



# 2022 Special Resolution



# Special Resolution:

Every BC Credit Union has rules approved by its members that outline how the organization will operate as a legal entity. While our rules are a legal and regulatory requirement, they also help to ensure the organization runs smoothly and effectively.

NPSCU has undertaken a full review of its rules and in January 2022, NPSCU's Board of Directors recommended the changes go forward to the Membership for vote. In order to approve the changes, Members are being asked to vote on the following special resolution:

**BE IT RESOLVED**, as a special resolution, that the Rules of North Peace Savings and Credit Union be altered as follows:

## **A. RULE 3 – SHARES**

1. Rule 3.2 be deleted and replaced with the following:  
  
"3.2 **Procedure for Share Redemption** - The Directors may determine the manner by which a person may request redemption of shares."
2. In Rule 3.14(c), the words "or unincorporated association" be inserted after the word "partnership".

## **B. RULE 5 – DIRECTORS AND MANAGEMENT**

1. Rule 5.1 be deleted and replaced with the following:  
  
"5.1 Director Elections to be Held – Each year, directors shall be elected to replace those whose terms expire. A director whose term expires is eligible for re-election unless the person has served four consecutive three year terms, subsequent to the date the term limit in this Rule 5.1 comes into effect. A director having completed four consecutive three year terms will be eligible for re-election after a one year period not in office. If an individual is appointed as a director pursuant to Rule 5.30, the time served as a director in that capacity before standing for election shall not be included when calculating the total number of terms the director may serve."
2. In Rule 5.4, the reference to "Rule 5.5" be deleted and replaced with a reference to "Rule 5.1 or Rule 5.5".
3. In the heading of Rule 5.5, the word "Candidates" be deleted and replaced with the phrase "Candidates/Directors".
4. Rule 5.5(c) be deleted and replaced with the following:  
"(c) was an employee of the Credit Union, a subsidiary of the Credit Union or an affiliate of the Credit Union during the five year period prior to the date that nominations for the office of director under these Rules closed;"

5. In Rule 5.5(d), the phrase "director, officer or agent;" be deleted and replaced with the phrase "director or officer of such organization or entity; or".
6. The following be added as new Rule 5.5(e):

"(e) is the spouse of any person referred to in Rule 5.5(d);"
7. In Rule 5.6, the phrase "Financial Institutions Commission" be deleted and replaced with the word "Superintendent".
8. In Rule 5.7(a)(iii), the upper case word "Director" be deleted and replaced with the lower case word "director".
9. The comma at the end of Rule 5.7(c) be deleted.
10. Rule 5.8 be deleted and replaced with the following:

"5.8 **Nominating Committee** - At least 120 days before an annual general meeting, the Directors shall appoint a Nominating Committee of not less than three members, who shall be natural persons and not junior members, and who may, but need not, be directors; provided, however, that no director whose term of office is expiring at the annual general meeting next following the appointment of the committee may serve as a member of the committee. The Nominating Committee will be responsible for:

  - (a) determining desired skills, experience and personal attributes of candidates for election as a director, taking into account the background of existing directors and the specific ongoing needs of the Credit Union;
  - (b) examining the overall composition of the Directors and determining, with a view to renewal, succession and continuity of the Directors, the strategy and oversight needs of the Credit Union;
  - (c) identifying, recruiting and, if considered appropriate by the Nominating Committee, recommending to the membership a candidate(s) for election as a director who meets the criteria established pursuant to Rules 5.8(a) and (b); and
  - (d) providing general oversight of the conduct of the election of directors."
11. Rule 5.9(a) be deleted and replaced with the following:

"(a) notify members of the Credit Union that an election of directors is to take place, specifying the number of positions which are to be filled and describing any desired criteria for candidates for election established pursuant to Rules 5.8(a) and (b);"
12. Rule 5.14(b) be renumbered as Rule 5.14(c) and the following be added as new Rule 5.14(b):

"(b) if the Nominating Committee chooses to recommend a candidate or candidates, an

indication of which candidate or candidates the Nominating Committee recommends and the reasons for its recommendations;”

