

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
Definitions		Definitions		
n/a	The meaning of any words or phrases defined in the <i>Credit Union Incorporation Act</i> , the <i>Financial Institutions Act</i> , and, to the extent that it applies to the Credit Union, the <i>Business Corporations Act</i> , shall, if not inconsistent with the subject or context, have the same meaning in these Rules. Further, in these Rules, unless the subject or context is inconsistent therewith:	n/a	The meaning of any words or phrases defined in applicable Legislation, shall, if not inconsistent with the subject or context, have the same meaning in these Rules. Further, in these Rules, unless the subject or context is inconsistent therewith:	Non-material change to utilize the newly proposed definition of Legislation - definition (a)
	N/A	(a)	Acts or Legislation means the <i>Credit Union Incorporation Act</i> , the <i>Financial Institutions Act</i> , and to the extent applicable, the <i>Business Corporations Act</i> (British Columbia), the <i>Securities Act</i> (British Columbia), the <i>Electronic Transactions Act</i> (British Columbia) and the <i>Age of Majority Act</i> (British Columbia) as amended from time to time as well as any successor legislation or any other legislation, and includes any regulations made thereunder or to which, from time to time, the Credit Union becomes subject;	Newly proposed definition of Legislation to streamline references to specific legislation throughout the Rules.
(a)	Annual General Meeting means the annual general meeting of the members of the Credit Union;	(b)	Annual General Meeting or AGM means the annual general meeting of the members of the Credit Union;	Added AGM to provide clarity.
(d)	Business Corporations Act means the <i>Business Corporations Act</i> of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;		Deleted and Replaced with (a) above	Definition is being deleted as it is now accounted for in the definition of Legislation in (a) above.
(i)	Credit Union Incorporation Act means the <i>Credit Union Incorporation Act</i> of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;		Deleted and Replaced with (a) above	Definition is being deleted as it is now accounted for in the definition of Legislation in (a) above.
(m)	Electronic Transactions Act means the <i>Electronic Transactions Act</i> of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;		Deleted and Replaced with (a) above	Definition is being deleted as it is now accounted for in the definition of Legislation in (a) above.
(o)	Financial Institutions Act means the <i>Financial Institutions Act</i> of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;		Deleted and Replaced with (a) above	Definition is being deleted as it is now accounted for in the definition of Legislation in (a) above.
(p)	Financial Literacy or Financially Literate means the ability of a person to: (i) understand and interpret the Credit Union's financial performance, and in particular, the relationship between the Credit Union's strategic plan and its financial outcomes; (ii) understand the basic principles of business and finance to enable him or her to make sound decisions on behalf of members of the Credit Union; and (iii) to the extent not covered above, fulfil the Financial Institutions Commission's expectations of directors with respect to financial literacy as such may evolve from time to time;	(m)	Financial Literacy or Financially Literate means the ability of a person to: (i) understand and interpret the Credit Union's financial performance, and in particular, the relationship between the Credit Union's strategic plan and its financial outcomes; (ii) understand the basic principles of business and finance to enable the person to make sound decisions on behalf of members of the Credit Union; and (iii) to the extent not covered above, fulfil the BC Financial Services Authority's expectations of directors with respect to financial literacy as such may evolve from time to time;	(m) (ii) - Non-material change to provide for inclusive language. (m) (iii) - Non-material change to reflect the correct name of the credit union Regulator
(q)	First Directors means the initial Directors of the Credit Union appointed on amalgamation;	(n)	First Directors means the initial Directors of the Credit Union appointed on the amalgamation date of January 1, 2020;	Non-material change - amalgamation date added for clarity.
(r)	Governance Policy means the Credit Union's policy, as approved and amended from time to time by the Directors, in respect of rules and policies of the Credit Union relating to governance matters;		N/A - Definition deleted	Non-material change. Removed definition as the Rules contained only two references to this Policy (in provisions 6.7 and 7.12) and those provisions have been broadened to include all policies, codes and statements related to director conduct.
(s)	Immediate Family means (i) Spouse (including any persons living in a marriage-like relationship continuously for the past 2 years), child, stepchild, parent, step-parent or sibling; and (ii) any relative living in the same household as that person;	(o)	Immediate Family means (i) Spouse (including any person living in a marriage like relationship continuously for the past 2 years), child, stepchild, parent, stepparent or sibling; and (ii) any relative living in the same household as that Person, and such meaning shall evolve as legislation is amended from time to time.	Non-material change - to account for changes that may occur to applicable legislation from time to time.
(t)	Junior Member means a member who is below the age of majority as determined by the Age of Majority Act of British Columbia;	(q)	Junior Member means a member who is below the age of majority as determined by applicable Legislation;	Non-material change to utilize the newly proposed definition of Legislation in (a) above.

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
	N/A	(s)	Nominations Committee means a committee of the Board of Directors, whether specifically referred to as the Nominations Committee or any other name, that is responsible for overseeing the nominations and election process of the Directors;	New definition provided for clarity as Nominations Committee is referenced throughout the Rules.
(w)	Performance Standards means the standards approved by the Board of Directors from time to time and set out in the Governance Policy, that Directors must adhere to in the exercise of their role and responsibilities as Directors of the Credit Union;	(u)	Performance Standards means the standards approved by the Board of Directors from time to time, that Directors must adhere to in the exercise of the role and responsibilities as Directors of the Credit Union;	Non-material change reflecting the removal of the definition Governance Policy in (r) above. Mention of Governance Policy was removed so that the definition captures all standards and not just those in the Governance Policy.
(y)	Pre-amalgamation Predecessor(s) means Westminster Savings Credit Union, incorporation number FI-69, and Prospera Credit Union, incorporation number FI-147;	(w)	Pre-amalgamation Predecessor(s) means Westminster Savings Credit Union, incorporation number FI-69, including all its pre-amalgamation predecessors, and Prospera Credit Union, incorporation number FI-147, including all its pre-amalgamation predecessors;	Non-material change to provide clarity, particularly in relation to Rule 6.3 Terms Limits.
(bb)	Securities Act means the Securities Act of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;		Deleted and Replaced with (a) above	Definition is being deleted as it is now accounted for in the definition of Legislation in (a) above.
(cc)	Special Resolution means, subject to the requirements of the Credit Union Incorporations Act and any amendments thereto, a resolution of the Credit Union passed at a general meeting by a majority of not less than $\frac{2}{3}$ of the votes cast by members of the Credit Union eligible to vote pursuant to these Rules;	(z)	Special Resolution has the meaning given to it in applicable Legislation, and is a resolution of the Credit Union passed by a majority of not less than two-thirds ($\frac{2}{3}$) of the votes cast by members of the Credit Union eligible to vote pursuant to these Rules, or such lower threshold as permitted by applicable legislation;	Amended to account for any potential changes in legislation.
(dd)	Spouse has the meaning given to it in the <i>Credit Union Incorporation Act</i> and includes a Spouse of the same or opposite sex;		N/A - Definition deleted	Defintion has been deleted as there is no reference in the Rules to "Spouse".
(ff)	Voting Record Date means the date determined by the Board of Directors pursuant to these Rules, on which a Member in Good Standing is determined for the purposes of voting in the election of Directors, on Special Resolutions, on matters to be considered at a general meeting and any other matter	(bb)	Voting Record Date means the date determined by the Board of Directors pursuant to these Rules and applicable Legislation, on which a Member in Good Standing is determined for the purposes of voting in the election of Directors, on a Special Resolution, on matters to be considered at a general meeting or on any other matter	Non-material change to utilize the newly proposed definition of Legislation in (a) above and administrative amendments to provide further clarity.
Interpretation		Interpretation		
	These Rules are subject to and must be read and applied in conjunction with, the Credit Union Incorporation Act, the Financial Institutions Act, the Business Corporations Act and all amendments thereto and Regulations made pursuant to these Acts. Except where such Acts state the Rules may otherwise provide, any applicable provision of such Acts that is inconsistent with these Rules shall prevail.		These Rules are subject to and must be read and applied in conjunction with applicable Legislation. Except where such Legislation states the Rules may otherwise provide, any applicable provision of such Legislation that is inconsistent with these Rules shall prevail.	Non-material change to utilize the newly proposed definition of Legislation in (a) above.
Rules		Rules		
1.1	Application for Membership. Every application for membership in the Credit Union shall be in writing or by Electronic means and be accompanied by payment in full of the number of Class A Membership Equity Shares required to be held by a member on the date of application for membership. The Board of Directors may, in its sole discretion, delegate the authority to approve or reject applications for membership.	1.1	Application for Membership. Every application for membership in the Credit Union shall be in writing or by Electronic means and be accompanied by payment in full of the number of Class A Membership Equity Shares required by these Rules to be held by a member on the date of application for membership.	Amended to reflect actual practice of the credit union. This authority is delegated to management.
1.2	Policies for Purchase, Payment, Redemption, and Ownership of Shares. Subject to the provisions of the Credit Union Incorporation Act that specify the minimum number of Class A Membership Equity Shares for which a member must subscribe and pay, the Board of Directors may establish policies to waive or delay purchase, payment, redemption, and ownership in whole or in part of Class A Membership Equity Shares as required by these Rules, and may set minimum or maximum limits.	1.2	Policies for Purchase, Payment, Redemption, and Ownership of Shares. Subject to applicable Legislation that specifies the minimum number of Class A Membership Equity Shares for which a member must subscribe and pay, the Board of Directors may establish policies to waive or delay purchase, payment, redemption, and ownership in whole or in part of Class A Membership Equity Shares as required by these Rules, and may set minimum or maximum limits.	Non-material change to utilize the newly proposed definition of Legislation in (a) above.
1.3	Withdrawal From or Termination of Membership. A member may withdraw from membership, and the membership of any person may be terminated in accordance with the <i>Credit Union Incorporation Act</i> .	1.3	Withdrawal From or Termination of Membership. A member may withdraw from membership, and the membership of any person may be terminated in accordance with applicable Legislation.	Non-material change to utilize the newly proposed definition of Legislation in (a) above.

