

ELECTION GUIDELINES

2013 Board of Directors' Election

Vancity

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INTRODUCTION

The enclosed guidelines are designed to assist candidates in their bid for election to the Board of Directors at Vancouver City Savings Credit Union (“Vancity”) and should be read in conjunction with the Vancity Rules and any other accompanying material presented in the Candidates’ Information Package.

These guidelines are written to ensure that:

- ♦ all candidates are treated equitably;
- ♦ all parties understand appropriate campaign activities;
- ♦ members have sufficient information to make informed choices in the election; and
- ♦ elections are conducted in a manner consistent with a mission-based financial co-operative.

These guidelines are administered by the Nominations and Election Committee.

In these Guidelines:

DEFINITIONS

AGM	Annual General Meeting.
Board	Vancity Board of Directors.
Campaign	An organized course of action during a fixed period of time to encourage members to understand, participate and vote in the election.
Campaign expenses	An expense incurred by a candidate related to the election.
Candidate	A person whose nomination has been approved by the Nominations and Election Committee.
Committee	The Nominations and Election Committee, annually appointed by the Board to oversee the election pursuant to Rule 3.5.10. The Committee is comprised of at least three members who may, but need not, be directors. Members-at-large are selected on the basis of criteria established by the Board. An incumbent must not be a member of the Committee, nor participate in any discussions pertaining to the election during the year of their re-election.
Director	An elected member of the current Vancity Board of Directors.
Election Bulletin	Written notification to members informing them about the election, the candidates and the means by which voting will take place.
Election Official	An independent organization that collects and tabulates the election results.
FICOM	The Financial Institutions Commission of British Columbia, regulator of all provincial financial institutions.
Incumbent	A director who is running for re-election because their current term of office as a Board member is due to expire.
Member	A person or business that owns at least \$5 in shares in Vancity.
Nominator	A member who formally nominates another member for candidacy.
Policy	<i>The Standards of Business Conduct Policy and Ethical Behaviours for Directors</i> (Appendix D).
Rules	<i>The Vancouver City Savings Credit Union Rules</i> (Appendix C).
Scrutineer	A person who is present during a ballot recount.

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BRIEFING AND INTERVIEW



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CALL FOR NOMINATIONS

Each year, Vancity sends out a general statement to its members to invite those who would like to run in the Board of Directors' election to register their interest and apply for candidacy.

The "Call For Nominations" is posted on the Vancity website, advertised in all branches and in newspapers. Members who use online banking receive notice through the Secure Messaging Centre.

In accordance with the democratic principles of credit unions, the Call for Nominations remains open for approximately two months to ensure that the message reaches as many potential candidates as possible to provide members with the greatest choice when voting.

Candidates

Eligibility

Rules 3.2.05 and 3.2.06 establish the criteria for eligibility to stand for election.

Current board members, officers and non-director members of Board committees may not formally or informally express support or non-support for any candidates, except through the formal Board recommendation process (see "*Briefing and Interview*").

Standing as an independent candidate

The use of slates or group identification between candidates is prohibited.

Candidates are expected to run independently and on their own merits. Candidates are not permitted to campaign jointly with other candidates, or support other candidates or sitting Board members in their campaign material.

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Registering an intention to run

Nominees are required to confirm their intention to run in the election by submitting the following documents to formally register an expression of interest:

- Application Form with Declaration
- Experience Summary*
- Résumé and biography*
- Candidate Statement*
- Photograph*
- Consent for bankruptcy/insolvency/criminal records checks

Application form with Declaration

All applications must be accompanied by five nominations. However, it is recommended that seven nominations are included to ensure that eligibility requirements are met (see “*Nominator eligibility*”). The nominators’ information and application form may be submitted separately.

Nominees are reminded that, by signing the declaration, they acknowledge that they have read and will abide by the Rules, the Policy and these guidelines.

Experience summary

Nominees should complete each of the categories on this form listing (in bullet point form) their experience, knowledge and skills to demonstrate how these align with the attributes and skills required of a Vancity Director and Vancity’s values and vision. Each bullet point must be no more than 25 words**.

Résumé and Biography

Nominees are required to provide:

- a formal detailed résumé for Committee review; and

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- a biography setting out the nominee's occupation, financial institution affiliation, experience and qualifications. The summary must contain no more than 150 words**, written in the first person narrative and in paragraph form (i.e. no bullet points).

Nominees should also submit "highlights" of their biography, containing no more than 40 words**, written in the first person narrative and in paragraph form (i.e. no bullet points).

Candidate statement

The purpose of this statement is for the nominee to explain what they will contribute to the Board, particularly in terms of their personal, professional and community experience. The statement should be no longer than 100 words**, written in the first person narrative and in paragraph form.

Photograph

Nominees are required to electronically submit a colour photograph (head and shoulder shot only) with a minimum resolution of 1280 x 960 pixels. The photograph should not be smaller than passport size.

Consent for background checks

Nominees will be required to consent to a criminal records check.

Nominees will also need to complete a bankruptcy/insolvency check by logging on to the website of the Office of the Superintendent of Bankruptcy Canada at <http://www.ic.gc.ca/eic/site/bsf-osb.nsf/eng/home>.

Nominator eligibility

Nominators must:

- be 19 years of age or over;
- be members in good standing;
- have a share balance of not less than \$5; and
- not be more than 90 days delinquent in any obligations to Vancity.

* These documents will be published in the election material.

** The nominee must ensure that word limits are adhered to. All text will be published as received, subject to these guidelines. Any text beyond the allowance will not be included.

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Deadlines and delivery of registration documents

The Committee will set all deadlines from year to year. Deadlines are fixed and no exceptions will be made. Nominees are therefore encouraged to register their interest as early as possible.

Nominees are also advised to review their applications carefully. Missing or incomplete documentation will affect nomination and candidacy.

The application form and declaration may be sent to the Governance Department by hard copy, email or facsimile. Remaining documents must be Microsoft (MS) Word-compatible and submitted by email. Photographs must be emailed as MS-compatible electronic images.

All documents must be received on time. Only Vancity timestamps will be used to determine the time of receipt. Delivery to branches or any other location, email address or fax number will not be accepted.

Personal Information Return

In accordance with Section 105 of the *Financial Institutions Act*, nominees are required to complete a Personal Information Return and submit this to the Governance Department by close of nominations. Only hard copies will be accepted and are available at:

http://www.fic.gov.bc.ca/index.aspx?p=credit_unions_and_trust_companies/forms

Mandatory Information Session

Nominees must attend a mandatory information session, unless they receive notice that the requirement is waived by the Committee (Rule 3.5.02). Failure to attend this session may render the nominee's application ineligible.

These guidelines and corresponding forms will be reviewed at the session, and nominees will receive information regarding the legislative and administrative issues associated with running for election. The session will also provide nominees with an opportunity to meet each other.

Close of Nominations

All nominees must ensure they are aware of the date for close of nominations.

The Committee will convene to review applications following the close of nominations. Nominees can expect to be notified as to whether their application has been accepted shortly after the Committee has met.

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Rejected applications

By the Committee

The Committee may reject any application:

- where the nominee has not met the eligibility requirements;
- where the nominators have not met eligibility requirements;
- that has been completed incorrectly;
- that has not been received within the prescribed time limits;
- where the nominee has not attended the mandatory information session;
- where the nominee has not met the campaign expenses guideline in a previous election;
- that does not adhere to the legislative requirements; or
- on the basis of an unacceptable background/credit/criminal records check.

Upon receipt of notification by the Committee that their application has been rejected, a nominee may, within three days from the date of notification, submit a letter to the Committee appealing its decision.