13. Current Rule 5.14(c) be renumbered as Rule 5.14(d).
14. Current Rule 5.14(d) be renumbered as Rule 5.14(e).
15. At the beginning of Rule 5.22(d), the phrase “shall announce, at the annual general meeting at which the election was held,” be deleted and replaced with the phrase “shall announce at the next annual general meeting following the completion of voting,”.
16. At the beginning of Rule 5.24, the phrase “Subject to the Financial Institutions Act, a person elected as a director shall take office at the close of the annual general meeting at which he or she was elected” be deleted and replaced with the phrase “Subject to the Financial Institutions Act, a person elected as a director shall take office at the close of the next annual general meeting following completion of voting in the election”.
17. In Rule 5.31, the lower case phrase “credit union” be deleted and replaced with the capitalized phrase “Credit Union”.
18. In Rule 5.32, the space which appears between the reference to “Rule 5.5” and the reference to “(c)” be deleted, so that the reference appears as “Rule 5.5(c)”.
19. In Rule 5.37:
  - a. the phrase “(if applicable)” be inserted in the second line after the phrase “specifying the place”; and
  - b. the phrase “shall have been elected” in Rule 5.37(b) be deleted and replaced with the phrase “has taken office”.
20. Rule 5.44 be deleted and replaced with the following:

“5.44 **Meetings by Telecommunications** - Meetings of the Directors will be convened and held in accordance with the provisions of the Credit Union Incorporation Act. A director or a committee member may participate in a meeting of the Directors or any committee of the Directors by means of telephone or other communications medium where all Directors or committee members attending the meeting are able to participate in it, whether by telephone, other communications medium or in person, provided that, in the case of an in person meeting or a partially electronic meeting, a majority of the Directors participating in the meeting must be in British Columbia at the time of the meeting. A director or committee member participating in accordance with this Rule shall be deemed to be present at the meeting and to have so agreed and shall be counted in a quorum therefore and be entitled to speak and vote thereat.”
21. Rule 5.46 be deleted and replaced with the following:

“5.46 **Statutory Committees** - At the first meeting of the Directors following each annual general meeting, the Directors will appoint or elect such committees as may be required

by the Credit Union Incorporation Act and the Financial Institutions Act, provided that the composition of such committees shall be consistent with the requirements of the Credit Union Incorporation Act and the Financial Institutions Act, as applicable.”

## **C. RULE 6 – GENERAL MEETINGS**

1. In Rule 6.1, the words “date to be” be deleted and replaced with the words “day, hour and, if applicable, place”.
2. The following be inserted as new Rule 6.3:

“6.3 **Multiple Locations** - General meetings, including the annual general meeting, may be held at different times and, if applicable, different places, which meetings together will constitute a single meeting, if convened and held in accordance with the provisions of the Credit Union Incorporation Act.”
3. The following be inserted as new Rule 6.4:

“6.4 **Electronic Meetings** - The Credit Union may hold a general meeting in person, by a partially electronic meeting or by a fully electronic meeting, as determined by the Directors, if convened and held in accordance with the provisions of the Credit Union Incorporation Act. If a general meeting is an electronic meeting, the notice must contain instructions for attending and participating in the meeting by telephone or other communications medium, including, if applicable, instructions for voting at the meeting.”
4. Current Rules 6.3 to 6.11 be renumbered as Rules 6.5 to 6.13, respectively.
5. In the Rule renumbered as Rule 6.10, sub-rule (b) be deleted and replaced with the following:

“(b) A member of the Credit Union who is not an individual or who is an unincorporated association may be represented and vote at meetings of the Credit Union by an individual who meets the requirements of the Credit Union Incorporation Act for such purposes.”

## **D. RULE 11 – MISCELLANEOUS**

1. In Rule 11.1(b), the following be inserted in the first line after the words “where these Rules”:

“, the Credit Union Incorporation Act or the Financial Institutions Act”.
2. In Rule 11.1(c), the words “resolutions and ballots” be deleted and replaced with the words “resolutions, ballots and financial statements.”