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
1.4	Junior Member (a) A Junior Member is not entitled to vote or be a Director of the Credit Union. (b) The restrictions under these Rules for a Junior Member shall cease upon such member reaching the age of majority as determined by the Age of Majority Act of British Columbia and such member shall enjoy the rights and obligations of all other non-Junior Members, provided that such member then holds the number of Class A Membership Equity Shares required to be held by these Rules.	1.4	Junior Members. (a) A Junior Member is not entitled to vote or be a Director of the Credit Union. (b) The restrictions under these Rules for a Junior Member shall cease upon such member reaching the age of majority as determined by applicable Legislation and such member shall enjoy the rights and obligations of all other non-Junior Members, provided that such member then holds the number of Class A Membership Equity Shares required to be held by these Rules.	Non-material change to utilize the newly proposed definition of Legislation in (a) above.
2.1	Voting Eligibility. Only those Members in Good Standing on the Voting Record Date established pursuant to Rule 2.2, except a Junior Member, are eligible to vote in the election of Directors, on Special Resolutions, on matters to be considered at general meetings, and any other matter.	2.1	Voting Eligibility. Only those Members in Good Standing on the Voting Record Date established pursuant to Rule 2.2, except a Junior Member, are eligible to vote in the election of Directors, on a Special Resolution, on matters to be considered at general meetings, or on any other matter.	Administrative amendments to provide further clarity.
2.2	Voting Record Date. (a) The Board may fix in advance a Voting Record Date; and (b) The membership list of the Credit Union will, for the purpose of the vote, be closed and only those Members in Good Standing as of the close of business of the Credit Union on such date will be eligible to cast ballots in the election of Directors, on Special Resolutions, on matters to be considered at general meetings, or on any other matter.	2.2	Voting Record Date. (a) The Board may fix in advance a Voting Record Date; and (b) The membership list of the Credit Union will, for the purpose of the vote, be closed and only those Members in Good Standing as of the close of business of the Credit Union on such date will be eligible to cast ballots in the election of Directors, on a Special Resolution, on matters to be considered at general meetings, or on any other matter.	Administrative amendments to provide further clarity.
2.3	Who May Vote. Subject to the exception contained in Rule 11.10, eligible Members in Good Standing are entitled to one (1) vote in the election of Directors, on Special Resolutions, on matters to be considered at general meetings and on any other matter, to be cast by: (a) in the case of an individual by the member; (b) in the case of a society, corporation, partnership or any other entity, who is not an individual, by its representative (who may, but need not be a member of the Credit Union, but must be of the age of majority as defined by the Age of Majority Act of British Columbia) duly appointed in writing and deposited with the Credit Union as provided in the Credit Union Incorporation Act and in a form prescribed by the Nominations Committee, is authorized to vote at the meeting on behalf of the member. Such representative, if an eligible Member in Good Standing in their individual capacity, may vote in their individual capacity as well in their capacity as representative for such member society, corporation, partnership or other entity they represent.	2.3	Who May Vote. Subject to the exception contained in Rule 11.10, eligible Members in Good Standing are entitled to one (1) vote in the election of Directors, on a Special Resolution, on matters to be considered at general meetings or on any other matter, to be cast by: (a) in the case of an individual by the member; (b) in the case of a member who is not an individual or an unincorporated association (but is a society, corporation, partnership or any other entity), by its representative (who may, but need not be a member of the Credit Union, but must be of the age of majority as defined by applicable Legislation) duly appointed in writing and deposited with the Credit Union as provided for in applicable Legislation and in a form prescribed by the Board of Directors, is authorized to vote on behalf of the member; and (c) In the case of a member who is an unincorporated association by its representative (who must be a member of the Credit Union and be of the age of majority as defined by applicable Legislation) duly appointed in writing and deposited with the Credit Union, as provided in applicable Legislation and in a form prescribed by the Board of Director is authorized to vote on behalf of the unincorporated association. Such representative, if an eligible Member in Good Standing in the members individual capacity, may vote in the member's individual capacity as well in the member's capacity as representative pursuant to this Rule 2.3.	Non-material change to provide clarity with respect to voting by a representative. The proposed amendment is reflective of language contained in the Credit Union Incorporation Act.
2.5	Proof of Membership. Individuals and representatives may be required to provide evidence of identity, age and membership, if applicable, and may be required to provide a declaration that the individual or representative has not previously cast a vote in the election of Directors, on a Special Resolution, on any matter being considered at a general meeting, or on any other matter then in progress.	2.5	Proof of Membership. Individuals and representatives may be required to provide evidence of identity, age and membership, if applicable, and may be required to provide a declaration that the individual or representative has not previously cast a vote in the election of Directors, on a Special Resolution, on any matter being considered at a general meeting, or on any other matter then in progress.	Administrative amendments to provide further clarity.

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
2.6	<p>Method of Voting. Subject to the <i>Credit Union Incorporation Act</i>, the <i>Financial Institutions Act</i> and the <i>Electronic Transactions Act</i>, the Board of Directors shall, not less than sixty (60) days prior to the Annual General Meeting, determine whether the vote on an election of Directors or Special Resolution will be by:</p> <p>(a) mail ballot; (b) ballot at a branch office; (c) Electronic means; or (d) a combination of any of the above methods</p> <p>For greater certainty, the Board of Directors may select either the same or a different method of voting for a Special Resolution and for a Directors' election.</p>	2.6	<p>Method of Voting. Subject to applicable Legislation, the Board of Directors shall, not less than sixty (60) days prior to the Annual General Meeting, determine whether the vote on an election of Directors, Special Resolution or any other matter to be voted on outside a meeting will be by:</p> <p>(a) mail ballot; (b) ballot at a branch office; (c) Electronic means; or (d) a combination of any of the above methods.</p> <p>For greater certainty, the Board of Directors may select either the same or a different method of voting for a Special Resolution, for a Directors' election, and for any matter to be voted on outside a meeting, (whether occurring concurrently or consecutively).</p>	Non-material change to utilize the newly proposed definition of Legislation and to clarify voting methods for votes that occur outside of a meeting from those that occur at a meeting, such as an AGM.
2.7	<p>Distribution of Ballots. In accordance with the determination made by Rule 2.6, the Board of Directors shall, not less than sixty (60) days prior to the Annual General Meeting, determine the method by which ballots for the election of Directors or Special Resolution may be distributed:</p> <p>(a) to members by request in accordance with Rules 9.16 and 13.3; (b) to members by making ballots available in branch offices; (c) by Electronic means; (d) by mail to all members eligible to cast a ballot; or (e) a combination of some or all of the above methods</p>	2.7	<p>Distribution of Ballots. In accordance with the determination made by Rule 2.6, the Board of Directors shall, not less than sixty (60) days prior to the Annual General Meeting, determine the method by which ballots for the election of Directors, Special Resolution or any other matter to be voted on outside of a meeting may be distributed:</p> <p>(a) to members by request in accordance with Rules 9.16 and 13.3; (b) to members by making ballots available in branch offices; (c) by Electronic means; (d) by mail to all members eligible to cast a ballot; or (e) a combination of some or all of the above methods.</p>	Non-material change to provide clarity with respect to voting methods outside of a meeting and align with Rule 2.6 above.
2.8	<p>Multiple Ballots. If a member casts more than one ballot in their individual capacity or more than one ballot in their representative capacity, in a Director's election or Special Resolution vote, in each case all such ballots cast by the member will be void and none of them will be counted in the tally of ballots.</p>	2.8	<p>Multiple Ballots. If a member casts more than one ballot in the member's individual capacity or more than one ballot in the member's representative capacity, in a Director's election, Special Resolution vote, any matter being considered at a general meeting or on any other matter in each case all such ballots cast by the member will be void and none of them will be counted in the tally of ballots.</p>	Non-material change to provide further clarity.

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
9.20	<p>Supervision of Vote. The Returning Officer shall supervise the election of Directors and:</p> <p>(a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration, in the form prescribed by the Nominations Committee, that the member has not previously cast a ballot in the election then in progress signed by the member;</p> <p>(b) shall obtain all ballots and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be made in a manner that ensures the secrecy of the balloting;</p> <p>(c) notwithstanding anything herein contained, the final decision in determining whether a ballot is to be accepted or rejected shall be made prior to the tallying of votes by the Returning Officer, whose discretion is absolute and not open to question or review.</p>		<p>Supervision of Vote. The Returning Officer shall supervise the tabulation of all the votes in an election of Directors and on a Special Resolution, and:</p> <p>(a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration, in the form prescribed by the Board of Directors, that the member has not previously cast a ballot in the election or on the Special Resolution vote then in progress signed by the member;</p>	<p>Rule moved and combined to provide clarity and prevent duplication.</p> <p>Non-material changes to provide clarity.</p>
13.5	<p>Supervision of Vote. The Returning Officer shall supervise the voting on a Special Resolution and:</p> <p>(a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration, in a form prescribed by the Board of Directors, and signed by the member declaring that the member has not previously cast a ballot on the Special Resolution vote then in progress;</p> <p>(b) shall obtain all ballots, and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be conducted in such manner so as to ensure the secrecy of the balloting;</p> <p>(c) notwithstanding anything contained herein, the final decision in determining whether a ballot is to be accepted or rejected shall be made prior to the tallying of votes by the Returning Officer, whose discretion is absolute and not open to question or review.</p>	2.10	<p>(b) shall obtain all ballots and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be made in a manner that ensures the secrecy of the balloting;</p> <p>(c) notwithstanding anything herein contained, the final decision in determining whether a ballot is to be accepted or rejected shall be made prior to the tallying of votes by the Returning Officer, whose discretion is absolute and not open to question or review.</p>	
9.18	<p>Lost or Destroyed Ballot. If a member who is eligible to vote in the election, does not receive a ballot pursuant to Rule 9.16(g), or loses or destroys the ballot before it is cast, then upon receipt prior to the close of voting of a declaration, in the form prescribed by the Nominations Committee, from that member that the ballot was not received, or has been lost or destroyed, and that the member has not cast a ballot in the election and signed by that member, the Credit Union shall make available to that member a replacement ballot and any other information to be provided pursuant to Rule 9.16.</p>	2.11	<p>Lost or Destroyed Ballot. If a member who is eligible to vote in a director's election or on a Special Resolution, does not receive a ballot pursuant to Rule 9.16(g) or Rule 13.3(f), or loses or destroys the ballot before it is cast, then upon receipt of a declaration, in a form prescribed by the Board of Directors and signed by that member, prior to the close of voting that the ballot was not received, or has been lost or destroyed, and that the member has not cast a ballot in the election or on the Special Resolution, the Credit Union shall make available to that member a replacement ballot and any other information to be provided pursuant to Rule 9.16 and Rule 13.3.</p>	<p>Rule moved and combined for clarity and to avoid duplication.</p> <p>Rule references updated.</p>
13.4	<p>Lost or Destroyed Ballot. If a member, eligible to vote on the Special Resolution, does not receive a ballot pursuant to Rule 13.3(f), or loses or destroys the ballot before it is cast, then upon receipt of a declaration, in a form prescribed by the Board of Directors, and signed by that member prior to the closing of voting that the ballot was not received, or has been lost or destroyed, and the member has not cast a ballot on the Special Resolution, the Credit Union shall make available to that member a replacement ballot and any other information to be provided pursuant to Rule 13.3.</p>			
5.1	<p>Directors Shall Determine Terms of Loans. Subject to the <i>Credit Union Incorporation Act</i> and the <i>Financial Institutions Act</i>, the Board of Directors shall determine the terms and conditions of loans including, but not limited to, interest, other charges, term, repayment, security and approval and may, by resolution, delegate the power to make loans and such determination.</p>	5.1	<p>Directors Shall Determine Terms of Loans. Subject to applicable Legislation, the Board of Directors shall determine the terms and conditions of loans including, but not limited to, interest, other charges, term, repayment, security and approval and may, by resolution, delegate the power to make loans and such determination.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation in (a) above.</p>
5.2	<p>Directors May Borrow. Subject to the <i>Credit Union Incorporation Act</i> and the <i>Financial Institutions Act</i>, the Board of Directors may raise and borrow money for the purpose of the Credit Union upon such terms and conditions as to interest, terms, repayment and security as they determine by resolution.</p>	5.2	<p>Directors May Borrow. Subject to applicable Legislation, the Board of Directors may raise and borrow money for the purpose of the Credit Union upon such terms and conditions as to interest, terms, repayment and security as they determine by resolution.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation in (a) above.</p>

