

**COMPENSATION EMPLOYEES' CREDIT UNION  
69th ANNUAL GENERAL MEETING  
April 18th, 2023 12:00 noon (Virtual)**

**AGENDA**

**CALL TO ORDER**

**WELCOME MEMBERS AND VISITORS**

**APPOINT RECORDING SECRETARY**

**ADOPTION OF AGENDA**

**ADOPTION OF RULES OF ORDER**

**MINUTES OF 68th ANNUAL GENERAL MEETING**

**BUSINESS ARISING OUT OF THE MINUTES**

**ELECTION OF DIRECTORS**

**DIRECTORS REPORT**

**MANAGERS REPORT**

**INTERIM FINANCIAL STATEMENT**

**AUDITORS REPORT**

**DISCUSSION OF AUDITORS REPORT AND FINANCIAL STATEMENTS**

**APPROVAL OF AUDITORS REPORT AND FINANCIAL STATEMENTS**

**APPOINTMENT OF AUDITOR**

**ELECTION RESULTS, DESTROY BALLOTS**

**SPECIAL RESOLUTION VOTE**

**NEW BUSINESS**

**GOOD AND WELFARE**

**ADJOURNMENT**

## RULES OF ORDER FOR VIRTUAL AGM

1. The Annual General Meeting will be conducted in accordance with the *Electronic Attendance at Credit Union Meetings (COVID-19) Order* of the Minister of Public Safety and Solicitor General (Ministerial Order No. M138) and, to the extent not inconsistent therewith, the *Credit Union Incorporation Act*, the Rules of Stabilization Central Credit Union of British Columbia and Robert's Rules of Order, Newly Revised.
2. The meeting shall be held solely by such electronic means as are made available by the Credit Union.
3. Voting will be conducted by online polling or such other electronic means as may be determined by the Chairperson.
4. The Chairperson may postpone the vote on a motion to a time later in the meeting in order to allow voting to occur on multiple motions in sequence.
5. Speakers will address the Chairperson at all times and must be recognized before speaking. Upon recognition by the Chairperson, the speaker will state clearly his or her name and the name of the member represented.
6. Only Credit Union Members shall be entitled to the floor.
7. No Member may speak longer than three minutes at a time, or more than twice on the same question, without permission from the Chairperson.
8. All other speakers must obtain the permission of the Chairperson and may speak once and then only provide information.
9. Each Member shall be entitled to one vote only on any matter.
10. After a vote at a meeting is taken, a declaration of the Chairperson that a motion or resolution has been carried by the requisite majority shall be conclusive.
11. Reports shall be presented at the time indicated on the Agenda without a motion that they "be received" either before or after the presentation to the meeting.
12. A motion to accept, adopt or approve a report which only gives information is out of order. After presentation of such a report, the Chairperson shall instruct the Secretary to record in the minutes the fact of its presentation.
13. Where a report contains a recommendation, an unqualified motion to accept, adopt or approve the report results in the acceptance, adoption and approval of the recommendation.
14. No person may photograph, record or film the proceedings of the meeting by use of any camera or other electronic device, without the permission of the Chairperson or the consent of the meeting.