You may obtain a full set of the new and revised rules on our website at [www.npscu.ca](http://www.npscu.ca) or by requesting a complete copy from one of our branches. You may also request to have a copy emailed to you by phoning us at 250.787.0361 (toll-free 1.877.787.0361).

The information provided in this document provides a summary of the recommended changes to the rules of NPSCU, including the rationale behind the more significant changes.

## VOTING INFORMATION

Only Members in good standing as of January 17, 2022, are eligible to vote.

### HOW TO VOTE

NPSCU is owned by its members. As a member, one of the most important privileges of Membership is the casting of your vote. Members have an important role in approving changes to the rules of NPSCU. By casting your vote, you are exercising your right as a Member.

### VOTING ONLINE

The online voting process allows a voter with internet access to cast their vote. You can access the voting link at [www.npscu.ca](http://www.npscu.ca). Voting stations will also be available at all branches of NPSCU. The login will ask for your unique username and password. Your unique login information will be provided in your January 2022 member statement. If you have not received your statement, you can obtain your unique username and password by contacting Patti Ternier-Smith at 250.794.3762.

### IMPORTANT DATES

Voting on the special resolution will occur as follows:

#### **Voting Opens**

**FEBRUARY 21, 2022 12:01 A.M.**

#### **Voting Closes**

**FEBRUARY 25, 2022 11:59 P.M.**

*Results of Special Resolution vote  
will be announced on our website  
[www.npscu.ca](http://www.npscu.ca) on or before  
March 4, 2022.*

Summary of proposed changes  
to the rules of  
North Peace Savings and  
Credit Union

## The following outlines the rationale for significant changes being proposed to NPSCU's rules.\*

	Current Rule	Proposed Rule Amendment	Summary/Rationale
1.	<p>3.14(c) – <b>Share Redemption</b> – Subject to the <u>Credit Union Incorporation Act</u>, the Credit Union will redeem shares held by a member upon any of the following conditions:</p> <p>...</p> <p>(c) the member, in the case of a partnership, dissolves;</p> <p>...</p>	<p>3.14(c) – <b>Share Redemption</b> – Subject to the <u>Credit Union Incorporation Act</u>, the Credit Union will redeem shares held by a member upon any of the following conditions:</p> <p>...</p> <p>(c) the member, in the case of a partnership or unincorporated association, dissolves;</p> <p>...</p>	Rule amended to reflect recent changes regarding unincorporated associations as members.
2.	<p><b>5.1 Director Election to be Held</b> – Each year, directors shall be elected to replace those whose terms expires and a director whose term expires is eligible for re-election.</p>	<p><b>5.1 Director Elections to be Held</b> – Each year, directors shall be elected to replace those whose terms expire. A director whose term expires is eligible for re-election unless the person has served four consecutive three year terms, subsequent to the date the term limit in this Rule 5.1 comes into effect. A director having completed four consecutive three year terms will be eligible for re-election after a one year period not in office. If an individual is appointed as a director pursuant to Rule 5.30, the time served as a director in that capacity before standing for election shall not be included when calculating the total number of terms the director may serve.</p>	<p>Rule amended to include Director term limits of four consecutive 3 year terms with a non-service period of 1 year before being eligible for re-election.</p> <p>This provides for board renewal and succession.</p>
3.	<p><b>5.4 Eligibility for Election as Director</b> - A member who has been a member in good standing, continuously, for at least six months prior to the date nominations close, other than a person disqualified by Rule 5.5, shall be eligible for election as a director.</p>	<p><b>5.4 Eligibility for Election as Director</b> - A member who has been a member in good standing, continuously, for at least six months prior to the date nominations close, other than a person disqualified by Rule 5.1 or Rule 5.5, shall be eligible for election as a director.</p>	Term limits as described in new Rule 5.1 now applies among the reasons to be disqualified.