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
6.3	<p>Term Limits. Subject to Rules 6.5 and 8.4:</p> <p>(a) Other than First Directors, a Director of the Credit Union is eligible to serve a maximum of four (4) three-year terms, whether the terms are served consecutively or intermittently;</p> <p>(b) First Directors are eligible to serve an aggregate maximum of twelve (12) years, inclusive of any director terms served at either Pre-Amalgamation Predecessor</p> <p>(c) A Director who has served four (4) three-year terms, or, in the case of a First Director, a Director whose previous terms of service with the Credit Union (including its pre-amalgamation predecessors) when combined with another three-year Director term would result in exceeding the twelve (12) total years described in (b) above, shall not be eligible to be nominated for re-election at the Annual General Meeting coinciding with the expiry of such Director's most recent term of office;</p> <p>(d) Partial terms held to fill a vacancy shall not be counted towards a Director's term; and</p> <p>(e) The restriction in paragraphs (a), (b) and (c) of this Rule 6.3 is a lifetime limit and shall apply to all current and future Directors.</p>	6.3	<p>Term Limits. Subject to Rules 6.5 and 8.4:</p> <p>(a) Other than First Directors, a- Director of the Credit Union is eligible to serve a maximum of four (4) three-year terms, whether the terms are served consecutively or intermittently, inclusive of any director terms served at any Pre-Amalgamation Predecessor;</p> <p>(b) First Directors are eligible to serve an aggregate maximum of twelve (12) years, inclusive of any director terms served at either Pre-Amalgamation Predecessor;</p> <p>(c) A Director who has served four (4) three-year terms, or, a Director (including a First Director) whose previous terms of service with the Credit Union (including its Pre-amalgamation Predecessors) when combined with another three-year Director term would result in exceeding the twelve (12) total years described in (a) and (b) above, shall not be eligible to be nominated for re-election at the Annual General Meeting coinciding with the expiry of such Director's most recent term of office;</p> <p>(d) Partial terms held to fill a vacancy shall not be counted towards a Director's term; and</p> <p>(e) The restriction in paragraphs (a), (b) and (c) of this Rule 6.3 is a lifetime limit and shall apply to all current and future Directors.</p>	Amendment to clarify that the 12 year term limit applies to former directors of all pre-amalgamation predecessor credit unions. This supports Board renewal.
6.4	<p>Varying Terms. Where the offices of Directors being filled at any election are for different term lengths, the term of each person elected shall be determined in proportion to the number of votes received by the person, with the person receiving the greatest number of votes to hold office for the longest term, provided that if there are two (2) or more persons who receive an equal number of votes, the candidate for Director who has been recommended by the Nominations Committee shall hold office for the longest term, if both or neither candidate has been recommended by the Nominations Committee, than their term of office shall be determined by the Returning Officer by random draw, and if there is an election by acclamation the respective terms of the persons so elected shall be determined by random draw by the Nominations Committee.</p>	6.4	<p>Varying Terms. Where the offices of Directors being filled at any election are for different term lengths, the term of each person elected shall be determined in proportion to the number of votes received by the person, with the person receiving the greatest number of votes to hold office for the longest term, provided that if there are two (2) or more persons who receive an equal number of votes, the Candidate for Director who has been recommended by the Nominations Committee shall hold office for the longest term, if both or neither Candidate has been recommended by the Nominations Committee, then the Candidate's term of office shall be determined by the Returning Officer by random draw, and if there is an election by acclamation the respective terms of the persons so elected shall be determined by random draw by the Nominations Committee.</p>	Administrative amendments to provide clarity.
6.6	<p>Number of Directors After Asset Purchase</p> <p>(a) Notwithstanding anything else contained in this Rule 6, if the Credit Union completes an agreement for the purpose of purchasing all or substantially all of the assets or all of the shares of another credit union, the Board of Directors may by resolution appoint such additional Directors, who are eligible to serve as Directors under Rule 8.2, as the Board of Directors shall determine, at their sole discretion, and may designate the length of their terms of office, but the total number of Directors following such appointment shall not in any event exceed fifteen (15), and the term of office of any such additional Director shall not continue beyond the close of the third Annual General Meeting following such appointment.</p> <p>(b) Where the term of a Director appointed pursuant to this Rule 6.6 has expired or where such position becomes vacant prior to the termination of the term, no vacancy shall be deemed to exist and, for greater certainty, no person shall be appointed or elected pursuant to Rule 6.5 to fill any unexpired portion of the term of a Director appointed pursuant to this Rule 6.6, and Rule 6.2 shall not apply to any person appointed pursuant to this Rule 6.6 but a person so appointed whose term has expired shall be eligible for election for any other vacancy for which an election is to be held.</p>	6.6	<p>Number of Directors After Asset Purchase</p> <p>(a) Notwithstanding anything else contained in this Rule 6, if the Credit Union completes an agreement for the purpose of purchasing all or substantially all of the assets or all of the shares of another credit union in accordance with applicable Legislation, the Board of Directors may by resolution appoint such additional Directors, who are eligible to serve as Directors under Rule 8.2, as the Board of Directors shall determine, at their sole discretion, and may designate the length of their terms of office of each additional Director, but the total number of Directors following such appointment shall not in any event exceed fifteen (15), and the term of office of any such additional Director shall not continue beyond the close of the third Annual General Meeting following such appointment.</p> <p>(b) Where the term of a Director appointed pursuant to this Rule 6.6 has expired or where such position becomes vacant prior to the termination of the term, no vacancy shall be deemed to exist and, for greater certainty, no person shall be appointed or elected pursuant to Rule 6.5 to fill any unexpired portion of the term of a Director appointed pursuant to this Rule 6.6, and Rule 6.2 shall not apply to any person appointed pursuant to this Rule 6.6 but a person so appointed whose term has expired shall be eligible for election for any other vacancy for which an election is to be held.</p>	Non-material change to utilize the newly proposed definition of Legislation in (a) above and providing more inclusive language.

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
6.7	<p>Removal of Director. A person may be removed as a Director by resolution passed by not less than two-thirds ($\frac{2}{3}$) of the remaining Directors if that Director:</p> <p>(a) has failed, without being excused by the Chair (or, in the case of the Chair, the Vice Chair), to attend (i) three (3) consecutive meetings of the Board of Directors, (ii) three consecutive regular meetings of any Board Committee to which the Director is a member, or (iii) more than a total of four (4) meetings of the Board and any Board Committee to which the Director has been appointed or elected in any given financial year; or</p> <p>(b) has breached the policies concerning Conflict of Interest or the Code of Conduct and Ethics for Directors; or</p> <p>(c) has breached the confidentiality of any proceedings, deliberations, or information of the Board of Directors; or</p> <p>(d) has failed to uphold or maintain the standards for Directors set out in the Performance Standards,</p> <p>as determined by the remaining Directors in accordance with the Governance Policy. 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 submissions at the meeting prior to the Directors voting on the resolution for the Director's removal. Once such submissions are made the decision of the Board is final and binding.</p>	6.7	<p>Removal of Director. A person may be removed as a Director by resolution passed by not less than two-thirds ($\frac{2}{3}$) of the remaining Directors if that Director:</p> <p>(a) has failed, without being excused by the Chair (or, in the case of the Chair, the Vice Chair), to attend (i) three (3) consecutive meetings of the Board of Directors, (ii) three consecutive regular meetings of any Board Committee to which the Director is a member, or (iii) more than a total of four (4) meetings of the Board and any Board Committee to which the Director has been appointed or elected in any given financial year; or</p> <p>(b) has breached the policies concerning Conflict of Interest, Confidentiality or the Code of Conduct and Ethics for Directors or any such other codes and policies as such Director may become subject to as a Director of the Credit Union from time to time; or</p> <p>(c) has breached the confidentiality of any proceedings, deliberations, or information of the Board of Directors; or</p> <p>(d) has failed to uphold or maintain the standards for Directors set out in the Performance Standards,</p> <p>as determined by the remaining Directors in accordance with the policies and procedures relating to director conduct and review established by the respective Board Committee and Board. 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 submissions at the meeting prior to the Directors voting on the resolution for the Director's removal. Once such submissions are made the decision of the Board is final and binding.</p>	Non-material changes to broaden scope and ensure all policies with respect to director conduct are captured.
6.8	<p>Director Remuneration. The maximum annual aggregate compensation that is available for the remuneration of Directors is \$500,000. The Board has the discretion to determine compensation and, in the case of Directors serving in additional capacities (committees, chair, etc.), allocation to individual Directors within the approved maximum annual aggregate compensation limit. Any adjustment to the maximum annual aggregate compensation amount for Directors shall be subject to the approval of members in accordance with the Financial Institutions Act.</p>	6.8	<p>Director Remuneration. The maximum annual aggregate compensation that is available for the remuneration of Directors is \$500,000. The Board has the discretion to determine compensation and, in the case of Directors serving in additional capacities (committees, chair, etc.), allocation to individual Directors within the approved maximum annual aggregate compensation limit. Any adjustment to the maximum annual aggregate compensation amount for Directors shall be subject to the approval of members in accordance with applicable Legislation and shall be in effect until a further adjustment is approved by members in accordance with applicable Legislation.</p>	Non-material change to utilize the newly proposed definition of Legislation and provide clarity.
7.4	<p>Notice of Meetings. Notice of the day, time and place of a meeting of the Board of Directors shall be given to each Director at the last address left by the Director for that purpose by personal delivery, mail or Electronic means, not less than three (3) days before the meeting, provided that notice to a Director may be waived by that Director. Attendance at a meeting shall be deemed to be a waiver of such notice. Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by any Director shall not invalidate the proceedings at that meeting.</p>	7.4	<p>Notice of Meetings. Notice of the day, time and location (whether in-person or by virtual means) of a meeting of the Board of Directors shall be given to each Director at the last address left by the Director for that purpose by personal delivery, mail or Electronic means, not less than three (3) days before the meeting, provided that notice to a Director may be waived by that Director. Attendance at a meeting (whether in-person or by virtual means) shall be deemed to be a waiver of such notice. Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by any Director shall not invalidate the proceedings at that meeting.</p>	Amendments to accommodate both in-person and virtual meetings.
7.7	<p>Duties of Chair and Vice Chair. If the Chair is absent or is unable for any reason to act, or if the office of the Chair becomes vacant, the Vice Chair, or in their absence another member of the Board appointed by the Board of Directors shall assume and discharge the duties and responsibilities of the Chair at the meeting in question.</p>	7.7	<p>Duties of Chair and Vice Chair. If the Chair is absent or is unable for any reason to act, or if the office of the Chair becomes vacant, the Vice Chair, or in the absence of the Vice Chair another member of the Board appointed by the Board of Directors shall assume and discharge the duties and responsibilities of the Chair at the meeting in question.</p>	Non-material change to provide for inclusive language.

