

2022 Board of Directors Nominations

NOMINATIONS AND ELECTION GUIDELINES

FORMS REQUIRED TO BE COMPLETED AND RETURNED:

- Application for Individuals Seeking Nomination to the Board of Directors
- Conflict of Interest Statement
- Director Code of Ethics Acknowledgment
- Director Independence Disclosure
- Consent to Act as Director

OTHER DOCUMENTS ALSO REQUIRED:

- Personal Resumé

CONTENTS:

- General Information
- Director Qualifications Criteria and Eligibility Requirements
- A list of current Directors and Board positions held
- A list of Executive Management and positions held
- Application for Individuals Seeking Nomination
- Conflict of Interest Policy
- Code of Ethics for Directors
- Director Independence Guideline
- Campaign Guidelines
- Consent to Act as a Director
- Rules

These guidelines contain primary documents for you to consider in standing for election as a Director of BlueShore Financial.





General Information for Nominees for Board of Directors

Introduction

This summary is intended to assist interested individuals in their decision to participate in the Director nomination process at BlueShore Financial.

Nominations & Election Process

Directors provide guidance on long-range objectives, determine policy, oversee risks, and monitor progress of BlueShore Financial. Day-to-day operation of the organization is the responsibility of Management.

The Nominations & Election Committee takes a very active role in determining the attributes, skills and experience needed to ensure BlueShore Financial has the best Board possible. Interested individuals should carefully review the General Information and Qualifications Criteria enclosed in this package. Nominees will be considered relative to the criteria and each new nominee may need to participate in a detailed interview following the close of nominations if not before. Nominees may or may not be endorsed by the Committee and this determination will be included in the information package that is distributed to the membership for voting. Before the voting information is sent to members, any candidate not endorsed will be given the option to stand for election unendorsed.

Nominees are required to be members in good standing of BlueShore Financial as at the Close of Nominations. Therefore, nominees for 2022 must hold the requisite number of Class 'A' Membership Shares and not be more than 60 days delinquent in any obligation to the Credit Union as at 5 pm on Friday, November 12, 2021.

Voting will be conducted by ballot in late March/early April, 2022, if required, with the successful candidates announced at the Annual General Meeting on April 21, 2021.

The Application for Candidates Seeking Nomination to the Board of Directors must be received by the Chair of the Nominations & Election Committee, BlueShore Financial, 2nd Floor, 1250 Lonsdale Avenue, North Vancouver, B.C. V7M 2H6 or via email to the Governance Department, on behalf of the Chair of the Committee, at governance@blueshorefinancial.com by 5:00 pm on Friday, November 12, 2021.

Please refer to the front page of these Guidelines for a listing of all forms that must be completed and submitted by the deadline.

General Information for Nominees for Board of Directors

Term of Office

The term of office for a Director is three (3) years.

Time Commitments

Directors of BlueShore Financial must be prepared to attend all-day quarterly, and some periodic, Board meetings; a two-day Annual Strategic Planning Session and participate on Board committees.

The various Board committees meet at least quarterly, usually for half a day. Committee meetings are held on weekdays during regular business hours. Due to the COVID-19 pandemic, meetings are presently and temporarily being held virtually. In-person meetings are held at BlueShore Financial's headquarters.

Candidates should plan for, on average, 40 hours per quarter for meetings or pre-work for meetings. From time to time, Directors may be asked to attend credit union system conferences and events.

Director Training

Credit union legislation in British Columbia requires that within their first 12 months of service, all newly elected Directors must complete either: Level 'A' of the Credit Union Director Achievement (CUDA) program, or "Year One Level A" of the Professional Development For Directors Program offered by the Credit Union Executive Society (CUES).

In order to continue as a Director, completion of one of these Level 'A' courses is mandatory. For an outline of either program please reference the appropriate organization's website.

ADDITIONAL INFORMATION:

If you require further information, please contact:

Governance Department

BlueShore Financial

Telephone: 604.983.4532

Email: Governance@blueshorefinancial.com

Director Qualifications Criteria & Eligibility Requirements

Overview

The role of a director of a financial institution in today's environment is demanding, complex and multi-dimensional. Stakeholders (including regulators) expect and demand more from directors than in the past, and consequently the director's role, although very rewarding, is a challenging one.

Directors of BlueShore Financial will be expected to bring to the Board a broad range of knowledge and depth of experience, support the values and focus of BlueShore Financial and have a fundamental understanding of their role and responsibilities.

General Qualifications

The following core skillsets and attributes are required for BlueShore Financial Directors:

- Financial Literacy
- Risk Oversight
- Strategic Planning
- Board Governance
- Environmental, Social and Governance
- Executive Level Business Experience
- Information Technology Infrastructure
- Talent / Succession Management
- Financial Institution / Regulated Industry Experience
- Treasury Management
- Reputation / Brand Management Experience
- Delivering a Premium Omni Channel Experience
- Data Analytics and Insight
- Business Transformation and Change Management
- Mergers and Acquisitions
- Ability to communicate and work effectively in a team
- Ability to meet the time commitment required of an active and engaged Director (on average 40 hours per quarter).

A Director's primary responsibility is to act at all times in the best interests of the organization. This fiduciary duty is a legal and mandatory obligation.

Directors should be fully informed regarding their responsibilities and liabilities as a Director prior to making a commitment to serve. Directorship on the Board of BlueShore Financial is not a public office; please refer to the Campaign Guidelines contained herein.

Specific Qualifications

The Nominations and Election Committee has considered the current and future skills needed on the Board, as well as the credit union's strategy and governance priorities. As such, we are specifically seeking nominees who possess expert-level financial acumen. A CPA designation would be an asset, as would experience with overseeing or implementing enterprise risk management processes, including internal controls.

Director Qualifications Criteria & Eligibility Requirements

Board Diversity Statement

BlueShore Financial recognizes and embraces the benefits of having a diverse board for effective decision making and views diversity at the board level as an important element in strong governance. A diverse Board will include differences in gender, age, ethnicity and other aspects of diversity. BlueShore Financial recognizes that diversity brings tremendous value to our organization and that these differences in skills, experiences and perspectives will lead to better decision-making.

The Nomination and Election Committee reviews and assesses board composition on behalf of the Board and recommends candidates for election to the Board (via an endorsement in the election process).

In reviewing board composition, the Committee will consider the benefits of all aspects of diversity including those described above, in order to maintain an appropriate balance of skills, experience and functional expertise necessary to oversee the strategic direction of the organization and enable it to discharge its duties and responsibilities effectively. These elements of diversity will be considered in determining the optimum composition of the Board and when possible should be appropriately balanced and reflective of our membership and employee base.

The Nomination and Election Committee will annually approve and recommend to the Board for approval, measurable objectives for achieving diversity. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

BlueShore Financial Rules Requirements

In addition to the above, the Rules of BlueShore Financial, incorporating any legislative requirements, stipulate that the following are not eligible as candidates for the Board:

- a junior member (must be at least 19 years of age);
- an employee or a spouse of an employee of the Credit Union or any subsidiary of the Credit Union;
- an individual who was an employee of the Credit Union or any of its subsidiaries during the three year period immediately prior to the date of the Annual General Meeting;
- a director, officer, agent, or employee of a bank, trust company, loan company, savings and loan association, mortgage company or other credit union, mortgage and/or investment broker, or similar financial institution or a subsidiary of any of them except where that individual has been requested or authorized in writing by the Directors to serve as a director of any of the foregoing institutions or a subsidiary of them;
- individuals who are not eligible to become a director of a subsidiary corporation of the Credit Union;
- an entity;
- individuals disqualified from holding office as a director of a credit union under or pursuant to the Acts; or
- individuals who are not members of the Credit Union as at the close of nominations at 5:00 pm on Friday, November 12, 2021.

Board of Directors 2021 - 2022

Director	Board Positions Currently Held
Allan Achtemichuk	Nominations & Election Committee, Chair Audit Committee Human Resources & Compensation Committee
Diana Chan	Vice Chair of the Board Audit Committee, Chair Investment & Loan Committee
Lynne Charbonneau	Human Resources & Compensation Committee, Chair Governance & Conduct Review Committee Nominations & Election Committee
Rod Dewar	Governance & Conduct Review Committee, Chair Audit Committee
Peter Leitch	Chair of the Board Human Resources & Compensation Committee
Julie McGill	Investment & Loan Committee, Chair Audit Committee Human Resources & Compensation Committee
Cybele Negris	Governance & Conduct Review Committee Nominations & Election Committee
Kevin Sandhu	Governance & Conduct Review Committee Investment & Loan Committee
Victoria Withers	Audit Committee Investment & Loan Committee

**The Board is presently forming a Risk Committee, with permanent membership to be determined.*

Executive Management 2021 - 2022

Name	Position
Chris Catliff	President & Chief Executive Officer
Richard Butterworth	Chief Financial Officer
Fred Cook	Chief Information Officer
Lori Howe	Acting Senior Vice President, Human Resources
Reg Marrinier	Senior Vice President, Retail & Business Banking

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Application for Individuals Seeking Nomination to the Board of Directors

(The following information is confidential to the Nominations & Election Committee)

1. Personal Information:

Name: _____ Over the age of 19?: Yes No

Account Number (with requisite 'A' Membership Shares): _____ Branch: _____

Home Address: _____

Postal Code: _____ Telephone: _____ Email: _____

Business Address: _____

Postal Code: _____ Telephone: _____ Email: _____

2. Educational Background (not required if in resumé):

3. Brief Employment History (not required if in resumé):

Current Employer: _____

Position: _____

4. Credit Union Experience (not required if in resumé):

List any current or past involvement with a credit union:

5. Business/Financial Experience (not required if in resumé):

List any current or past business or financial experience:

(cont'd)

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Application for Individuals Seeking Nomination to the Board of Directors

(The following information is confidential to the Nominations & Election Committee)

6. Board Experience (not required if in resumé):

List any current or past board experience:

7. Nomination

You must be nominated by at least one (1) adult BlueShore Financial member in good standing in order to be considered for directorship. (In order for a member to be considered in 'good standing', the nominating member provided must hold the requisite number of Class 'A' Membership Shares and not be more than sixty (60) days delinquent in any obligation to the Credit Union.)

