
- 2.39 Class "D" Non-Equity Shares shall be redeemed by the credit union upon the written request of the member.

RULE 3

Borrowing and Lending

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

Board of Directors

- 4.1 Each year Directors shall be elected to replace those whose terms expire or to fill any vacancies on the Board. Those whose terms expire are eligible for re-election unless the Director has served five (5) consecutive three (3) year terms. This restriction applies only to the five (5) consecutive terms ending on the Annual General Meeting (AGM) date where the election is held.

Effective April 30, 2012, all current Directors would start their first of five (5) consecutive three (3) year terms after their current term expires.
- 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 (3) 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 they receive, the person receiving the greatest number of votes to hold office for the longest term, provided that if there are two (2) or more persons having an equal number of votes their election or terms of office as the case may be shall be determined by lot but, if there is an election by acclamation, the chair of the Nominations 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 Business Corporation 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 a three (3) 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 as of December 31st of the year preceding the AGM
- (f) being a Director, has failed, without being excused, to attend regular meetings of the Directors for three (3) consecutive months in which meetings are held

Is eligible to hold office as a Director and, if holding office as a Director, shall vacate office forthwith.

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

4.7 At least one hundred twenty (120) days before an AGM, the Directors shall appoint a Nominations 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 AGM next following the appointment of the committee may serve as a member of the committee.

4.8 At least sixty (60) days before an AGM, the Nominations Committee shall:

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

- 4.9 No member, unless they are a member of the Nominations Committee, may nominate more than one (1) candidate in respect of an election of a Director or Directors.
- 4.10 Only a member in good standing who is not a junior member is eligible to cast a ballot in an election of a Director or Directors.
- 4.11 A member of a credit union who is not an individual may vote in an election of Directors by an individual who:
- (a) is not a member
 - (b) by written authorization deposited with the credit union, is authorized to vote on behalf of that member
- 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 Nominations Committee a declaration, in writing, stating that the member is willing:
- (a) to stand for election, and if elected, to serve as a Director
 - (b) to observe the provisions of the Credit Union Incorporation Act, the Financial Institutions Act and the Business Corporation Act, as applicable
 - (c) to comply with the Directors, conflict of interest guidelines adopted by the Directors, from time to time
 - (d) to observe the rules of the credit union and procedures relating to the election and the conduct thereof
- 4.13 The Nominations Committee shall examine each nomination received and determine whether the nomination complies with the Financial Institutions Act and these rules, and shall accept each nomination of a member qualified to be a candidate whose nomination is in order and reject each nomination which is not in order or that does not comply and notify each nominee accordingly and, forthwith after the date on which nominations close:
- (a) place in nomination the names of qualified candidates at least equal to the number of vacancies to be filled in the election
 - (b) place in nomination the names of other candidates nominated in writing by at least three (3) members in good standing of the age of majority
 - (c) inform each candidate of the provisions of these rules with respect to the conduct of the election and provide to each candidate a copy of the rules of the credit union and any determinations of the Directors relating to elections and the conduct thereof
 - (d) request that each candidate meet with the Nominations Committee, for the purpose of an interview, at a time and place specified by the Nominations Committee pursuant to Rule 4.13.
 - (e) 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 Nominations Committee to be elected by acclamation.
- 4.15 Where an election is to be held, the Nominations Committee shall forward, at least thirty (30) days before the AGM, to all members of the credit union entitled to vote:
- (a) a ballot (refer to 4.16) listing the names of all of the candidates for election in the manner as determined by the Nominations Committee from time to time
 - (b) a photograph and candidate statement if submitted by a candidate for election pursuant to Rule 4.29
 - (c) clear and precise instructions for casting a ballot and the return of the ballot, specifying the date by which the ballot must be received by the credit union in order to be counted
 - (d) such other materials as the Board of Directors or the Nominations Committee deem necessary or advisable in connection with the balloting
 - (e) notice of the date (or dates) and time(s) during which voting in the election shall take place
 - (f) advice of the place, places or means at which polling in the election shall take place
 - (g) a list of conditions under which members will be eligible to vote in the election
- 4.16 Subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Electronic Transactions Act:
- (a) the Directors may determine that members may vote by such electronic means as prescribed by the Directors in their discretion
 - (b) if the Directors determine that members may vote by electronic means, pursuant to subsection (a) above, the Directors may prescribe such technological and other requirements for the use of such electronic means as the Directors, in their discretion, consider desirable in the circumstances
- 4.17 Subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Electronic Transactions Act, voting in an election of Directors will take place on a minimum of five (5) days and occur by voting via mail ballot, ballot at a branch office and by electronic means, if the Board determines to permit voting by electronic means, and such means are made available:
- (a) a ballot by electronic means will contain a listing of the names of the candidates in an order chosen by the Nominations Committee
 - (b) a ballot provided by non-electronic means will contain the following:
 - (i) a ballot listing the names of all candidates in the order chosen by the Nominations Committee
 - (ii) one or more envelopes, which may be included as part of the ballot and bearing the address of the credit union or the returning officer, which will allow for verification of the voting member and provide confidentiality of voting