Upon receipt of a letter of appeal, the Committee will review the application in light of any new or further information provided by the nominee, and inform the nominee in writing of its decision as to whether the application may proceed.

At its discretion, the Committee may invite the nominee to attend a meeting to discuss the matter.

All decisions rendered by the Committee at this stage are final.

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By the Board

The Committee may make a recommendation to the Board to reject a nominee's application for candidacy:

- if the application is false or misleading;
- if the application contains information that is frivolous, vexatious or harmful to Vancity; or
- for any other reason as determined by the Committee.

Where the Committee decides to recommend that the Board reject a nominee's application, it will notify the nominee in writing of its intention and reasons prior to making the recommendation.

The nominee may, within three days from the date of notification, provide the Committee with written submissions appealing its decision. The submissions may include any relevant information that the nominee wishes the Board to consider. All documentation provided by the nominee will be included in its entirety as part of the Committee's report to the Board.

The Board will conduct a documentary review on the basis of the information before it and provide the Committee with its written decision for onward communication to the nominee.

All decisions rendered by the Board at this stage are final.

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Candidate Interviews

Candidates are required to attend an interview with the Committee, unless they receive notice that the requirement to attend is waived by the Committee (Rule 3.5.02).

Scheduling for interviews will begin as soon as the completed registration documents are received. Candidates are expected to make themselves available to attend an interview in the late afternoon, evening or possibly a weekend. Interviews are approximately 45 minutes in duration, and will take place in person at Vancity Centre, 183 Terminal Avenue, Vancouver.

In the event that a potential or actual conflict of interest arises between a candidate and a member of the Committee, the Committee member will disclose the nature of the conflict to the Committee and, if appropriate, excuse themselves from participating in the interview.

Recommendations

Every year, the Board reviews the existing collective skills, attributes and experience of its directors to identify gaps or priorities as informed by its vision, strategic plan and priorities. This exercise is essential to ensure an optimal board governance structure is in place to effectively guide the organization and protect the interests of members.

A list of ideal skills and attributes is communicated to members as part of the Call for Nominations. Candidates will be assessed against this criteria as well as a range of general leadership competencies, for example, analytical and technical skills, critical thinking, and proven interpersonal and communication skills.

After the screening and interview process has been completed, the Committee will recommend five candidates to the Board who, in its opinion:

- have best met the eligibility requirements under the Rules and legislation;
- have demonstrated experience in specific areas that will complement and strengthen the existing Board; and
- possess skills and attributes that are consistent with the values of Vancity, and that provide the Board with the capacity to achieve its vision and protect the interests of its members and communities.

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Notification to Candidates

Once the Board has confirmed its selection of the five recommended candidates, all candidates will be notified as to whether or not they have been recommended.

If any candidate wishes to withdraw from the election following notification of the recommendations, they must inform the Governance Department within three days from the date of notification. This is to allow sufficient time to ensure that candidate information is removed from the election bulletin before it is published.

Candidate Listing

The manner in which candidates are listed on the election literature (bulletin and ballot) will be determined by the Committee.

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The following campaign guidelines apply to candidates once their nomination has been confirmed by the Committee.

Effective campaigning increases visibility of candidates, informs members about the election and highlights the benefits of Vancity as a mission-based financial cooperative.

Candidates may only campaign or canvass voters outside Vancity premises during the period fixed by the Committee.

When engaging with members, candidates may, subject to the guidelines regarding campaign conduct:

- express their personal views on current issues affecting Vancity and the financial industry;
- take questions from members; and
- if applicable, inform members that their concerns will be brought to the attention of the Board, if the candidate is elected.

However, as it is not in their authority to do so, the candidate is strictly prohibited from committing the Board to a specific course of action.

Acceptable campaign strategies

Campaign materials

Candidates are permitted to use traditional forms of communication (e.g. brochures, newsletters, flyers) as well as social media (e.g. blogs, social networking sites) to promote their candidacy.

Candidates are prohibited from using the Vancity logo, design, colour scheme, advertising slogan, or any other element that may suggest a connection to the Vancity brand, in their campaign materials.

Candidates may wish to consider how to make their campaign more accessible to people who are visually impaired, have learning difficulties or low literacy skills, or whose first language is not English.

The Committee may, at its discretion, review campaign materials and reject any portion that contravenes these guidelines or is considered to be misleading, defamatory or injurious to Vancity's members or its reputation.

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Candidates may be in breach of these guidelines if it is determined that external sites linked to their campaign media are inappropriate.

Endorsements and testimonials

Candidates are permitted to use endorsements and/or testimonials in their campaign material. Such statements must be current, and reflect the honest opinions, findings, beliefs or experience of the endorser.

Endorsements must not contain any representations that may be misleading, deceptive or cannot be substantiated by the endorser.

Campaigning outside Vancity premises

Candidates may campaign outside Vancity premises with the assistance of one person, who must remain with the candidate at all times. Candidates and their supporters are prohibited from separating to campaign concurrently at multiple Vancity branch locations.

Candidates are responsible for the conduct of their supporters and for cleaning up any campaign material left on or around Vancity's property.

In the event that unsolicited supporters attend outside Vancity premises, candidates must make every reasonable effort to disperse them. Ignoring this restriction may constitute a breach of these guidelines.

Campaigning at other venues

Candidates may campaign at other venues but must obtain express permission from proprietors/management before doing so, and conduct themselves in a respectful and courteous manner.

Campaign video

Candidates have the option to produce a video clip to promote their campaign. Candidates may include any key messages relevant to the election and their candidacy but are not permitted to make any campaign promises, false or misleading statements, or commit the Board to a specific course of action.

Should candidates wish their campaign video to be linked to the Vancity website, they must:

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- limit the video to 60 seconds in duration (Vancity will add an opening and closing segment to each clip that will not form part of this time allowance); and
- make the video in accordance with YouTube standards. Video specifications and other production tips can be found on the YouTube website under “*How to make a video*”.

Candidates are reminded to respect copyright laws and use only songs or images for which they have permission. Candidates are responsible for the cost and production of their campaign videos.

Unacceptable campaign strategies

Platforms

Candidates must not directly or indirectly claim that they will implement specific platforms or policies if elected, either verbally or in any materials distributed as part of their campaign.

Negative campaigning

Candidates must neither make nor support negative comments about Vancity, its Board, Board Committees, management, staff, or other candidates.

Campaigning inside Vancity premises

Candidates are not permitted to campaign inside Vancity premises (including ATM vestibules).

Campaign Expenses

Campaign expenses must not exceed \$2,500.

Within two weeks from the close of the election, candidates must submit all expense receipts to the Committee, together with a signed statutory declaration confirming that the expenses have been incurred as part of their election campaign. Campaign expenses will not be reimbursed.

Candidates are advised that failing to submit campaign expenses or exceeding the expense limit may make them ineligible to run in future elections.

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Campaign Conduct

Candidates must:

- conduct their campaigns in the spirit of responsible civil discourse and fair play;
- focus their campaigns on positive descriptions and statements of principle, experience and aspirations;
- use every effort to keep their interactions factual and accurate;
- strive for transparency and openness in their interactions and never seek to “spin” information for personal benefit;
- publicly correct, without delay, any information communicated that is later found to be misleading or in error; and
- be honest about their relationships, opinions and identity.