To validate your application, the following information must be complete:

Nominating Member's Name	Relationship Number	Nominating Member's Signature
1.		

8. References (at least three; including name, phone number and email address):

(these need not be members of BlueShore Financial)

1. _____

2. _____

3. _____

9. Personal Statement

Individuals seeking nomination are requested to submit a statement on a separate page (maximum 300 words and may be edited at the sole discretion of BlueShore Financial). **Please note this statement will be provided to BlueShore Financial's membership to assist in their voting decision.** We encourage the statement to address the following:

Looking at BlueShore Financial's Director Qualifications Criteria, what do you see as the main area(s) where you could contribute, and why?

I certify that the information provided in this application and on related attachments is true and complete to the best of my knowledge. I understand and agree that BlueShore Financial may at any time take such steps as it sees fit to verify the information provided. I understand and agree that BlueShore Financial may perform reference, criminal record, and credit checks, as required. I acknowledge and understand the Nominations & Election Committee can disqualify candidates if they fail to abide by the Campaign Guidelines established from time to time, or if information about a candidate emerges that could damage the reputation of BlueShore Financial.

Date	Applicant's Signature
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Please forward this completed application, along with a current resumé and all other required items listed on the front page of these guidelines, to the Chair, Nominations & Election Committee, BlueShore Financial, 2nd floor, 1250 Lonsdale Avenue, North Vancouver, B.C. V7M 2H6 or via email to governance@blueshorefinancial.com **no later than 5:00 pm on Friday, November 12, 2021.**

Conflict of Interest Policy

Purpose

The purpose of the Directors' Conflict of Interest Policy is to identify, prevent and resolve conflicts of interest related to Directors of BlueShore Financial.

Definition

The credit union and its members have a right to expect its elected Directors to act in the best interest of BlueShore Financial. It is imperative that a high standard of ethical, moral and legal conduct be evidenced in all business practices.

A conflict arises where a director has a direct or indirect interest that comes into conflict, or is sufficient to influence or appear to influence the performance of the Directors' duties owed to BlueShore Financial

Duties

1. Each Director must use utmost care and discretion in the handling of confidential or privileged information and other information not normally available to the public coming to them by reason of the directorship and such information shall not be used for personal benefit or for the benefit of family, friends or any other associations.
2. Each Director who has any material direct or indirect ownership, interest or profit participation in outside business enterprises that have or are anticipating having, dealings with BlueShore Financial or whose business may be similar or in conflict or compete with BlueShore Financial's business shall disclose such interest in writing to the Chair of the Board and the Governance and Conduct Review Committee.
3. It is anticipated that Directors of BlueShore Financial may from time to time pursue personal and private business interests and ventures and participate in other forms of decision-making organizations. In doing so, it is the responsibility of each individual to remove any reasonable uncertainty that might develop or exist with respect to the applicability of this code of conduct. Directors are encouraged to obtain specific clarification from the Chair of the Board who will in turn, as circumstances require, seek direction and guidance from the Board's Governance and Conduct Review Committee as to any necessary steps needed to be taken. Any issues related to conflicts of interest that arise prior to the Governance and Conduct Review Committee meeting will be reported at the next meeting of the Committee.
4. Directors shall disclose any gift or hospitality accepted of material value (over \$200.00) that was offered or tendered by virtue of the Director's position with BlueShore Financial. It should be borne in mind that materiality may be determined not only by cost, but by circumstances surrounding the giving and acceptance.

Personal judgment is required in accepting gifts or hospitality and disclosure is required to the Chair of the Board and Governance and Conduct Review Committee as appropriate.

5. Each Director shall annually complete, sign and return the Directors' Conflict of Interest Declaration below.

Code of Ethics for Directors

Purpose

The purpose of this Policy is to set the standards for ethical conduct by BlueShore Financial's Directors ("Directors").

Duty to BlueShore Financial Credit Union ("BlueShore Financial")

All Directors shall act in the best interests of BlueShore Financial in accordance with their fiduciary duties prescribed by law, the rules and policies of BlueShore Financial adopted by the Board and the members from time to time. Directors are required to be familiar with these duties, rules and policies, as well as the business and affairs of BlueShore Financial, in order to be capable of making appropriate contributions and decisions.

Standards of Conduct

Directors will act honestly and in good faith in discharging their duties as Directors. Directors will exercise the care, diligence, and skill that a reasonably prudent person would in similar circumstances, and conduct themselves in a manner that would not directly or by association damage the reputation of BlueShore Financial.

Information

Directors will make available to and share with fellow Directors and officers of BlueShore Financial all information as may be relevant to ensure the proper conduct and sound operation of the business and affairs of BlueShore Financial.

Directors will request such information through the Board of Directors from officers and employees of BlueShore Financial as may be necessary to permit the full discharge of the duties of a Director.

Respect for Others

All Directors shall treat their fellow Directors, officers, and employees of BlueShore Financial in a respectful manner in which everyone is treated with dignity and is empowered to contribute to the efficiency and effectiveness of the business. This includes conducting one's self in a manner that promotes an environment free from any form of discrimination or harassment, including sexual harassment, violence, and bullying.

Harassment means engaging in conduct that is known or ought reasonably to be known to be unwelcome. Harassment can be a single, serious incident or a series of repeated incidents that detrimentally affect the work environment or leads to adverse consequences for the victim. Directors shall report all cases of alleged or witnessed harassment by directors to the Chair of the Board. Reports concerning the behaviour of the Chair of the Board will be reported to the Chair, Governance and Conduct Review Committee.

Code of Ethics for Directors

Maintain Confidentiality

Directors shall treat in confidence all matters and information involving BlueShore Financial, the Board of Directors, its committees and the employees and members of BlueShore Financial and not disclose the same where it is not in the public record or domain unless sanctioned by the Board of Directors to do so.

Directors shall not use confidential information in order to obtain a benefit or advantage for the Director or anyone else.

Cooperative Basis of Organization

Directors shall be mindful of the cooperative basis upon which BlueShore Financial is founded as a member-owned organization.

Acknowledgement

I acknowledge that I have read and considered the Code of Ethics for the Directors of BlueShore Financial and agree to conduct myself as a Director in accordance with and to abide by that Code of Ethics.

I understand that if I shall be found by my fellow Directors to have been in default of the Code of Ethics or to have acted contrary to the Code, I may be subject to sanctions by my fellow Directors including, without limitation, private censure, public censure and request for resignation or termination from my office as Director.

Signature

Name

Date

Director Independence Guideline

Purpose

The purpose of this Guideline is to complement BlueShore Financial's existing Rules and Conflict of Interest Policy relating to Director independence. Ensuring that Directors are independent is important for the credibility of the Board and to ensure optimal decisions are being made.

Definitions

Independence means the Director does not have a material relationship with BlueShore Financial, its Management and other Directors. Apart from Director remuneration, fees, and limited benefits (such as discounted banking fees), an independent Director does not financially benefit from their relationship with BlueShore Financial.

A material relationship is any relationship that could interfere, or be perceived to interfere, with a Director's ability to exercise independent judgement or inhibit their ability to make difficult decisions about management and the business.

Examples of potential independence issues include:

- Directors who are or have recently been consultants to the Credit Union;
- Directors who are or who have recently been employees of a significant supplier;
- Directors who have familial or romantic relationships with employees of BlueShore;
- Directors who have interlocking directorships with other directors; or,
- Directors who are immediate relatives of the members of the Executive Management Team.

For the purposes of this Guideline, "recently" is defined as in the preceding two years.

Principles for Application

In addition to the requirement to disclose relationships with other companies or organizations as part of the annual Conflict of Interest Declaration, Directors are expected to:

- Inform the Chair of the Board if they suspect a real or perceived independence issue has arisen.
- The Chair of the Board will consult with the Chair, Governance and Conduct Review Committee who will seek the guidance of their fellow Committee members on all matters raised.
- Should, in the opinion of the G&CRC, the matter require formal action, a recommendation will be submitted to the full Board for a final decision.
- Legal and/or other counsel may be sought throughout the process.

Potential Directors will be required to disclose any real or perceived independence issues, as defined in this Guideline, upon application to be a Director. The Chair of the Nominations and Elections Committee will advise the Chair of the Board and Chair of the Governance and Conduct Review Committee of any relevant disclosures.

¹An interlocking director is one that serves as a director of two or more corporations at one time. Source: Merriam-Webster Dictionary.

Director Independence Guideline

Considerations

The Governance and Conduct Review Committee will review potential Director independence issues on a case-by-case basis. Perceived lack of independence does not necessarily mean a Director will be precluded from serving on the Board. The Committee will consider:

- The nature of the relationship;
- The materiality of the relationship;
- Potential reputational impacts to BlueShore Financial; and/or,
- Impact to Board dynamics.

BlueShore Financial will strive to limit the number of Directors who have perceived independence issues with employees, other Directors, or the organization itself. This will primarily be accomplished as part of the Nomination and Elections process.

Disclosure

BlueShore Financial will disclose interlocking directorships in the Management Discussion and Analysis Section of the Annual Report as required by the British Columbia Financial Services Authority (BCFSA) Governance Guideline.

Director Independence Disclosure — Confidential

I hereby declare that I have read the above and comply/will continue to comply with BlueShore Financial's Director Independence Guideline.

I may have a real or perceived Independence issue with the following current Directors or Executives of BlueShore Financial listed below:

Signature

Name

Date

Director Election Campaign Guidelines

Once the Nominations and Election Committee (N&E) has confirmed you as a candidate, your photo, approved candidate statement and a short biography will be included in the voting package sent to BlueShore Financial members. This information, along with any endorsement information by the N&E, will allow members to make an informed vote.

Campaigning is only permitted during a specific timeframe which will be clearly communicated to you by the Credit Union's Governance Department.

You may also wish to talk to others about your candidacy following its announcement in the voting package. To assist you in this, the N&E has developed the following guidelines to ensure campaigning is conducted fairly and equally by all candidates.

