

2. GVC CREDIT UNION RULES

as at July 10, 2023

DEFINITIONS

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

- (a) "credit union" means Greater Vancouver Community 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) "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;
"Electronic Transactions Act" means the *Electronic Transactions Act* of British Columbia from time to time in force and all amendments thereto and regulations made thereunder;
- (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) "director" means a director of the credit union for the time being;
- (f) "directors", unless the context otherwise requires, means the board of directors of the credit union;
- (g) "chairperson" means the chairperson of the directors; and
- (h) "member in good standing" means a member who holds the required number of membership equity shares.

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.

1. MEMBERSHIP

- 1.1 Every Application for membership shall be in writing and be accompanied by the payment in full of the required number of Class B Membership Equity Shares of the credit union.
- 1.2 Each member of the credit union shall subscribe, fully pay for, and hold the following number of Class B Membership Equity Shares:
 - (a) except as provided below, each member - 25 shares;
 - (b) each junior member - 5 shares;
 - (c) each member which is an incorporated company - 25 shares;
 - (d) each member which is a legal entity, other than an incorporated company, created by or pursuant to statute - 25 shares;
 - (e) if shares are jointly held, the first member registered on the register of members -20 shares and for the second named member - 5 shares, provided that the number of members jointly holding those shares shall not exceed two (2).
- 1.3 The directors may determine the number of Class B Membership Equity Shares required to be purchased, paid for, and held by each member as a condition of membership, but no such determination of the directors may require any Junior Member to purchase, pay for and hold more than 5 Class B Membership Equity Shares and, furthermore, no such determination of the directors may require any other member to purchase, pay for and hold less than 5 or more than 50 Class B Membership Equity Shares as a condition of membership.
- 1.4 Subject to any provision of the *Credit Union Incorporation Act* that may specify the minimum number of

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membership shares for which a member must subscribe and pay, the directors may from time to time establish policies to waive purchase in whole or in part of any additional shares that would otherwise be required to be purchased, paid for, and held by a member.

- 1.5 The account of a member who has not purchased the required number of equity shares will be debited for sufficient funds to make the purchase of the required number of Class B Membership Equity Shares.
- 1.6 A member may withdraw from membership, and membership of any person may be terminated, in accordance with the *Credit Union Incorporation Act*.

2. SHARES and DEPOSITS

- 2.1 A statutory declaration of a director or officer of the credit union that a lien of the credit union has been exercised or a share forfeited and stating the date of the exercise or forfeiture shall be conclusive evidence of the fact stated in it.
- 2.2 Interest on deposits and dividends on shares, 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.
- 2.3 The directors may determine the forms by which a person may withdraw monies on deposit or request redemption of shares.
- 2.4 The capital of the credit union shall be divided into three classes of shares designated as Class B Membership Equity Shares, Class P Patronage Equity Shares and Class C Preferred Equity Shares.
- 2.5 Class B Membership Equity Shares shall have attached thereto the following rights and restrictions:
- (a) Money invested in Class B Membership Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of BC;
 - (b) Subject to the *Credit Union Incorporation Act* and the *Financial Institutions Act*, the credit union shall redeem or transfer all or any portion of the Class B Membership Equity Shares held by a member upon the happening of any of the following events:
 - (i) the death of the member;
 - (ii) the member withdrawing from membership in the credit union;
 - (iii) the termination by the credit union of the membership of the member;
 - (iv) the member applying to withdraw from membership not having reached the age of majority;
 - (v) the credit union otherwise approves.

Notwithstanding the foregoing but subject to the *Credit Union Incorporation Act*, the amount of Class B 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;
 - (c) Class B Membership Equity Shares shall be issued at, and have a par value of, One (\$1.00) Dollar each;
 - (d) Class B Membership Equity Shares which are redeemed or purchased by the credit union or which are transferred, shall be redeemed, purchased or transferred at par value, plus any dividends declared but unpaid thereon.
- 2.6 Class P Patronage Shares shall have attached thereto the following rights and restrictions:
- (a) Money invested in Class P Patronage Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of BC.
 - (b) Encashment of Class P Patronage Equity Shares shall be solely at the discretion of the Credit Union's Board of Directors.