Candidates must not:

- knowingly make a false or misleading statement on their application and/or declaration;
- hinder or interfere with the campaigns of other candidates;
- knowingly make false, negative, personal or misleading statements about other candidates;
- remove, deface, interfere with or unreasonably inhibit from viewing other candidates’ materials or messages;
- apply any undue influence or pressure to members exercising their right to vote;
- offer financial incentives or other considerations to members to encourage or discourage them from voting;
- interfere with the duties, or seek assistance from, any employee of the Vancity Group (including Returning Officers) in connection with the election; and
- interfere or impede any members of Vancity conducting business.

The Committee is responsible for supervising the conduct of candidates during the election period. Where a candidate is found to have contravened these guidelines, the Committee may recommend to the Board that the candidate be disqualified.

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Candidate Questions

Candidates may contact the Governance Department by telephone, email or facsimile with questions regarding their campaign and/or these guidelines. Where appropriate, the Governance Department may address questions about the election without recourse to the Committee.

Candidate Complaints

Candidates may lodge a written complaint with the Committee if they believe that:

- there has been an unreasonable delay or failure by Governance Staff or the Committee to address a campaign issue;
- an error has been made that has negatively impacted their campaign;
- their campaign has been unfairly disrupted by another candidate;
- they have been the subject of bias or unfairness; or
- they have been the subject of courtesy or discrimination.

The Committee will review all complaints. Governance Staff will coordinate the process and notify candidates of the Committee's final decision in writing.

Depending on the nature of the complaint, the Committee may address the complaint on an informal basis by contacting the candidate directly to resolve the issue.

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Ballot Counts

Ballots are counted by the Election Official.

The Election Official shall recount the ballots received if the difference in the number of votes received by the successful candidate (with the least number of votes) and the unsuccessful candidate (with the most number of votes) is 25 or less.

Each candidate may appoint one scrutineer who shall be entitled to be present at the office of the Election Official during the recounting of the ballots.

The Election Official will authorize and set the schedule for scrutineers to observe the ballot recount.

Election Results

The results will be announced to candidates within seven business days from the end of the election. The results will be officially reported at the AGM. Candidates are not permitted to discuss or release the results until Vancity has done so.

Newly-appointed directors will commence their term of office at the close of the AGM.

Retention Period

Ballots will be destroyed 30 days after the AGM.

COMPLIANCE

Questions about these Guidelines or the Election should be directed to the Governance Department at:

11th Floor
183 Terminal Avenue
Vancouver, BC
V6A 4G2

Tel: (604) 877 7595
Fax: (604) 877 7993
Email: election@vancity.com

The Committee may, at its discretion, make any amendments to these guidelines as it deems necessary to ensure fairness and transparency throughout the election process.

Guidance from Committee

Where candidates have questions regarding the interpretation or application of these guidelines, they must apply to the Committee for a written resolution of the issue.

Candidates are advised that the Committee may, at its discretion, publish any decision made, especially if the campaigns of other candidates or these guidelines are directly affected by the decision.

Candidates must comply immediately with any direction issued by the Committee.

Breach of guidelines

In the event that a candidate is believed to be in violation of these guidelines or the Rules, the Committee will:

- conduct a preliminary assessment to determine the severity and scope of the breach,
- take immediate action to ensure that the breach does not disrupt the election process,
- provide written notification to the candidate that a breach has been identified and offer them an opportunity to correct it within a timeframe set by the Committee. Written notification will include:
 - a full description of the breach;
 - a general account of the temporary measures imposed (if applicable); and
 - a request that the candidate respond in writing to the allegations made.

These Guidelines are reviewed annually by the Nominations and Election Committee.

If, following its review, the Committee finds that the candidate has breached the guidelines, it may either impose sanctions (such as removing the candidate's campaign information from the election material) or publicly reprimanding the candidate.

For any sanction to be imposed, a decision must have the support of four out of six members of the Committee.

The Committee will inform the candidate of its decision in writing. Decisions may also be reported to members.

Request for reconsideration of decision

Where a candidate disagrees with a decision made by the Committee, they may, within five days from the date of notification, submit a letter to the Committee requesting that it reconsider its decision. The letter should contain a detailed explanation of why they believe the decision should be reviewed or changed. The candidate may submit any new or further information for the Committee's consideration, if applicable.

At its discretion, the Committee may invite the candidate to attend a meeting.

Candidates must comply with the Committee's original decision unless or until the Committee indicates otherwise.

At the conclusion of its review, the Committee will communicate its decision in writing to the candidate.

The Committee may reject any request that is wholly without substance or merit, is frivolous or vexatious, or is unsupported by evidence. Under such circumstances, the Committee will inform the candidate concerned, in writing, of its reasons for rejecting the candidate's request. All decisions rendered at this stage are final.

Disqualification

Where it is clear to the Committee that a candidate has:

- shown contempt for the election process, the Committee or Vancity;
- failed to follow a direction of the Committee; or
- knowingly and deliberately contravened these guidelines,

the Committee will refer the matter to the Board with its recommendation that the candidate be disqualified from the election (see Rule 3.5.04).

November 2012

APPENDICES

- A. Ideal Skills and Attributes
- B. Forms
- C. Vancity Rules
- D. Standards of Business Conduct Policy and Ethical Behaviours for Directors
- E. Terms of Reference for a Director
- F. Terms of Reference for the Board of Directors
- G. Directors' Remuneration

Appendix A

IDEAL SKILLS AND ATTRIBUTES

Vancity

2013 Board of Directors' Election

Ideal skills and attributes

Each year, the Board completes an assessment to analyze its composition in terms of skills and attributes, and uses that opportunity to identify any attributes to strengthen. As Vancity has a focused mission to work with people and communities to help them thrive and prosper, it is critical that the Board possesses not only the expertise to oversee a financial institution of Vancity's size and complexity but, more importantly, a strong commitment to its values as a community-based financial cooperative.

The concept of establishing a base of ideal skills and attributes emerged from the recognition that to achieve its mission, the Board itself should reflect the communities that it serves in terms of diversity of thought, background, experience, gender and culture.

What skills and attributes have been identified as the focus for this election?

- executive or professional experience in social impact investing; and
- a demonstrated commitment to cooperative values.

How can candidates use this information?

Candidates are advised to review the ideal skills and attributes prior to completing their applications, and carefully consider how best to showcase their personal skills, attributes, background and experience in light of the criteria sought.

Candidates should also think about how their values align with Vancity, as well as the unique skills they would bring to complement and reinforce the current Board. Candidates may also wish to reflect on their "stories" or examples that demonstrate those strengths.

Ideal Skills and Attributes for a Director

Community

- Commitment to cooperative values and principles.
- High social capital and community involvement. Brings robust networks, relationships and knowledge that reflect Vancity's current and future membership.
- Track record in governing organizations (cooperative, non-profit, labour, social enterprise, business) that are engaged in important and emerging social justice, economic and environmental issues relevant to Vancity members.*
- Familiarity with the role and leverage of finance in improving economic, community and environmental resilience (social finance/impact investing).*

Leadership

- Personal commitment to Vancity and its branded vision of “Redefining Wealth”. Understands the role a leadership organization plays in building community, sustainability and prosperity.
- Strategic agility and vision, along with a commitment to working at the strategic level.
- Prior board experience and/or executive positions reporting to a Board.
- Personal leadership experience including successfully leading people and projects: a team player.
- Demonstrated integrity, and a commitment to honouring Vancity’s governing policies, such as the Code of Conduct and Ethical Behavior for Directors.