Candidates (or their supporters) may:

- Use social media sites (e.g., Facebook, LinkedIn, Twitter) providing the guidelines below are followed.
- Advise they have been endorsed by the N&E in their communications, providing this is the case.
- Speak positively about why they would be a good Director and how their competencies, skills and experience would enhance the board's oversight role.

Candidates (or their supporters) may not:

- Publish paid (or otherwise solicited) ads in print, radio, or electronic media. This includes ads in social media designed to increase the 'reach' of your post.
- Solicit endorsements or testimonials.
- Participate in media interviews regarding their candidacy during the election period.
- Directly or indirectly claim they will implement specific platforms or policies if elected.
- Make negative comments about BlueShore Financial, its Board, Board Committees, management, employees, or other candidates.
- Campaign in or near BlueShore Financial premises or surroundings.
- Use the BlueShore Financial logo or letterhead. Candidates are not representatives of the Credit Union.
- Raise funds for the purpose of campaigning.

The N&E is responsible for conducting the election of Director candidates in accordance with the Credit Union Rules and these guidelines. The Credit Union will not reimburse candidates for any expenses incurred during campaigning (e.g. headshots). The Committee may, at its discretion, review campaign posts and reject any portion that contravenes these guidelines, or is considered to be misleading, defamatory, or injurious to BlueShore Financial's members or its reputation.

Any candidate conducting themselves contrary to these guidelines may be disqualified as a candidate by the N&E.

Questions should be referred to the Credit Union's Governance Department at Governance@BlueShoreFinancial.com

Consent to Act as Director

I, the undersigned candidate for election as a Director of BlueShore Financial, acknowledge and do hereby certify that:

1. I am currently a member of BlueShore Financial, or will be a member as of November 13, 2020
2. I am currently the full age of nineteen (19) years or will be as of November 13, 2020.
3. I am neither an employee of the British Columbia Financial Services Authority, an auditor or solicitor of a credit union, nor a public servant concerned by my duties with the affairs of a credit union.
4. I am neither a director, officer, owner, nor an employee of any institution or business that is engaged in activities in which BlueShore Financial is engaged.
5. I acknowledge that no person may hold office as a director of a credit union if he or she is:
 - (a) under the age of 19 years;
 - (b) found to be incapable of managing his/her own affairs by reason of mental infirmity;
 - (c) a corporation;
 - (d) an undischarged bankrupt;
 - (e) unless the court orders otherwise, convicted in or out of British Columbia or elsewhere of an offense:
 - (i) in connection with the promotion, formation or management of a corporation; or,
 - (ii) involving fraud, unless 5 years has elapsed since the expiration of a period fixed for suspension on the passing of sentence without sentencing or since a fine was imposed, or the term of imprisonment and probation imposed by this paragraph ceases on a pardon being granted under the Criminal Records Act (Canada); or,
 - (f) in the case of a reporting company, a person whose registration in any capacity has been cancelled under:
 - (i) the Securities Act by either the British Columbia Securities Commission or the executive director; or,
 - (ii) the Mortgage Brokers Act by either the Commercial Appeals Commission or the registrar unless the commission, the executive director or the registrar, whichever is applicable, otherwise orders, or unless 5 years have elapsed since the cancellation of the registration.
6. I will comply with the campaign guidelines established by the Nominations & Election Committee.
7. I will not interfere with or seek assistance in connection with the election from an employee of BlueShore Financial.
8. I understand my candidacy may be disqualified if information emerges that could, in the opinion of the Nominations and Election Committee, damage BlueShore Financial's reputation.
9. I am prepared to complete the BCFSAs required Personal Information Return (PIR) document, and agree to all checks associated.
10. If elected, I will observe and comply with all policies the Credit Union determines to apply to Directors from time to time.
11. If elected, I will comply with the Credit Union Incorporation Act with respect to training.
12. I know of no reason why I may not hold office as a Director of BlueShore Financial.

DATED at _____, British Columbia this ____ day of _____, ____ .

Candidate's Signature _____

Name _____

RULE 1 - INTERPRETATION

- 1.1 **Governing Legislation** — These Rules are subject to the provisions of the Acts.
- 1.2 **Words or Phrases Defined in Acts** — The meaning of any words or phrases defined in the *Credit Union Incorporation Act*, the *Financial Institutions Act*, or any other legislation referred to in these Rules, and, to the extent that it relates to the Credit Union, the *Company Act* or the *Business Corporations Act* shall, if not inconsistent with the subject or context, have the same meaning in these Rules.
- 1.3 **Definitions** — In these Rules, unless the subject or context is inconsistent therewith:
- (a) "Acts" means the *Credit Union Incorporation Act*, the *Company Act*, the *Business Corporations Act* and the *Financial Institutions Act*;
 - (b) "Auxiliary Member" means a Person who holds equity shares in the Credit Union but is not a member;
 - (c) "*Business Corporations Act*" means the *Business Corporations Act (British Columbia)* from time to time in force and all amendments thereto and regulations made pursuant thereto as may be applicable to the Credit Union;
 - (d) "Chair" means the chairperson of the Directors;
 - (e) "*Company Act*" means the *Company Act (British Columbia)* from time to time in force and all amendments thereto and regulations made pursuant thereto as may be applicable to the Credit Union;
 - (f) "Credit Union" means BlueShore Financial Credit Union ;
 - (g) "*Credit Union Incorporation Act*" means the *Credit Union Incorporation Act (British Columbia)* from time to time in force and all amendments thereto and all regulations made pursuant thereto as may be applicable to the Credit Union;
 - (h) "Director" means a director of the Credit Union;
 - (i) "Directors" means the board of directors of the Credit Union;
 - (j) "Dormant Account" means an account (i) in which there has been no member initiated activity for twelve (12) months, (ii) in respect of which, on three (3) consecutive occasions, mail sent by the Credit Union to the last known address of the account holder has been returned, and (iii) in respect of which, the account holder has not informed the Credit Union in writing of the new address;
 - (k) "Dormant Account Member" means a member who is the holder solely of Dormant Accounts;
 - (l) "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 transmission of data or information through computer networks (including without limitation the Internet), and any other similar means.
 - (m) "Electronic Transactions Act" means the *Electronic Transactions Act (British Columbia)* from time to time in force and all regulations made pursuant thereto;
 - (n) "Equity Shares" means the equity shares listed in Schedule A;
 - (o) "*Financial Institutions Act*" means the *Financial Institutions Act (British Columbia)* from time to time in force and all amendments thereto and regulations made pursuant thereto as may be applicable to the Credit Union;
 - (p) "General Meeting" means a general meeting of the Credit Union, including an annual general meeting and a special general meeting;
 - (q) "junior member" means an individual under 19 years of age who meets the membership qualifications under the *Credit Union Incorporation Act*;
 - (r) "Person" includes a corporation, partnership or party;
 - (s) "Preferred Equity Shares" means the preferred equity shares listed in Schedule A;
 - (t) "senior member" means a member of the Credit Union who has attained a certain age, to be determined by the Credit Union from time to time;
 - (u) "Vote" or "Voting", unless otherwise indicated, includes a vote or voting:
 - (i) in an election of Directors, and
 - (ii) for a special resolution.
 - (v) "Voting Deadline" means the date by which a ballot cast on a special resolution or for an election of Directors must be received by the Returning Officer;
- 1.4 **Member in Good Standing** — For the purposes of these Rules, a member in good standing is a member who, at the date on which good standing is to be determined:
- (a) has purchased, paid for and holds the number of Class A Membership Equity Shares required by or pursuant to these Rules, and
 - (b) is not more than sixty (60) days delinquent in any obligation to the Credit Union.

Rules

- 1.5 **Electronic Documents** — Unless these Rules expressly provide otherwise:
- (a) where these Rules require the use of documents that are “written”, “in writing” and other similar words, the Directors may permit the use of documents in such electronic forms as the Directors in their discretion consider desirable in the circumstances, provided that such electronic documents are accessible in a manner useable for subsequent reference;
 - (b) where these Rules require the provision or delivery of documents, the Directors may permit the provision or delivery of such documents in such electronic form and by such electronic means (including without limitation making such electronic documents accessible to the intended recipient by an electronic means notified to the intended recipient) as the Directors in their discretion consider desirable in the circumstances, provided that such electronic documents are accessible and capable of being retained by the recipient in a manner useable for subsequent reference; and
 - (c) for the purposes of this Rule, “documents” includes without limitation, notices, instruments, resolutions and ballots
- 1.6 **Schedules** — Each of the following schedules attached to these Rules shall form part of these Rules:
- (a) Schedule A — Classes of Shares of the Credit Union; and
 - (b) Schedule B — Rights and Restrictions Attached to Shares of the Credit Union.

RULE 2 — MEMBERSHIP

- 2.1 **Application for Membership** — Every application for membership shall be in writing and shall be accompanied by payment in full of the purchase price of the number of Class A Membership Equity Shares of the Credit Union required to be held as a condition of membership pursuant to these Rules.
- 2.2 **Policies Relating to Ownership of Equity Shares** — 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 with respect to the subscription, payment for, waiver or delay of purchase of, holding and ownership of Equity Shares, other than Class A Membership Equity Shares.
- 2.3 **Withdrawal or Termination of Membership** — A member may withdraw from membership in the Credit Union and membership may be terminated in accordance with these Rules and the Acts.
- 2.4 **Membership Share Ownership Requirement** — Each member of the Credit Union shall subscribe for, purchase and fully pay for and thereafter hold the following minimum number of Class A Membership Equity Shares:
- (a) except as provided below, each member — 25 shares;
 - (b) each junior member, or senior member, or non-profit or charitable entity who was admitted to membership on or before April 30, 2019 - 5 shares;
- 2.5 **Junior Member** — A junior member shall, upon attaining the age of majority, subscribe for and purchase the number of Class A Membership Equity Shares then required to be owned by a member.
- 2.6 **Joint Ownership Voting Privileges** — Class A Membership Equity Shares may be held jointly but, unless each of the joint holders has acquired the requisite number of Class A Membership Equity Shares required for Membership, only the joint holder first named on the record of shareholdings shall be entitled to vote. All jointly held Class A Membership Equity Shares shall carry the right of survivorship unless a contrary statement in writing is given at the time of subscription or at any time thereafter and signed by all parties jointly holding the Class A Membership Equity Shares. Entitlement to vote as a member is limited to each joint account holder that has acquired the requisite Class A Membership Equity Shares.
- 2.7 **Redemption of Jointly Held Membership Shares** — The Credit Union shall not be required to redeem any Class A Membership Equity Share that is jointly held until one of the events described in Schedule B, paragraph 1(b) occurs in respect of the last joint holder.
- 2.8 **Class A Membership Equity Shares** — Only a member of the Credit Union shall be entitled to own Class A Membership Equity Shares and from and after the date these Rules come into effect, Class A Membership Equity Shares which are held jointly by a member and another person who is not a member shall be held by and owned beneficially by the member first named on the shares or record of shareholdings.