- (c) clear instructions for casting the ballot and return of the ballot, whether by mail or deposit at a branch of the credit union, which will specify the day by which the ballot must be received by the credit union or the returning officer in order for the ballot to be considered returned and properly cast. Where a ballot is received in duplication by mail ballot and electronic means, the electronic ballot will be deemed the ballot cast by the member
- (d) having regard to the determination made in paragraphs (a) and (b), the Board of Directors may determine to deliver ballots by the following means:
 - (i) voting in person at a general meeting or voting by mail ballot, whichever method the member chooses
 - (ii) voting in person at a general meeting or voting by ballot at a branch office, whichever method the member chooses
 - (iii) voting in person at a general meeting, voting by mail ballot or voting by ballot at a branch office, whichever method the member chooses
 - (iv) voting by mail ballot, voting by ballot at a branch office or by electronic means, whichever method the member chooses
 - (v) voting by ballot at a branch office
 - (vi) voting by mail ballot, or
 - (vii) a combination of the above methods as determined by the Directors

4.18 The Directors may appoint a returning officer.

4.19 A returning officer appointed under Rule 4.18 may, but need not be a member of the credit union, but the returning officer shall not be an employee of the credit union.

4.20 Where a returning officer is appointed, they shall be appointed at least sixty (60) days prior to the date on which voting in an election is to commence.

4.21 The Nominations Committee and, where applicable, the returning officer may engage such other resource persons as the Directors and the Nominations Committee or returning officer agree are required to conduct the election in a proper manner.

4.22 A ballot may contain votes for up to the number of persons to be elected and any ballot indicating another intention is void.

4.23 If a member who is entitled to receive a ballot does not receive a ballot or loses or destroys their 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.

4.24 The returning officer or, if there is no returning officer, the Nominations Committee shall supervise the election of Directors and:

- (a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration that the member has not previously cast a ballot in the election then in progress
 - (b) shall obtain all ballots and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be made in a manner that ensures the secrecy of the balloting
 - (c) shall determine whether a ballot is to be accepted or rejected and such determination is final and not open to review
 - (d) shall announce, at the AGM next following the completion of voting, the results of the election, including the total number of ballots cast and the number of spoiled ballots
- 4.25 An alphabetic listing of the candidates and the number of votes received by each shall be posted in each office of the credit union as soon as the results of the ballot have been announced and shall remain posted for three (3) clear business days.
- 4.26 Subject to the Financial Institutions Act, a person elected as a Director shall take office at the close of the AGM next following their election.
- 4.27 The Directors may 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.
- 4.28 No candidate shall interfere with the election process or seek assistance in connection with the election from any employee of the credit union.
- 4.29 A head and shoulders photograph of the candidate may be submitted in addition to a statement not exceeding, in the aggregate, two hundred and fifty (250) words (which shall be subject to scrutiny and editing by the Nominations Committee pursuant to Rule 4.13), setting forth the candidate's biographical information, occupation, credit union affiliation, experience and qualifications, which statement shall be reviewed by the Nominations Committee and may be rejected by the committee if the committee considers it to be lacking in good taste, defamatory, injurious to the reputation of the credit union, or if it exceeds two hundred and fifty (250) words.
- 4.30 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.
- 4.31 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.
- 4.32 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 AGM.
- 4.33 Where the number of Directors of a credit union is reduced below the number fixed by, or pursuant to, Rule 4.31 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.

- 4.34 At any time the Conduct Review Committee may review any Director's actions if it is determined that he/she has demonstrated any of the following:
- (a) has breached or violated these rules, the Corporate Governance Policy, Code of Conduct Policy, or any such other codes and policies as that Director may become subject to as a Director of the credit union from time to time
 - (b) has breached the confidentiality of any proceedings, deliberations, or information of the Board of Directors
 - (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 final decision being made. In the event that the Conduct Review Committee makes a recommendation to the Board of Directors to remove a particular Director, that Director may be removed as a Director by a Board resolution passed by not less than two thirds of the remaining Directors.

- 4.35 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 twelve (12).
- 4.36 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.
- 4.37 The Directors shall meet within thirty (30) days after each AGM and shall elect from their own numbers a chair and vice-chair and, subject to Rule 4.44, may appoint such additional officers as they consider necessary.
- 4.38 The Directors shall meet at least four (4) times in each year and not less frequently than once in each quarter.
- 4.39 The chair may call a meeting of the Directors at any time and shall, within fourteen (14) days of receipt of a written request of three Directors, call a meeting of the Directors.
- 4.40 Reasonable notice of a meeting of Directors specifying the place, day and hour of such meeting shall be given by mail, personal delivery or electronic means, addressed to each of the Directors at his address as it appears on the books of the credit union or by leaving it at his usual business or residential address or by telephone, telegram, telex, or any 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
 - (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.