Technical

- Understands the cooperative governance model, directors’ role and fiduciary duty.
- Financial acumen: adept at reading and interpreting financial statements.
- Process orientation: makes decisions and seeks outcomes through the consistent application of a logical sequence of steps.
- Effective communication and listening skills, orientation to resolve conflict, able to work collaboratively and recognize “group think” and board decision-making biases.
- Seeks decisions that optimize the relationship between risk and reward.
- ICD.D or C.Dir designation (all directors are expected to complete governance training)*.

Personal attributes

- Effective judgment, respect for others, self-awareness.
- Independent thinking, an open mind, information seeking.
- Willing and able to learn, and committed to regular board self-assessments and ongoing professional development.
- Sufficient time availability and flexibility to participate in board and director duties, and a commitment to represent Vancity by attending staff, member and community events.
- Basic IT literacy, including use of computers, email, internet, shared networks (training is available and Vancity is able to accommodate people with disabilities).

* It is expected that at least one Director should have this skill.

Description of Ideal Competencies of an Effective Director

Adapted from "The 18 competencies of an Effective Director" as promoted by the Institute of Corporate Directors (December 2005)

competency groups	competency list	definitions
knowledge	knowledge of board and role	Understands basic responsibilities, accountabilities and liabilities as a director and a director, including the appropriate role of management and board. Demonstrated experience with boards and/or committees and modern governance practices.
	knowledge of business	Understands Vancity's core business and the financial services industry.
analytical & technical skills	financial acumen	Can read, interpret and assess the implications of financial reports.
	group decision making orientation	Can identify and diminish group think tendencies and recognize decision-making biases in board discussion. Ability to accept and promote board decisions. Assists the board to move towards consensus.
	process orientation	Makes decisions and seeks outcomes by consistent application of logical analysis.
	conceptual thinking	Makes connections between apparently separate issues, seeing patterns, trends, or relationships and developing mental frameworks to explain and interpret information
thinking	strategic thinking	Experience and ability to think strategically. Ability to relate external business and environmental conditions to Vancity's operations.
	independent thinking	Maintains own convictions despite undue influence, opposition or threat.
	open-minded, information seeking	Values the diverse opinions and builds innovation on the foundation of other people's views.
	objectivity	Draws conclusion by impartial evaluation of other perspectives and views without prejudice or bias.
personal style	ambiguity tolerance	Retains a positive outlook when the group is unable to resolve an issue or reach a conclusion and is willing to take a measured risk even when the outcomes are uncertain. Is able to balance the need to acquire more information with the cost of acquiring it.
	effective judgment	Applies common sense, measured reasoning, knowledge and experience to come to a conclusion.
	initiative	Grasps opportunities and proactively ensures that neither issues nor people are forgotten or overlooked.
	integrity	Trustworthy and conscientious and can be relied upon to act and speak with consistency and honesty.
	self-awareness	Accurately assesses strengths and weaknesses of self and of others and can manage them successfully.
	bias to learn	Invests time learning about the organization, its issues and people, and the industry in which Vancity operates.
social style	orientation to resolve conflict	Ensures conflict is resolved with justice and fairness in order to restore healthy relationships.
	communication	Gives and receives information with clarity, attentiveness, understanding and perception.
	influence & impact	Ability to influence Board members and stakeholders (management, members) in negotiating and impacting at the credit union level.
	political astuteness	Experienced level of acumen/"saviness" at Board/member/credit union levels.
	team player	Ability and willingness to work co-operatively in a team environment.
commitment to Vancity	personal commitment	Demonstrated interest in the success of Vancity and ability to be an ambassador for Vancity. This includes a willingness to conduct the majority of financial business with Vancity and to assist with business and membership development.
	values fit	Understands and agrees with Vancity's mission and values, codes of conduct and commitment to corporate social responsibility, including a commitment to co-operative principles and employment equity.

Appendix B

FORMS

Vancity

nominee's application

(Please print off as many copies of **THIS FIRST PAGE** as you require for each nominator to sign – you must have at least 5 nominators)

nominee information (*please print clearly*)

name _____
last name _____ initial _____ first name _____

address _____
number and street _____ city/province _____ postal code _____

telephone: home _____ office _____

social insurance no. _____ fax _____
optional _____

email _____

nominator's information (*please print clearly*)

I, _____, nominate _____
as a candidate in the Vancouver City Savings Credit Union Board of Directors' Election.

I certify that I am a member in good standing¹ and am over 19 years of age. I agree that the Nominations and Election Committee or its representatives may contact me.

name _____
last name _____ initial _____ first name _____

address _____
number and street _____ city/province _____ postal code _____

telephone: home _____ office _____

I am nominating this member because: _____

Signature: _____

¹A member in good standing of Vancouver City Savings Credit Union must:

- (1). Have a share balance of not less than \$5.00 and
 - (2) Not be more than 90 days delinquent in any obligations to Vancity
-

nominee's application...continued

(This page only needs to be completed once)

Vancouver City Savings Credit Union membership

Account number(s) _____ Branch(es) _____

general information (please use additional sheets if required)

• On which Board(s) do you currently serve (if any)? _____

• At which organization(s) do you currently volunteer (if any)? _____

• Are you proficient in any other languages?

spoken _____ written _____

spoken _____ written _____

spoken _____ written _____

• Do you have relatives employed by Vancity? yes no If yes, please list:

name _____ title _____

name _____ title _____

• Have you ever been convicted of a criminal offence involving a breach of trust or dishonesty, for which you have not received a pardon? yes no

If yes, please provide details of the offence on a separate page and submit with this application.

declaration

1. As a member in good standing, I have been nominated, and agree to stand, as a candidate in the Vancouver City Savings Credit Union ("Vancity") Board of Directors' Election.
2. To the best of my knowledge and belief, I am eligible to run as a candidate and, if elected, qualified to serve on the Vancity Board of Directors.
3. I agree that Vancity or its representative(s) may obtain any supplemental information necessary to confirm my suitability as a potential director of Vancity, including employment references, a criminal records check and a bankruptcy/insolvency check.
4. I have read the Vancity Rules, Election Guidelines and Standards of Business Conduct Policy and Ethical Behaviours.
5. I will at all times during this election act honestly, in good faith and will comply with the Vancity Rules and Election Guidelines. I understand that if I contravene the Vancity Rules or Election Guidelines, I may be disqualified as a candidate.
6. I confirm that the information I have provided is true, correct and complete to the best of my knowledge and belief, and will notify Vancity in writing of any material change(s).
7. I understand that any false or deliberately misleading statement contained in either my application or supporting information may result in my disqualification as a candidate.
8. I acknowledge and agree that all the information provided will be used for the purposes described in the Candidates' Information Package.

Signature

Name of Applicant (please print)

Date (DD/MM/YYYY)

It is Vancity's policy to accept applications from all members, regardless of age, sex, marital status, colour, race, religion, creed, nationality, ancestry, national or ethnic origin, disability, sexual orientation, membership in any lawful organization, or previous conviction for which a pardon has been granted.

nominee's experience

nominee name (please print): _____

Each year, the Board completes an assessment to analyze its composition in terms of skills and attributes, and uses that opportunity to identify any attributes to strengthen. As Vancity has a focused mission to work with people and communities to help them thrive and prosper, it is critical that the Board possesses not only the expertise to oversee a financial institution of Vancity's size and complexity but, more importantly, a strong commitment to its values as a community-based financial cooperative.

The concept of establishing a base of ideal skills and attributes emerged from the recognition that to achieve its mission, the Board itself should reflect the communities that it serves in terms of diversity of thought, background, experience, gender and culture.

What skills and attributes have been identified as the focus for this election?

- executive or professional experience in social impact investing; and
- a demonstrated commitment to cooperative values.

How can candidates use this information?

