



BlueShore Financial Market Conduct Code

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INTRODUCTION

At BlueShore, we are committed to providing the highest quality service to our clients at all times, with the goal of helping our members¹ improve their overall financial well-being. We are committed to ensuring that our credit union members, account holders and consumers are completely satisfied with the level of services they receive.

This is our Market Conduct Code, “The Code”. It is a voluntary principles-based Code which recognizes the best practice principles we pledge to follow for soliciting, promoting, advertising, marketing, selling or distributing our products or services and demonstrates our commitment to the fair treatment of all those who use our services.

We believe in fair sales practices, comprehensive access to banking services, transparency and openness, and a reasonable approach to settling complaints. Members are entitled to the best possible care of their financial interests.

We respect all our provincial regulatory obligations and continually strive for excellence in consumer protection.

FIVE PRINCIPLES

Our best practices are summarized in five key principles:

Business Practices: We are committed to ethical and fair business practices. It is a core component of our governance and corporate culture.

Fair Treatment and Fair Sales: Treating members fairly and demonstrating fair sales practices at all times are integral parts of our business practices.

Access to Banking Services: We ensure that all members are granted access to fundamental financial services.

Transparency and Disclosure: We provide suitable product and service information that is in plain-language and easy to understand, to ensure members make informed decisions.

Complaint Handling: We investigate complaints and work to settle them fairly, and we track complaints to help ensure our practices continue to improve.

1 BUSINESS PRACTICES

We are committed to ethical and fair business practices. It is a core component of our governance and corporate culture.

BlueShore aims to make fair treatment a core principle of all our business practices. It is a hallmark of our corporate culture and demonstrated in the dedication of our leadership, governance, and employees.

¹ For the purpose of this document, “members” includes any person (consumer or organization) that uses our products or services, whether current members or not.

Our culture is based on making strategic decisions in the best interests of our members. All our employees are expected to support this culture by treating everyone who comes into BlueShore fairly and with respect. Fairness is a fundamental right of every person we serve.

Ensuring this culture is implemented and maintained is the responsibility of our Board of Directors, which is elected by our membership. BlueShore sets fair treatment policies and procedures, and it is the responsibility of Senior Leadership to report to the Board on matters of adherence to the principles of the Code.

Sound business practices also applies to how we manage personal information. Members have a right to expect their financial affairs will be handled with discretion. We collect, use, and disclose all personal information strictly in accordance with provincial and federal legislation.

Financial well-being and literacy

We are committed to developing and implementing policies and procedures that offer awareness and education on how to improve one's financial well-being through appropriate financial planning.

Whistleblowing

BlueShore advocates a 'speak up' culture. By promoting a culture of openness and accountability, we aim for our employees, suppliers, members and third parties to feel safe and protected when reporting concerns of inappropriate or unethical conduct involving BlueShore.

Our whistleblowing procedures allow individuals to report incidents of actual or potentially improper or unethical conduct without fear of reprisal or unwarranted negative consequences.

These procedures also respect the rights of those about whom concerns are raised.

Our Board periodically reviews, approves, and maintains whistleblowing policies. At BlueShore, our Senior Leadership is responsible for monitoring and controlling operations in accordance with the whistleblowing policy.

Lobbying

Like any other business or association, we enjoy the freedom — and the responsibility — to interact with governments and comment on policy, legislation, or regulations. We ensure that each lobbyist, whom acts on behalf of BlueShore, discloses any conflicts of interest, registers with the appropriate registries, and follows all laws and regulations that apply.

2 FAIR TREATMENT AND FAIR SALES PRACTICES

Treating members fairly and demonstrating fair sales practices at all times are integral parts of our business practices.

Fair treatment

BlueShore treats all consumers who use our services fairly, and we demonstrate fair sales practices in all our business relationships. We will not discriminate against any of our members, or anyone considering using our services. We abide by provincial human rights codes. We make exceptions only when justified by law, or if a special product or service is designed to serve a particular group.

We never take advantage of anyone by misrepresenting facts, concealing information, or engaging in manipulation, unfair dealings or unethical activities. We do not take advantage of members, and we take

extra care to be clear and comprehensive with those who are unable to protect their own interests or who are not familiar with how we operate.

We do not use misleading, threatening, intimidating, or abusive language, or apply excessive or unreasonable pressure to repay, on any borrower. We take reasonable steps to identify, avoid, or manage conflicts of interest.

Fair sales

Our advertising, marketing materials and communications are straightforward, accurate and easy to understand. We provide information that helps ensure members considering our products and services can make informed and suitable choices. We exercise reasonable and prudent judgment in all our business dealings.

BlueShore is committed to the professional development of our employees in order to provide financial information that members can trust. Their knowledge is gained, and improved upon, by appropriate training programs and/or work experience. Employees will keep abreast of changes in products and services, industry standards and regulations relevant to their role.

Tied selling and undue pressure

BlueShore does not engage in undue pressure or coercion to convince members to select any particular product or service. We do not impose any form of pressure to induce members to buy a particular product or service they do not want as a condition of obtaining those they do want (this is known as “tied selling”).

Preferential pricing

In certain instances, we may offer a better price or rate on all or part of a product or service, when other products or services are also provided. This practice is called preferential pricing and is permissible. For example, we may offer a lower mortgage rate to a member that has investments with us. We are transparent about these opportunities.

Risk management

To manage risk or costs, or to comply with any laws, we may make reasonable requests of our members as a condition of acquiring a product or service. For example, we may require an individual to have a minimum credit score before providing them with a credit card, or we may request that a GIC (Guaranteed Investment Certificate) is used as security for a loan.