Rules

RULE 3 — MEMBERSHIP VOTING

- 3.1 **Eligibility to Vote** — Only members in good standing on the last day of the month ended immediately prior to the date which is ninety (90) days prior to the Voting Deadline and who is not a junior member, is eligible to Vote.
- 3.2 **One Vote Per Person** — No Person shall cast more than one (1) ballot in an election of directors and no Person may cast more than one (1) vote on a resolution, whether in a personal or representative capacity.
- 3.3 **Corporations and Other Entities** — A member that is a corporation or other legal entity may vote or be represented at General Meetings by an individual who is not a member and who is authorized in writing to vote on behalf of the member and such written authorization is provided to the Credit Union.
- 3.4 **Voting Method** — The method of Voting shall be by mail-in ballot, provided however, that Voting may be by electronic means should the Directors so decide.

RULE 4 — SHARES AND DEPOSITS

- 4.1 **Share Classes, Rights and Restrictions** — The shares of the Credit Union are divided into the classes of equity and non-equity shares set out in Schedule A. The rights and restrictions attached to each class of shares are set out in Schedule B.
- 4.2 **Ranking of Shares** — Each class of the Equity Shares shall rank in respect of the distribution of assets in the event of the liquidation, dissolution or winding-up of the Credit Union or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs, whether voluntary or involuntary, in accordance with the *Credit Union Incorporation Act* and these Rules.
- 4.3 **Entitlement to Dividends** — Subject to the *Credit Union Incorporation Act* and these Rules, the Directors, in their absolute discretion, may set terms and conditions for entitlement to dividends for each class of shares, may declare and pay dividends on each class of shares in such amounts and at such times as from time to time determined, may declare a dividend on each class of shares in preference to any other class of shares and may declare different rates of dividend for different classes of shares.
- 4.4 **Payment of Dividends** — Dividends, patronage rebates and other distributions of earnings to members may, at the discretion and determination of the Directors, be paid, in addition to any other methods of payment, by issuing Equity Shares to members in such amounts and on such basis as the Directors may determine from time to time, and the Directors may determine to issue Equity Shares in different amounts and on a different basis for different classes of shares.
- 4.5 **No Fractional Shares** — In accordance with the *Credit Union Incorporation Act*, shares must be issued as fully paid and, if a member or Auxiliary Member is entitled to dividends, patronage refunds or bonuses in an amount which would not result in a fully paid share, those dividends, patronage refunds or bonuses will not be paid by way of allocation of shares as contemplated in Rule 4.4, and, if any of them exceeds \$1.00 or a multiple thereof but is not an exact multiple of \$1.00, the excess entitlement will:
 - (a) if it is \$0.49 or less, not be paid by way of allocation of Equity Shares, but be paid in cash; or
 - (b) if it is \$0.50 or more, be paid by way of allocation of Equity Shares as if the excess entitlement were \$1.00.
- 4.6 **Distribution of Earnings** — Interest on deposits and dividends on shares, patronage rebates and other distributions of earnings in the absence of an express written contract or agreement, shall be paid or credited at the times, intervals and in the manner determined by the Directors.
- 4.7 **Incentive Programs** — The Directors may develop and offer incentive and participation programs and promote purchases or such other acquisitions of Equity Shares as the Directors deem in the best interest of the Credit Union.
- 4.8 **Additional Share Ownership Requirements** — Notwithstanding Rule 2.4, and subject to the Acts, a member who borrows from or deposits funds with the Credit Union may be required to subscribe for and purchase such number of additional shares as the Directors may determine from time to time by resolution.
- 4.9 **Record of Shareholdings** — Equity Shares shall be recorded in the holder's name and itemized according to class and a statement of shareholdings shall be provided to the holder at least annually.

Rules

- 4.10 Minimum and Maximum Shareholding Requirements** — Subject to the *Credit Union Incorporation Act* and these Rules, the Directors may from time to time, by resolution, determine the minimum and maximum number of shares, of any class or in total, in the Credit Union permitted to be purchased and held by any member or Auxiliary Member and all terms and conditions attaching to any application for shares in the Credit Union including the maximum number of applications permitted by a member or an Auxiliary Member and the minimum or maximum number of shares required for each application.
- 4.11 Joint Ownership of Equity Shares** — Subject to specific rules relating to Class A Membership Equity Shares contained in these Rules, all Equity Shares may be purchased and held jointly. All jointly held Equity Shares shall carry the right of survivorship unless a contrary statement, in writing, is given at the time of subscription or at any time thereafter and signed by all parties jointly holding the said Shares.
- 4.12 Share Certificates** — The Directors shall issue share certificates for shares of each class of Equity Share which may be issued, save for Class A Membership Equity Shares where the Directors may at their discretion decide to issue or not issue share certificates. All certificates issued for Equity Shares shall:
- (a) state on their face the words “Not Guaranteed by the Credit Union Deposit Insurance Corporation”;
 - (b) comply with the requirements of the *Credit Union Incorporation Act* as to indicating that there are special rights and restrictions attached to such shares and that a free copy of the full text of the special rights or restrictions may be obtained at the records office of the Credit Union.
- 4.13 Form of Share Certificate** — Every share certificate issued by the Credit Union shall be in such form as the Directors approve and shall comply with the Acts.
- 4.14 Order of Names on Certificate** — A share certificate registered in the names of two or more Persons shall be delivered to the Person first named on the share certificate or record of shareholdings.
- 4.15 Value of Shares** — Subject to the Acts, Equity Shares may only be subscribed for, purchased by, or transferred or assigned to the Credit Union or a member or other Person at a par value of \$1.00 each, and in the case of redemption, par value plus any dividends declared but unpaid.
- 4.16 Transfer of Shares** — Equity Shares may be transferred or assigned where a resolution of the Directors has been obtained in advance, and no transfer or assignment of shares is effective until the record of shareholdings maintained by the Credit Union is completed indicating the transfer or assignment.
- 4.17 Procedures and Forms** — The Directors may determine the procedures and the forms required for a Person to withdraw monies on deposit, to request a redemption of shares or to transfer or assign shares in the Credit Union.
- 4.18 Exercise of Lien or Forfeiture of Share** — 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 facts stated therein.

RULE 5 — BORROWING AND LENDING

- 5.1 Borrowing** — Subject to the Acts, 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 may be determined by resolution of the Directors.
- 5.2 Lending** — Subject to the Acts, the Directors shall determine the terms and conditions of loans as to interest and other charges, term, repayment and security, if any, and may by resolution delegate the power to make loans and to make the determinations aforesaid.

RULE 6 — ELECTION OF DIRECTORS

- 6.1 Annual Election to Fill Vacancies** — Each year, Directors shall be elected to fill any vacancies among the Directors.
- 6.2 Eligibility for Nomination** — An individual who is a member in good standing as at the close of nominations before such member’s election as a Director shall be eligible to be nominated for election as a Director, unless such individual is disqualified by these Rules, the Acts or any other legislation governing the election of directors in British Columbia.

Rules

- 6.3 Ineligible Individuals** — An individual who:
- (a) is a junior member;
 - (b) is an employee or a spouse of an employee of the Credit Union or any subsidiary of the Credit Union;
 - (c) was an employee of the Credit Union or any of its subsidiaries during the three year period immediately prior to the date of the Annual General Meeting;
 - (d) is a director, officer, agent, or employee of a bank, trust company, loan company, savings and loan association, mortgage company or other credit union, mortgage and/or investment broker, or similar financial institution or a subsidiary of any of them except where that individual has been requested or authorized in writing by the Directors to serve as a director of any of the foregoing institutions or a subsidiary of them;
 - (e) is not eligible to become a director of a subsidiary corporation of the Credit Union;
 - (f) is an entity;
 - (g) is disqualified from holding office as a director of a credit union under or pursuant to the Acts; or
 - (h) has not been a member continuously in good standing of the Credit Union for at least ninety (90) days prior to the date of the Annual General Meeting in which the election is to be held; is not eligible to be nominated for election or to be elected as a Director of the Credit Union and, if holding office as a Director of the Credit Union, shall vacate the office immediately.
- 6.4 Declaration by Nominee** — Every nominee for election as a Director must file with the Nominations & Election Committee a declaration, in the form approved by the Directors, that the nominee is eligible under the Rules of the Credit Union for election to the office of Director of the Credit Union with an acknowledgement that:
- (a) the nominee will comply with the election guidelines established by the Nominations & Election Committee;
 - (b) if elected, the nominee will observe and comply with the conflict of interest guidelines, code of ethics and director policies established from time to time by the Directors; and
 - (c) if elected, the nominee will observe and comply with the provisions of the Acts, as applicable, including the Credit Union Incorporation Act with respect to training.
- 6.5 Term of Office** — Except in the case of an unexpected vacancy when a Director may be appointed for the unexpired portion of a term, Directors shall hold office for a three (3) year term. No Director who has served four (4) consecutive three (3) year terms (disregarding partial terms) may be nominated for re-election at the Annual General Meeting coinciding with the expiry of such Directors fourth consecutive three (3) year term of office.
- 6.6 Acclamation** — If the number of qualified individuals nominated is equal to the number of vacancies to be filled, those individuals who have agreed to stand and who have consented to act as a Director, shall be declared elected by acclamation by the Nominations & Election Committee.
- 6.7 Appointment of Nominations & Election Committee** — At least one hundred and eighty (180) days before each Annual General Meeting, the Board shall appoint a Nominations & Election Committee of not less than three (3) individuals who shall be members in good standing, and a majority of whom shall be Directors of the Credit Union. Any individual ineligible for election as a Director under these Rules, and no individual who is a candidate in the next election following the appointment of the Committee may serve or continue to serve as a member of the Committee. The Board shall appoint a replacement to fill any vacancy on the Committee. The chairperson of the Nominations & Election Committee shall be a Director.
- 6.8 Role of Nominations & Election Committee** — The Nominations & Election Committee shall be responsible for:
- (a) developing criteria and evaluating individual director candidates for nomination, taking into account the background and expertise of existing board members and the specific ongoing needs of the board;
 - (b) identifying and recommending candidates to fill board vacancies as and when they arise; and,
 - (c) conducting the election of director candidates in accordance with these Rules and the election guidelines.
- 6.9 Nomination Process** — The Nominations & Election Committee shall:
- (a) subject to Rule 6.12, notify not less than ninety (90) days prior to the Annual General Meeting, all members of the Credit Union that an election of the Directors is to take place, specifying the number of positions to be filled, and inviting the nomination of eligible members as provided herein prior to the close of nominations, and stating the date on which nominations close;
 - (b) provide clear instructions for the process to be followed in submitting nominations;
 - (c) examine each nomination received and determine whether the nomination complies with these Rules and that the person nominated is qualified to serve as a Director;
 - (d) certify each nomination that is in order and reject each nomination which is not in order and notify each nominee accordingly;
 - (e) engage a Returning Officer, and such other resources as the Committee and the Returning Officer may require.