Candidates are advised to review the ideal skills and attributes prior to completing their applications, and carefully consider how best to showcase their personal skills, attributes, background and experience in light of the criteria sought.

Candidates should also think about how their values align with Vancity, as well as the unique skills they would bring to complement and reinforce the current Board. Candidates may also wish to reflect on their "stories" or examples that demonstrate those strengths.

a. community

- Commitment to cooperative values and principles.
- High social capital and community involvement. Brings robust networks, relationships and knowledge that reflect Vancity's current and future membership.
- Track record in governing organizations (cooperative, non-profit, labour, social enterprise, business) that are engaged in important and emerging social justice, economic and environmental issues relevant to Vancity members.*
- Familiarity with the role and leverage of finance in improving economic, community and environmental resilience (social finance/impact investing).*

*At least one Director should have this skill.

Outline your experience in the 'community' category using three bullet points of 25 words or less for each bullet:

-
-
-

b. leadership

- Personal commitment to Vancity and its branded vision of "Redefining Wealth". Understands the role a leadership organization plays in building community, sustainability and prosperity.
- Strategic agility and vision, along with a commitment to working at the strategic level.
- Prior board experience and/or executive positions reporting to a Board.
- Personal leadership experience including successfully leading people and projects: a team player.
- Demonstrated integrity, and a commitment to honouring Vancity's governing policies, such as the Code of Conduct and Ethical Behavior for Directors.

Outline your experience in the 'leadership' category using three bullet points of 25 words or less for each bullet:

-
-
-

c. technical

- Understands the cooperative governance model, directors' role and fiduciary duty.
- Financial acumen: adept at reading and interpreting financial statements.
- Process orientation: makes decisions and seeks outcomes through the consistent application of a logical sequence of steps.
- Effective communication and listening skills, orientation to resolve conflict, able to work collaboratively and recognize "group think" and board decision-making biases.
- Seeks decisions that optimize the relationship between risk and reward.
- ICD.D or C.Dir designation (all directors are expected to complete governance training)*.

**At least one Director should have this skill.*

Outline your experience in the 'technical' category using three bullet points of 25 words or less for each bullet:

-
-
-

d. personal attributes

- Effective judgment, respect for others, self-awareness.
- Independent thinking, an open mind, information seeking.
- Willing and able to learn, and committed to regular board self-assessments and ongoing professional development.
- Sufficient time availability and flexibility to participate in board and director duties, and a commitment to represent Vancity by attending staff, member and community events.
- Basic IT literacy, including use of computers, email, internet, shared networks (training is available and Vancity is able to accommodate people with disabilities).

Outline the experience in the 'personal attributes' category using three bullet points of 25 words or less for each bullet:

-
-
-

The information provided will be published in a format that Vancity determines is ideal for the publication.

campaign expense declaration

To: Vancouver City Savings Credit Union

I, _____ declare that the expenses incurred, the
(candidate's name)

receipts of which are attached, are the true and complete expenses incurred by me during the 2013 Vancouver City Savings Credit Union ("Vancity") Board of Directors' election campaign. I further declare that I have complied with the Election Guidelines that refer to campaign expenses.

Dated this _____ day of _____ 2013

Signature of candidate: _____

Print name of candidate: _____

withdrawal from election

Notification must be submitted by no later than 12 noon on Thursday, February 21, 2013

I choose to withdraw as a candidate in the 2013 Vancity Board of Directors' election.

Name: _____

(Please Print)

Signature: _____

Date: _____

Appendix C

VANCITY RULES

Vancy

Definitions

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

1. “**Act**” means the Credit Union Incorporation Act of British Columbia and regulations made under such Act, as in force for the time being and as amended or replaced from time to time;
2. “**Acts**” means the Credit Union Incorporation Act, the Financial Institutions Act and the Company Act, all of British Columbia, and regulations made under such Acts, as in force for the time being and as amended or replaced from time to time;
3. “**Electronic Transactions Act**” means the Electronic Transactions Act of British Columbia and regulations made under such Act, as in force for the time being and as amended or replaced from time to time;
4. “**Board**” means the Board of Directors;
5. “**Board Committee**” means a Committee of Directors appointed by the Board;
6. “**Chair**” means the chair of the Board;
7. “**Committee**” means the Nominations and Election Committee;
8. “**Director**” means a director of Vancity;
9. “**Dormant account**” means an account (i) in which there has been no member-initiated activity for 12 months, (ii) in respect of which, on three consecutive occasions, mail sent by Vancity to the last known address of the account holder has been returned, and (iii) in respect of which, the account holder has not informed Vancity in writing of the new address;
10. “**Dormant account member**” means a member who is the account holder of a dormant account;
11. “**Immediate family**” of a person means a person’s spouse (including same sex partner), and anyone living in the same household as the person;
12. “**Ordinary resolution**” means a resolution passed at a general meeting by a simple majority of votes cast by members who are entitled to vote at general meetings;
13. “**Special resolution**” means a resolution in respect of which notice has been given as required under the Act and under Rule 7.4 and that is passed by a majority of not less than two thirds of the votes cast by members who are entitled to vote and who do so by the methods specified by the Act and under these Rules;
14. “**Superintendent**” means the Superintendent of Financial Institutions; and
15. “**Vancity**” means Vancouver City Savings Credit Union.

The meaning of any words or phrases defined in the Credit Union Incorporation Act, the Financial Institutions Act and, to the extent that it relates to Vancity, the Company Act will, if not inconsistent with the subject or context, have the same meaning in these Rules.

1. Membership

- 1.1 For the purposes of these Rules, a member in good standing is a member who at the date on which good standing is determined:
 - (a) subject to these Rules has purchased, paid for and holds the number of Class B Membership Shares required under these Rules, and
 - (b) is not more than 90 days delinquent in any obligation to Vancity.
- 1.2 Every application for membership must be submitted on an approved Vancity application and accompanied by payment in full of the purchase price of the number of Class B Membership Shares required under these Rules.
- 1.3 As a condition of admission as a member (or a junior member), a person is required to subscribe and pay for at least five Class B Membership Shares.
- 1.4 At the discretion of the Board, members may be permitted to purchase and hold Class B Membership Shares in excess of five as required in Rule 1.3 but not in excess of 1,000.
- 1.5 Except as provided in Rule 1.6, Class B Membership Shares cannot be held jointly.
- 1.6 If at the time these Rules come into force a share account for Class B Membership Shares was a joint account, the persons named on the account may continue to hold Class B Membership Shares jointly in the share account. For every five Class B Membership Shares held in the share account, a person named on the account will be deemed to be a member. Any additional named person on the account will be deemed to be a member when dividends have accumulated in an amount equal to the amount required to purchase five Class B Membership Shares. Persons named on the account will be deemed to be members under this Rule in the order the persons are named on the account. At the request of a person named on the account and with the consent of the other person(s) named on the account, Vancity will transfer as requested (but without dividing any share into fractions) the Class B Membership Shares held in the account to individual accounts of the persons named on the account.
- 1.7 If a member does not purchase, fully pay for and hold the required number of Class B Membership Shares or any other class of shares, Vancity may, subject to the Act, firstly, apply any money invested in the name of the member in other classes of shares in excess of the investment required by the Board in those other classes of shares, and dividends credited on such shares, and secondly, apply any money on deposit and interest on such deposit in the name of the member toward the purchase of the shares but not to an extent in excess of that required, so that the member will own the number of Class B Membership Shares or such other class of shares required under these Rules.
- 1.8 If a member is not the owner of the required number of Class B Membership Shares and has insufficient moneys invested in other classes of shares in excess of the required investment in those classes or on deposit to permit the purchase of sufficient shares under Rule 1.7, the Board may terminate the membership of the member in accordance with the Act.
- 1.9 A member may withdraw from membership, and membership of any person may be terminated, in accordance with the Act.