- 2.7** Class C Preferred Equity Shares, as a class, shall have attached thereto the following rights and restrictions:
- (a) Money invested in Class C Preferred Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of BC;
 - (b) Subject to the *Credit Union Incorporation Act* and the *Financial Institutions Act*, upon written request of the member, the credit union shall redeem or transfer all or any portion of the Class C Preferred Equity Shares held by a member, provided that the directors may limit the amount of Class C Preferred Equity Shares redeemed in any one calendar year to 20% or 20,000 whichever is the greater of the total amount of Class C Preferred Equity Shares issued and outstanding as of the last day of the immediately preceding financial year;
 - (c) Class C Preferred Equity Shares shall be issued at, and have a par value of, one (\$1.00) dollar each;
 - (d) Class C Preferred Equity Shares which are redeemed or purchased by the credit union, or which are transferred shall be redeemed, purchased, or transferred at par value, plus any dividends declared but unpaid thereon.
- 2.8** A member may subscribe for a maximum of five hundred (500) Class B Membership Equity Shares, and a maximum of five thousand (5000) Class C Preferred Equity Shares.
- 2.9** Equity Shares shall be recorded in the member's name and itemised according to class and a statement of all share holdings shall be provided for each member at least annually.
- 2.10** In the event of liquidation or dissolution of the credit union, the Class C Preferred Equity Shares shall be paid in preference to, and before the Class B Membership Equity Shares and Class P Patronage Equity Shares.
- a) Equity shares may be held jointly, but nothing in this Rule diminishes the number Class B 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.

3. BORROWING and LENDING

- 3.1** 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, term, repayment, and security as they determine by resolution.
- 3.2** 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, security, and notwithstanding Rule 1.2, 1.3 and 1.4 the minimum number of equity shares that a borrower must own and may, by resolution, delegate the power to make loans and such determinations.

4. ELECTION of DIRECTORS

- 4.1 Eligibility to be a Director:** A 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*;
 - (b) is an employee of the credit union or any of its subsidiaries;
 - (c) at any time in the two years prior to the preceding December 31, was an employee of the credit union or any of its subsidiaries;
 - (d) is a parent, child or step-child, spouse, or person living as a spouse, of an employee or of a director of

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the credit union;

- (e) is an employee, officer or director of a bank, financial institution or insurance agency (other than a director of a central credit union) or a subsidiary of any of them except where that person has been requested or authorised in writing by the directors to serve as a director of a bank, financial institution or insurance agency or a subsidiary of any of them;
- (f) on the day on which nominations close in an election of directors has not been a member in good standing of the credit union for twelve (12) consecutive months;
- (g) has been more than 90 days delinquent in any obligation to the credit union at any time during the 90 days immediately preceding the day on which nominations close in an election of directors, or the date on which an appointment is to be made;

is not eligible to be nominated for election or to hold office as a director and if holding office as a director, shall vacate office forthwith. If, while holding office as a director, a director becomes more than 90 days delinquent in any obligation to the credit union, that director shall vacate office forthwith.

- 4.2 Personal Information Return:** 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.
- 4.3 Term of Office:** 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.
- 4.4 Elections to be held:** Each year, directors shall be elected to replace those whose term expires and a director whose term expires is eligible for re-election.
- 4.5 Nominating Committee:** At least one hundred eighty (180) days before an annual general meeting, the Chairperson of the directors shall appoint a Nominating Committee of not less than three (3) persons who shall be natural persons and not junior members, who shall be members of the credit union who may, but need not be, directors of the credit union, provided however no director whose term of office expires 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 chairperson. The Nominating Committee may endorse one or more candidates for election.
- 4.6 Nominations:** At least ninety (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 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; and
 - (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.
- 4.7 Declaration of Candidate Required:** 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, and if elected, to serve as a director;
 - (b) to observe the provisions of the *Credit Union Incorporation Act* and the *Financial Institutions Act*,
 - (c) to comply with the director's conflict of interest guidelines 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.