**COMPENSATION EMPLOYEES CREDIT UNION**

**Annual General Meeting (AGM)**

Tuesday April 26 2022

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**CALL TO ORDER**

Chairperson F. Mistry called the meeting to order at 12:06pm

Welcome to Members and Visitors

F. Mistry introduced the Board of Directors, Credit Union Staff & Auditor D. Bass

Guests: BCFA- G.Francis, T. Leung Stabilization Central- S. Lundy

S. Hardern reported that there were 58 voting members present.

**APPOINTMENT OF THE RECORDING SECRETARY**

Chairperson F. Mistry appointed S. Hardern as recording secretary

**MOTION:** to declare the meeting properly constituted

**MOVED/SECONDED/CARRIED**

**ADOPTION OF THE AGENDA**

**MOTION:** to adopt the Agenda for April 26, 2022 AGM be adopted as circulated

**MOVED/SECONDED/CARRIED**

**ADOPTION OF THE RULES OF ORDER**

**MOTION:** to adopt the Rules of Order as circulated

**MOVED/SECONDED/CARRIED**

**ADOPTION OF THE MINUTES**

**MOTION:** The Minutes of the 67<sup>th</sup> AGM held Tuesday, April 20 2021 be adopted as circulated

**MOVED/SECONDED/CARRIED**

**BUSINESS ARISING OUT OF THE MINUTES – None**

**ELECTION OF DIRECTORS**

F. Mistry turned the meeting over to I. Edwards to introduce the Board and conduct the election of the Board of Directors. There were two director's positions available, all of which are three year terms. The CECU has received one nominations. I. Edwards called three times for nominations from the floor. There were no additional nominations

The nominee for Director were: C. Adams

**MOTION:** to close nominations

**MOVED/SECONDED/CARRIED**

**C. Adams elected by acclamation.** Directors can appoint a director for remaining position

The meeting was returned to the Chair, F. Mistry

### **RECEIVE THE DIRECTORS REPORT 2021**

F. Mistry provided the Directors Report, reporting another successful year of operation with dividends declared at 1.1% on Equity Shares and 0.60% on Savings Shares citing that these rates are competitive when compared to other organizations in the system in light of the current financial climate. He also highlighted the CECU's continued priority of prioritizing financial access and member service and noted the excitement as CECU looks forward to moving into 2022 with their new tools and continuing to improve our product offerings and member experience. 2021 also marked the conclusion of CECU's formal regulatory review which resulted in a number of key implementations that would provide better financial stability, processes and controls. He acknowledged the commitment and perseverance of the management team for completing the project during some very challenging years. With these challenges behind us, the Board remains optimistic about the future of CECU and as we begin to see signs of recovery from the pandemic, is confident that the CECU will not only continue to offer support to members, but will be able to resume improvement projects that had been put on hold. On behalf of the Board, F. Mistry thanked WorkSafeBC for their continued support of the Credit Union and the CECU management and staff for their excellent service and efforts throughout this past year.

### **RECEIVE THE GENERAL MANAGERS REPORT 2021**

C. de Haas reported that 2021 was another financially successful year. It was a year of growth and profitability that resulted in a healthy return for the members. The credit union experienced an 8% increase in assets in 2021 – this was due to a 10% increase in deposits (\$10M) and a 6% increase in loans (\$1.2M). C. de Haas credits this change in asset mix for the healthy profit for our members with an interest margin of 1.4% and net earnings at 32.6K. The directors declared a dividend of 1.1% on Equity Shares and 0.60% on Savings shares which resulted in a payment of over \$132K to members. The CECU remains committed to building a strong capital base that will ensure profitability and protection against the risks of interest rate changes going forward. In 2021 the management team took on many projects and initiatives aimed at making our Credit Union stronger and more efficient. These included password enhancements, paperless and digital solutions and system wide payments modernization initiatives. We also worked on renaming our Regular Shares accounts Regular Savings in order to ensure that they would continue to carry the CUDIC deposit protection. Management and the Board have been busy strategically planning for the future of the CECU, working to increase convenience and access to funds and information for all our members across the province. C de Haas thanked the board for their commitment, support and responsiveness to member needs, WorkSafeBC for the services that they provide us and the staff who in spite of many challenges and changes, remain committed to serving our members.

### **AUDITORS REPORT 2020**

D. Bass reviewed and explained the Summary Financial Statements. Noting that there were no significant changes in revenue or expenses and the results were as expected given the current financial environment.

The Financial statements presented clearly. All of the regulatory requirements were met.

Questions from the floor from S. Gunderson with regards to the change in investments from 2.4M

**MOTION:** to approve the Auditor's Report and Financial Statements for December 31<sup>st</sup> 2021

**MOVED/SECONDED/CARRIED**

**MOTION:** to appoint Meyers Norris Penny LLP as Auditors for 2022 and authority for the Board of Directors to set the remuneration.