4.	<p><b>5.5 Disqualification of Candidates</b> - A person who:</p> <p>(a) is a person disqualified from becoming or acting as a director pursuant to the <u>Financial Institutions Act</u> or the <u>Credit Union Incorporation Act</u>;</p> <p>(b) is or becomes a paid employee of the Credit Union or an affiliate of the Credit Union or the spouse, child, or step-child of a paid employee of the Credit Union or an affiliate of the Credit Union;</p> <p>(c) was an employee of a credit union or an affiliate of a credit union during the five year period prior to the date that nominations for the office of director under these Rules closed;</p> <p>(d) is or becomes an employee, officer or director of an organization in a competitive business to the Credit Union including a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution or another credit union (other than a director of a central credit union) or is a person who acts as a mortgage broker or a deposit agent or is a director, officer or an employee of an entity that does so or, a subsidiary of any of them, except where that person has been requested or authorized in writing by the directors to serve as a director, officer or agent;</p> <p>is not eligible to be nominated for election or to hold office as</p>	<p><b>5.5 Disqualification of Candidates/Directors</b> - A person who:</p> <p>(a) is a person disqualified from becoming or acting as a director pursuant to the <u>Financial Institutions Act</u> or the <u>Credit Union Incorporation Act</u>;</p> <p>(b) is or becomes a paid employee of the Credit Union or an affiliate of the Credit Union or the spouse, child, or step-child of a paid employee of the Credit Union or an affiliate of the Credit Union;</p> <p>(c) was an employee of the Credit Union, a subsidiary of the Credit Union or an affiliate of the Credit Union during the five year period prior to the date that nominations for the office of director under these Rules closed;</p> <p>(d) is or becomes an employee, officer or director of an organization in a competitive business to the Credit Union including a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution or another credit union (other than a director of a central credit union) or is a person who acts as a mortgage broker or a deposit agent or is a director, officer or an employee of an entity that does so or, a subsidiary of any of them, except where that person has been requested or authorized in writing by the directors to serve as a director or officer of such organization or entity; or</p>	<p>Capitalized “Credit Union” in Rule 5.5(c) for reference to North Peace Savings and Credit Union staff and not all staff of any credit union in the disqualification of being eligible to be a director.</p> <p>Minor wording clarifications made to the end of Rule 5.5(d).</p> <p>Rule 5.5(e) added to include the ineligibility of a spouse of any person referred to in Rule 5.5(d) to remove potential for conflict of interest</p>
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	<p>a director and, if holding office as a director, shall vacate office forthwith.</p>	<p>(e) is the spouse of any person referred to in Rule 5.5(d);</p> <p>is not eligible to be nominated for election or to hold office as a director and, if holding office as a director, shall vacate office forthwith.</p>	
5.	<p><b>5.8 Nominating Committee -</b></p> <p>At least 120 days before an annual general meeting, the Directors shall appoint a Nominating Committee of not less than three members, who shall be natural persons and not junior members, and who may, but need not, be directors; provided, however, that no director whose term of office is expiring at the annual general meeting next following the appointment of the committee may serve as a member of the committee.</p>	<p><b>5.8 Nominating Committee -</b></p> <p>At least 120 days before an annual general meeting, the Directors shall appoint a Nominating Committee of not less than three members, who shall be natural persons and not junior members, and who may, but need not, be directors; provided, however, that no director whose term of office is expiring at the annual general meeting next following the appointment of the committee may serve as a member of the committee. The Nominating Committee will be responsible for:</p> <p>(a) determining desired skills, experience and personal attributes of candidates for election as a director, taking into account the background of existing directors and the specific ongoing needs of the Credit Union;</p> <p>(b) examining the overall composition of the Directors and determining, with a view to renewal, succession and continuity of the Directors, the strategy and oversight needs of the Credit Union;</p> <p>(c) identifying, recruiting and, if considered appropriate by the Nominating Committee, recommending to the membership a candidate(s) for election as a director who meets the criteria established pursuant to Rules 5.8(a) and (b); and</p>	<p>Additions serve to provide a clearer role of the Nominating Committee in identifying and recruiting potential board members for desired skills, experience and attributes. Also allows Nominating Committee to recommend to membership candidates that meet the criteria (skills, experience and attributes).</p>