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
7.9	<p>Appointment of Committees. Subject to the Credit Union Incorporation Act and Financial Institutions Act, the Board of Directors:</p> <p>(a) shall, by resolution, elect or appoint Board Committees as required by the Financial Institutions Act consisting of such of the Directors and not fewer than three (3), as the Board of Directors thinks fit;</p> <p>(b) may, by resolution, appoint one (1) or more other Board Committees consisting of such of the Directors and not fewer than three (3), as the Board of Directors thinks fit; and</p> <p>(c) may, by resolution, delegate to any such Board Committee the powers of the Board of Directors and may from time to time revoke such delegation, but shall not delegate the following powers:</p> <p style="padding-left: 40px;">(i) power to fill vacancies in the Board of Directors;</p> <p style="padding-left: 40px;">(ii) the power to change the membership or fill vacancies in any Board Committee appointed by the Board of Directors; and</p> <p style="padding-left: 40px;">(iii) the power to appoint or to remove officers appointed by the Board of Directors, or the power to declare dividends.</p>	7.9	<p>Appointment of Committees. Subject to applicable Legislation, the Board of Directors:</p> <p>(a) shall, by resolution, elect or appoint such Board Committees as required by applicable Legislation consisting of such number of Directors as the Board thinks fit;</p> <p>(b) may, by resolution, appoint one (1) or more other Board Committees consisting of such number of the Directors as the Board thinks fit; and</p> <p>(c) may, by resolution, delegate to any such Board Committee the powers of the Board of Directors and may from time to time revoke such delegation, but shall not delegate the following powers:</p> <p style="padding-left: 40px;">(i) power to fill vacancies in the Board of Directors;</p> <p style="padding-left: 40px;">(ii) the power to change the membership or fill vacancies in any Board Committee appointed by the Board of Directors; and</p> <p style="padding-left: 40px;">(iii) the power to appoint or to remove officers appointed by the Board of Directors, or the power to declare dividends.</p>	Non-material change to utilize the newly proposed definition of Legislation in (a) above and further administrative amendments to provide clarity.
7.10	<p>Terms of Reference. Any Board Committee elected or appointed pursuant to Rule 7.9 shall:</p> <p>(a) conform to any regulations that may from time to time be imposed upon it by the Board of Directors; and</p> <p>(b) keep regular minutes of their meetings and cause them to be recorded in books kept for that purpose.</p>	7.10	<p>Terms of Reference. Any Board Committee elected or appointed pursuant to Rule 7.9 shall conform to any regulations, including applicable Legislation, that may from time to time be imposed upon it by the Board of Directors.</p>	Non-material change to clarify procedure.
7.12	<p>Committee Proceedings. Unless otherwise determined by the Board of Directors, the members of a Board Committee may meet and adjourn as they think proper and questions arising at the meeting of a Board Committee shall be decided by a majority of votes and the chair of the Board Committee appointed in accordance with the Governance Policy shall not vote except in the event of an equality of votes.</p>	7.12	<p>Committee Proceedings. Unless otherwise determined by the Board of Directors, the members of a Board Committee may meet and adjourn as they think proper and questions arising at the meeting of a Board Committee shall be decided by a majority of votes and the chair of the Board Committee appointed in accordance with Board approved policies shall not vote except in the event of an equality of votes.</p>	Accommodate the removal of the definition of Governance policy and broaden scope to include all relevant Board approved policies.
7.15	<p>Meetings by Telecommunications. If a majority of the Directors present at or participating in a meeting consent, a meeting of Directors or a Board Committee of Directors may be held by means of Electronic or other communications facilities that allow all Directors participating in the meeting to communicate with each other during the meeting, and a Director who participates in the meeting by those means shall be deemed to have so consented and to be present at the meeting and shall be counted in the quorum therefore and entitled to speak and vote thereat using those means. A meeting held under this Rule 7.15 shall be deemed to be held at the place where the records office of the Credit Union is located.</p>	7.15	<p>Meetings by Telecommunications. A meeting of the Board of Directors or a Board Committee may be held by means of Electronic or other communications facilities that allow all Directors participating in the meeting to communicate with each other during the meeting, and a Director who participates in the meeting by those means shall be deemed to be present at the meeting and shall be counted in the quorum therefore and entitled to speak and vote thereat using those means. A meeting held under this Rule 7.15 shall be deemed to be held at the place where the records office of the Credit Union is located.</p>	Non-material change to provide clarity.
8.1	<p>Eligibility for Election/Appointment as a Director. Each person, other than a Junior Member or a person disqualified by Rule 8.2, who:</p> <p>(a) has been a Member in Good Standing of the Credit Union, or who is at the time a Member in Good Standing of the Credit Union and has been a member of another credit union of which all or substantially all of the assets or all of the shares of which have been purchased by the Credit Union, for at least ninety (90) days immediately before, in the case of a Directors election, the date of the Annual General Meeting at which the member is to be elected, or, in the case of filling a vacancy, the date the vacancy occurred; and</p> <p>(b) is not more than ninety (90) days delinquent in any obligation to the Credit Union,</p> <p>is eligible to be a Director.</p>	8.1	<p>Eligibility for Election/Appointment as a Director. Each person, other than a Junior Member or a person disqualified by Rule 8.2, who:</p> <p>(a) has been a Member in Good Standing of the Credit Union, or who is at the time a Member in Good Standing of the Credit Union and has been a member of another credit union of which all or substantially all of the assets of which have been purchased by the Credit Union, for at least ninety (90) days immediately before, in the case of a Directors election, the date of the Annual General Meeting at which the member is to be elected, or, in the case of filling a vacancy, the date the member is appointed to fill the vacancy; and</p> <p>(b) is not more than ninety (90) days delinquent in any obligation to the Credit Union,</p> <p>is eligible to be a Director.</p>	Amendment to the eligibility requirements for the appointment of directors when a vacancy occurs.

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
8.2	<p>Disqualification of Candidates and/or Board Members. A person is not eligible to be elected or appointed to the office of Director and, if holding the office of Director, shall immediately vacate the office, if such person:</p> <p>(a) is a person disqualified from becoming or acting as a Director, pursuant to the Business Corporations Act, the Credit Union Incorporation Act or the Financial Institutions Act; or</p> <p>(b) is not, or ceases to be, eligible to be insured as required under the Financial Institutions Act;</p> <p>(c) is, or any member of their Immediate Family is, an employee of the Credit Union Deposit Insurance Corporation of British Columbia, an auditor of a credit union or any person holding Political Office, who in the course of their duties in Political Office, has a direct or indirect influence over the affairs of the credit union industry;</p> <p>(d) is an employee of the Credit Union, a subsidiary of the Credit Union or an affiliated corporation of the Credit Union in which the Credit Union holds shares or a person who is a member of the Immediate Family of such an employee;</p> <p>(e) a person who is a member of the Immediate Family of a person who is a candidate or is an incumbent Director who would be on the Board at the same time as that person if that person was elected;</p>	8.2	<p>Disqualification of Candidates and/or Board Members. A person is not eligible to be elected or appointed to the office of Director and, if holding the office of Director, shall immediately vacate the office, if such person:</p> <p>(a) is a person disqualified from becoming or acting as a Director, pursuant to applicable Legislation; or</p> <p>(b) is not, or ceases to be, eligible to be insured as required under applicable Legislation;</p> <p>(c) is, or any member of the Immediate Family of such person is, an employee of the Credit Union Deposit Insurance Corporation of British Columbia, an auditor of a credit union or any person holding Political Office, who in the course of such person's duties in Political Office, has a direct or indirect influence over the affairs of the credit union industry;</p> <p>(d) is an employee of the Credit Union, a subsidiary of the Credit Union or an affiliated corporation of the Credit Union in which the Credit Union holds shares or a person who is a member of the Immediate Family of such an employee;</p> <p>(e) a person who is a member of the Immediate Family of a person who is a Candidate or is an incumbent Director who would be on the Board at the same time as that person if that person was elected;</p>	Non-material change to utilize the newly proposed definition of Legislation - definition (a); and to provide for inclusive language.
8.2 Cont.	<p>(f) a person who has received from the Credit Union or any of its subsidiaries, or a person who was, or is a director or officer of a corporation, or a shareholder of a corporation controlled by that person, which has received from the Credit Union or any of its subsidiaries, payments for services of more than \$10,000 during the one-year period prior to the date for the close of nominations determined in accordance with Rule 9.2 other than payment received as remuneration for the person acting in the capacity of Director of the Credit Union, or a person who is a member of the Immediate Family of such a person;</p> <p>(g) has been an employee of the Credit Union (including its Pre-amalgamation Predecessors), a subsidiary of the Credit Union (including its Pre-amalgamation Predecessors) or an affiliated corporation in which the Credit Union holds shares at any time during the seven (7) year period immediately before such member's election or appointment, or has been an employee or director of a credit union duly registered to carry on business in the Province of British Columbia, a subsidiary of such credit union or an affiliated corporation in which the Credit Union holds shares at any time during the seven (7) year period immediately before such member's election or appointment;</p> <p>(h) has ever been in default under any obligation to the Credit Union (including its Pre-amalgamation Predecessors) and has failed to pay the debt in full together with accrued interest;</p>	8.2 Cont.	<p>(f) a person who has received from the Credit Union or any of its subsidiaries, or a person who was, or is a director or officer of a corporation, or a shareholder of a corporation controlled by that person, which has received from the Credit Union or any of its subsidiaries, payments for services of more than \$10,000 during the one-year period prior to the date for the close of nominations determined in accordance with Rule 9.2 other than payment received as remuneration for the person acting in the capacity of Director of the Credit Union, or a person who is a member of the Immediate Family of such a person;</p> <p>(g) has been an employee of the Credit Union (including its Pre-amalgamation Predecessors), or a subsidiary of the Credit Union (including its Pre-amalgamation Predecessors) at any time during the seven (7) year period immediately before such member's election or appointment;</p> <p>(h) has been an employee or director of a credit union duly registered to carry on business in the Province of British Columbia, a subsidiary of such credit union or an affiliated corporation in which the Credit Union holds shares at any time during the two (2) year period immediately before such member's election or appointment;</p> <p>(i) has ever been in default under any obligation to the Credit Union (including its Pre-amalgamation Predecessors) and has failed to pay the debt in full together with accrued interest;</p>	<p>(h) Amendment to change the "cooling off" period for persons who were former employee's and director's of other credit unions from 7 years to 2 years. Therefore, these persons would be eligible to serve as a director of Prospera after 2 years has passed from the date they ceased their position at the other credit union. The current 7 year "cooling off" period has proven to be quite stringent and excludes highly suitable candidates from becoming members of the Board in a timely manner.</p> <p>There is no change being proposed to the 7 year "cooling off" period for former employees of Prospera as described in (g).</p>