**MOVED/SECONDED/CARRIED**

**NEW BUSINESS:**

F. Mistry invited the members to raise any new business. There was none.

**GOOD AND WELFARE**

F. Mistry thanked retiring director I. Edwards for his years of service to the CECU

Door prizes drawn for the members present

**ADJOURNEMENT**

**MOTION:** to adjourn the meeting at 12:37pm

**MOVED/SECONDED/CARRIED**

F. Mistry, Chairperson

I. Edwards, Vice-Chairperson

S. Hardern, Recording Secretary

## **ANNUAL REPORT- COMPENSATION EMPLOYEES CREDIT UNION 2022**

### **BOARD OF DIRECTOR'S REPORT**

The Compensation Employees Credit Union (CECU) staff and Board of Directors welcome you to the 69th Annual General Meeting of Compensation Employees Credit Union.

Our priority continues to focus on our members by improving service, products, convenience and profitability. We are pleased to report another successful year of operations, and to announce dividends/interest of 5% on Equity Shares and .50% on Regular Savings.

We are proud of the patronage interest rates we continued to offer, and is only done through the continued commitment to give as much back to our members, while ensuring the financial stability and security of what is ultimately, our members', and your money.

In 2022, the CECU, continued to prioritize financial access and quality service for our members. We are looking forward to 2023 and are excited to look forward with new tools that will to improve our offering of products and services, and the experience of our members.

In closing, the Board of Directors would like to express our gratitude to WorkSafeBC for the continued support of the Credit Union. We also would like to thank our General Manager, Carol de Haas, and the rest of the staff for their excellent service and efforts throughout the year.

A final thanks to you, our members. Your continued business and support is what makes us profitable, and keeps us relevant.

Respectfully Submitted,

Board of Directors,  
Compensation Employees Credit Union

## **GENERAL MANAGER'S REPORT**

The year ending December 31, 2022 was another financially successful year for Compensation Employee's Credit Union. It was not a year of growth but profitability again resulted in a healthy return for members.

In 2022, the Credit Union experienced a 10% decline in assets. This was due to an expected decrease in deposits (\$3.7M). Total Loans increased by 30% (\$6.1M) which was mostly due to mortgage demand. Investments in Central1 remained constant. This change in the asset mix supported the Credit Union earning a healthy profit for members with an interest margin of 1.88% and net earnings at \$12.2K.

The Board of Directors declared Patronage Allocations (div/int) of 5% on Equity Shares and .50% on Regular Savings. This resulted in a payment of \$126K back to members. The Credit Union is committed to building a strong capital base, to ensure future profitability for members and also protect against the risks involved with interest rate changes.

We have been busy this year with many projects making our CU stronger, more secure and efficient. These included online password enhancements; investigating paperless & digital options; system wide payments modernization; marketing. We also communicated to members regarding the renaming of our Regular Shares account to Regular Savings, ensuring member deposits continue to carry unlimited deposit insurance protection.

Our website offers accessibility and online services including online banking as well as information about other services including mortgages, loans, & registered plans. Members also have online e-transfers, calculators, loan & membership applications, and more areas to contact us.

Management and Directors have been busy strategically planning for the future of the Credit Union. It is important to ensure that dealing with CECU continues to be convenient for all members. We continue to work on better access to funds and information for all members across BC.

I would like to thank the Credit Union Board of Directors for their commitment and support. As a team, they develop policies and strategic objectives to ensure the profitability and strength of the Credit Union. The Directors are very responsive to member's needs and concerns, and encourage input. And, we are very grateful to WorkSafeBC for the many services provided.

2022 was another challenging year with Covid, staff changes, computer & security enhancements etc. I would like to thank our amazing CU staff. They are a strong team, who are committed to serving members and have worked very hard this past year. Thank you!!

A final THANKS to the members. As members, you are owners, and it's your business and support that makes the credit union prosper. We look forward to another profitable and successful year in 2023.