Rules

- 6.10 Method of Voting** — Voting shall be in the manner provided in Rule 3.4. Ballots must be received by the Returning Officer by the Voting Deadline.
- 6.11 Dormant Account Members** — The Nominations & Election Committee is not required to notify a Dormant Account Member of the election package described in Rule 6.12 but will attempt to notify such members of the election and special resolution, if any, through other means as determined by the Directors and permitted by the *Credit Union Incorporation Act*.
- 6.12 Election Package** — Subject to Rule 6.11, if an election of Directors is to take place the Nominations & Election Committee shall, at least thirty (30) days prior to the Annual General Meeting, provide to all members of the Credit Union entitled to Vote an election package including:
- relevant information about each candidate standing for election in accordance with the election guidelines;
 - clear and precise instructions for voting; and
 - a ballot, the format to be determined by the Nominations and Election Committee, that will ensure confidentiality, including a means of authentication.
- 6.13 Validity of Ballot** — A valid ballot shall contain votes not to exceed the number of individuals to be elected.
- 6.14 Tabulation of Votes and Election Results** — The Returning Officer shall:
- tabulate or supervise the tabulation of all the votes from the ballots within seventy-two (72) hours of the Voting Deadline. All tabulations shall be carried out so as to ensure confidentiality of the number of votes cast for each candidate until all votes have been tabulated in conformity with the Acts and these Rules;
 - notify the Chair, Nominations and Elections Committee, of the results within twenty-four (24) hours of the completion of the tabulation.
- Within forty-eight (48) hours of notification by the Returning Officer, the chairperson of the Nominations and Election Committee will then notify the Directors and candidates.
- 6.15 Commencement of Term of Office** — The individuals elected as Directors shall take office at the close of the Annual General Meeting.
- 6.16 Vacancy** — Where a vacancy occurs on the Board of Directors, the remaining Directors may appoint an individual to fill the vacancy for the balance of the unexpired portion of the term.

RULE 7 — THE BOARD OF DIRECTORS

- 7.1 Number of Directors** — Subject to Rule 7.2, or except where a vacancy occurs, the number of Directors of the Credit Union shall be nine (9) but not more than eleven (11), and shall be set before each Annual General Meeting by the Directors.
- 7.2 Increase Number of Directors in the Event of Business Acquisition or Merger** — If the Credit Union enters into a merger(s), an acquisition(s) or an agreement to purchase all or substantially all of the assets of another credit union(s) in accordance with the *Credit Union Incorporation Act*, the Directors may appoint as additional Directors, for a term of up to three (3) years, individuals who are current directors of the transferring credit union(s) at the date of the transfer(s), and designate their term of office. Where the term of office of a Director appointed pursuant to this Rule has expired or where the position becomes vacant prior to the expiration of the term of office, no vacancy shall be deemed to exist.
- 7.3 Election of Chair and Vice-Chair** — The Directors shall meet within seven (7) days after each Annual General Meeting, and shall elect from their own number a Chair, one or more Vice-Chair(s), and such other officers as they deem necessary, in accordance with rules and procedures established by the Directors.
- 7.4 Committees** — At the first meeting of Directors and within sixty (60) days of each Annual General Meeting, the Directors shall appoint or elect all committees required under the Acts and may appoint other committees as they consider necessary for the sound and proper operation of the Credit Union, but no committee may constitute a majority of the Directors.
- 7.5 Appointment of CEO** — The Directors shall appoint a Chief Executive Officer and authorize the Chief Executive Officer to appoint or engage employees as may be required for the sound and proper operation of the Credit Union.
- 7.6 Frequency of Meetings** — The Directors shall meet at least quarterly in each calendar year and as otherwise required by the Rules or the Acts.

Rules

- 7.7 Calling of Meetings** — The Chair may call a meeting of the Directors at any time and shall, within fourteen (14) days of receipt of a written request from at least three (3) Directors, call a meeting of the Directors, giving three (3) business days' notice in such a circumstance.
- 7.8 Notice of Meetings** — Three (3) business days' notice shall be given of a meeting of the Directors, such notice to be given by personal delivery, regular mail, email, telephone, facsimile, or other electronic communication, but notice may be waived by a Director. Attendance at a meeting shall be deemed to be a waiver of such notice. No error or omission in giving notice of any meeting shall invalidate such meeting or make void any proceedings taken at such meeting, provided there is a quorum of directors present.
- 7.9 Participation in Meetings by Telephone or Electronic Communication** — A meeting of Directors may be held at any time by way of telephone conference call or other method of telephone or electronic communication by which all parties may be in simultaneous communication, provided that the provisions of Rule 7.8 are complied with, with respect to notice of the meeting. A Director who participates in a meeting by way of telephone conference or other method of telephone or electronic communication shall be considered present at the meeting for the purposes of determining quorum and shall be entitled to vote at such meeting.
- 7.10 Consent Resolution** — A resolution, whether or not in counterpart, consented to in writing or by electronic means, 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. Such resolution shall be filed with the minutes of the proceedings of the Directors or the Committee of Directors, as the case may be, and shall be effective on the date stated thereon or on the latest date stated on any counterpart.
- 7.11 Quorum** — A majority of the Directors shall constitute a quorum but a lesser number may adjourn from time to time until the quorum is obtained and if the number of Directors remaining in office is less than a majority, the remaining Directors may appoint sufficient Directors to constitute a quorum.
- 7.12 Decisions by Majority Vote** — A majority of votes of Directors present shall decide all questions at meetings of the Directors. Despite the foregoing, in those matters requiring membership approval, a minimum 75% majority of the Board will be required.
- 7.13 Delegation of Powers** — Subject to the Acts, the Directors may delegate the exercise of any of their powers to an officer of the Credit Union.
- 7.14 Director Indemnity** —
- (a) Subject to the limitations contained in the Acts, the Credit Union shall indemnify:
- (i) each Director and officer of the Credit Union;
 - (ii) each former Director and officer of the Credit Union;
 - (iii) each individual 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 a creditor;
- (collectively referred to for the purpose of this Rule as the indemnified Director) against all costs, charges and expenses, including an amount paid to settle any action or satisfy any judgment reasonably incurred by the indemnified Director for any civil, criminal or administrative action or proceedings, to which the indemnified Director is made a party by reason of having been or served as an indemnified Director; if
- A. the indemnified Director acted honestly and in good faith with a view to the best interests of the Credit Union; or
 - B. in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the indemnified Director had reasonable grounds for believing his or her conduct was lawful.
- and, if such director or officer is required to include in income or in the income of his or her 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;
- (b) the credit union is authorized to prepare and enter into indemnify agreements with its directors and officers and with those persons referred to in subparagraph (a)(iii) above, in form and consistent with this Rule.

Rules

- 7.15 Director Remuneration** — As of and from April 6, 2005 until amended, superseded or repealed by Special Resolution, the remuneration of the Directors of BlueShore Financial Credit Union in relation to their service as directors, including attendance at meetings and expenses, be established, allocated and distributed to the Directors at the discretion of the Board of Directors, and that the amount paid to Directors shall be reported in the notes of the Financial Annual Report for the current year.
- 7.16 Removal of Director** — A person may be removed as a Director by Board resolution passed by not less than two thirds of the remaining Directors if that Director:
- has failed without being excused for reasonable circumstances to attend three consecutive meetings of the Board per fiscal year; or
 - is required by these Rules to vacate the office of Director, but has not tendered his or her resignation as a Director; or
 - has egregiously breached or violated these Rules, the Director Code of Conduct or Director Code of Ethics Policy or any such other codes and policies as the Director may become subject to as a Director of the Credit Union from time to time; or
 - has egregiously breached the confidentiality of any proceedings, deliberations, or information of the Board; as determined by the remaining Directors.

At least seven (7) days prior to the meeting at which the removal of a Director is to be considered, the Corporate Secretary will provide such Director with notice of the meeting and the grounds for considering the Director's removal. The Director may appear and make submission at the meeting prior to the Board voting on the Board resolution for the Director's removal.

