

Special Resolution

Be It Resolved as a special resolution of Greater Vancouver Community Credit Union (“GVC”) that the Rules of GVC be amended:

1. by deleting the words “Class B Equity Shares” in Rules 1.1, 1.3, 1.5, 2.4, 2.5, 2.8 and 2.10 and substituting therefore the words “Class B Membership Equity Shares”;
2. by deleting paragraph g) of Rule 4.10 and substituting therefore the following:
 “g) a ballot listing the names of all nominees, the listing being determined by lot”;
3. by deleting the word “branch,” in paragraph i) of Rule 4.10;
4. by deleting Rule 4.11 a) and substituting therefore the following:
 “a) A ballot cast in-branch shall be cast in person on not less than five (5) business days ending not less than ten (10) days before the annual general meeting, at any office of the credit union at which retail banking services are offered.”;
5. by repealing Rule 4.20 and substituting therefore the following:
 “4.20 **Posting of Election Results:** An alphabetic listing of the candidates and the number of votes received by each candidate shall be posted in each office of the credit union as soon as the results of the ballot have been announced and shall remain posted for three (3) clear business days. The results of the ballot shall also be published in the next newsletter published by the credit union and on the credit union’s website.”
6. by deleting the words “the chair shall” in Rule 4.23 and substituting therefore the words “the chairperson shall,”;
7. by deleting paragraph (a) of Rule 4.24, substituting therefore the following:
 “(a) elect a chairperson of the Recount Committee.”;
8. by deleting paragraph (f) of Rule 4.24 and substituting therefore the following:
 “(f) submit its final report to the chairperson forthwith after making its final determination.”
9. by deleting the words “The director shall meet” in Rule 4.31, substituting therefore the words “The directors shall meet”.
10. by deleting paragraphs (c), (d), (e) and (f) of Rule 5.1, substituting therefore the following:

- “(c) As and from the close of the annual general meeting held in 2014, directors then in office may seek re-election to a maximum of four additional consecutive terms.
- (d) Notwithstanding Rule 4.4, a person elected as a director after the close of the annual general meeting held in 2014 may not hold office for more than five consecutive terms of office.
- (e) After serving five consecutive terms in office, a person is ineligible to seek re-election or reappointment for one year, after which that person shall be eligible to seek election to the board and, if elected, is eligible to seek re-election a further four consecutive terms.
- (f) Notwithstanding Rule 5.1(d), if a person is elected or appointed to fill the unexpired portion of the term of office to which another person was elected or appointed as a director of the credit union, completion of that partial term shall not disqualify the successor director from seeking election as a director for a maximum of five consecutive three year terms.”;

11. by renumbering Rule 5.6 as Rule 5.6 (a) and adding the following:

- “(b) The directors may meet by electronic means, other than by telephone conference call, if all directors attending the meeting are able to participate in the meeting and each director so attending is deemed to be present at the meeting, provided that the provisions of Rule 5.5 are met.”;

12. by deleting Rule 5.11 and substituting therefore the following:

- “5.11 The directors shall annually elect four (4) of their number as the Audit Committee.”; and

13. by deleting the words “and, in the case of a criminal or” in paragraph (c) of Rule 5.18 and substituting therefore the following:

- “and, in the case of a criminal or administrative action or proceeding,”.

EXPLANATORY NOTES

1. Housekeeping; references to “membership shares” in Sections 1 and 2 of the Rules are inconsistent.

2. Rule 4.10 currently provides that the names of candidates in an election of directors shall be listed alphabetically on a ballot. It is a “best practice that the names of candidates be listed in order determined by lot.
3. Housekeeping; Rule 4.10 currently provides that a ballot authentication envelope shall provide space for specifying the member’s branch. With the shift to on-line banking, one’s branch is less relevant than in year’s past. In Rule 10.8 (c), “branch” is not required to be specified with regards to voting on special resolutions.
4. Housekeeping; Rule 4.11 currently provides that a ballot cast, in person, shall be cast at any branch office of the credit union. In 2022, GVC established an administration office at which retail banking services are not offered.
5. Housekeeping; Rule 4.20 currently provides that a listing of candidates and the number of votes received by each candidate shall be posted in each office of the credit union as soon as the results of the ballot have been announced and shall remain posted for three (3) clear business days. The proposed amendment provides that election results also be published in GVC’s newsletter and to GVC’s home page, given reduced branch foot traffic.
6. Housekeeping; Rule 4.23 currently erroneously provides that the “chair” shall appoint a Recount Committee, if an official recount of ballots cast in an election is to be held. The reference should properly be to the Chairperson (of the Board of Directors).
7. Housekeeping; Rule 4.24 currently references the “chair”, presumably of the Recount Committee. The reference should properly be to the chairperson of the Recount Committee. By definition, the “chair” is the Chairperson of the Board of Directors.
8. Housekeeping; as above, by definition, the word “chair” used without qualification means chairperson of the board of directors. This proposed amendment clarifies that the final report of the Recount Committee is to be submitted to the chairperson of the board.
9. Housekeeping; Rule 4.31 stipulates the time period within which the board must meet following an annual general meeting to elect its table officers. It contains a grammatical error. It provides that “The director shall meet ...”. Reference should be to the directors, being the board of directors.
10. In 2017, the Rules of GVC were amended to introduce, as a best practice, a limit on the number of the consecutive terms of office that a member may serve on the board of directors of GVC. That number was established at four, although there is no accepted limit which constitutes a “best practice”. With evolving governance and regulatory requirements, institutions are finding it increasingly difficult to attract qualified nominees to seek election as directors. Over the next several years, that limit will require that several long serving and highly experienced directors retire from the board. The Board

is of the opinion that the current limit is unnecessarily restrictive and potentially detrimental to the governance of your credit union.

11. Although the *Credit Union Incorporation Act* provides that the board may meet, electronically, GVC's Rule 5.6 does not specifically provide that the board may do so, other than by conference call.

12. Housekeeping; Rule 5.11 includes a redundant asterisk.

13. Housekeeping; Rule 5.18 provides for the indemnification of directors and officers of the credit union by GVC, under specific terms and conditions. This indemnification was recommended in the Model Credit Union Rules published by B.C. Central Credit Union in the 1970s. Today, it is generally incorporated into the rules of all B.C. credit unions. On the consolidation of GVC's Rules at some point in the past, a typographical error occurred and four words were omitted. As currently worded, Rule 5.18 (c) is nonsensical.