

## EAST KOOTENAY COMMUNITY CREDIT UNION

### SPECIAL RESOLUTION OF MEMBERS TO APPROVE AMENDMENTS TO RULES

**BE IT RESOLVED**, as a special resolution, that the Rules of East Kootenay Community Credit Union be altered as follows:

1. The first sentence in the Definitions Rule be deleted and replaced with the following: "In these Rules, unless the subject or context is inconsistent therewith:".
2. The definition of "BC Business Corporations Act" in paragraph (a) of the Definitions Rule be deleted.
3. In the Definitions Rule, paragraphs (b) through (h) be renamed to paragraphs (a) through (g), respectively.
4. The last paragraph in the Definitions Rule be deleted and replaced with the following:  
  
"The meaning of any words or phrases defined in the *Credit Union Incorporation Act* and the *Financial Institutions Act* shall, if not inconsistent with the subject or context, have the same meaning in these Rules."
5. The following words be deleted in Rule 1.1: ", together with a membership fee as determined from time to time by the directors".
6. The word "and" be added to the end of Rule 1.3(b).
7. The word "and" be deleted from the end of Rule 1.3(c) and the semi-colon at the end of Rule 1.3(c) be deleted and replaced with a period.
8. Rule 1.3(d) be deleted in its entirety.
9. Rule 2.7 be deleted and replaced with the following:  
  
"2.7 **No Guarantee -**  
  
(a) Monies invested in equity shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia.  
  
(b) Monies invested in Class "D" Non-Equity Shares issued by the credit union on or after January 1, 2020, and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia."
10. In Rule 2.8(b)(i), the lower case word "rule" be capitalized to read "Rule".
11. Rule 2.8(b)(v) be deleted and replaced with the following: "(v) the member is a partnership or unincorporated association which dissolves;".

12. Rule 2.9(b)(iii) be deleted and replaced with the following: “(iii) the member is a partnership or unincorporated association which dissolves;”.
13. Rule 2.13 be deleted and replaced with the following:

“2.13 **Membership Share Requirements** - As a condition of membership, each member of the credit union shall subscribe, fully pay for, and hold five (5) Class “A” Membership Equity Shares.”
14. Rule 2.18 be deleted in its entirety and replaced with the following: “2.18 Intentionally deleted.”.
15. Rule 2.19(a) be renumbered to Rule 2.19.
16. The following words be deleted from Rule 2.23: “and the BC Business Corporations Act”.
17. The following words be deleted from Rule 2.24: “, on paying to the credit union a fee not exceeding that prescribed under the BC Business Corporations Act,”.
18. Rule 2.28 be deleted and replaced with the following:

“2.28 **Instrument of Transfer Required** - No transfer of equity shares shall be registered unless a proper instrument of transfer has been delivered to the credit union, but an instrument of transfer is not required for the credit union to register a transmission of shares in compliance with the Credit Union Incorporation Act.”
19. The following phrase be deleted from Rule 2.29: “the BC Business Corporations Act,”.
20. In Rule 2.32, the words “of his” be deleted and replaced with the phrase “or the transferor’s”.
21. In Rule 2.33, the pronoun “his” be deleted and replaced with the phrase “the registered owner’s”.
22. In Rule 2.35, the words “BC Business Corporations Act” be deleted and replaced with the words “Credit Union Incorporation Act” and the pronoun “he” be deleted and replaced with the words “the person”.
23. In Rule 2.37(c), the phrase “Subject to the provisions of the BC Business Corporations Act, the Financial Institutions Act and the Credit Union Incorporation Act,” be deleted and replaced with the phrase “Subject to the provisions of the Financial Institutions Act and the Credit Union Incorporation Act,” and the second reference to “the BC Business Corporations Act” be deleted and replaced with a reference to “the Credit Union Incorporation Act”.
24. Rule 2.38 be deleted and replaced with the following:

“2.38 **Participation Programs** - Subject to Credit Union Incorporation Act and the Financial Institutions Act, the directors may develop and offer such participation programs as they deem in the best interest of the credit union.”
25. Rules 3.1 and 3.2 be deleted and replaced with the following:

- “3.1 **Directors May Borrow** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors of the credit union may raise and borrow money for the purposes of the credit union upon such terms and conditions as to interest, terms of repayment, and security as they determine by resolution.
- 3.2 **Directors Shall Determine Term of Loans** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors shall determine the terms and conditions of loans as to interest and other charges, terms of repayment and security, and may, by resolution, delegate the power to make loans and to make the determination aforesaid.”
26. In Rule 4.3, the pronoun “he” be deleted and replaced with the words “the person”.
27. In Rule 4.5(a), the following phrase be deleted: “the BC Business Corporations Act,”.
28. In the last paragraph of Rule 4.5, the capitalized word “Is” be changed to the lower case word “is”.
29. In Rule 4.8(c), the capitalized word “Invite” be changed to the lower case word “invite”.
30. In Rule 4.9, the pronoun “he” be deleted and replaced with the words “the member”.
31. Rule 4.11 be deleted and replaced with the following: “4.11 Intentionally deleted.”.
32. Rule 4.12(b) be deleted and replaced with the following:  
“(b) to observe the provisions of Credit Union Incorporation Act and the Financial Institutions Act, as applicable;”.
33. Rule 4.13.1 be renumbered as Rule 4.13.
34. In Rule 4.19, the pronoun “he” be deleted and replaced with the words “the returning officer”.
35. In Rule 4.21, the lower case word “a” be capitalized as “A”.
36. In Rule 4.22, the pronoun “his” be deleted and replaced with the phrase “the member’s”.
37. Rule 4.23(d) be deleted and replaced with the following:  
“(d) following the completion of voting, shall inform the candidates and the Board of Directors of the results; and”.
38. In Rule 4.23(e), the capitalized word “Shall” be changed to the lower case word “shall”.
39. In Rule 4.25, both uses of the pronoun “he” be deleted and replaced with words “the person”.
40. In Rule 4.29, the pronoun “his” be deleted and replaced with the phrase “the director’s” and the pronoun “he” be deleted and replaced with the words “the director”.
41. Rules 4.30 to 4.30.6 be deleted and replaced with the following:

**4.30.1 Representative Regions** - The directors may, by resolution, establish and, from time to time, alter the boundaries of representative regions in which directors must reside in order to be eligible to be directors in a manner that is representative of the geographic areas in which members or classes of members reside; provided, however, all members in good standing who are not junior members may, regardless of the member's residence or location, vote for any candidate in an election of directors.

**4.30.2 Number of Directors –**

- (a) The number of directors will be set by resolution of the directors from time to time, but the number will be no fewer than six and no more than eighteen, provided that if the members have been notified that an election is to take place, the directors may not change the number of directors until the results of that election have been determined and the newly elected directors have taken office.
  - (b) If the number of directors is reduced to fewer than the number set by the directors pursuant to Rule 4.30.2(a) by death, resignation, disqualification or removal from office or by failure to elect or appoint a director pursuant to these Rules, the remaining directors, save as provided by any other provision of these Rules, shall have the power of the directors until the vacancy or vacancies caused have been filled by appointment or election.
  - (c) Notwithstanding Rules 4.4 and 4.5(d), if the credit union acquires all or substantially all of the assets of another credit union (the "transferring credit union"), the directors may at the time of acquiring the assets of the transferring credit union or within a reasonable period after such time, by directors resolution, appoint as additional directors one or more persons who were directors of the transferring credit union at or prior to the date of the asset transfer and designate their terms of office, and such appointed directors will be in addition to the number of directors set by the directors under Rule 4.30.2(a), provided that the total number of directors of the credit union after such appointment shall not exceed eighteen.
  - (d) Where the term of office of a director appointed pursuant to Rule 4.30.2(c) has expired or where the position becomes vacant prior to the expiration of the term of office, no vacancy will be deemed to exist and the number of directors shall be deemed to have been reduced accordingly."
42. In Rule 4.31, the phrase "Subject to Rule 4.30.2(d)," be added to the beginning of the Rule and the capitalized word "Where" be changed to the lower case word "where".
43. In Rule 4.36, all three occurrences of the capitalized word "Director" be changed to the lower case word "director" in each occurrence.
44. In Rule 4.41, the pronoun "his" be deleted and replaced with the phrase "the chair's" and the semi-colon be deleted and replaced with a comma.
45. Rule 4.43 be deleted and replaced with the following:

- “4.43 Meeting by Telecommunication** - A director or a committee member may participate in a meeting of the directors or any committee of the directors by means of telephone or other communications medium by means of which all directors or committee members participating in the meeting are able to participate in it, whether by telephone, other communications medium or in person, provided that, in the case of an in person meeting or a partially electronic meeting of the directors, a majority of the directors participating in the meeting must be in British Columbia at the time of the meeting. A director or committee member participating in accordance with this Rule shall be deemed to be present at the meeting and to have so agreed and shall be counted in a quorum therefore and be entitled to speak and vote thereat.”
46. In Rule 4.45, the word “appoint” be deleted and replaced with the word “elect”.
47. In Rule 4.47, the number “5” be deleted and replaced with the phrase “three (3)”.
48. Rule 4.48 be deleted and replaced with the following:
- “4.48 Delegation of Powers** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the directors may delegate any of their powers to:
- (a) committees consisting of not fewer than three individuals who are such persons as the directors think fit; and
  - (b) to such officer or officers as the directors think fit;
- and may from time to time revoke any such delegations.”
49. In Rule 4.50, the word “two” be deleted and replaced with the word “three”.
50. In Rule 4.52, the pronoun “his” be deleted and replaced with the phrase “the director or officer’s”.
51. Rules 5.3 to 5.10 be renumbered as Rules 5.5 to 5.12, respectively.
52. The following be inserted as new Rules 5.3 and 5.4:
- “5.3 Multiple Meetings** - The credit union may hold a general meeting, including its annual general meeting, by holding two or more meetings at different times and, if applicable, different places, which meetings together shall constitute a single meeting, if convened and held in accordance with the provisions of the Credit Union Incorporation Act.
- 5.4 Electronic Meetings** - The credit union may hold a general meeting in person, by a partially electronic meeting or by a fully electronic meeting, as determined by the directors, if convened and held in accordance with the provisions of the Credit Union Incorporation Act. If a general meeting is an electronic meeting, the notice must contain instructions for attending and participating in the meeting by telephone or other communications medium, including, if applicable, instructions for voting at the meeting.”

53. The renumbered Rule 5.9(b) be deleted and replaced with the following:
- “(b) A member of a credit union who is not an individual may be represented and vote at meetings of the credit union by an individual who meets the requirements of the Credit Union Incorporation Act for such purposes.”
54. The following be added as new Rule 5.13:
- “5.13 **Member’s Proposal** - In order for an ordinary resolution or other matter which is proposed by a member of the credit union to be eligible for consideration at an annual general meeting, it must be submitted to the credit union in advance in accordance with the Credit Union Incorporation Act; provided, however, this Rule 5.13 does not apply to ordinary resolutions or other matters invited by the chair at an annual general meeting.”
55. Rule 7.1 be deleted and replaced with the following:
- “7.1 **Special Resolution Required** - Subject to the Credit Union Incorporation Act and the Financial Institutions Act, the credit union may alter its constitution or these Rules from time to time.”
56. In Rule 10.1(b), the phrase “, the Credit Union Incorporation Act or the Financial Institutions Act” be added after the words “where these Rules”.
57. In Rule 10.1(c), the words “financial statements,” be added after the word “instruments,”.