RULE 8 — GENERAL MEETINGS

- 8.1 Annual General Meeting** — The Annual General Meeting of the Credit Union and any other General Meetings of the Credit Union called by the Directors of the Credit Union shall be held on a date determined by the Directors and shall be convened and held in accordance with the provisions of the Acts.
- 8.2 Conduct of General Meetings** — Subject to the Acts, these Rules and any special Rules of Order adopted during a General Meeting, the conduct of all General Meetings shall be governed by Roberts' Rules of Order (Revised).
- 8.3 Quorum** — At a General Meeting, fifty (50) members shall constitute a quorum but a lesser number may adjourn from time to time until a quorum is obtained.
- 8.4 Chair** — The Chair or the individual designated by the Chair shall be the chairperson at all General Meetings.
- 8.5 Proof of Eligibility** — At all General Meetings, each Person shall, upon request, present evidence of identity and membership for the purpose of establishing qualification for participation in the proceedings of the General Meeting.
- 8.6 Decorum** — The chairperson of a General Meeting may refuse entry to, or request the removal from a General Meeting, any individual(s) the chairperson determines, in his or her discretion, is acting in an inappropriate manner.

RULE 9 — SPECIAL RESOLUTIONS

- 9.1 Board Proposed** — Special resolutions may be proposed by the Directors.
- 9.2 Returning Officer** — At least sixty (60) days before voting on a special resolution is to commence, the Directors shall engage a Returning Officer, and such other resources as the Returning Officer may require.
- 9.3 Voting Information** — Subject to Rule 9.4, at least thirty (30) days before the commencement of Voting, the Directors shall provide to each member eligible to Vote:
- sufficient detail relating to the special resolution(s) to enable the member to form a reasoned judgement concerning the matter(s) to be voted upon;
 - notice of when Voting will take place;
 - clear and precise instructions for Voting;
 - notice of how the member may access or obtain the ballot(s).

Rules

- 9.4 **Dormant Account Members** — The Directors are not required to notify Dormant Account Members of the information described in Rule 9.3.
- 9.5 **Method of Voting** — Voting shall be in the manner provided in Rule 3.4. Ballots must be received by the Returning Officer by the Voting Deadline.
- 9.6 **Tabulation of Votes and Results of Voting** — The Returning Officer shall:
- (a) tabulate or supervise the tabulation of all the votes from the ballots as soon as may be reasonable after completion of voting. All tabulations shall be carried out so as to ensure confidentiality of the number of votes cast for each special resolution until all votes have been tabulated in conformity with the Acts and these Rules;
 - (b) notify the Corporate Secretary of the results of the voting within twenty-four (24) hours of the completion of the tabulation.
- The Corporate Secretary shall notify the Chair of the results following notification by the Returning Officer.
- 9.7 **Communication of Results** — The Directors shall communicate the results of the vote on a special resolution to the members in the manner determined by the Chair.
- 9.8 **Voting on Special Resolutions Without a Meeting** — A special resolution passed in accordance with Rule 9 is valid as if it had been passed at a meeting of members and satisfies all the requirements of the Acts relating to meetings of members.
- 9.9 **Conditions Precedent to Sale or Amalgamation** — Subject to the Credit Union Incorporation Act, no agreement for the disposition of all, or substantially all, of the assets of the Credit Union or amalgamation of the Credit Union shall be submitted to the members for approval unless and until:
- (a) the agreement has been approved by a minimum of 75% of the Board of Directors at two (2) consecutive meetings; and,
 - (b) the agreement has received the consent of the Financial Institutions Commission.

RULE 10 — AUDIT

- 10.1 **Appointment of Auditor** — At each Annual General Meeting of the Credit Union an external auditor shall be appointed to hold office until the close of the next Annual General Meeting.
- 10.2 **Auditor Remuneration** — The remuneration of the auditor shall be fixed by the Directors.

RULE 11 — SEAL

- 11.1 **Corporate Seal** — The Credit Union may have a corporate seal.
- 11.2 **Use and Custody of Seal** — The Directors shall provide for the use and safe custody of the corporate seal, if any, at the registered office of the Credit Union or at such other place as the Directors shall determine from time to time.

RULE 12 — FINANCIAL YEAR END

- 12.1 **Year End** — The financial year-end of the Credit Union shall be December 31st.

RULE 13 — AMENDMENTS

- 13.1 **Special Resolution Required** — Subject to the Acts, the Credit Union may from time to time amend these Rules by special resolution.

Rules

Schedule A Classes of Shares of the Credit Union

Equity Shares

1. The equity shares of the Credit Union will be divided into 138 classes of equity shares designated as follows:

- (1) Class A Membership Equity Shares;
- (2) Class B Transaction Equity Shares;
- (3) Class C Investment Equity Shares;
- (4) Class D Participation Equity Shares;
- (5) Class E Equity Shares;
- (6) Class F Equity Shares;
- (7) Class G Series 1 Preferred 3 Year Equity Shares;
- (8) Class G Series 1 Preferred 5 Year Equity Shares;
- (9) Class G Series 1 Preferred 7 Year Equity Shares;
- (10) Class G Series 1 Preferred 10 Year Equity Shares;
- (11) Class G Series 2 Preferred 3 Year Equity Shares;
- (12) Class G Series 2 Preferred 5 Year Equity Shares;
- (13) Class G Series 2 Preferred 7 Year Equity Shares;
- (14) Class G Series 2 Preferred 10 Year Equity Shares;
- (15) Class G Series 3 Preferred 3 Year Equity Shares;
- (16) Class G Series 3 Preferred 5 Year Equity Shares;
- (17) Class G Series 3 Preferred 7 Year Equity Shares;
- (18) Class G Series 3 Preferred 10 Year Equity Shares;
- (19) Class H Series 1 Preferred 3 Year Equity Shares;
- (20) Class H Series 1 Preferred 5 Year Equity Shares;
- (21) Class H Series 1 Preferred 7 Year Equity Shares;
- (22) Class H Series 1 Preferred 10 Year Equity Shares;
- (23) Class H Series 2 Preferred 3 Year Equity Shares;
- (24) Class H Series 2 Preferred 5 Year Equity Shares;
- (25) Class H Series 2 Preferred 7 Year Equity Shares;
- (26) Class H Series 2 Preferred 10 Year Equity Shares;
- (27) Class H Series 3 Preferred 3 Year Equity Shares;
- (28) Class H Series 3 Preferred 5 Year Equity Shares;
- (29) Class H Series 3 Preferred 7 Year Equity Shares;
- (30) Class H Series 3 Preferred 10 Year Equity Shares;
- (31) Class I Series 1 Preferred 3 Year Equity Shares;
- (32) Class I Series 1 Preferred 5 Year Equity Shares;
- (33) Class I Series 1 Preferred 7 Year Equity Shares;
- (34) Class I Series 1 Preferred 10 Year Equity Shares;
- (35) Class I Series 2 Preferred 3 Year Equity Shares;
- (36) Class I Series 2 Preferred 5 Year Equity Shares;
- (37) Class I Series 2 Preferred 7 Year Equity Shares;
- (38) Class I Series 2 Preferred 10 Year Equity Shares;
- (39) Class I Series 3 Preferred 3 Year Equity Shares;
- (40) Class I Series 3 Preferred 5 Year Equity Shares;
- (41) Class I Series 3 Preferred 7 Year Equity Shares;
- (42) Class I Series 3 Preferred 10 Year Equity Shares;
- (43) Class J Series 1 Preferred 3 Year Equity Shares;
- (44) Class J Series 1 Preferred 5 Year Equity Shares;
- (45) Class J Series 1 Preferred 7 Year Equity Shares;
- (46) Class J Series 1 Preferred 10 Year Equity Shares;
- (47) Class J Series 2 Preferred 3 Year Equity Shares;
- (48) Class J Series 2 Preferred 5 Year Equity Shares;
- (49) Class J Series 2 Preferred 7 Year Equity Shares;
- (50) Class J Series 2 Preferred 10 Year Equity Shares;
- (51) Class J Series 3 Preferred 3 Year Equity Shares;
- (52) Class J Series 3 Preferred 5 Year Equity Shares;
- (53) Class J Series 3 Preferred 7 Year Equity Shares;
- (54) Class J Series 3 Preferred 10 Year Equity Shares;