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
8.2 Cont.	<p>(i) is a director, officer, agent, or employee, or the Immediate Family of a director, officer, agent or employee of a credit union (except a person who is a director or officer of a Central Credit Union), bank, trust company, savings and loan association, loan company, leasing company or any other firm, association, syndicate, company, corporation or other business enterprise engaged in or concerned with or interested in any business or any part thereof from time to time carried on by the Credit Union or by any of its subsidiaries, except where the Board of Directors determines, by resolution, that this Rule 8.2(i) shall not apply to such person;</p> <p>(j) while holding office as a Director, or while being a Candidate, has been more than ninety (90) days delinquent in any obligation to the Credit Union</p> <p>(k) being a Director, fails to complete the director training program, if any, required by the Credit Union Incorporation Act within the period specified under the Credit Union Incorporation Act;</p> <p>(l) while holding office as a Director, or while being a candidate in a directors election, ceases to hold the number of membership shares required by these Rules;</p> <p>(m) while holding office as a Director, runs for Political Office;</p> <p>(n) was previously removed at any time from the position of Director of the Credit Union (including its Pre-amalgamation Predecessors) by the Board of Directors in accordance with Rule 6.7;</p> <p>(o) was disqualified as a Candidate in any previous Directors election for not complying with these Rules or the Election Guidelines;</p>	8.2 Cont.	<p>(j) is a director, officer, agent, or employee, or the Immediate Family of a director, officer, agent or employee of a credit union (except a person who is a director or officer of a Central Credit Union), bank, trust company, savings and loan association, loan company, leasing company or any other firm, association, syndicate, company, corporation or other business enterprise engaged in or concerned with or interested in any business or any part thereof from time to time carried on by the Credit Union or by any of its subsidiaries, except where the Board of Directors determines, by resolution, that this Rule 8.2(j) shall not apply to such person;</p> <p>(k) while holding office as a Director, or while being a Candidate, has been more than ninety (90) days delinquent in any obligation to the Credit Union;</p> <p>(l) being a Director, fails to complete the director training program, if any, required by applicable Legislation within the period specified under the applicable Legislation;</p> <p>(m) while holding office as a Director, or while being a Candidate in a directors election, ceases to hold the number of membership shares required by these Rules;</p> <p>(n) while holding office as a Director, runs for Political Office;</p> <p>(o) was previously removed at any time from the position of Director of the Credit Union (including its Pre-amalgamation Predecessors) by the Board of Directors in accordance with Rule 6.7;</p> <p>(p) was disqualified as a Candidate in any previous Directors election for not complying with these Rules or the Election Guidelines;</p>	Amendment for clarity.
8.2 Cont.	<p>(p) has breached these Rules or the Election Guidelines when the Director was a candidate for election as a Director; or</p> <p>(q) has exceeded the term limits described in Rule 6.3.</p>	8.2 Cont.	<p>(q) has breached these Rules or the Election Guidelines when the Director was a Candidate for election as a Director; or</p> <p>(r) has exceeded the term limits described in Rule 6.3.</p>	
8.3	<p>Statement of Disclosure. Every nominee for election or appointment as a Director shall file with the Nominations Committee, if for election, or with the Board of Directors, if for appointment, in forms prescribed by the Board of Directors:</p> <p>(a) the declaration as set out in Rule 9.7; and</p> <p>(b) a statement of all known conflicts of interest between the nominee and the Credit Union.</p> <p>The declaration and statement shall not excuse the nominee, if elected or appointed, from compliance with the Credit Union Incorporation Act, the Financial Institutions Act, and the Business Corporations Act, Credit Union policies and these Rules.</p>	8.3	<p>Statement of Disclosure. Every nominee for election or appointment as a Director shall file with the Nominations Committee, if for election, or with the Board of Directors, if for appointment, in forms prescribed by the Board of Directors:</p> <p>(a) the declaration as set out in Rule 9.7; and</p> <p>(b) a statement of all known conflicts of interest between the nominee and the Credit Union.</p> <p>The declaration and statement shall not excuse the nominee, if elected or appointed, from compliance with applicable Legislation, Credit Union policies and these Rules.</p>	Non-material change to utilize the newly proposed definition of Legislation - definition (a).
9.1	<p>Appointment of Nominations Committee. Not later than forty-five (45) days following each Annual General Meeting, the Board of Directors shall appoint a Nominations Committee of not less than three (3) Directors provided that no Director whose term of office expires at the next Annual General Meeting following the appointment of the committee may serve as a member of the committee.</p>	9.1	<p>Appointment of Nominations Committee. Not later than forty-five (45) days following each Annual General Meeting, the Board of Directors shall appoint a Nominations Committee provided that no Director whose term of office expires at the next Annual General Meeting following the appointment of the committee may serve as a member of the committee.</p>	Amendment to delete reference to minimum number of directors required. This is provided for in legislation. This ensures the Rules are in compliance should there be any changes to legislation.

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
9.2	<p>Call for Nominations. At least ninety (90) days before an Annual General Meeting, the Nominations Committee shall:</p> <p>(a) notify members of the Credit Union that an election of Directors is to take place, specifying the number of positions known at that time that are required to be filled and the candidate criteria required;</p> <p>(b) notify members of the Credit Union of the date on which a member must be a Member in Good Standing to be eligible for nomination for the position of Director;</p> <p>(c) invite members to submit to the Nominations Committee in such form or forms the Nominations Committee shall from time to time prescribe for that purpose, the names of proposed candidates prior to the date specified in the notice, which date shall not be less than thirty (30) days from the date of the notice;</p> <p>(d) advise members that, for purposes of being eligible to nominate a member and to be eligible to vote in an election of Directors, a member, other than a Junior Member, must be a Member in Good Standing on the Voting Record Date established in accordance with Rule 2.2; and</p> <p>(e) provide to members such information as the Nominations Committee determines with respect to the role and responsibilities of the Board of Directors and individual Directors, and guidelines and qualifications for candidates for the position of Director.</p>	9.2	<p>Call for Nominations. At least ninety (90) days before an Annual General Meeting, the Nominations Committee shall:</p> <p>(a) notify members of the Credit Union that an election of Directors is to take place, specifying the number of positions known at that time that are required to be filled and the Candidate criteria required;</p> <p>(b) notify members of the Credit Union of the date on which a member must be a Member in Good Standing to be eligible for nomination for the position of Director;</p> <p>(c) invite members to submit to the Nominations Committee in such form or forms the Nominations Committee shall from time to time prescribe for that purpose, the names of proposed Candidates prior to the date specified in the notice, which date shall not be less than thirty (30) days from the date of the notice;</p> <p>(d) advise members that, for purposes of being eligible to vote in an election of Directors, a member, other than a Junior Member, must be a Member in Good Standing on the Voting Record Date established in accordance with Rule 2.2; and</p> <p>(e) provide to members such information as the Nominations Committee determines with respect to the role and responsibilities of the Board of Directors and individual Directors, and guidelines and qualifications for Candidates for the position of Director.</p>	Administrative amendments for clarity.
9.3	<p>Number of Nominations Required. Candidates for Director must be nominated either by the Nominations Committee or in writing by three (3) Members in Good Standing as at the date stated in the Call for Nominations, and of the age of majority. No member, other than a member of the Nominations Committee, may nominate more than one (1) candidate in respect of an election of Directors</p>	9.3	<p>Nominations Required. Candidates for Director must be nominated in accordance with the nomination application as approved by the Nominations Committee</p>	Amendment to remove the need for potential director candidate to obtain nomination by three members in good standing. This proposed amendment provides for the equal treatment of all members by ensuring that skilled members are not deterred from seeking a Board position, nor does it exclude members who may be unable to locate three Prospera members to nominate them. Potential candidates will still be required to submit a nominations application as required by the Governance and Nominations Committee.
9.5	<p>Rejection of Nomination. If at least two-thirds ($\frac{2}{3}$) of the Nominations Committee resolved that a member's nomination information is in any material respect false, incomplete or misleading, or that the candidacy is frivolous, vexatious or for the purpose of harming the Credit Union or is not in accordance with these Rules, the Nominations Committee may reject the member as a candidate for Director. The Nominations Committee will notify the Nominee of the rejection and provide its reasons in writing, within a reasonable amount of time following its decision, and such written notice shall be delivered to the Nominee by Electronic means and if such method was not provided by the Nominee the written notice shall be delivered to the Nominee by mail, and the decision made by the Nominations Committee will be final and binding.</p>	9.5	<p>Rejection of Nomination. If at least two-thirds ($\frac{2}{3}$) of the Nominations Committee resolved that a member's nomination application is in any material respect false, incomplete or misleading, or that the candidacy is frivolous, vexatious or for the purpose of harming the Credit Union or is not in accordance with these Rules, the Nominations Committee may reject the member as a Candidate for Director. The Nominations Committee will notify the Nominee of the rejection and provide its reasons in writing, within a reasonable amount of time following its decision, and such written notice shall be delivered to the Nominee by Electronic means and if such method was not provided by the Nominee the written notice shall be delivered to the Nominee by mail, and the decision made by the Nominations Committee will be final and binding.</p>	Administrative amendment to align language to the amendments proposed in Rule 9.3.
9.6	<p>Candidate Interview. Before the name of a member is placed in nomination as a candidate for election as a Director the Nominations Committee may require that member to attend an interview with the Nominations Committee at the time and place specified by the Nominations Committee. If an individual is not able to attend an interview due to extenuating circumstances, the Nominations Committee may waive the applicable attendance requirement. The Nominations Committee may waive this attendance requirement for any member who is then currently serving on the Board of Directors.</p>	9.6	<p>Candidate Interview. Before the name of a member is placed in nomination as a Candidate for election as a Director the Nominations Committee may require that member to attend an interview with the Nominations Committee at the time and place specified by the Nominations Committee.</p>	Non-material amendment to provide clarity. A potential director candidate still has the right to stand for election regardless of whether they were interviewed by the Nominations Committee.