- 4.8 Acceptance of Nominations:** The Nominating Committee shall examine each nomination received and determine whether the nomination complies with the *Credit Union Incorporation Act* and 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) receive and place into nomination the names of all qualified candidates nominated by at least three members in good standing, except junior members, of the credit union;
 - (b) ensure a sufficient number of candidates to fill the vacancies; and,
 - (c) if the Nominating Committee so determines, place in nomination the names of a number of candidates exceeding the number sufficient to fill the vacancies;
 - (d) 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;
 - (e) request that each candidate meet with the Nominating Committee for the purpose of an interview, within sixty (60) days of the close of nominations; and
 - (f) request that each candidate complete the personal information return required to be submitted to the superintendent pursuant to the *Financial Institutions Act*.
- 4.9 Acclamation:** 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.
- 4.10 Notice of Election to Members:** Where an election is to be held, the Nominating Committee shall cause to be forwarded, by mail or by electronic means, or by such other means as may be permitted by the *Credit Union Incorporation Act* and these Rules, at least thirty (30) days before the annual general meeting, to all members of the credit union entitled to vote:
- (a) a photograph and a resume;
 - (b) clear and precise instructions for voting;
 - (c) advice of the date (or dates) and time(s) during which voting in the election shall take place;
 - (d) advice of the place or places at which voting in the election shall take place;
 - (e) a list of conditions under which members will be eligible to vote in the election;
 - (f) advice of the right of each member to request in writing, not less than five (5) days prior to commencement of voting, a ballot which may be cast by mail instead of being cast at a polling place;
- and where the member requests a mail ballot:
- (g) a ballot listing the names of all nominees, the listing being determined by lot;
 - (h) a ballot envelope which will ensure confidentiality;
 - (i) a ballot authentication envelope with space for the name, address, membership number, and signature of the member;
 - (j) an addressed envelope bearing the address of the head office of the credit union; and
 - (k) 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.
- 4.11 Method of Voting:** At least ninety (90) days prior to an election, the directors shall determine the method by which a vote may be cast in an election of directors, including a vote being cast in-branch or by mail ballot, whichever the member chooses, and the directors may determine that a member may cast a vote, electronically.

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- (a) A ballot cast in-branch shall be cast in person on not less than five (5) business days ending not less than ten (10) days before the annual general meeting, at any office of the credit union at which retail banking services are offered.
 - (b) A ballot cast by mail shall be cast in the manner and within the time provided in Rule 4.10(f).
 - (c) If the directors determine that a vote may be cast, electronically, an electronically-cast vote shall be cast in accordance with clear and precise instructions and within the period of time stipulated by the directors. Instructions applicable to voting electronically and the time by which an electronically-cast vote must be received by the credit union in order to be considered properly returned and validly cast may be provided to members, electronically, in accordance with the provisions of the Electronic Transactions Act.
- 4.12 Candidate Statement:** A candidate in an election of directors may submit a policy statement not exceeding, in the aggregate, 250 words, setting out the candidate's experience and qualifications and the candidate's policy position(s).
- (a) A candidate's statement shall be reviewed by the Nominating Committee and shall be rejected by the Nominating Committee if the committee determines the statement to be lacking in good taste, defamatory, injurious to the reputation of the credit union or if the statement exceeds 250 words.
 - (b) The Nominating Committee shall cause candidates' statements to be posted at every polling station, to be distributed with every ballot to every member requesting a mail ballot, and to be distributed, electronically, in accordance with the provisions of the *Electronic Transactions Act*, to every member choosing to vote electronically, where the directors have determined that a member may vote, electronically. Additionally, the credit union may post candidates' statements to its website and may publish candidates' statements in its periodic written communications to all members.
- 4.13 Returning Officer:** The directors may appoint a returning officer who may, but need not, be a member of the credit union but the returning officer shall not be an employee of the credit union. Where a returning officer is appointed, he or she shall be appointed at least sixty (60) days prior to the date on which voting in an election is to commence.
- 4.14 Scrutineer:** Each candidate is entitled to appoint one scrutineer to be present at the counting of ballots.
- 4.15 All Candidates Meeting(s):** The Nominating Committee, at its discretion, may cause to be held up to two all candidates meetings. Such meetings, if held, are to be open to all candidates and held not less than one week prior to the commencement of in-branch voting.
- 4.16 Engagement of Resource Persons:** The Nominating Committee and, where applicable, the returning officer may engage such other resource persons as the directors and Nominating Committee or returning officer agree are required to conduct the election in a proper manner.
- 4.17 Validity of Ballots:** A ballot must contain votes for the number of persons to be elected and any ballot indicating another intention is void. If a member is entitled to cast an electronic ballot and the member casts both an electronic ballot and a paper ballot, the electronic ballot shall be deemed to be the ballot validly cast.
- 4.18 Replacement of Ballots:** If a member who is entitled to receive a ballot does not receive a ballot or loses or destroys his or her 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 to vote in that election.
- 4.19 Voting, Counting, and Announcement of Results:** 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