- 4.41 A Director may waive, in writing, notice of any past or present meeting of the Directors.
- 4.42 A majority of the Directors shall constitute a quorum, but a lesser number may adjourn from time to time until a quorum is obtained.
- 4.43 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 4.42.
- 4.44 The Directors shall appoint the president, the secretary, and may appoint or authorize the appointment of such additional employees as may be required for the proper operation of the credit union Board.
- 4.45 In the absence of the chair or his 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.
- 4.46 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.
- 4.47 A Director or a committee member may participate in a meeting of the Directors or any committee of the Directors by means of conference telephones or other communications facilities by means of which all Directors 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.
- 4.48 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.
- 4.49 At the first meeting of the Board of Directors following the AGM, the Board shall appoint or elect such committees as may be required under the Acts.
- 4.50 Subject to the Credit Union Incorporation Act, the Financial Institutions Act, and the Business Corporation Act, the Directors may appoint or elect other standing and/or ad hoc committees the Directors may consider appropriate and 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.
- 4.51 Any committee formed under Rule 4.52 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.
- 4.52 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 4.53.
- 4.53 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.

- 4.54 Subject to the limitations contained in the Financial Institutions Act, the credit union shall indemnify:
- (a) each Director and officer of the credit union
 - (b) each former Director and officer of the credit union
 - (c) each person who acts or who has acted at the request of the credit union as a Director or officer of a corporation of which the credit union is or was a member or creditor; against all costs, charges and expenses, including an amount paid to settle any action or satisfy any judgment, reasonably incurred by the Director or officer or person for any civil, criminal or administrative action or proceeding to which the Director or officer or person is made a party by reason of being or having been a Director or officer of the credit union or corporation, if the Director or officer of the credit union or corporation acted honestly and in good faith with a view to the best interests of the credit union and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Director or officer of the credit union or corporation had reasonable grounds for believing that his conduct was lawful

RULE 5

General Meetings

- 5.1 The AGM of the credit union shall be held on a date to be fixed by the Directors and shall be convened and held in accordance with the provisions of the Credit Union Incorporation Act.
- 5.2 Other general meetings 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, twenty five (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 AGM shall be as follows:
- (a) call to order
 - (b) ascertainment of quorum, appointment of recording secretary and of parliamentarian
 - (c) 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, election results appointment of auditor, unfinished business, new business
 - (d) good and welfare
 - (e) adjournment
- 5.6 Each person desiring to cast a vote on any issue 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.

- 5.7 (a) Only a member in good standing who is not a junior member may vote on a resolution
- (b) A member of a credit union who is not an individual may be represented and vote at meetings of the credit union by an individual who:
- (i) is not a member
 - (ii) by written authorization deposited with the credit union, is authorized to vote at the meeting on behalf of the member
- 5.8 The chair or a Director designated by the chair shall chair general meetings of the credit union.
- 5.9 Subject to the Credit Union Incorporation Act the chair shall determine the manner by which voting shall be undertaken at or outside a meeting of the credit union.
- 5.10 Neither a member nor an auxiliary member shall vote by proxy.
- 5.11 Subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Electronic Transactions Act, voting on a special resolution shall be by voting via mail ballot, ballot at a branch office and by electronic means, if the Board determines to permit voting by electronic means, and such means are made available:
- (a) a ballot by electronic and non-electronic means will contain a provision for a vote for or against the affirmation of the resolution
 - (b) one or more envelopes, which may be included as part of the ballot and bearing the address of the credit union or the returning officer, which will allow for verification of the voting member and provide confidentiality of voting
 - (c) clear instructions for casting the ballot and return of the ballot, whether by mail or deposit at a branch of the credit union, which will specify the day by which the ballot must be received by the credit union or the returning officer in order for the ballot to be considered returned and properly cast. Where a ballot is received in duplication by mail ballot and electronic means, the electronic ballot will be deemed the ballot cast by the member
 - (d) having regard to the determination made in paragraph (a), the Board of Directors may determine to deliver ballots by the following means:
 - (i) voting in person at a general meeting or voting by mail ballot, whichever method the member chooses
 - (ii) voting in person at a general meeting or voting by ballot at a branch office, whichever method the member chooses
 - (iii) voting in person at a general meeting, voting by mail ballot or voting by ballot at a branch office, whichever method the member chooses
 - (iv) voting by mail ballot, voting by ballot at a branch office or by electronic means, whichever method the member chooses
 - (v) voting by ballot at a branch office
 - (vi) voting by mail ballot, or

(vii) a combination of the above methods as determined by the Directors

RULE 6

Seal

- 6.1 The credit union may have a corporate seal.
- 6.2 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 7

Alteration

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

RULE 8

Financial Year End

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