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
9.7	<p>Declaration of Candidate Required. Before the name of a person is placed in nomination as a Candidate, that person shall deliver to the Nominations Committee a declaration, in writing, stating that the member is willing:</p> <p>(a) to stand for election, and if elected or appointed, to serve as a Director;</p> <p>(b) to observe the provisions of applicable law, including, but not limited to, the Credit Union Incorporation Act, the Financial Institutions Act, the Business Corporations Act and the Securities Act of British Columbia, as applicable;</p> <p>(c) to comply with the policies concerning Conflict of Interest and the Code of Conduct and Ethics, each as adopted by the Board of Directors from time to time; and</p> <p>(d) to observe these Rules and the procedures relating to the election and conduct of Directors contained herein,</p> <p>and that the person meets the criteria to serve as a director for which he or she has been proposed as set out in the notice issued by the Nominations Committee and that the member is not disqualified under Rule 8.2.</p>	9.7	<p>Declaration of Candidate Required. Before the name of a person is placed in nomination as a Candidate, that person shall deliver to the Nominations Committee a declaration, in writing, stating that the member is willing:</p> <p>(a) to stand for election, and if elected or appointed, to serve as a Director and observe the Performance Standards;</p> <p>(b) to observe the provisions of applicable Legislation</p> <p>(c) to comply with the policies concerning Conflict of Interest, Confidentiality and the Code of Conduct and Ethics, or any such other codes and policies as that Director may become subject to as a Director of the Credit Union from time to time;</p> <p>(d) to observe these Rules and the procedures relating to the election and conduct of Directors contained herein,</p> <p>and that the person meets the criteria to serve as a director for which such person proposed as set out in the notice issued by the Nominations Committee and that the member is not disqualified under Rule 8.2.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a).</p> <p>Broaden scope to include all relevant Board approved policies.</p>
9.8	<p>Acceptance of Nominations. The Nominations Committee shall examine each nomination received and determine whether the nomination complies with the Financial Institutions Act and these Rules, and shall accept each nomination of a member qualified to be a candidate whose nomination complies with the Financial Institutions Act and these Rules and is otherwise in order and shall reject each nomination of a member who is not qualified to be a candidate under Rule 8.2 or whose nomination does not comply with the Financial Institutions Act or these Rules or is otherwise not in order and shall notify each nominee accordingly and shall, forthwith after the date on which nominations close:</p> <p>(a) inform each member whose nomination has been accepted of the provisions of these Rules with respect to the conduct of the election and provide to each member whose nomination has been accepted a copy of these Rules, the Election Guidelines and any determinations of the Board of Directors relating to elections and the conduct thereof, including campaign rules;</p> <p>(b) request that each member whose nomination has been accepted complete and deliver to the Nominations Committee, the personal information return required to be submitted to the Superintendent pursuant to the Financial Institutions Act in the event such member becomes a Director of the Credit Union;</p> <p>(c) place in nomination the names of all qualified Candidates nominated in accordance with these Rules, including those qualified Candidates nominated by the Nominations Committee, at least equal to the number of vacancies to be filled in the election; and</p> <p>(d) recommend any number of candidates and may communicate its recommendation to the members in such manner as it deems fit. For further clarification, the Nominations Committee is not required to recommend any Candidates to the membership.</p>	9.8	<p>Acceptance of Nominations. The Nominations Committee shall examine each nomination received and determine whether the nomination complies with applicable Legislation and these Rules, and shall accept each nomination of a member eligible to be a Candidate whose nomination complies with the applicable Legislation and these Rules and is otherwise in order and shall reject each nomination of a member who is not eligible to be a Candidate under Rule 8.2 or whose nomination does not comply with applicable Legislation or these Rules or is otherwise not in order and shall notify each nominee accordingly and shall, forthwith after the date on which nominations close:</p> <p>(a) inform each member whose nomination has been accepted of the provisions of these Rules with respect to the conduct of the election and provide to each member whose nomination has been accepted a copy of these Rules, the Election Guidelines and any determinations of the Board of Directors relating to elections and the conduct thereof, including campaign rules;</p> <p>(b) request that each member whose nomination has been accepted complete and deliver to the Nominations Committee, the personal information return required to be submitted to the Superintendent pursuant to the applicable Legislation in the event such member becomes a Director of the Credit Union;</p> <p>(c) place in nomination the names of all eligible Candidates nominated in accordance with these Rules, including those eligible Candidates nominated by the Nominations Committee, at least equal to the number of vacancies to be filled in the election; and</p> <p>(d) recommend any number of Candidates and may communicate its recommendation to the members in such manner as it deems fit. For further clarification, the Nominations Committee is not required to recommend any Candidates to the membership.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a) and administrative amendments to provide clarity.</p>
9.9	<p>Campaigning Rules. Subject to applicable laws, the Board of Directors shall from time to time determine the method and manner in which candidates shall be permitted to campaign for election and candidates shall campaign in accordance with the permitted method and manner as determined by the Board of Directors, and set out in the Election Guidelines.</p>	9.9	<p>Campaigning Rules. Subject to applicable laws, the Board of Directors shall from time to time determine the method and manner in which Candidates shall be permitted to campaign for election and Candidates shall campaign in accordance with the permitted method and manner as determined by the Board of Directors, and set out in the Election Guidelines.</p>	<p>Administrative amendments to provide clarity.</p>

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
9.10	<p>Campaigning Prohibited. Notwithstanding Rule 9.9, no candidate shall:</p> <p>(a) campaign, or permit any person to knowingly campaign in a manner prohibited by the Election Guidelines; or;</p> <p>(b) interfere with, ingress or egress to the property of the Credit Union;</p> <p>in connection with any election, except in the method and manner permitted pursuant to these Rules, the Election Guidelines and any regulations as may be determined by the Board of Directors.</p>	9.10	<p>Campaigning Prohibited. Notwithstanding Rule 9.9, no Candidate shall:</p> <p>(a) campaign, or permit any person to knowingly campaign in a manner prohibited by the Election Guidelines; or;</p> <p>(b) interfere with, ingress or egress to the property of the Credit Union;</p> <p>in connection with any election, except in the method and manner permitted pursuant to these Rules, the Election Guidelines and any regulations as may be determined by the Board of Directors.</p>	Administrative amendments to provide clarity.
9.11	<p>Campaigning Disqualification. Subject to applicable laws, a Candidate who campaigns or permits any person to campaign on his or her behalf in any method or manner which is not in compliance with these Rules, the Election Guidelines or is other than as determined by the Board of Directors shall be requested by the chair of the Nominations Committee to cease such action and to comply with the Rules and Election Guidelines. If the Candidate fails to comply immediately with the request made by the Nominations Committee, the Nominations Committee shall disqualify the Candidate and no vote cast in favour of that Candidate shall be counted in the tally of ballots, but the ballots shall not otherwise be deemed to be void. Within a reasonable amount of time following the disqualification of a Candidate by the Nominations Committee, the Nominations Committee shall deliver written notice of such disqualification to the Candidate and the notice shall specify the reason or reasons for the disqualification, and such written notice shall be delivered to the Candidate by Electronic means and if such method was not provided by the Candidate the written notice shall be delivered to the Candidate by mail. The determination of the Nominations Committee shall be final and binding.</p>	9.11	<p>Campaigning Disqualification. Subject to applicable laws, a Candidate who campaigns or permits any person to campaign on behalf of the Candidate in any method or manner which is not in compliance with these Rules, the Election Guidelines or is other than as determined by the Board of Directors shall be requested by the chair of the Nominations Committee to cease such action and to comply with the Rules and Election Guidelines. If the Candidate fails to comply immediately with the request made by the Nominations Committee, the Nominations Committee shall disqualify the Candidate and no vote cast in favour of that Candidate shall be counted in the tally of ballots, but the ballots shall not otherwise be deemed to be void. Within a reasonable amount of time following the disqualification of a Candidate by the Nominations Committee, the Nominations Committee shall deliver written notice of such disqualification to the Candidate and the notice shall specify the reason or reasons for the disqualification, and such written notice shall be delivered to the Candidate by Electronic means and if such method was not provided by the Candidate the written notice shall be delivered to the Candidate by mail. The determination of the Nominations Committee shall be final and binding.</p>	Administrative amendments to provide clarity.
9.12	<p>Conduct of Candidates. Notwithstanding Rule 9.9, no Candidate shall interfere with the election process or seek assistance in connection with the election from any employee of the Credit Union or subsidiary thereof, the Returning Officer or any person employed by the Returning Officer.</p>	9.12	<p>Conduct of Candidates. Notwithstanding Rule 9.9, no Candidate shall interfere with the election process or seek assistance in connection with the election from the Returning Officer or any person employed by the Returning Officer.</p>	Proposed amendment is to provide further clarity. The intent of this Rule is to prohibit assistance that may be a conflict or appear to influence the outcome of an election. A candidate interacting with the Returning Officer would be a conflict. The Board's practice is to engage an objective third-party as the Returning Officer.
9.13	<p>Acclamation. If the number of qualified candidates nominated for the offices for which the election is to be held is less than or equal to the number of offices to be filled, the candidates so nominated shall be declared elected by acclamation by the Nominations Committee, and, for the remaining vacant position(s), the Board will appoint one or more individuals in accordance with Rule 6.5.</p>	9.13	<p>Acclamation. If the number of qualified Candidates nominated for the offices for which the election is to be held is less than or equal to the number of offices to be filled, the Candidates so nominated shall be declared elected by acclamation by the Nominations Committee, and, for the remaining vacant position(s), the Board will appoint one or more individuals in accordance with Rule 6.5.</p>	Administrative amendments to provide clarity.
9.14	<p>Elections to be Held. Where the number of qualified candidates nominated for the offices for which the election is to be held exceeds the vacancies to be filled, an election will be held before the next Annual General Meeting of the Credit Union.</p>	9.14	<p>Elections to be Held. Where the number of qualified Candidates nominated for the offices for which the election is to be held exceeds the vacancies to be filled, an election will be held before the next Annual General Meeting of the Credit Union.</p>	Administrative amendments to provide clarity.
9.15	<p>Validity of Ballots. A ballot cast in the election of directors must: (i) contain votes for the number of persons to be elected and any ballot indicating another intention is void; and (ii) be received by the Returning Officer by the voting deadline and in the manner specified in the voting instructions otherwise the ballot is void.</p>	9.15	<p>Validity of Ballots. A ballot cast in the election of directors must: (i) contain votes for a number of Candidates not exceeding the number of Candidates to be elected and any ballot indicating another intention is void; and (ii) be received by the Returning Officer by the voting deadline and in the manner specified in the voting instructions otherwise the ballot is void.</p>	This proposed amendment eliminates the requirement of members to vote for the number of candidates to be elected. The proposed amendment will allow members to vote for the number of candidates of their choice, but not exceed the number of candidates to be elected. This means members will not be forced to vote for candidates that they would not vote for otherwise.