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- 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, except in the case of a recount of votes conducted according to these Rules, such determination is final and not open to review; and
 - (d) shall announce, at the annual general meeting next 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.
- 4.19A** Notwithstanding Rule 4.19, the results of an election of directors may be released by the Nominating Committee, following its verification of the results of the election.
- 4.20** **Posting of Election Results:** An alphabetic listing of the candidates and the number of votes received by each candidate 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. The results of the ballot shall also be published in the next newsletter published by the credit union and on the credit union's website.
- 4.21** **When Directors Take Office:** Subject to the *Financial Institutions Act*, a person elected as a director shall take office at the close of the annual general meeting next following his or her election or, if the election results with respect to the election of that person are not determined by the close of the annual general meeting, then as soon thereafter as the results are determined provided that, for the purpose of determining that person's length of term, he or she shall be deemed to have taken office at the close of the annual general meeting.
- 4.22** **Recount Policy:** If, in an election of directors, the number of votes received by an elected candidate or candidates who received the least votes in the election is less than five (5) votes in excess of those received by the un-elected candidate or candidates who received the most votes in that election or if two or more candidates receive the same number of votes and if that number is the lowest number that would elect a director in that election, an official recount of votes cast at such election shall be held, provided that:
- (a) such recount shall have been requested by any candidate or candidates in the election, by notice in writing delivered to the head office of the credit union (for the attention of the chair) or by the directors by ordinary resolution, within five (5) clear business days from the date of the annual general meeting following immediately after such election;
 - (b) no official recount will be initiated for any purpose other than determining the successful candidate for election, and only the votes (including any spoiled or rejected ballots) affecting those candidates whose election may be in doubt, shall be considered (that is to say, the votes of any candidate or candidates who have been elected, or have failed to be elected by a margin of less than five (5) votes); and
 - (c) if the length of term of office of any person elected as a director shall incidentally be affected by any such recount, such length of term of office shall be determined by such recount.
- 4.23** **Appointment of Recount Committee:** if an official recount is to be held, the chairperson shall, within five (5) clear business days after receipt of such written notice requesting an official recount, appoint a Recount Committee to be composed of three (3) persons to include not more than one (1) member of the Nominating Committee and two (2) other members in good standing of the credit union (excluding any employee of the credit union or any member elected as a director in the election concerned).
- 4.24** **Duties of Recount Committee:** The Recount Committee shall conduct and determine the required recount within fifteen (15) clear business days of the annual general meeting concerned, and the result of its official recount shall be final, conclusive and binding on all persons involved in that election or affected thereby. In conducting such recount, the Recount Committee shall:
- (a) elect a chairperson of the Recount Committee;
 - (b) notify every candidate concerned of the time, date and place of the recount;

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- (c) permit every candidate concerned to attend the recount, either in person or by scrutineer appointed in writing by the candidate to attend on his or her behalf;
- (d) in considering the validity of any ballot, be bound by the voting instruction provided for the election concerned by the Nominating Committee;
- (e) in the event of a tie resulting from any such recount, determine the successful candidate, or length of term as the case may be, by lot; and
- (f) submit its final report to the chairperson forthwith after making its final determination.

4.25 Posting of Recount Results: If, as a result of any such official recount, there is a change in the election results, or any change in the length of term of office of any elected candidate, the fact of such result shall be published by posting the results in each office of the credit union and on the credit union's website, and such notice shall remain posted until the close of business on the third clear day following the date on which the notice was posted.