Respectfully Submitted,  
Carol de Haas  
General Manager

## Report of the Independent Auditor on the Summarized Financial Statements

To the Members of Compensation Employees Credit Union:

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2022, and the summary statements of comprehensive income and changes in members' equity and cash flows for the year then ended are derived from the audited financial statements of Compensation Employees Credit Union (the "Credit Union") for the year ended December 31, 2022.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements.

### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 28, 2023.

### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements.

### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

Abbotsford, BC  
February 28, 2023

*MNP LLP*

Chartered Professional Accountants

### Compensation Employees Credit Union Summarized Statement of Financial Position December 31, 2022

	2022	2021
<b>Assets</b>		
Cash and cash equivalents	2,197,922	11,751,498
Investments	2,180,283	2,473,492
Member loans receivable	28,876,879	22,751,994
Income taxes receivable	3,872	7,991
Prepaid expenses and deposits	70,027	83,000
Intangible assets	127,982	148,786
	<b>33,456,965</b>	<b>37,216,761</b>
<b>Liabilities</b>		
Member deposits	30,948,025	34,653,006
Accounts payable and accrued liabilities	34,462	30,440
Deferred tax liabilities	11,000	15,000
	<b>30,993,487</b>	<b>34,698,446</b>
<b>Members' equity</b>		
Equity shares	573,173	611,787
Retained earnings	1,950,472	1,906,528
Accumulated other comprehensive loss	(60,167)	-
	<b>2,463,478</b>	<b>2,463,477</b>
	<b>33,456,965</b>	<b>37,216,761</b>

### Approved on behalf of the Board of Directors

"Farhad Mistry"

Director

"Ashleigh Zhang"

Director

**MNP**  
LLP



**Compensation Employees Credit Union**  
**Summarized Statements of Comprehensive Income and Changes in Members' Equity**  
**December 31, 2022**

	2022	2021
<b>Interest income</b>	<b>975,335</b>	796,368
<b>Interest expense</b>	<b>278,012</b>	274,260
<b>Financial margin</b>	<b>697,323</b>	522,108
<b>Other income</b>	<b>26,310</b>	30,738
<b>Financial margin and other income</b>	<b>723,633</b>	552,846
<b>Operating expenses</b>	<b>602,178</b>	508,498
<b>Income before provision for impaired loans</b>	<b>121,455</b>	44,348
<b>Provision for impaired loans</b>	<b>46,451</b>	1,000
<b>Income before income tax expense</b>	<b>75,004</b>	43,348
<b>Income tax expense</b>	<b>2,564</b>	4,009
<b>Net income</b>	<b>72,440</b>	39,339
<b>Other comprehensive loss</b>	<b>(60,167)</b>	-
<b>Comprehensive Income</b>	<b>12,273</b>	39,339
<b>Members' equity, beginning of year</b>	<b>2,518,315</b>	2,499,877
Equity share dividends	(28,496)	(6,681)
Net redemption of equity shares	(38,614)	(14,220)
<b>Members' equity, end of year</b>	<b>2,463,478</b>	2,518,315

**Compensation Employees Credit Union**  
**Summarized Statement of Cash Flows**  
**December 31, 2022**

	2022	2021
<b>Cash provided by (used for) the following activities</b>		
Operating activities	192,337	(162,675)
Financing activities	(3,813,728)	3,008,973
Investing activities	(5,932,185)	(3,520,120)
<b>Decrease in cash and cash equivalents</b>	<b>(9,553,576)</b>	(673,822)
<b>Cash and cash equivalents, beginning of year</b>	<b>11,751,498</b>	12,425,320
<b>Cash and cash equivalents, end of year</b>	<b>2,197,922</b>	11,751,498

*Note: Readers are cautioned that these summarized financial statements do not include all the disclosures required for complete and fair presentation.*

## **Compensation Employees Credit Union**

### **2022 Disclosure KMP**

### **Directors Remuneration, Expenses & GM Compensation**

Director Remuneration (there are 7 Directors):

- Each Board member receives \$100 per regular board meeting attended (max 10/year).
- In addition to the above, once per year the Board Chair receives \$600; Vice Chair receives \$300; Secretary receives \$200.
- Chairs of Statutory Committees receive \$100 once per year.
- The Statutory Committee members also receive \$50 per meeting (to a max of 1 to 4 meetings per year depending on the committee).