		(d) providing general oversight of the conduct of the election of directors.	
6.	<p><b>5.9 Nominations</b> - At least 90 days before an annual general meeting, the Nominating Committee shall send a notice to all members, which shall:</p> <p>(a) notify members of the Credit Union that an election of directors is to take place, specifying the number of positions which are to be filled;</p> <p>(b) advise members that, for purposes of being eligible to vote in the election, a person must be a member, other than a junior member, in good standing 35 days prior to the date on which voting is to commence; and</p> <p>(c) invite the submission to it, in writing, for consideration, the names of proposed candidates, prior to the date on which nominations shall close which shall be specified in the notice, and which date shall be not less than 30 days from the date of the notice.</p>	<p><b>5.9 Nominations</b> - At least 90 days before an annual general meeting, the Nominating Committee shall send a notice to all members, which shall:</p> <p>(a) notify members of the Credit Union that an election of directors is to take place, specifying the number of positions which are to be filled and describing any desired criteria for candidates for election established pursuant to Rules 5.8(a) and (b);</p> <p>(b) advise members that, for purposes of being eligible to vote in the election, a person must be a member, other than a junior member, in good standing 35 days prior to the date on which voting is to commence; and</p> <p>(c) invite the submission to it, in writing, for consideration, the names of proposed candidates, prior to the date on which nominations shall close which shall be specified in the notice, and which date shall be not less than 30 days from the date of the notice.</p>	<p>Rule 5.9(a) updated to reflect the need to notify members of the criteria for candidates for election. For example, specific designations/skillsets: CPA, Accountant etc.</p>
7.	<p><b>5.14 Notice of Election to Members</b> - Where an election is to be held, the Nominating Committee shall forward, at least 30 days before the annual general meeting, to all members of the Credit Union entitled to vote:</p> <p>(a) a photograph, resume and policy statement if submitted by a candidate for election pursuant to Rule 5.27;</p>	<p><b>5.14 Notice of Election to Members</b> - Where an election is to be held, the Nominating Committee shall forward, at least 30 days before the annual general meeting, to all members of the Credit Union entitled to vote:</p> <p>(a) a photograph, resume and policy statement if submitted by a candidate for</p>	<p>Rule 5.14(b) added to reflect that, if the Nominating Committee chooses to recommend a candidate(s), the recommendations and the reasons for recommendation will be shared with members at least 30 days prior to the annual general meeting.</p>

	<p>(b) clear and precise instructions for voting;</p> <p>(c) notice of the dates and times during which voting in the election shall take place, which shall be for a minimum of five business days ending not less than 10 days before the next annual general meeting;</p> <p>(d) notice of the means by which voting will take place which may include mail ballot, in-branch ballot or electronic means; and</p> <p>(f) a list of conditions under which members will be eligible to vote in the election.</p>	<p>election pursuant to Rule 5.27;</p> <p>(b) if the Nominating Committee chooses to recommend a candidate or candidates, an indication of which candidate or candidates the Nominating Committee recommends and the reasons for its recommendations;</p> <p>(c) clear and precise instructions for voting;</p> <p>(d) notice of the dates and times during which voting in the election shall take place, which shall be for a minimum of five business days ending not less than 10 days before the next annual general meeting;</p> <p>(e) notice of the means by which voting will take place which may include mail ballot, in-branch ballot or electronic means; and</p> <p>(f) a list of conditions under which members will be eligible to vote in the election.</p>	
9.	<p><b>5.44 Meetings by Telecommunications</b> - A director or a committee member may participate in a meeting of the Directors or any committee of the Directors by means of conference telephones or other communications facilities by means of which all Directors or committee members participating in the meeting can hear each other, provided that, with respect to a meeting of the Directors, a majority of the directors participating in the meeting are in British Columbia at the time of the</p>	<p><b>5.44 Meetings by Telecommunications</b> – Meetings of the Directors will be convened and held in accordance with the provisions of the <u>Credit Union Incorporation Act</u>. A director or a committee member may participate in a meeting of the Directors or any committee of the Directors by means of telephone or other communications medium where all Directors or committee members attending the meeting are able to participate in it, whether by telephone, other communications medium or in</p>	Updated to reflect new legislation.