4.26 Campaigning Rules: 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 Conduct of Candidates: 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 Terms of Office:

- (a) where any offices of directors being filled at any election are for different lengths of term, the term of each person shall be determined in proportion to the number of votes received, the person receiving the greatest number of votes to hold office for the longest terms, provided that if there are two or more persons receiving an equal number of votes, their terms of office shall be determined by lot;
- (b) if there is an election by acclamation, the Nominating Committee shall either determine the respective terms of the persons so elected or direct that the terms be determined by lot;
- (c) If two or more persons receive the same number of votes in an election and if that number of votes is the lowest number that would elect a director in that election, then unless a recount is requested in accordance with these Rules, their election shall be determined by lot.

4.29 Ceases to Hold Office: A director ceases to hold office as provided in the *Credit Union Incorporation Act*, or if he or she ceases to be eligible under these Rules.

4.30 Notice to be Filed: A notice of election or appointment of a person, elected or appointed as a director, shall be filed with the Superintendent within fourteen (14) days after the election or appointment occurs.

4.31 Election of Officers: The directors shall meet within thirty (30) days after each annual general meeting and shall elect from their own number a chairperson, first vice-chairperson and second vice-chairperson and may appoint such additional officers as they may deem necessary.

4.32 Term of Chairperson: No director may serve as chairperson for more than five (5) consecutive years. After at least one year not serving as chairperson, the director is eligible for election as chairperson.

5. DIRECTORS and MANAGEMENT

- 5.1 (a) The number of directors of the credit union shall be nine (9) 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.

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- (b) The term of office of a director shall be three years, with the terms of office of three directors expiring at the close of each annual general meeting.
 - (c) As and from the close of the annual general meeting held in 2014, directors then in office may seek re-election to a maximum of four additional consecutive terms.
 - (d) Notwithstanding Rule 4.4 a person elected as a director after the close of the annual general meeting held in 2014 may not hold office for more than five consecutive terms of office.
 - (e) After serving five consecutive terms in office, a person is ineligible to seek re-election or reappointment for one year, after which that person shall be eligible to seek election to the board and, if elected, is eligible to seek re-election a further four consecutive terms.
 - (f) Notwithstanding Rule 5.1(d), if a person is elected or appointed to fill the unexpired portion of the term of office to which another person was elected or appointed as a director of the credit union, completion of that partial term shall not disqualify the successor director from seeking election as a director for a maximum of five consecutive three year terms.
 - (g) 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 credit union's next annual general meeting.
 - (h) Where the number of directors of the credit union is reduced below the number fixed by, or pursuant to these Rules, as quorum the continuing directors may act for the purpose of filling the vacancies up to that number, or for summoning a general meeting of the credit union, but for no other purpose.
- 5.2**
- (a) Notwithstanding Rule 5.1 or 4.1(f), 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 a director, one or more persons who were directors of the transferring credit union at the date of the transfer and designate their terms of office, with no such term to exceed three years.
 - (b) Where the term of office of a director appointed pursuant to Rule 5.2(a) has expired or where the position becomes vacant prior to the expiration of the term of office, no vacancy shall be deemed to exist.
 - (c) 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*, a person's time of membership in good standing in that other credit union shall be deemed to be time of membership in good standing with GVC Credit Union for the purposes of Rule 4.1.
 - (d) Notwithstanding Rule 5.2(a), the total number of directors of the credit union shall not exceed 15.
- 5.3** The directors shall meet at least five (5) times in each year and not less frequently than once in each calendar quarter.
- 5.4** The Chairperson may call a meeting of the directors at any time and shall within fourteen (14) days of receipt of written request of three (3) directors call a meeting of the directors.
- 5.5** One day's notice shall be given of meetings of the directors by personal delivery, mail, e-mail, fax, telegraph, telex or telephone but notice may be waived by a director who does not receive notice.
- 5.6**
- (a) Notwithstanding anything to the contrary herein provided, a meeting of the directors may be held at any time by way of a telephone conference call, provided that the provisions of Rule 5.5 are met.
 - (b) The directors may meet by electronic means, other than by telephone conference call, if all directors attending the meeting are able to participate in the meeting and each director so attending is deemed to be present at the meeting, providing that the provisions of Rule 5.5 are met.
- 5.7** A majority of the directors shall constitute a quorum but a lesser number may adjourn from time to time until a quorum is obtained.