General Manager Compensation:

- Base pay \$85,000 with up to 10% variable pay.

**In 2022 the total of the above paid to the Directors & General Manager was \$99,550.**

Other Board Expenses:

Board meeting and training expenses: \$2014.00

**COMPENSATION EMPLOYEES CREDIT UNION**

**SPECIAL RESOLUTION  
TO APPROVE ALTERATIONS TO RULES**

**BE IT RESOLVED**, as a special resolution, that the Rules of Compensation Employees Credit Union be altered by deleting such Rules in their entirety and replacing them with the Rules set out in Schedule "A".

# COMPENSATION EMPLOYEES CREDIT UNION

## CREDIT UNION RULES

### DEFINITIONS.

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

- (a) "Act" means the *Credit Union Incorporation Act* (British Columbia) from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (b) "Board Committee" means a committee of the Board of Directors appointed or elected by the Board of Directors;
- (c) "Board of Directors" means the board of directors of the Credit Union;
- (d) "Chair" means the chair of the Board of Directors;
- (e) "Credit Union" means Compensation Employees Credit Union;
- (f) "Director" means a director of the Credit Union for the time being and "Directors" means more than one Director;
- (g) "Electronic Transactions Act" means the *Electronic Transactions Act* (British Columbia) from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (h) "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; and
- (i) "Superintendent" means the Superintendent of Financial Institutions under the Financial Institutions Act.

The meaning of any words or phrases defined in the Act and the Financial Institutions Act, shall, if not inconsistent with the subject or context, have the same meaning in these Rules.

### 1. MEMBERSHIP.

- 1.1 Every application for membership shall be in writing and be accompanied by payment in full of the number of equity shares required to be held by a member on the date of application for membership.
- 1.2 A member may withdraw from membership, and membership of any person may be terminated, in accordance with the Act.

- 1.3 A member in good standing is a member, including a junior member, who at the date on which good standing is determined:
- (a) has purchased, paid for and holds the number of equity shares required by these Rules; and
  - (b) is not more than 90 days delinquent in any obligation to the Credit Union.

## 2. SHARES AND DEPOSITS.

- 2.1 A statutory declaration of a Director or officer of the Credit Union that a lien of the Credit Union has been exercised or a share forfeited and stating the date of the exercise or forfeiture shall be conclusive evidence of the fact therein stated.
- 2.2 Interest on deposits, patronage allocations and dividends on shares, in the absence of an express contract or agreement, shall be paid or credited at times, intervals and in a manner determined by the Directors.
- 2.3 The capital of the Credit Union shall consist of an unlimited number of a distinct class of equity shares with a par value of One Dollar (\$1.00) each and such equity shares shall be the membership shares in the Credit Union.
- 2.4 Monies invested in equity shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia.
- 2.5 Subject to the Act, equity shares may only be subscribed for, purchased by, or transferred or assigned to the Credit Union or a member thereof, at par value, and in the case of redemption, par value plus any dividends declared but unpaid on them.
- 2.6 Equity shares are not transferable or assignable without the resolution of the Directors, 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 of assignment.
- 2.7 (1) Subject to the Act, and upon the written request of the member, the Credit Union will redeem the equity shares held by a member upon any of the following conditions:
- (a) the member, in the case of an individual, dies, subject to any contrary instruction of the personal representative of the deceased member to transfer the shares to a person entitled to hold them pursuant to the Act and these Rules;
  - (b) the member, in the case of an incorporated company, is wound up in accordance with the applicable legislation;