Negative-option billing and consent

BlueShore does not practice negative-option billing, which means automatically billing members for a product or service they have not asked for. We will always obtain members’ consent for new and optional products and services.

Digital products and services

Many legislative and regulatory requirements apply to digital financial products and services. BlueShore follows applicable regulatory guidance and best practices when providing internet-based products and services in a digital environment.

3 ACCESS TO BANKING SERVICES

We ensure that all credit union members and customers are granted access to fundamental financial services.

We open deposit accounts for anyone whose identity can be verified, and if we refuse to do so, it is only for sound business reasons. BlueShore may also refuse to open an account if applicants are not residents of British Columbia or do not purchase the minimum number of membership shares.

We may refuse to open a deposit account if an applicant has previous write-offs or losses or a poor credit bureau score. We assess whether we can minimize the risk by instead imposing restrictions on the account. Our decision may be influenced by several factors.

When we refuse to open an account, we inform the applicant of our decision. We never refuse to open a deposit account for unjust discriminatory reasons, or if the applicant is unemployed, or has been bankrupt. We do not refuse to open an account when the applicant is not making an immediate deposit. If we close a deposit account, we do so only in strict accordance with the agreement that governs our relationship with that member.

Restrictions on deposit accounts

BlueShore may impose reasonable restrictions on certain deposit accounts. Restrictions include placing temporary holds on cheques to allow time for them to clear or limiting the amount of cash provided on a deposited cheque. If warranted, we may impose limits on overdraft restrictions, on debit card privileges, or on ATM and online access. We are transparent regarding any changes or restrictions imposed upon members' accounts.

Low-fee and no-fee deposit accounts

BlueShore offers low-fee and no-fee accounts to ensure fundamental banking services are available to those who cannot otherwise afford to open and operate an account due to the cost.

Access to funds

BlueShore can implement a hold period to funds deposited by cheque. When a cheque is held, some or all of the deposited funds may not be available for a certain number of days. In some circumstances, account holders may have early access to the first \$100 of all funds deposited by cheque (on any one day) into a deposit account. We may not grant early access to funds if the cheque is endorsed more than once, is in a foreign currency or issued by a foreign branch, if we believe it is tied to illegal activities, or if the account is less than 90 days old. We will inform affected members of any limit to their access to funds including cheque-hold periods.

Government of Canada cheques

The Government of Canada provides indemnification for federal government cheques up to \$1500, and all financial institutions have access to a verification service. On this basis, BlueShore will cash Government of Canada cheques up to \$1500 at no cost for members of the public on the presentation of acceptable identification. However, we may refuse to cash cheques for more than \$1,500, or for sound business reasons, such as a suspicion that the cheque has been altered in some way or is connected with a crime or fraud.

4 TRANSPARENCY AND DISCLOSURE

We provide suitable product and service information that is in plain-language and easy to understand, to ensure members make informed decisions.

Up-to-date information is made available to members before and after a product or service is acquired. Our documents are clear and contain the financial implications of a transaction.

To ensure members are fully informed, when a member acquires a product or service, we provide them with the related documentation outlining the key features, such as benefits or limitations, risks, exclusions or the financial costs. The terms and conditions and their rights and obligations.

Account holders receive regular statements, so long as the account remains active, and are advised of any changes. We may charge a reasonable fee to provide a duplicate copy of statements. BlueShore gives advance notice of changes to agreements, service fees or account structures, and interest rates in accordance with the law.

Notices may be provided on our website, in-branch, by mail or electronically and in accordance with the law.

Mortgage information

BlueShore provides general mortgage information for members with mortgages on request. This information includes a contact number the member can call to obtain additional specific information about their mortgage.

Branch and ATM closures

We understand the potential inconvenience that the closing of a branch or ATM may have on members, and thus we make every effort to provide reasonable notice to our members of such closure when it is anticipated, and will do so in accordance with applicable legislation and regulatory guidelines.

Disclosure to new members

Because we often use the terms “bank,” “banking” or “banker” in our marketing materials, we make sure new members understand that the account is not being opened in a bank. We clarify that the account is with a credit union, and not a bank, when a new member is onboarded.

CUDIC disclosure

BlueShore will follow the guidance and rules established by the Credit Union Insurance Corporation of British Columbia (“CUDIC”) on display and advertising deposit insurance coverage.

5 COMPLAINT HANDLING

BlueShore investigates complaints and works to settle them fairly, and we track complaints to help ensure our practices continue to improve.

BlueShore is committed to providing the highest quality service to our members at all times. If we fall short of these high standards, we would like to hear from our members. This will give us the opportunity to put matters right and to improve the service we provide to all our members.

We have procedures for fairly handling dissatisfied members. We recognize that many complaints can be effectively resolved at point of contact.

For those complaints that cannot be resolved at that stage, BlueShore has established a procedure for escalation and has designated a senior employee responsible for the handling of these matters. If we fail to resolve a member's complaint to their satisfaction, we have established a process where they can escalate their complaint to a trusted independent dispute-resolution service. Details are available on BlueShore's website, at the branch, and upon request.

In order to identify trends, and the types of complaints lodged, BlueShore will maintain records of complaints received, and the actions taken to address them.

We will review trends identified in the records on a regular basis to facilitate process improvements and improve satisfaction of our members.

SUPPORTING THIS COMMITMENT

To support this commitment, we have established a Market Conduct Code program that is designed to give members confidence that we deliver these promises. Our program includes:

- BlueShore's Market Conduct Code
- Oversight by our Board of Directors
- Policies and procedures to ensure we treat members fairly
- A formal complaint handling process, with guidelines on timely handling and fair resolution including an independent Ombudsperson who can help resolve disputes
- Employee training to ensure our policies are understood and followed at all times
- Annual attestation by Senior Leadership