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- 5.8** The directors shall appoint the General Manager as President and shall appoint a Secretary and appoint or authorize the appointment of such employees as may be required for the proper operation of the credit union.
- 5.9** In the case of absence of the Chairperson, or his or her inability for any cause to act or in case the office of the Chairperson becomes vacant, the First Vice-Chairperson shall discharge the duties of the Chairperson.
- 5.10** The credit union shall have a Governance Committee consisting of the Chairperson, First Vice-Chairperson, Second Vice-Chairperson and one director appointed by the directors.
- 5.11** The directors shall annually elect four (4) of their number as the Audit Committee.
- 5.12** The directors shall annually appoint an Investment, Loan & Risk Management Committee.
- 5.13** The directors shall elect three (3) of their number as the Conduct Review Committee.
- 5.14** Subject to the *Credit Union Incorporation Act* and the *Financial Institutions Act* the directors may delegate any of their powers to committees, elected or appointed by them, 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.
- 5.15** Any committee formed under rule 5.14 shall consist of not fewer than three (3) persons and 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.
- 5.16** The meetings and proceedings of any committee consisting of three 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 terms and conditions imposed by the directors under Rule 5.15.
- 5.17** 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.
- 5.18** 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) interests of the credit union and, in the case of a criminal or administrative action or proceeding 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 cost, charges and expenses, including an amount paid to settle any action or satisfy any judgement, reasonably incurred by the director or officer or person of 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 or her 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 purposes 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.

6. GENERAL MEETINGS

- 6.1 The annual general meeting of the credit union shall be held on a date to be fixed by the directors and shall be convened and held in accordance with the provisions of the *Credit Union Incorporation Act*.
- 6.2 Other general meetings may be convened and held in accordance with the provisions of the *Credit Union Incorporation Act*.
- 6.3 Each member who has been a member in good standing for ninety (90) days immediately preceding the general meeting is entitled to vote at the meeting. In the case of a corporation or society, its authorized representative may vote on its behalf.
- 6.4 The Chairperson shall preside at all general meetings.
- 6.5 Only a special resolution proposed by the directors or one that is delivered in accordance with the provisions of the *Credit Union Incorporation Act* may be proposed and voted upon.
- 6.6 Subject to the *Credit Union Incorporation Act*, a general meeting may adopt rules of order for its conduct, but, if no rules are adopted, Robert's Rules of Order (Newly Revised) shall be used.
- 6.7 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. The quorum for general meetings of classes of shares shall be the lesser of 10 shareholders or 10% of the total number of shareholders of that class.
- 6.8 **Agenda of Annual General Meeting:** So far as practical, the order of business at an annual general meeting shall be:
- A. Call to Order
 - B. Ascertainment of Quorum
 - C. Appointment of Recording Secretary and Parliamentarian
 - D. Adoption of Agenda
 - E. Approval of Minutes
 - F. Business arising out of the minutes
 - G. Report of the Directors
 - H. Report of the General Manager
 - I. Report of the Auditor
 - J. Presentation of Financial Statements
 - K. Announcement of Election Results
 - L. Report of other Committees
 - M. Appointment of Auditor
 - N. Unfinished business
 - O. New business
 - P. Good and Welfare
 - Q. Adjournment
- 6.9 Only members, the Superintendent, the Auditor, and guests of the directors are entitled to attend general meetings. To determine a person's entitlement to attend and to vote, the credit union may require a person to provide reasonable evidence of identity, membership and age. Unless the Chairperson otherwise directs, persons not entitled to attend a general meeting shall be excluded.

7. SEAL

- 7.1 The credit union shall have a corporate seal.

- 7.2 The General Manager shall provide for the safe custody of the common seal at the registered office of the credit union or such other place as the directors shall determine it shall be kept for safekeeping.