- (c) the member, in the case of a partnership or unincorporated association, dissolves;
  - (d) the member, in any other case, ceases to be a legal entity according to the legislation that created it; or
  - (e) the member's membership is terminated.
- (2) Notwithstanding Rule 2.7(1)(a), where members hold equity shares jointly with a right of survivorship, the Credit Union shall not be required to redeem the equity shares until the death of the last remaining joint holder.
- 2.8 The Credit Union may require evidence as to the events described in Rule 2.7, before redeeming equity shares.
- 2.9 Notwithstanding the above, the Directors may limit the amount of equity shares redeemed in any one fiscal year of the Credit Union to ten percent of the total amount of equity shares issued and outstanding at the end of the previous fiscal year, but this aggregate amount may, in the Directors' discretion, be either inclusive or exclusive of redemption as a result of the death or termination of the member within the limit specified.
- 2.10 (1) Equity shares may be held jointly, but nothing in this Rule diminishes the number of shares for which each member must subscribe.
- (2) All jointly held equity shares shall carry the right of survivorship unless a contrary statement, in writing, is given at the time of subscription and signed by all parties jointly holding the shares.
- 2.11 As a condition of membership, each member of the Credit Union shall subscribe for, purchase and fully pay for 25 equity shares.
- 2.12 A member may subscribe for, purchase and pay for a maximum of 1,000 equity shares in the Credit Union.
- 2.13 The Directors may from time-to-time resolve that the minimum required number of equity shares required to be owned by a member shall be increased; however,
  - (a) on any one occasion, such determination shall not increase the number of equity shares to be held by more than 50;
  - (b) a determination by the Directors pursuant to this Rule may be made no more frequently than once per fiscal year of the Credit Union;
  - (c) a subsequent determination by the Directors shall not be made to have effect within six months of the last such determination; and
  - (d) a determination by the Directors pursuant to this Rule shall not be effective until the expiration of not less than 90 days notice of the determination being given to the members of the Credit Union.

- 2.14 If, on the expiration of the period of notice required in these Rules, the member has not paid for the required number of equity shares, the Credit Union may apply any money on deposit and interest thereon in the name of the member to the purchase of sufficient equity shares in the name of the member so that the member shall own the number of equity shares required by Rule 2.13.
- 2.15 If there are insufficient funds to put into effect Rule 2.14, the member shall immediately cease to be a member in accordance with the Act.
- 2.16 Subject to the Act, the Directors may establish policies to waive or delay purchase, payment, redemption and ownership, in whole or in part of equity shares as required by these Rules.
- 2.17 (1) The Directors may issue share certificates which shall state on their face the words "NOT GUARANTEED BY THE CREDIT UNION DEPOSIT INSURANCE CORPORATION".
- (2) Notwithstanding Rule 2.17(1), the shares shall be recorded to the member's name and a statement of shareholdings shall be provided to each member regarding the member's shares, at least once in each fiscal year of the Credit Union, and in any event shall be provided within 13 months of the last statement.

### **3. BORROWING AND LENDING.**

- 3.1. Subject to the Act, the Directors of the Credit Union may raise and borrow money for the purposes of the Credit Union upon such terms and conditions as to interest, term, repayment, and security as they determine by resolution.
- 3.2. Subject to the Act, if the Directors, pursuant to Rule 3.1 above, issue debt securities related to equity shareholdings, regardless of the terms of the contract, the Directors may redeem the obligation of the Credit Union to the member, if the member fails to maintain the member's required equity shareholdings in the Credit Union.
- 3.3. Subject to the Act, the Directors shall determine the terms and conditions of loans as to the interest and other charges, terms of repayment and security, and may, by resolution, delegate the power to make loans and to make the determinations aforesaid.

### **4. DIRECTORS AND MANAGEMENT.**

- 4.1 The number of Directors of the Credit Union shall be seven.
- 4.2 Except as to the first election of Directors or where an election is held to fill the unexpired portion of a term, Directors shall be elected to hold office for three years.