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
9.16	<p>Notice of Election to Members. Where an election is to be held, the Nominations Committee shall provide to all Members in Good Standing entitled to vote in the election:</p> <p>(a) a list of conditions under which the member will be eligible to vote;</p> <p>(b) a description of all available options for voting and applicable process for each;</p> <p>(c) notice of the dates during which voting in the election shall take place, specifying the date by which the ballot must be received by the Returning officer in order to be counted, which day must be not less than seven (7) days from the date that voting commences;</p> <p>(d) if the member is not an individual, the form of written authorization required to appoint an authorized representative of the member to vote on behalf of the member and clear and precise instructions for completing and returning the authorization with the ballot;</p> <p>(e) a brief description of each of the Candidates prepared by the Nominations Committee and instructions on how additional information regarding the Candidates may be accessed or obtained;</p> <p>(f) such other materials as the Nominations Committee deems necessary or advisable in connection with the voting, including its recommendation of any candidate;</p> <p>and in accordance with the determination made by the Board of Directors pursuant to Rule 2.6:(g) advise of the right of each member to either (i) request in writing or by telephone that a ballot be provided to the member by mail, which ballot shall then be cast by mail or (ii) request in person at a branch of the Credit Union a ballot, which ballot shall then be cast by mail;</p> <p>The Nominations Committee may provide these items by mail, or by Electronic or other means in accordance with the Electronic Transactions Act of British Columbia, including advertisement.</p>	9.16	<p>Notice of Election to Members. Where an election is to be held, the Nominations Committee shall provide to all Members in Good Standing entitled to vote in the election:</p> <p>(a) a list of conditions under which the member will be eligible to vote;</p> <p>(b) a description of all available options for voting and applicable process for each;</p> <p>(c) notice of the dates during which voting in the election shall take place, specifying the date by which the ballot must be received by the Returning officer in order to be counted, which day must be not less than seven (7) days from the date that voting commences;</p> <p>(d) if the member is not an individual, the form of written authorization required to appoint an authorized representative of the member to vote on behalf of the member and clear and precise instructions for completing and returning the authorization;</p> <p>(e) a brief description of each of the Candidates prepared by the Nominations Committee and instructions on how additional information regarding the Candidates may be accessed or obtained;</p> <p>(f) such other materials as the Nominations Committee deems necessary or advisable in connection with the voting, including its recommendation of any Candidate;</p> <p>(g) and in accordance with the determination made by the Board of Directors pursuant to Rule 2.6, advise of the right and method for each member to request that a mail ballot be provided to the member.</p> <p>The Nominations Committee may provide these items by mail, by Electronic or any other means in accordance with the applicable Legislation, including advertisement.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a).</p> <p>Proposed amendments provide more flexibility with respect to voting logistics and will accommodate future options that may become available.</p>
9.17	<p>Non-Electronic Ballots. If, in accordance with Rule 2.6, the Board of Directors determines that the method of voting in a Directors election will include mail ballots, or if a member requests a mail ballot pursuant to Rule 9.16(g), the Nominations Committee will provide with the notice of election or to the member, as the case may be:</p> <p>(a) a ballot with the names of all candidates listed alphabetically, which allows for verification that the member voting is a Member in Good Standing, and provides for confidentiality of voting; and</p> <p>(b) clear instructions for casting and returning the ballot, which will specify the day and time by which the ballot must be received by the Returning Officer in order for the ballot to be considered valid.</p>	9.17	<p>Non-Electronic Ballots. If, in accordance with Rule 2.6, the Board of Directors determines that the method of voting in a Directors election will include mail ballots, or if a member requests a mail ballot pursuant to Rule 9.16(f), the Nominations Committee will provide with the notice of election or to the member, as the case may be:</p> <p>(a) a ballot listing the names of all Candidates which allows for verification that the member voting is a Member in Good Standing, and provides for confidentiality of voting; and</p> <p>(b) clear instructions for casting and returning the ballot, which will specify the day and time by which the ballot must be received by the Returning Officer in order for the ballot to be considered valid.</p>	<p>Administrative amendments to provide clarity and amendments to update Rule reference.</p>
9.19	<p>Candidate Becomes Ineligible.</p> <p>(a) If a Candidate dies, becomes ineligible for election under these Rules, withdraws their nomination, or is disqualified under these Rules before the end of the nomination period, the election will proceed as if the Candidate was not nominated.</p> <p>(b) If a Candidate dies, becomes ineligible for election under these Rules, withdraws their nomination, or is disqualified under these Rules during the voting period for election, the election will proceed as if the Candidate was not nominated and no vote cast in favour of such candidate shall be counted in the tally of ballots, but the ballots shall not otherwise be deemed to be void. If, as a result of such death, ineligibility or withdrawal, the number of Candidates is equal to the number of vacancies to be filled in that director's election, the Candidates will be elected by acclamation.</p>	9.18	<p>Candidate Becomes Ineligible.</p> <p>(a) If a Candidate dies, becomes ineligible for election under these Rules, withdraws the nomination of such Candidate, or is disqualified under these Rules before the end of the nomination period, the election will proceed as if the Candidate was not nominated.</p> <p>(b) If a Candidate dies, becomes ineligible for election under these Rules, withdraws the nomination of such Candidate, or is disqualified under these Rules during the voting period for election, the election will proceed as if the Candidate was not nominated and no vote cast in favour of such Candidate shall be counted in the tally of ballots, but the ballots shall not otherwise be deemed to be void. If, as a result of such death, ineligibility or withdrawal, the number of Candidates is equal to the number of vacancies to be filled in that director's election, the Candidates will be elected by acclamation.</p>	<p>Administrative amendments to provide for inclusive language.</p>
9.24	<p>When Directors Take Office. A person elected as a Director shall take office at the close of the Annual General Meeting next following his or her election or at such later date as the Superintendent accepts the person's Personal Information Return for filing.</p>	9.22	<p>When Directors Take Office. A person elected as a Director shall take office at the close of the Annual General Meeting next following the election of such person or at such later date as the Superintendent accepts the person's Personal Information Return for filing.</p>	<p>Administrative amendments to provide clarity and inclusive language.</p>

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE			SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
9.25	Notice of Directors. A notice of the election or appointment of a person as a Director of the Credit Union shall be filed with the Superintendent in accordance with all applicable laws	9.23	Notice of Directors. A notice of the election or appointment of a person as a Director of the Credit Union shall be filed in accordance with all applicable Legislation.		Non-material change to utilize the newly proposed definition of Legislation - definition (a).
10.1	<p>Indemnification. Subject to the Financial Institutions Act, the Credit Union shall indemnify:</p> <p>(a) each Director and officer of the Credit Union;</p> <p>(b) each former Director and officer of the Credit Union; and</p> <p>(c) each person 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 shareholder or creditor;</p> <p>against all costs, charges and expenses, including an amount paid to settle any action or proceeding or to satisfy any judgment, reasonably incurred by the Director, officer, former Director, former officer or person for any civil, criminal or administrative action or proceeding, whether threatened, pending, continuing or completed, to which the Director, officer, former Director, former officer or person is or may be made a party by reason of being or having been a Director or officer of the Credit Union or corporation, if the Director, officer, former Director or former 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, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Director or officer or former Director or former officer of the Credit Union or corporation has reasonable grounds for believing that his or her conduct was lawful, and if the Director, officer, former Director, former officer or person 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, officer, former Director, former officer or person, the Credit Union shall pay an amount by way of indemnity that will fully indemnify for the amount of all liabilities described herein and all income taxes payable as a result of the receipt of the indemnity payment.</p>	10.1	<p>Indemnification. Subject to applicable Legislation, the Credit Union shall indemnify:</p> <p>(a) each Director and officer of the Credit Union;</p> <p>(b) each former Director and officer of the Credit Union; and</p> <p>(c) each person 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 shareholder or creditor;</p> <p>(each of whom shall be referred to as "Indemnified Person")</p> <p>against all costs, charges and expenses, including an amount paid to settle any action or proceeding or to satisfy any judgment, reasonably incurred by the Indemnified Person for any civil, criminal or administrative action or proceeding, whether threatened, pending, continuing or completed, to which the Indemnified Person is or may be made a party by reason of being or having been a Indemnified Person of the Credit Union or corporation, if the Indemnified Person 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, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Person of the Credit Union or corporation has reasonable grounds for believing that the Indemnified Person's conduct was lawful, and if the Indemnified Person 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 Indemnified Person, the Credit Union shall pay an amount by way of indemnity that will fully indemnify for the amount of all liabilities described herein and all income taxes payable as a result of the receipt of the indemnity payment.</p>		Administrative amendments to provide clarity and inclusive language.
11.1	Notice of General Meeting. In addition to the methods of giving notice of a general meeting provided by the <i>Credit Union Incorporation Act</i> , notice may be delivered by Electronic means, in which case the provisions of Rule 17.3 apply.	11.1	Notice of General Meeting. In addition to the methods of giving notice of a general meeting provided by the applicable Legislation, notice may be delivered by Electronic means, in which case the provisions of Rule 17.3 apply.		Non-material change to utilize the newly proposed definition of Legislation - definition (a).
11.2	Date of Annual General Meeting. Annual General Meetings of the Credit Union shall be held annually on a date fixed by the Board of Directors and shall be convened and held in accordance with the provisions of the <i>Credit Union Incorporation Act</i> and these Rules.	11.2	Date of Annual General Meeting. Annual General Meetings of the Credit Union shall be held annually on a date fixed by the Board of Directors and shall be convened and held in accordance with the provisions of applicable Legislation and these Rules.		Non-material change to utilize the newly proposed definition of Legislation - definition (a).
11.3	Other General Meetings. Other general meetings may be convened and held in accordance with the provisions of the <i>Credit Union Incorporation Act</i> . Every general meeting not being the annual meeting shall be considered a special general meeting.	11.3	Other General Meetings. Other general meetings may be convened and held in accordance with the provisions of applicable Legislation. Every general meeting not being the annual meeting shall be considered a special general meeting.		Non-material change to utilize the newly proposed definition of Legislation - definition (a).
11.4	Rules of Order. Subject to the <i>Credit Union Incorporation Act</i> and these Rules, a general meeting may adopt rules of order for its conduct, but if no rules are adopted, the current edition of <i>Robert's Rules of Order Newly Revised</i> shall be used.	11.4	Rules of Order. Subject to applicable Legislation and these Rules, a general meeting may adopt rules of order for its conduct, but if no rules are adopted, the current edition of <i>Robert's Rules of Order Newly Revised</i> shall be used.		Non-material change to utilize the newly proposed definition of Legislation - definition (a).
11.9	Manner of Voting. Subject to these Rules and the Credit Union Incorporation Act the Chair shall determine whether voting at a meeting of the Credit Union shall be undertaken by show of hands or by written vote on any matter, other than an election of directors or a Special Resolution, to be voted on at a meeting of the Credit Union. A declaration by the Chair that a resolution has been passed will be conclusive evidence of the fact.	11.9	Manner of Voting. Subject to these Rules and applicable Legislation the Chair shall determine whether voting at a meeting of the Credit Union shall be undertaken by show of hands, by written vote, or by electronic means, on any matter, other than an election of directors or a Special Resolution, to be voted on at a meeting of the Credit Union. A declaration by the Chair that a resolution has been passed will be conclusive evidence of the fact.		Non-material change to utilize the newly proposed definition of Legislation - definition (a); provide clarity to ensure electronic means is captured.
11.12	Decorum. The Chair of a general meeting may refuse entry to, or request removal from a general meeting, any individual the Chair determines, in his or her sole discretion, is acting in an inappropriate manner.	11.12	Decorum. The Chair of a general meeting may refuse entry to, or request removal from a general meeting, any individual the Chair determines, in the Chair's sole discretion, is acting in an inappropriate manner.		Administrative amendments to provide for inclusive language.