	meeting. A director or committee member participating in accordance with this Rule shall be deemed to be present at the meeting and to have so agreed and shall be counted in a quorum therefore and be entitled to speak and vote thereat.	person, provided that, in the case of an in person meeting or a partially electronic meeting, a majority of the Directors participating in the meeting must be in British Columbia at the time of the meeting. A director or committee member participating in accordance with this Rule shall be deemed to be present at the meeting and to have so agreed and shall be counted in a quorum therefore and be entitled to speak and vote thereat.	
10.	<p><b>5.46 Statutory Committees</b> - At the first meeting of the Directors following each annual general meeting, the Directors will:</p> <p>(a) elect not fewer than three individuals to the audit committee;</p> <p>(b) appoint or elect not fewer than three individuals to the investment and loan committee;</p> <p>(c) elect from among themselves not fewer than three individuals to the conduct review committee; provided that the composition of the audit committee, the investment and loan committee and the conduct review committee must be consistent with the requirements of the <u>Credit Union Incorporation Act</u> and the <u>Financial Institutions Act</u>, as applicable.</p>	<p><b>5.46 Statutory Committees</b> - At the first meeting of the Directors following each annual general meeting, the Directors will appoint or elect such committees as may be required by the <u>Credit Union Incorporation Act</u> and the <u>Financial Institutions Act</u>, provided that the composition of such committees shall be consistent with the requirements of the <u>Credit Union Incorporation Act</u> and the <u>Financial Institutions Act</u>, as applicable.</p>	Simplified to reference the Credit Union Incorporation Act and Financial Institutions Act to ensure the Rules are in alignment with any future Act changes. Removed references to specific committees.
11.	N/A	<p><b>6.3 Multiple Locations</b> - General meetings, including the annual general meeting, may be held at different times and, if applicable, different places, which meetings together will constitute a single meeting, if</p>	Added to reflect legislation.

		convened and held in accordance with the provisions of the <u>Credit Union Incorporation Act</u> .	
12.	N/A	6.4 <b>Electronic Meetings</b> - The Credit Union may hold a general meeting in person, by a partially electronic meeting or by a fully electronic meeting, as determined by the Directors, if convened and held in accordance with the provisions of the <u>Credit Union Incorporation Act</u> . If a general meeting is an electronic meeting, the notice must contain instructions for attending and participating in the meeting by telephone or other communications medium, including, if applicable, instructions for voting at the meeting.	Added to reflect legislation.
13.	<p><b>6.8 Who May Vote –</b></p> <p>(a) Only a person who is a member in good standing at least 35 days prior to the commencement of voting and who is not a junior member may vote on a resolution.</p> <p>(b) A member of the Credit Union who is not an individual may be represented and vote at meetings of the Credit Union by an individual who:</p> <p>(i) is not a member; and</p> <p>(ii) by written authorization deposited with the Credit Union, is authorized to vote at the meeting on behalf of the member.</p>	<p>6.10 <b>Who May Vote -</b></p> <p>(a) Only a person who is a member in good standing at least 35 days prior to the commencement of voting and who is not a junior member may vote on a resolution.</p> <p>(b) A member of the Credit Union who is not an individual or who is an unincorporated association may be represented and vote at meetings of the Credit Union by an individual who meets the requirements of the <u>Credit Union Incorporation Act</u> for such purposes.</p>	Simplified wording in a manner reflective of recent legislative changes.

\* This summary document is intended to highlight key aspects of the revised rules in plain language. It should not be relied upon as a legal and binding document. Any conflict between this summary and the revised rules will be governed by the provisions of the revised rules. Some of these changes are merely housekeeping in nature, while others provide more flexibility for the organization and contribute to the financial strength of the Credit Union.