- 4.3 Where any offices of Directors being filled at any election are for different lengths of terms, the term of each person shall be determined in proportion to the number of votes received, the person receiving the greatest number of votes to hold office for the longest term, provided that if there are two or more persons having an equal number of votes:
- (a) the Chair shall have a second or casting vote; and
  - (b) if there is an election by acclamation the Chair of the annual general meeting shall either determine the respective terms of the persons so elected or direct that the terms be determined by lot.
- 4.4 Each year Directors shall be elected to replace those retiring and a retiring director is eligible for re-election.
- 4.5 Only a member in good standing who is not a junior member is eligible to cast a ballot in an election of a Director or Directors.
- 4.6 Elections shall not be by mail ballot, but shall be conducted at a general meeting of the Credit Union.
- 4.7 A notice of election or appointment of a person elected or appointed as a Director shall be filed with the Superintendent within 14 days after the election or appointment occurs.
- 4.8 The Directors shall meet within 30 days or as soon as practicable after each annual general meeting and shall elect from their own number a Chair and a vice-chair and may appoint such additional officers as they may deem necessary.
- 4.9 The Board of Directors shall meet as needed and not less frequently than once in each quarter.
- 4.10 The Chair may call a meeting of the Board of Directors at any time and shall within 14 days of receipt of written request of three Directors call a meeting of the Board of Directors.
- 4.11 One day's notice shall be given of meetings of the Directors by personal delivery, mail, email or telephone but notice of any past or present meeting may be waived by a Director in writing.
- 4.12 A majority of the Directors shall constitute a quorum but a lesser number may adjourn from time to time until a quorum is obtained.
- 4.13 The Board of Directors shall appoint a President, Secretary and General Manager and exercise oversight of the General Manager's selection and compensation of other key management employees, particularly those with direct reporting relationships to the Board of Directors.



- 4.14 In the case of absence of the Chair or the Chair's inability for any cause to act or in case the office of the Chair becomes vacant the vice-chair shall discharge the duties of the Chair.
- 4.15 If the number of Directors of the Credit Union is reduced below the number prescribed under Rule 4.1 by death, resignation, disqualification or removal from office or by failure to elect or appoint a Director pursuant to these Rules, the remaining Directors, save as provided by any other provision in these Rules, shall have all of the power of the Directors until the vacancy or vacancies caused thereby have been filled by appointment or election.
- 4.16 Where a casual vacancy occurs among the Board of Directors or, for any reason, the office of Director is not filled in an election, the remaining Directors may appoint a qualified person to fill the vacancy. Any person so appointed shall hold office until the close of the next annual general meeting.
- 4.17 Directors or Board Committee members may participate in a meeting of the Board of Directors or any Board Committee by means of telephone or other communications medium if all Directors or Board 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 Board of Directors, a majority of the Directors participating in the meeting are in British Columbia at the time of the meeting. A Director or Board Committee member participating in accordance with this Rule shall be deemed to be present at the meeting and shall be counted in a quorum and be entitled to speak and vote.
- 4.18 Subject to the limitations contained in the Financial Institutions Act, the Credit Union shall indemnify:
- (a) each director and officer of the Credit Union;
  - (b) each former director and officer of the Credit Union; and
  - (c) 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 creditor;

against all costs, charges and expenses, including an amount paid to settle any action or satisfy any judgement, reasonably incurred by the director or officer for any civil, criminal or administrative action or proceeding, whether threatened, pending, continuing or completed, to which the director or officer is made a party by reason of being or having been a director or officer of the Credit Union or corporation, if:

- (d) the director or officer of the Credit Union or corporation acted honestly and in good faith with a view to the best interests of the Credit Union or corporation, as the case may be; and
- (e) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer had reasonable grounds for believing that the conduct was lawful.