Rules

- (55) Class K Series 1 Preferred 3 Year Equity Shares;
- (56) Class K Series 1 Preferred 5 Year Equity Shares;
- (57) Class K Series 1 Preferred 7 Year Equity Shares;
- (58) Class K Series 1 Preferred 10 Year Equity Shares;
- (59) Class K Series 2 Preferred 3 Year Equity Shares;
- (60) Class K Series 2 Preferred 5 Year Equity Shares;
- (61) Class K Series 2 Preferred 7 Year Equity Shares;
- (62) Class K Series 2 Preferred 10 Year Equity Shares;
- (63) Class K Series 3 Preferred 3 Year Equity Shares;
- (64) Class K Series 3 Preferred 5 Year Equity Shares;
- (65) Class K Series 3 Preferred 7 Year Equity Shares;
- (66) Class K Series 3 Preferred 10 Year Equity Shares;
- (67) Class L Series 1 Preferred 3 Year Equity Shares;
- (68) Class L Series 1 Preferred 5 Year Equity Shares;
- (69) Class L Series 1 Preferred 7 Year Equity Shares;
- (70) Class L Series 1 Preferred 10 Year Equity Shares;
- (71) Class L Series 2 Preferred 3 Year Equity Shares;
- (72) Class L Series 2 Preferred 5 Year Equity Shares;
- (73) Class L Series 2 Preferred 7 Year Equity Shares;
- (74) Class L Series 2 Preferred 10 Year Equity Shares;
- (75) Class L Series 3 Preferred 3 Year Equity Shares;
- (76) Class L Series 3 Preferred 5 Year Equity Shares;
- (77) Class L Series 3 Preferred 7 Year Equity Shares;
- (78) Class L Series 3 Preferred 10 Year Equity Shares;
- (79) Class M Series 1 Preferred 3 Year Equity Shares;
- (80) Class M Series 1 Preferred 5 Year Equity Shares;
- (81) Class M Series 1 Preferred 7 Year Equity Shares;
- (82) Class M Series 1 Preferred 10 Year Equity Shares;
- (83) Class M Series 2 Preferred 3 Year Equity Shares;
- (84) Class M Series 2 Preferred 5 Year Equity Shares;
- (85) Class M Series 2 Preferred 7 Year Equity Shares;
- (86) Class M Series 2 Preferred 10 Year Equity Shares;
- (87) Class M Series 3 Preferred 3 Year Equity Shares;
- (88) Class M Series 3 Preferred 5 Year Equity Shares;
- (89) Class M Series 3 Preferred 7 Year Equity Shares;
- (90) Class M Series 3 Preferred 10 Year Equity Shares;
- (91) Class N Series 1 Preferred 3 Year Equity Shares;
- (92) Class N Series 1 Preferred 5 Year Equity Shares;
- (93) Class N Series 1 Preferred 7 Year Equity Shares;
- (94) Class N Series 1 Preferred 10 Year Equity Shares;
- (95) Class N Series 2 Preferred 3 Year Equity Shares;
- (96) Class N Series 2 Preferred 5 Year Equity Shares;
- (97) Class N Series 2 Preferred 7 Year Equity Shares;
- (98) Class N Series 2 Preferred 10 Year Equity Shares;
- (99) Class N Series 3 Preferred 3 Year Equity Shares;
- (100) Class N Series 3 Preferred 5 Year Equity Shares;
- (101) Class N Series 3 Preferred 7 Year Equity Shares;
- (102) Class N Series 3 Preferred 10 Year Equity Shares;
- (103) Class O Series 1 Preferred 3 Year Equity Shares;
- (104) Class O Series 1 Preferred 5 Year Equity Shares;
- (105) Class O Series 1 Preferred 7 Year Equity Shares;
- (106) Class O Series 1 Preferred 10 Year Equity Shares;
- (107) Class O Series 2 Preferred 3 Year Equity Shares;
- (108) Class O Series 2 Preferred 5 Year Equity Shares;
- (109) Class O Series 2 Preferred 7 Year Equity Shares;
- (110) Class O Series 2 Preferred 10 Year Equity Shares;
- (111) Class O Series 3 Preferred 3 Year Equity Shares;
- (112) Class O Series 3 Preferred 5 Year Equity Shares;
- (113) Class O Series 3 Preferred 7 Year Equity Shares;
- (114) Class O Series 3 Preferred 10 Year Equity Shares;
- (115) Class P Series 1 Preferred 3 Year Equity Shares;

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- (116) Class P Series 1 Preferred 5 Year Equity Shares;
- (117) Class P Series 1 Preferred 7 Year Equity Shares;
- (118) Class P Series 1 Preferred 10 Year Equity Shares;
- (119) Class P Series 2 Preferred 3 Year Equity Shares;
- (120) Class P Series 2 Preferred 5 Year Equity Shares;
- (121) Class P Series 2 Preferred 7 Year Equity Shares;
- (122) Class P Series 2 Preferred 10 Year Equity Shares;
- (123) Class P Series 3 Preferred 3 Year Equity Shares;
- (124) Class P Series 3 Preferred 5 Year Equity Shares;
- (125) Class P Series 3 Preferred 7 Year Equity Shares;
- (126) Class P Series 3 Preferred 10 Year Equity Shares;
- (127) Class Q Series 1 Preferred 3 Year Equity Shares;
- (128) Class Q Series 1 Preferred 5 Year Equity Shares;
- (129) Class Q Series 1 Preferred 7 Year Equity Shares;
- (130) Class Q Series 1 Preferred 10 Year Equity Shares;
- (131) Class Q Series 2 Preferred 3 Year Equity Shares;
- (132) Class Q Series 2 Preferred 5 Year Equity Shares;
- (133) Class Q Series 2 Preferred 7 Year Equity Shares;
- (134) Class Q Series 2 Preferred 10 Year Equity Shares;
- (135) Class Q Series 3 Preferred 3 Year Equity Shares;
- (136) Class Q Series 3 Preferred 5 Year Equity Shares;
- (137) Class Q Series 3 Preferred 7 Year Equity Shares;
- (138) Class Q Series 3 Preferred 10 Year Equity Shares.

The aforesaid classes of equity shares referred to in Schedule A (1) through (138) inclusive are hereinafter sometimes collectively called the "Equity Shares" or individually called an "Equity Share". The aforesaid classes of equity shares referred to in Schedule A (7) through (138) inclusive are hereinafter sometimes collectively called the "Preferred Equity Shares" or individually called a "Preferred Equity Share".

Non-Equity Shares

- 2. The non-equity shares of the Credit Union are designated as Class E Life Insured Savings Non-Equity Shares.

Schedule B

Rights and Restrictions Attached to Shares of the Credit Union

Rights and Restrictions attached to Equity Shares

Class A Membership Equity Shares

- 1. Class A Membership Equity Shares shall have attached thereto the following special rights and restrictions:
 - (a) money invested in Class A Membership Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia;
 - (b) subject to the Credit Union Incorporation Act, at the absolute discretion of the Directors, the Credit Union may redeem, in such manner and on such terms as the Directors shall determine from time to time, all the Class A Membership Equity Shares of a member if:
 - (i) the member withdraws from membership in the Credit Union;
 - (ii) the Credit Union terminates the membership of the member;
 - (iii) the member is a corporation and is dissolved or wound-up;
 - (iv) the member is a partnership or other unincorporated association which dissolves; or
 - (v) the member, in any other case, ceases to be a legal entity according to the statute by or pursuant to which it was created;
 - (c) subject to the *Credit Union Incorporation Act* and these Rules, the Credit Union may redeem or purchase any 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) Class A Membership Equity Shares which are redeemed and purchased by the Credit Union shall be redeemed or purchased at par value, plus any dividends declared but unpaid thereon;

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- (e) unless permitted by a resolution of the Directors, Class A Membership Equity Shares are not transferable;
- (f) Class A Membership Equity Shares shall be issued at, and shall have a par value of, \$1.00 each;
- (g) notwithstanding the foregoing but subject to the Acts, the Credit Union shall not be required in any calendar year to redeem the Class A Membership Equity Shares of a member if, in that year, the total amount of the Class A Membership Equity Shares redeemed exceeds 10% of the total amount of Class A Membership Equity Shares issued and outstanding as at December 31st of the immediately preceding year;
- (h) the maximum number of Class A Membership Equity Shares to be held by any member shall not exceed 1,000;
- (i) in the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs and subject to the prior rights of the holders of the Class E Life Insured Savings Non-Equity Shares and Preferred Equity Shares with respect to a return of capital and dividends upon the dissolution, liquidation, winding-up or other distribution of its assets for the purpose of winding-up, the holders of Class A Membership Equity Shares (rateably with the holders of Class B Transaction Equity Shares, the holders of Class C Investment Equity Shares, the holders of Class D Participation Equity Shares, the holders of Class E Equity Shares and the holders of Class F Equity Shares) shall be entitled to receive the par value of their shares, together with any dividends declared but unpaid thereon, before any payment or distribution of the remaining property or assets of the Credit Union shall be made or distributed to the holders of the Class A Membership Equity Shares on the occurrence of any such event.

Class B Transaction Equity Shares

2. The Class B Transaction Equity Shares shall have attached thereto the following special rights and restrictions:
 - (a) money invested in Class B Transaction Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia;
 - (b) subject to the *Credit Union Incorporation Act*, at the absolute discretion of the Directors, the Credit Union may redeem the Class B Transaction Equity Shares of a member if all indebtedness of the member to the Credit Union has been fully paid and discharged;
 - (c) subject to the *Credit Union Incorporation Act* and these Rules, the Credit Union may redeem or purchase any Class B Transaction Equity Shares held by a member or Auxiliary Member on such terms and conditions and at such times as the Directors, in their discretion, resolve;
 - (d) Class B Transaction Equity Shares which are redeemed or purchased by the Credit Union shall be redeemed or purchased at par value, plus any dividends declared but unpaid thereon;
 - (e) unless permitted by a resolution of the Directors, Class B Transaction Equity Shares are not transferable;
 - (f) Class B Transaction Equity Shares shall be issued at, and shall have a par value of, \$1.00 each;
 - (g) for greater certainty, any entitlement to dividends in respect of Class B Transaction Equity Shares shall be non-cumulative;
 - (h) notwithstanding the foregoing but subject to the Acts, the Credit Union shall not be required in any calendar year to redeem the Class B Transaction Equity Shares of a member if, in that year, the total amount of Class B Transaction Equity Shares redeemed exceeds 10% of the total amount of Class B Transaction Equity Shares issued and outstanding as at December 31st of the immediately preceding year;
 - (i) the maximum number of Class B Transaction Equity Shares to be held by any member shall not exceed 10,000;
 - (j) in the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs and subject to the prior rights of the holders of the Class E Life Insured Savings Non-Equity Shares and Preferred Equity Shares with respect to a return of capital and dividends upon the dissolution, liquidation, winding-up or other distribution of its assets for the purpose of winding-up, the holders of Class B Transaction Equity Shares (rateably with the holders of Class A Membership Equity Shares, the holders of Class C Investment Equity Shares, the holders of Class D Participation Equity Shares, the holders of Class E Equity Shares and the holders of Class F Equity Shares) shall be entitled to receive the par value of their shares, together with any dividends declared but unpaid thereon, before any payment or distribution of the remaining property or assets of the Credit Union shall be made or distributed to the holders of the Class A Membership Equity Shares on the occurrence of any such event. After payment to the holders of the Class B Transaction Equity Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Credit Union.