2. Shares and Deposits

- 2.1 The shares of Vancity will be divided into 26 classes of shares designated as Class A Savings Shares, Class B Membership Shares, Class C to Class F Investment Shares and Class G to Class Z Partner Equity Shares, each class of shares having the rights and restrictions set out in these Rules.
- 2.2 The following rights and restrictions are attached to Class A Savings Shares:
- (a) moneys invested in Class A Savings Shares and dividends on Class A Savings Shares are guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation;
 - (b) Class A Savings Shares are non-equity shares of Vancity and evidence indebtedness of Vancity;
 - (c) subject to the provisions of the Act, the Board may in its absolute discretion declare and pay dividends on Class A Savings Shares in amounts and at times as it may determine;
 - (d) subject to the Act, Vancity will redeem all or any portion of Class A Savings Shares held by a member (but not so as to result in a member holding fractional Class A Savings Shares) upon the happening of any of the following events:
 - (i) the death of the member;
 - (ii) the member withdrawing from membership; or
 - (iii) the termination by Vancity of the membership of the member;
 - (e) Class A Savings Shares have a par value of \$1.00 each;
 - (f) in the event of winding-up of Vancity, the holders of Class A Savings Shares will be entitled to receive in respect of such shares such amount as determined under the Act; and
 - (g) the holder of any Class A Savings Shares will not be a member or auxiliary member of Vancity for the purposes of voting as contemplated under the Act.
- 2.3 The following rights and restrictions are attached to Class B Membership Shares:
- (a) moneys invested in Class B Membership Shares and dividends on Class B Membership Shares are not guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation;
 - (b) Class B Membership Shares are equity shares of Vancity;
 - (c) subject to the provisions of the Act, the Board may in its absolute discretion declare and pay dividends on Class B Membership Shares in amounts and at times as it may determine;
 - (d) subject to the Act, Vancity will redeem all or any portion of Class B Membership Shares held by a member (but not so as to result in a member holding fractional Class B Membership Shares) upon the happening of any of the following events:
 - (i) the death of the member;
 - (ii) the member withdrawing from membership; or
 - (iii) the termination by Vancity of the membership of the member;
 - (e) the Board may limit the amount of Class B Membership Shares redeemed in any one calendar year to 10% of the total amount of Class B Membership Shares issued and outstanding but this 10% limit will not apply to redemptions under (d)(i) or (iii);

- (f) Class B Membership Shares will be issued at, and have a par value of, \$1.00 each;
- (g) Class B Membership Shares which are redeemed or purchased by Vancity, or which are transferred, will be redeemed, purchased or transferred at par value, plus any dividends declared but unpaid on such shares; and
- (h) in the event of winding-up of Vancity, each holder of Class B Membership Shares, together with the holders of any class of investment shares created by Vancity (unless the rights and restrictions attached to any such class of shares provide otherwise), will be entitled to receive with respect to the shares held by the holder their pro rata share of any surplus or assets remaining to be distributed after payment of all amounts required to be paid under the Act.

2.4 The following rights and restrictions are attached to Class C, D, E and F Investment Shares:

- (a) moneys invested in Class C, D, E and F Investment Shares and dividends on Class C, D, E and F Investment Shares are not guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation;
- (b) Class C, D, E and F Investment Shares are equity shares of Vancity;
- (c) subject to the provisions of the Act, the Board may in its absolute discretion declare and pay dividends on Class C, D, E or F Investment Shares, in amounts and at times as it may determine;
- (d) in the event of winding-up of Vancity, each holder of Class C, D, E or F Investment Shares, together with the holders of Class B Membership Shares and any class of investment shares from time to time created by Vancity (unless the rights and restrictions attached to any such class of shares provide otherwise), will be entitled to receive with respect to the shares held by the holder their pro rata share of any surplus or assets remaining to be distributed after payment of all amounts required to be paid under the Act; and
- (e) Class C, D, E and F Investment Shares have the additional rights and restrictions set out in Rule 2.5 to Rule 2.8, as applicable.

2.5 The following rights and restrictions are also attached to Class C Investment Shares:

- (a) subject to the Act, upon written request of the member, Vancity will redeem all or any portion of Class C Investment Shares held by a member (but not so as to result in a member holding fractional equity shares) provided that the Board may limit the amount of Class C Investment Shares redeemed in any one calendar year to 10% of the total amount of Class C Investment Shares issued and outstanding;
- (b) Class C Investment Shares will be issued at, and have a par value of, \$1.00 each; and
- (c) Class C Investment Shares which are redeemed or purchased by Vancity, or which are transferred, will be redeemed, purchased or transferred at par value, plus any dividends declared but unpaid on such shares.

2.6 The following rights and restrictions are also attached to Class D Investment Shares:

- (a) subject to the Act, Vancity will redeem all or any portion of Class D Investment Shares held by a member (but not so as to result in a member holding fractional equity shares) upon the happening of any of the following events:
 - (i) the death of the member;
 - (ii) the member withdrawing from membership; or
 - (iii) the termination by Vancity of the membership of the member;

- (b) Class D Investment Shares will be without par value and will be issued at such price or prices as determined by the Board at the time of issue; and
 - (c) Class D Investment Shares which are redeemed or purchased by Vancity, or which are transferred, will be redeemed, purchased or transferred at the amount paid up on such shares, plus any dividends declared but unpaid on such shares.
- 2.7 The following rights and restrictions are also attached to Class E Investment Shares:
- (a) subject to the Act, upon written request of the member, Vancity will redeem all or any portion of Class E Investment Shares held by a member (but not so as to result in a member holding fractional equity shares) provided that the Board may limit the amount of Class E Investment Shares redeemed in any one calendar year to 10% of the total amount of Class E Investment Shares issued and outstanding;
 - (b) Class E Investment Shares will be without par value and will be issued at such price or prices as determined by the Board at the time of issue; and
 - (c) Class E Investment Shares which are redeemed or purchased by Vancity, or which are transferred, will be redeemed, purchased or transferred at the amount paid up on such shares, plus any dividends declared but unpaid on such shares.
- 2.8 The following rights and restrictions are also attached to Class F Investment Shares:
- (a) subject to the Act, upon written request of the member, Vancity will redeem all or any portion of Class F Investment Shares held by a member (but not so as to result in a member holding fractional equity shares) provided that the Board may limit the amount of Class F Investment Shares redeemed in any one calendar year to 10% of the total amount of Class F Investment Shares issued and outstanding;
 - (b) Class F Investment Shares will be without par value and will be issued at such price or prices as determined by the Board at the time of issue; and
 - (c) Class F Investment Shares which are redeemed or purchased by Vancity, or which are transferred, will be redeemed, purchased or transferred at the amount paid up on such shares, plus any dividends declared but unpaid on such shares.
- 2.9 The rights and restrictions attached to Class G to Class Z Partner Equity Shares are set out in Rule 8.3.
- 2.10 A statutory declaration of a Director or officer of Vancity that a lien of Vancity has been exercised or a share forfeited and stating the date of the exercise or forfeiture will be conclusive evidence of the fact stated in the statutory declaration.
- 2.11 Interest on deposits and dividends on shares, in the absence of an express contract or agreement, will be paid or credited at times, intervals and in a manner determined by the Board.
- 2.12 The Board may determine the forms by which a person may withdraw moneys on deposit or request redemption of shares.