Subject to applicable laws, if the director or officer is required to include in income or in the income of that individual's estate, any payment made under this indemnification for the purpose of determining income tax payable by the director or officer, the Credit Union will pay an amount by way of indemnity that will fully indemnify for the amount of all liabilities described in this Rule and all income taxes payable as a result of the receipt of the indemnity payment

## 5. GENERAL MEETINGS.

- 5.1 The annual general meeting of the Credit Union shall be held on a date to be fixed by the Board of Directors and shall be convened and held in accordance with the provisions of the Act.
- 5.2 Other general meetings may be convened and held in accordance with the provisions of the Act.
- 5.3 Subject to the Act, a general meeting may adopt rules of order for its conduct, but if no rules are adopted Robert's Rules of Order (Revised) shall be used.
- 5.4 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 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.
- 5.5 At a general meeting of the Credit Union ten percent of the members or 15 members, whichever is the lesser, shall constitute a quorum, but a lesser number may adjourn from time to time until a quorum is obtained.
- 5.6 So far as practical the order of business at an annual general meeting shall be:
  - A. Approval of Minutes.
  - B. Business arising out of Minutes.
  - C. Report of Directors.
  - D. Report of General Manager.
  - E. Report of Auditor.
  - F. Approval of Financial Statements.
  - G. Report of other Committees.
  - H. Elections.
  - I. Appointment of Auditor.
  - J. Unfinished Business.
  - K. New Business.
  - L. Good and Welfare.
  - M. Adjourn.

- 5.7 The Chair will chair general meetings of the Credit Union. If the Chair is absent or is unable for any reason to act, the vice-chair or such other Director as may be designated by the Board of Directors will discharge the duties of the Chair.
- 5.8 Subject to the Act and these Rules, voting at a general meeting of the Credit Union will be by show of hands, unless the Chair determines to permit voting by a written vote or by electronic means and such means are made available.
- 5.9 (1) Only a member in good standing who is not a junior member may vote at a general meeting.
- (2) A member of the Credit Union who is not an individual or an unincorporated association may be represented and vote at meetings of the Credit Union by an individual who:
- (a) is not a member; and
  - (b) by written authorization deposited with the Credit Union, is authorized to vote at the meeting on behalf of the member.
- (3) A member of the Credit Union who is an unincorporated association may be represented and vote at meetings of the Credit Union by an individual who:
- (a) is a member of the Credit Union; and
  - (b) by written authorization deposited with the Credit Union, is authorized to vote at the meeting on behalf of the unincorporated association.

## **6. SPECIAL RESOLUTIONS**

- 6.1 Voting on a special resolution will occur in the manner determined by the Directors in their sole discretion, which may include voting in person at a general meeting, voting by mail ballot, voting by ballot at a branch office, voting by electronic means, or any combination thereof.
- 6.2 Only a member in good standing who is not a junior member is eligible to vote on a special resolution.

## **7. SEAL.**

- 7.1 The Credit Union shall have a corporate seal.
- 7.2 The Directors shall provide for the safe custody of the common seal at the registered office of the Credit Union or such other place as the Directors shall determine it shall be kept for safekeeping.

## **8. ALTERATION.**

- 8.1 Subject to the Act, the Credit Union may alter these Rules by special resolution from time to time.

## **9. FINANCIAL YEAR END**

- 9.1 The financial year-end of the Credit Union is December 31.

## **10. ELECTRONIC COMMUNICATIONS**

- 10.1 Subject to the Act, the Financial Institutions Act and the Electronic Transactions Act, 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 in their discretion permit the use of documents in such electronic forms as the Directors consider desirable in the circumstances, provided that such electronic documents are accessible in a manner useable for subsequent reference;
- (b) where these Rules, the Act or the Financial Institutions Act require the provision or delivery of documents, the Directors may in their discretion 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 or by attachment to or inclusion in the member’s monthly statement) as the Directors consider desirable in the circumstances, provided that such electronic documents are accessible by the recipient in a manner useable for subsequent reference and capable of being retained by the recipient in a manner useable for subsequent reference; and
- (c) for the purposes of this Rule 10.1, “document” includes, without limitation, notices, instruments, financial statements, resolutions and ballots.