Class C Investment Equity Shares

3. The Class C Investment Equity Shares may be issued in an unlimited amount and shall have attached thereto the following special rights and restrictions:
 - (a) money invested in Class C Investment Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia;
 - (b) subject to the *Credit Union Incorporation Act* and these Rules, at the absolute discretion of the Directors, the Credit Union may redeem or purchase any Class C Investment Equity Shares held by a member or Auxiliary Member on such terms and conditions and at such times as the Directors, in their discretion, resolve;

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- (c) Class C Investment Equity Shares which are redeemed or purchased by the Credit Union shall be redeemed or purchased at par value, plus any dividends declared but unpaid thereon;
- (d) unless permitted by a Resolution of the Directors, Class C Investment Equity Shares are not transferable;
- (e) Class C Investment Equity Shares shall be issued at, and shall have a par value of, \$1.00 each;
- (f) for greater certainty, any entitlement to dividends in respect of Class C Investment Equity Shares shall be non-cumulative;
- (g) notwithstanding the foregoing but subject to the Acts, the Credit Union shall not be required in any calendar year to redeem the Class C Investment Equity Shares of a member if, in that year, the total amount of Class C Investment Equity Shares redeemed exceeds 10% of the total amount of Class C Investment Equity Shares issued and outstanding at December 31st of the immediately preceding year;
- (h) the maximum number of Class C Investment Equity Shares to be held by any member or auxiliary member shall not exceed 500,000;
- (i) in the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs and subject to the prior rights of the holders of the Class E Life Insured Savings Non-Equity Shares and Preferred Equity Shares with respect to a return of capital and dividends upon the dissolution, liquidation, winding-up or other distribution of its assets for the purpose of winding-up, the holders of Class C Investment Equity Shares (rateably with the holders of Class A Membership Equity Shares, the holders of Class B Transaction Equity Shares, the holders of the holders of Class D Participation Equity Shares, the holders of Class E Equity Shares and the holders of Class F Equity Shares) shall be entitled to receive the par value of their shares, together with any dividends declared but unpaid thereon, before any payment or distribution of the remaining property or assets of the Credit Union shall be made or distributed to the holders of the Class A Membership Equity Shares on the occurrence of any such event. After payment to the holders of the Class C Investment Equity Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Credit Union.

Class D Participation Equity Shares

4. The Class D Participation Equity Shares may be issued in an unlimited amount and shall have attached thereto the following special rights and restrictions:
 - (a) money invested in Class D Participation Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia;
 - (b) subject to the *Credit Union Incorporation Act* and these Rules, at the absolute discretion of the Directors, the Credit Union may redeem or purchase any Class D Participation Equity Shares held by a member or Auxiliary Member on such terms and conditions and at such times as the Directors, in their discretion, resolve;
 - (c) Class D Participation Equity Shares which are redeemed or purchased by the Credit Union shall be redeemed or purchased at par value, plus any dividends declared but unpaid thereon;
 - (d) unless permitted by a Resolution of the Directors, Class D Participation Equity Shares are not transferable;
 - (e) Class D Participation Equity Shares shall be issued at, and shall have a par value of, \$1.00 each;
 - (f) for greater certainty, any entitlement to dividends in respect of Class D Participation Equity Shares shall be non-cumulative;
 - (g) Notwithstanding the foregoing but subject to the Acts, the Credit Union shall not be required in any calendar year to redeem the Class D Participation Equity Shares of a member if, in that year, the total amount of Class D Participation Equity Shares redeemed exceeds 10% of the total amount of Class D Participation Equity Shares issued and outstanding at December 31st of the immediately preceding year;
 - (h) in the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs and subject to the prior rights of the holders of the Class E Life Insured Savings Non-Equity Shares and Preferred Equity Shares with respect to a return of capital and dividends upon the dissolution, liquidation, winding-up or other distribution of its assets for the purpose of winding-up, the holders of Class D Participation Equity Shares (rateably with the holders of Class A Membership Equity Shares, the holders of Class B Transaction Equity Shares, the holders of Class C Investment Equity Shares, the holders of Class E Equity Shares and the holders of Class F Equity Shares) shall be entitled to receive the par value of their shares, together with any dividends declared but unpaid thereon, before any payment or distribution of the remaining property or assets of the Credit Union shall be made or distributed to the holders of the Class A Membership Equity Shares on the occurrence of any such event. After payment to the holders of the Class D Participation Equity Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Credit Union.

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Class E Equity Shares

5. The Class E Equity Shares may be issued in an unlimited amount and shall have attached thereto the following special rights and restrictions:
 - (a) money invested in Class E Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia;
 - (b) subject to the *Credit Union Incorporation Act* and these Rules, the Credit Union may redeem or purchase any Class E Equity Shares held by a Registered Holder on such terms and conditions and at such times as the Directors, in their discretion, resolve;
 - (c) Class E Equity Shares which are redeemed or purchased by the Credit Union shall be redeemed or purchased at such amount as determined by the Directors, but in no event at an amount less than the par value thereof, plus any dividends declared but unpaid thereon;
 - (d) unless permitted by a resolution of the Directors, Class E Equity Shares are not transferable;
 - (e) Class E Equity Shares shall be issued at, and shall have a par value of, \$1.00 each;
 - (f) for greater certainty, any entitlement to dividends in respect of Class E Equity Shares shall be non-cumulative;
 - (g) in the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs and subject to the prior rights of the holders of the Class E Life Insured Savings Non-Equity Shares and Preferred Equity Shares with respect to a return of capital and dividends upon the dissolution, liquidation, winding-up or other distribution of its assets for the purpose of winding-up, the holders of Class E Equity Shares (rateably with the holders of Class A Membership Equity Shares, the holders of Class B Transaction Equity Shares, the holders of Class C Investment Equity Shares, the holders of Class D Participation Equity Shares and the holders of Class F Equity Shares) shall be entitled to receive the par value of their shares, together with any dividends declared but unpaid thereon, before any payment or distribution of the remaining property or assets of the Credit Union shall be made or distributed to the holders of the Class A Membership Equity Shares on the occurrence of any such event. After payment to the holders of the Class E Equity Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Credit Union.

Class F Equity Shares

6. The Class F Equity Shares may be issued in an unlimited amount and shall have attached thereto the following special rights and restrictions:
 - (a) money invested in Class F Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia;
 - (b) subject to the *Credit Union Incorporation Act* and these rules, the Credit Union may redeem or purchase and any Registered Holder may require the Credit Union to redeem any Class F Equity Shares held by a Registered Holder;
 - (c) Class F Equity Shares which are redeemed or purchased by the Credit Union shall be redeemed or purchased at such amount as determined by the Directors, but in no event at an amount less than the par value, plus any dividends declared but unpaid thereon;
 - (d) unless permitted by a resolution of the Directors, Class F Equity Shares are not transferable;
 - (e) Class F Equity Shares shall be issued at, and shall have a par value of, \$1.00 each;
 - (f) in the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs and subject to the prior rights of the holders of the Class E Life Insured Savings Non-Equity Shares and Preferred Equity Shares with respect to a return of capital and dividends upon the dissolution, liquidation, winding-up or other distribution of its assets for the purpose of winding-up, the holders of Class F Equity Shares (ratably with the holders of Class B Transaction Equity Shares, the holders of Class C Investment Equity Shares, the holders of Class D Participation Equity Shares, and the holders of Class E Equity Shares) shall be entitled to receive the par value of their shares, together with any dividends declared but unpaid thereon, before any amount shall be paid or any property or assets of the Credit Union distributed to the holders of Class A Membership Equity Shares on the occurrence of any such event. After payment to the holders of the Class F Equity Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Credit Union.

Preferred Equity Shares – All Classes

7. All classes of Preferred Equity Shares may be issued in an unlimited amount and all classes thereof shall have attached thereto, the following special rights and restrictions:
 - (a) money invested in any Preferred Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia;

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- (b) any Preferred Equity Shares which are redeemed or purchased by the Credit Union pursuant to redemption rights attached to each class of Preferred Equity Shares shall be redeemed or purchased at such amount as determined by the Directors, but in no event at an amount less than the par value, plus any dividends declared but unpaid thereon;
 - (c) unless permitted by a resolution of the Directors, Preferred Equity Shares are not transferable;
 - (d) all Preferred Equity Shares shall be issued at, and shall have a par value of, \$1.00 each;
 - (e) in the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs and subject to the prior rights of the holders of the Class E Life Insured Savings Non-Equity Shares with respect to a return of capital and dividends upon the dissolution, liquidation, winding-up or other distribution of its assets for the purpose of winding-up, the holders of any class of Preferred Equity Shares (ratably with the holders of all other classes of Preferred Equity Shares) shall be entitled to receive the par value of their shares, together with any dividends declared but unpaid thereon, before any amount shall be paid or any property or assets of the Credit Union distributed to the holders of Class A Membership Equity Shares, Class B Transaction Equity Shares, Class C Investment Equity Shares, Class D Participation Equity Shares, Class E Equity Shares and Class F Equity Shares on the occurrence of any such event. After payment to the holders of such class of Preferred Equity Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Credit Union.
8. In addition to the rights applicable to all classes of Preferred Equity Shares referred to in section 7 above and subject to the *Credit Union Incorporation Act* and these Rules, in respect of each share of any class of Preferred Equity Shares, at any time after the time period shown in the name of such class of Preferred Equity Shares has passed since the issue of the particular share, the Credit Union may redeem and the Registered Holder may require the Credit Union to redeem such share. For example, such redemption rights in respect of a particular Class G Preferred 5 Year Equity Share shall arise at any time after 5 years has elapsed since such particular share was issued and such redemption rights in respect of a particular Class G Preferred 10 Year Equity Share shall arise at any time after 10 years has elapsed since such particular share was issued.

Rights and Restrictions attached to Non-Equity Shares

Class E Life Insured Savings Non-Equity Shares

9. No further Class E Life Insured Savings Non-Equity Shares shall be subscribed but may be issued as dividends. These savings non-equity shares shall have attached thereto the following special rights and restrictions:
- (a) subject to the *Credit Union Incorporation Act* and these Rules, the Credit Union may redeem or purchase any Class E Life Insured Savings Non-Equity Shares held by a Registered Holder on such terms and conditions and at such times as the Directors, in their discretion, resolve;
 - (b) Class E Life Insured Savings Non-Equity Shares which are redeemed or purchased by the Credit Union shall be redeemed or purchased at such amount as determined by the Directors, but in no event at an amount less than the par value, plus any dividends declared but unpaid thereon;
 - (c) Class E Life Insured Savings Non-Equity Shares are not transferable;
 - (d) in the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of the assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs the holders of the Class E Life Insured Savings Non-Equity Shares shall not be entitled to share in any distribution of the property or assets of the Credit Union save as allowed for under the *Credit Union Incorporation Act*.