3. Directors

3.1 Composition of Board

- 3.1.01 Except as provided in Rule 3.1.02 and where a Director is unable to complete their term, the number of Directors of Vancity will be nine.
- 3.1.02 If Vancity acquires all the assets of another credit union (the “transferring credit union”), then the members of the transferring credit union will become members of Vancity pursuant to the Act. To ensure continuity and knowledge of the affairs of the transferring credit union, the Board may at the time of acquiring the assets of the transferring credit union or within a reasonable period after such time, by Board resolution, authorize the appointment to the Board of one or more additional Directors from the existing board of the transferring credit union for a limited time period stipulated in the Board resolution, after which time such a person will cease to be a Director. Any Director appointed to the Board under this Rule will be added for a term not to exceed three years and the number of additional Directors appointed to the Board under this Rule serving concurrently will not exceed six. Any person to be appointed to the Board as a Director under this Rule must be eligible to be a Director under these Rules and the Acts.
- 3.1.03 Whenever these Rules refer to qualifications for election, such qualifications will also apply to appointment under Rule 3.1.02.

3.2 Election and Appointment of Directors

- 3.2.01 Each year Directors will be elected to replace those retiring or to fill any vacancies on the Board. A retiring Director is eligible for re-election unless the person has served four consecutive terms.
- 3.2.02 With the exception of voting for Directors for Partner Boards under Rule 8.9, elections of Directors will occur by voting by mail ballot and voting by ballot at a branch office, whichever method the member chooses, and may occur by electronic means if the Board determines to permit voting by electronic means and such means are made available.
- 3.2.03 Except where an election is held to fill the unexpired portion of a term under Rule 3.2.07, Directors will be elected to hold office for a term of three years, provided that one third of the Directors retire each year.
- 3.2.04 Retiring Directors cease to hold office and newly elected Directors take office at the close of each annual general meeting.
- 3.2.05 In order to be eligible to stand for election as a Director, a person must, for at least one year prior to January 1st of the year in which the election will be held:
 - (a) have been a member in good standing;
 - (b) have been the joint owner of shares of Vancity; or
 - (c) have been a member of another credit union all of the shares or assets of which have been purchased by Vancity, or which has amalgamated with Vancity.

3.2.06 A person who falls within any of the following categories is not eligible to stand for election as a Director and if holding the office of Director will immediately vacate such office:

- (a) a person who is or becomes an employee, director, officer or agent of (i) an organization in a competitive business to Vancity including a bank, trust company, loan company, savings and loan association, deposit taking institution, lending institution, mortgage broker, insurance company, insurance agency or another firm, association, syndicate, company, corporation or other business enterprise engaged in or concerned with or interested in, any business or any part of the business from time to time carried on by Vancity or (ii) another credit union (other than a director of a central credit union) or their wholly-owned subsidiaries; except where that person has been requested or authorized in writing by Vancity to serve as a director, officer or agent;
- (b) a person who is, or was at any time during the two year period prior to the date for close of nominations determined in accordance with Rule 3.5.10 (a), an employee of Vancity or any of its subsidiaries or affiliates;
- (c) a person who is a member of the immediate family of any person referred to in Rule 3.2.06(a) or (b);
- (d) a person who has received from Vancity 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 Vancity or any of its subsidiaries, payments for services of more than \$20,000 during the one year period prior to the date for the close of nominations determined in accordance with Rule 3.5.10, other than payments received as remuneration for the person acting in the capacity of Director of Vancity;
- (e) a person disqualified from becoming or acting as a Director pursuant to the Acts;
- (f) 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;
- (g) a director of a Partner Board; or
- (h) a person disqualified the previous year under Rule 3.5.05.

3.2.07 Under the Act and subject to the provisions of these Rules regarding qualification as a Director, a member may be elected or appointed by the Board to fill a casual vacancy on the Board to hold office until the next election of Directors.

3.3 Nominee Declaration

3.3.01 Every nominee for election or appointment as a Director will file with the Committee, in the case of election, or with the Board, in the case of appointment, in forms prescribed by the Board a written declaration stating that they:

- (a) are willing to stand for election;
- (b) will comply with the provisions of the Acts;
- (c) will comply with the conflict of interest policy and the code of conduct, as adopted by the Board; and
- (d) will comply with these Rules and the procedures relating to the election process and conduct of the election process.

3.4 Removal of Directors

3.4.01 A person may be removed as a Director by Board resolution passed by not less than two thirds of the remaining Directors if that Director:

- (a) has failed without being excused for reasonable circumstances to attend three consecutive monthly meetings of the Board per fiscal year;
- (b) has breached the Standards of Business Conduct Policy and Ethical Behaviour for Directors; or
- (c) has breached the confidentiality of any proceedings, deliberations, or information of the Board;

as determined by the remaining Directors in accordance with the policies and procedures relating to Director review established by the Conduct Review Committee. At least seven 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 Board voting on the Board resolution for the Director's removal.

3.5 Election Process

3.5.01 If at least two thirds of the Directors resolve 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 Vancity, the Board may reject the member as a candidate for Director.

3.5.02 The name of a member will not be placed in nomination as a candidate for election as a Director if that member or that member's delegate has not attended at least one of the information sessions held for candidates, unless the requirement to attend an information session has been waived by the Committee. Before the name of a member is placed in nomination as a candidate for election as a Director, that member must attend an interview with the Committee, at the time and place specified by the Committee, unless the requirement to attend such interview has been waived by the Committee.

3.5.03 At the time of nomination, every nominee will make a statement of all known conflicts of interest between the nominee and Vancity in a form as prescribed by the Committee.

3.5.04 If, in the opinion of the Committee, a candidate or a person representing the candidate, campaigns in any method or manner in contravention of the Election Guidelines as established by the Committee each year, the Committee will contact the candidate requesting that they comply with the Election Guidelines. If the candidate fails to comply immediately with the request made by the Committee, the matter will be referred to the Board to consider disqualification of the candidate. At least three days prior to the meeting at which the disqualification of a candidate is to be considered, the Corporate Secretary will provide such candidate with notice of the meeting and the grounds for considering the candidate's disqualification. The candidate may appear and make submissions at the meeting prior to the Board making its decision. If the Board determines that the candidate has violated the Election Guidelines in conducting their campaign, the candidate will be disqualified from the Director election and be deemed ineligible to serve as a Director. Within 24 hours of the disqualification of such candidate by the Board, the Board will give written notice of such disqualification to the candidate and the notice will specify the reason or reasons for disqualification. If a candidate has been disqualified, no vote cast in favour of that candidate will be counted in the tally of ballots, but the ballots will not otherwise be deemed to be void. The decision of the Board will be final, conclusive and binding on the candidate.

3.5.05 If, within 90 days of the announcement of the results of the election, it is made known to the Committee or the Board that a person who was a candidate (a “prior candidate”) or a person representing the prior candidate had campaigned during the most recent election period in any method or manner that may have contravened the Election Guidelines, the Committee will review the matter with the prior candidate and the Committee will refer the matter to the Board for consideration.

- (a) In the case of a prior candidate that was elected as a Director in the most recent election, if at least two thirds of the Directors (excluding the prior candidate) resolve that there was a clear and material breach of the Election Guidelines by the prior candidate in conducting their campaign, the prior candidate will be dismissed from the Board and will be disqualified to stand for election in the following year.
- (b) In the case of a prior candidate that was not elected in the most recent election, if at least two thirds of the Directors resolve that there was a clear and material breach of the Election Guidelines by the prior candidate in conducting their campaign, the prior candidate will be disqualified to stand for election in the following year.