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
11.13	<p>Multiple Locations. The Board of Directors may in their discretion determine that a general meeting (including without limitation an Annual General Meeting) may be held at two or more places by means of electronic or other communication facilities that allow all persons participating in the meeting to communicate with each other during the meeting, all of which together shall constitute one single meeting. A person who participates in a general meeting held in accordance with this Rule 11.13 shall be deemed to be present at the meeting and shall be counted in the quorum therefor. Any person participating in a meeting under this Rule 11.13 and entitled to vote at the meeting may, subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Electronic Transactions Act, vote by means of the electronic or other communication facilities made available by the Credit Union for that purpose.</p>	11.13	<p>Location of General Meetings. The Board of Directors may in the Board's discretion determine that a general meeting (including without limitation an Annual General Meeting) may be held in-person or electronically (whether fully electronic or partially electronic) and may be held at two or more places by means of electronic or other communication medium facilities participation in the meeting by all persons entitled to be present, all of which together shall constitute one single meeting. A person who participates in a general meeting held in accordance with this Rule 11.13 shall be deemed to be present at the meeting and shall be counted in the quorum therefor. Any person participating in a meeting under this Rule 11.13 and entitled to vote at the meeting may, subject to applicable Legislation, vote by means of the electronic or other communication medium made available by the Credit Union for that purpose.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a) and provide for inclusive language.</p> <p>Provides clarity to ensure electronic means is captured.</p>
11.14	<p>Permitted Attendees. The only persons entitled to be present at a general meeting are:</p> <p>(a) those entitled to vote;</p> <p>(b) the Directors of the Credit Union;</p> <p>(c) the auditors of the Credit Union;</p> <p>(d) others who, although not entitled to vote, are entitled or required under any provision of the Credit Union Incorporation Act, the Financial Institutions Act or the Business Corporations Act or these Rules to be present at the meeting; and</p> <p>(e) any other person may be admitted only on the invitation of the Board or with the consent of the meeting.</p>	11.14	<p>Permitted Attendees. The only persons entitled to be present at a general meeting are:</p> <p>(a) those entitled to vote;</p> <p>(b) the Directors of the Credit Union;</p> <p>(c) the auditors of the Credit Union;</p> <p>(d) others who, although not entitled to vote, are entitled or required under applicable Legislation or these Rules to be present at the meeting; and</p> <p>(e) any other person may be admitted only on the invitation of the Board or with the consent of the meeting.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a).</p>
13.1	<p>Notice of Special Resolution. In addition to the methods of giving notice of a Special Resolution provided by the Credit Union Incorporation Act, notice may be delivered by Electronic means, in which case the provisions of Rule 17.3 shall apply.</p>	13.1	<p>Notice of Special Resolution. In addition to the methods of giving notice of a Special Resolution provided by applicable Legislation, notice may be delivered by Electronic means, in which case the provisions of Rule 17.3 shall apply.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a).</p>
13.2	<p>Special Resolutions. Subject to the Credit Union Incorporation Act, Special Resolutions:</p> <p>(a) may be proposed by the Board of Directors; and</p> <p>(b) may be proposed by the members, and if so proposed must be signed by not less than five (5) per cent in number or three hundred (300) Members in Good Standing, whichever is the lesser, who are eligible to vote, and must be requisitioned in accordance with the provisions of the Credit Union Incorporation Act, and deposited at the registered office of the Credit Union at least ninety (90) days before a general meeting.</p> <p>and such proposed Special Resolutions, whether proposed by the Board of Directors or requisitioned by a member, shall be brought before the membership to vote at the next Annual General Meeting, and the Directors may, but shall not be required to, convene a special general meeting in conjunction with any resolution proposed by the Board of Directors for consideration by the membership.</p>	13.2	<p>Special Resolutions. Subject to the applicable Legislation, the Board of Directors may propose resolutions for consideration by the members, including a special resolution. The Directors may, but shall not be required to, convene a special general meeting in conjunction with any resolution proposed by the Board of Directors for consideration by the membership.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a).</p> <p>Currently, Prospera's rules reflect a provision in legislation that requires a certain threshold of members needed to requisition a special resolution. The proposed amendment deletes the threshold from the rules and provides for neutral language that will ensure the rules comply should an amendment to legislation come into force.</p> <p>It is important to note that a member's right to requisition a special resolution is goverened under legislation, and therefore, is not required to be explicitly provided for in the Rules. Members have this right regardless of whether it is embedded in the rules.</p>

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
13.3	<p>Voting Information. Subject to the Credit Union Incorporation Act, the Board of Directors shall provide to all Members in Good Standing entitled to vote on a Special Resolution:</p> <p>(a) a list of conditions under which the member will be eligible to vote;</p> <p>(b) a description of all available options for voting and applicable process for each;</p> <p>(c) notice of the dates during which voting on the Special Resolution shall take place; specifying the date by which the ballot must be received by the Returning Officer in order to be counted, which day must be not less than seven (7) days from the date that voting commences;</p> <p>(d) if the member is not an individual, the form of written authorization required to appoint an authorized representative of the member to vote on behalf of the member and clear and precise instructions for completing and returning the authorization with the ballot;</p> <p>(e) the wording of the Special Resolution with required or permitted information as the Board of Directors deems necessary or advisable in connection with the voting;</p> <p>and in accordance with the determination made by the Board of Directors pursuant to Rule 2.6:</p> <p>(f) advise of the right of each member to either (i) request in writing or by telephone that a ballot be provided to the member by mail, which ballot shall then be cast by mail or (ii) request in person at a branch of the Credit Union a ballot, which ballot shall then be cast by mail;</p> <p>The Board of Directors may provide these items by mail, by Electronic means in accordance with the Electronic Transactions Act, or by other means as permitted under the Act, including advertisement.</p>	13.3	<p>Voting Information. Subject to applicable Legislation, the Board of Directors shall provide to all Members in Good Standing entitled to vote on a Special Resolution:</p> <p>(a) a list of conditions under which the member will be eligible to vote;</p> <p>(b) a description of all available options for voting and applicable process for each;</p> <p>(c) notice of the dates during which voting on the Special Resolution shall take place; specifying the date by which the ballot must be received by the Returning Officer in order to be counted, which day must be not less than seven (7) days from the date that voting commences;</p> <p>(d) if the member is not an individual, the form of written authorization required to appoint an authorized representative of the member to vote on behalf of the member and clear and precise instructions for completing and returning the authorization with the ballot;</p> <p>(e) the wording of the Special Resolution with required or permitted information as the Board of Directors deems necessary or advisable in connection with the voting; and</p> <p>(f) in accordance with the determination made by the Board of Directors pursuant to Rule 2.6, advise of the right and method for each member eligible to vote to request that a mail ballot be provided to the member</p> <p>The Board of Directors may provide these items by mail, by Electronic means, or any other means in accordance with applicable Legislation including advertisement.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a).</p> <p>Proposed amendments provide more flexibility with respect to voting logistics and will accommodate future options that may become available.</p>
13.8	<p>Filing with Superintendent. The Credit Union will file with the Superintendent of the Financial Institutions Commission every Special Resolution approved by its members.</p>	13.6	<p>Special Resolution Filing. The Credit Union will file a copy of every Special Resolution approved by its members in accordance with all applicable Legislation.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a).</p>
13.9	<p>Voting on Special Resolutions Without a Meeting. A Special Resolution passed in accordance with Rule 13 is valid as if it had been passed at a meeting of members and satisfies all the requirements of the Credit Union Incorporation Act and Financial Institutions Act relating to meetings of members.</p>	13.7	<p>Voting on Special Resolutions Without a Meeting. A Special Resolution passed in accordance with Rule 13 is valid as if it had been passed at a meeting of members and satisfies all the requirements of applicable Legislation relating to meetings of members.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a).</p>
17.1	<p>Legislation. These Rules are subject to the provisions of all applicable Legislation.</p>	17.1	<p>Legislation. These Rules are subject to the provisions of applicable Legislation.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a).</p>
17.2	<p>Vote by Electronic Means. Subject to the <i>Credit Union Incorporation Act</i>, the <i>Financial Institutions Act</i> and the <i>Electronic Transactions Act</i>, if the Board of Directors determines pursuant to these Rules that members may vote by electronic means, the Board of Directors may prescribe such technological and other requirements for the use of such Electronic means as the Board of Directors in its discretion considers desirable in the circumstances.</p>	17.2	<p>Vote by Electronic Means. Subject to applicable Legislation, if the Board of Directors determines pursuant to these Rules that members may vote by electronic means, the Board of Directors may prescribe such technological and other requirements for the use of such Electronic means as the Board of Directors in its discretion considers desirable in the circumstances.</p>	<p>Non-material change to utilize the newly proposed definition of Legislation - definition (a).</p>

Summary of Proposed Rules Amendments

SCHEDULE A - CURRENT RULE		SCHEDULE B - PROPOSED RULE		RATIONALE FOR AMENDMENT
17.3	<p>Electronic Communication. Subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Electronic Transactions Act, unless these Rules expressly provide otherwise:</p> <p>(a) where these Rules require the use of documents that are “written”, “in writing” and other similar words, the Board of Directors may in its discretion permit the use of documents in such Electronic forms as the Board of Directors in its discretion considers desirable in the circumstances, provided that such Electronic documents are accessible in a manner useable for subsequent reference;</p> <p>(b) where these Rules require the provision or delivery of documents, the Board of Directors may in its 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 of which the intended recipient is notified) as the Board of Directors in its discretion considers desirable in the circumstances, provided that such Electronic documents are (i) accessible by the recipient in a manner useable for subsequent reference and (ii) capable of being retained by the recipient in a manner useable for subsequent reference; and</p> <p>(c) for the purposes of this Rule 17.3, “document” includes without limitation notices, instruments, resolutions and ballots.</p>	17.3	<p>Electronic Communication. Subject to applicable Legislation, unless these Rules expressly provide otherwise:</p> <p>(a) where these Rules require the use of documents that are “written”, “in writing” and other similar words, the Board of Directors may in its discretion permit the use of documents in such Electronic forms as the Board of Directors in its discretion considers desirable in the circumstances, provided that such Electronic documents are accessible in a manner useable for subsequent reference;</p> <p>(b) where these Rules require the provision or delivery of documents, the Board of Directors may in its 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 of which the intended recipient is notified) as the Board of Directors in its discretion considers desirable in the circumstances, provided that such Electronic documents are (i) accessible by the recipient in a manner useable for subsequent reference and (ii) capable of being retained by the recipient in a manner useable for subsequent reference; and</p> <p>(c) for the purposes of this Rule 17.3, “document” includes without limitation notices, instruments, resolutions and ballots</p>	Non-material change to utilize the newly proposed definition of Legislation - definition (a).
17.4	<p>Omission of Notice. Where a call for nominations, a notice of a Board election, or a notice of a meeting of the Credit Union, including a Special Resolution, is received generally by members of the Credit Union, the omission to give notice to any member or the non-receipt of notice by any member will not invalidate the election, the Special Resolution, or any ordinary resolution passed or any proceedings taken at the meeting.</p>	17.4	<p>Omission of Notice. Where a call for nominations, a notice of a Directors election, or a notice of a meeting of the Credit Union, including a Special Resolution, is received generally by members of the Credit Union, the omission to give notice to any member or the non-receipt of notice by any member will not invalidate the election, the Special Resolution, or any ordinary resolution passed or any proceedings taken at the meeting.</p>	Administrative amendment to provide clarity.
1.4	<p>Redemption of Shares.</p> <p>(a) Subject to the Credit Union Incorporation Act, the Credit Union shall redeem, in such manner and on such terms as the Board of Directors may determine from time to time, all the Class A Membership Equity Shares of a member if:</p> <p>(i) the member withdraws from membership in the Credit Union;</p> <p>(ii) the Credit Union terminates the membership of the member;</p> <p>(iii) the member is a natural person and dies, subject to Rule 3.3; or</p> <p>(iv) the member is a society, corporation, partnership or any other entity and is dissolved, wound-up, or otherwise ceases to be a legal entity according to the statute by or pursuant to which it was created;</p> <p>(b) 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 Board of Directors, in their discretion, resolve;</p> <p>(c) Class A Membership 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.</p>	1.4	<p>Redemption of Shares.</p> <p>(a) Subject to applicable Legislation, the Credit Union shall redeem, in such manner and on such terms as the Board of Directors may determine from time to time, all the Class A Membership Equity Shares of a member if:</p> <p>(i) the member withdraws from membership in the Credit Union;</p> <p>(ii) the Credit Union terminates the membership of the member;</p> <p>(iii) the member is a natural person and dies, subject to Rule 3.3; or</p> <p>(iv) the member is a society, corporation, partnership or any other entity and is dissolved, wound-up, or otherwise ceases to be a legal entity according to the statute by or pursuant to which it was created;</p> <p>(b) Subject to applicable Legislation 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 Board of Directors, in the Board's discretion, resolve;</p> <p>(c) Class A Membership 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.</p>	Non-material change to utilize the newly proposed definition of Legislation - definition (a) and to provide for inclusive language.