8. ALTERATION

- 8.1 Subject to the Credit Union Incorporation Act, the credit union may alter these Rules by special resolution.

9. SALE of the CREDIT UNION

- 9.1 In the event of an offer to purchase the credit union by an organization which is not a co operative financial institution owned exclusively by the members it services and which operates with the principle of one member having one vote, the directors of the credit union:
- (a) may submit to the membership a special resolution requesting approval of the members to proceed with discussions related to the offer to purchase and approval to submit a second resolution to accept or reject the offer of purchase; and
 - (b) only if the special resolution to proceed with discussions is approved by the required plurality, submit to members at least 30 days after the approval of the special resolution in Rule 9.1(a), a special resolution to accept or reject the offer of purchase.

10. SPECIAL RESOLUTIONS

- 10.1 Special resolutions may be proposed by the directors.
- 10.2 Special resolutions proposed by members must be signed by not less than five (5) per cent in number of the members or 300 members in good standing, whichever is lesser, who are eligible to vote, and must be deposited at the registered office of the credit union at least ninety (90) days before a general meeting.
- 10.3 To be eligible to vote on a special resolution, a member must have been a member in good standing for at least ninety (90) days prior to the closing of the membership list for voting on the special resolution as per rule 10.10.
- 10.4 Voting on special resolutions may at the discretion of the directors be at a general meeting of members or by in-branch ballot or by voting by electronic means, in accordance with the *Electronic Transactions Act*, or by any combination thereof.
- 10.5 Where the directors resolve that voting on a special resolution is to be by in-branch ballot, a member may vote on the special resolution only in accordance with these Rules by voting;
- (a) by casting a ballot at a designated polling place;
 - (b) by mail ballot.
- 10.6 At least thirty days, or such longer period as may be required by legislation, before the date for the close of balloting specified in Rule 10.8(e), the directors shall cause notice to be given to all members setting forth:
- (a) the wording of the proposed special resolution;
 - (b) the polling places and the times at which balloting on the special resolution will take place, which times shall be on at least five business days of the credit union which days may be different for different polling places;
 - (c) clear and precise instructions for casting a ballot at the polling places; and
 - (d) the right of each member to request in writing and receive a ballot which may be cast by mail instead of being cast at a polling place.

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- 10.7** If a member wishes to vote by mail ballot on a special resolution, the member shall submit a written request to the credit union in a form approved by the directors requesting a ballot that may be cast by mail on the special resolution.
- 10.8** Upon receipt of a request under Rule 10.7 from a member who is eligible to vote by mail ballot, the credit union shall mail to the member:
- (a) a ballot containing the wording of the special resolution and a space to enable the member to indicate whether the member is in favour of or opposed to the special resolution;
 - (b) a ballot envelope with the single word "ballot" printed thereon;
 - (c) a ballot authentication envelope which must provide spaces for the name, address, membership number and signature of the member;
 - (d) an addressed envelope bearing the address of the credit union; and
 - (e) clear and precise instructions for casting the ballot and the return thereof, which shall specify the day by which the ballot must be returned to the credit union which day should be not later than the last day for balloting under Rule 10.6(b).
- 10.8 A** Where a member is entitled to vote, electronically, on a special resolution, a vote cast electronically shall be cast in accordance with the provisions of Rule 4.11(c).
- 10.9**
- (a) The directors shall supervise or arrange for supervision of the counting of the ballots and shall keep confidential and not disclose the result until after the last date permitted under Rule 10.6(b).
 - (b) The directors shall disclose the results of voting on a special resolution by posting the total number of votes cast, the number of votes cast in favour of the special resolution, the number of votes cast in opposition to the special resolution and the number of spoiled votes, if any, (i) at every branch office of the credit union; (ii) in the credit union's periodic written publications to all members; and (iii) on the credit union's website.
- 10.10** For the purpose of balloting on the special resolution, the membership list of the credit union shall be closed on a day determined by the directors which day shall not be more than ninety (90), and not less than thirty (30), days before the commencement of balloting and only those members in good standing on the date the membership list is closed for the purposes of this rule shall be eligible to cast a ballot in respect of the special resolution.