At least three days prior to the meeting at which the dismissal and/or disqualification of a prior candidate is to be considered, the Corporate Secretary will provide such prior candidate with notice of the meeting and grounds for considering the prior candidate’s dismissal and/or disqualification. The prior candidate may appear and make submissions at the meeting prior to the Board dealing with the Board resolution for dismissal and/or disqualification. The decision of the Board will be final, conclusive and binding on the prior candidate.

3.5.06 No member, unless they are a member of the Committee, may nominate more than three candidates in respect of an election of Directors.

3.5.07 Subject to Rules 3.5.08 and 3.5.09, where any offices of Directors being filled at any election are for different lengths of terms, the term of each person will be determined in proportion to the number of votes received, the person receiving the greatest number of votes to hold office for the longest term.

3.5.08 If there is an election by acclamation the respective terms of the persons so elected will be decided by lot by the Committee.

3.5.09 In any election if there are two or more persons having an equal number of votes, the successful nominees or the lengths of terms of office, as the case may be, will be decided by lot by the Committee.

3.5.10 By October 31 of the year prior to each annual general meeting, the Board will appoint a Committee of not less than three persons who are members of Vancity and may, but need not be, Directors not standing for office in the election. The Committee will be charged with the conduct of the election of Directors and will be responsible for:

- (a) by December 31, notifying members of Vancity except as provided in Rule 3.5.11 that an election of Directors is to take place, specifying the number of positions to be filled, inviting the names of nominees to be submitted to it prior to the close of nominations, and stating the date for the close of nominations which will be not less than thirty days from the date of the notice; and
 - (b) receiving and placing into nomination the names of qualified candidates nominated in writing by at least three members in good standing of Vancity.
- 3.5.11 Vancity will not mail notification of the call for nomination or election notification to dormant account members but will attempt to notify such members through other means as determined by the Board and permitted by the Act.

3.5.12 Where call for nomination or notice of a Board election is received generally by members of Vancity, the omission to give notice to any member or the non-receipt of the notice by any member will not invalidate the election.

3.5.13 If the number of qualified persons nominated for the election to be held is less than the number of positions to be filled, the persons so nominated will be declared elected or appointed. The Board will appoint members to the remaining position(s) and advise the members at the annual general meeting of such appointment(s).

3.5.14 If the number of qualified persons nominated for the election is equal to the number of positions to be filled, those persons will be declared elected by acclamation.

3.5.15 If the number of qualified persons nominated for the election exceeds the number of offices to be filled, the provisions of Rules 3.5.16 to 3.5.25 will apply.

3.5.16 Within 60 days of the close of the close of nominations, the Committee will provide to members:

- (a) notice of the means by which voting will take place which may include mail ballot and in-branch ballot or electronic means, as determined under Rule 3.2.02;
- (b) when voting is to take place by ballot at branches of Vancity, notice of the times at which ballot boxes will be available in the branches, which times will be on at least five business days of Vancity and which days and times may be different for each polling place;
- (c) a statement which may include a resume and policy statement not exceeding 500 words by each candidate listed in an order chosen by lot by the Committee; and
- (d) clear and precise instructions for casting a ballot.

The Committee 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.

3.5.17 As determined by the Board, the Committee will provide to each eligible member who holds an account which is not a dormant account:

- (a) a ballot listing the names of all nominees in the same order chosen by lot under Rule 3.5.16;
- (b) when voting by physical means, one or more envelopes, which may be included as part of the ballot and bearing the address of Vancity or the election official, which envelope will allow for verification of the voting member, and provide for confidentiality of voting; and
- (c) clear and precise instructions for casting the ballot and the return of the ballot, whether by mail, by deposit at a branch of Vancity, or by electronic means, and which will specify the day by which the ballot must be received by Vancity or the election official in order for the ballot to be considered returned and to be properly cast.

The Committee 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.

3.5.18 On a date, as determined by the Board, after January 1 but prior to February 1 of the election year, the membership list of Vancity will, for the purpose of the election, be closed and only those members in good standing as of the close of business of Vancity on such date will be eligible to cast ballots in the election.

- 3.5.19 Every member desiring to cast a ballot in the election may be asked to provide proof of membership and may be asked to provide a declaration, in the form presented by the Committee, declaring the member has not previously cast a ballot in the election then in progress.
- 3.5.20 No ballot, whether a mail ballot, a ballot provided at a polling place, or a ballot provided by electronic means will be counted in the election unless actually received by Vancity or the election official before the close of business of Vancity on the last day of the election as stated in the Election Bulletin.
- 3.5.21 A member who is not an individual may be represented by an individual who, by written authorization deposited with Vancity, is authorized to vote on behalf of the member. Such individual member, if a member in their own right, may vote on their own behalf as well as for the member which they represent.
- 3.5.22 No member may vote by proxy.
- 3.5.23 A ballot may contain votes for a number of persons that is less than the number of persons to be elected.
- 3.5.24 The Committee will arrange for receipt of all ballots returned in the manner provided and will, after the close of balloting, tally all ballots received by any method or combination of methods as determined by the Board, in a manner to provide for the confidentiality of balloting.
- 3.5.25 The results of the election will be announced at the general meeting after which the balloting takes place and may be released by Vancity after approval by the Committee of the election results.
- 3.5.26 A notice of election or appointment of a person elected or appointed as a Director will be filed with the Superintendent within 14 days of the election or appointment, to be effective the date of filing of the notice.
- 3.5.27 The Board will meet within 30 days or such longer time as the Superintendent may allow after each annual general meeting and will elect from their own members a Chair and Vice-Chair and may appoint such additional Board officers as they deem necessary.

3.6 Board Meetings

- 3.6.01 The Board will meet at least 10 times in each year and not less frequently than once in each quarter.
- 3.6.02 The Chair may call a meeting of the Board at any time and will within 14 days of receipt of written request of three Directors call a meeting of the Board.
- 3.6.03 At least one day's notice will be given of meetings of the Board by personal delivery, mail, e-mail, fax or telephone but notice may be waived by a Director who does not receive notice.
- 3.6.04 A majority of the Directors will constitute a quorum but a lesser number may adjourn from time to time until a quorum is obtained.
- 3.6.05 The Board will appoint or authorize the appointment of such employees as may be required for the proper operation of Vancity.
- 3.6.06 The Chair will preside at each meeting of the Board and at each general meeting of Vancity. If the Chair is unavailable, the Vice-Chair will assume the duties of the Chair.

3.6.07 If the Chair is either absent or unable, for any cause, to act, or if the office of Chair becomes vacant the Vice-Chair will discharge the duties of the Chair until the Board meets, within 30 days of such vacancy, to elect the new Chair and/or Vice-Chair.

3.6.08 A meeting of Directors or of a Board Committee may be held in person or by:

- (a) telephone, or
- (b) using other communications facilities, or mediums that permit all participants in the meeting to hear each other, and a Director who participates in the meeting by those means will be counted as present at that meeting.

3.6.09 A Board resolution or Board Committee resolution may be passed without a meeting if all the Directors or the members of the Board Committee, as the case may be, consent to the Board resolution or Board Committee resolution in writing.

3.6.10 The Board will establish Board Committees including but not limited to Audit, Conduct Review and Financial Policy which is equivalent to Investment and Loan under the Financial Institutions Act.

3.6.11 Vancity will indemnify, in accordance with the Financial Institutions Act, each member who acts or has acted, at the request of Vancity, as a Director and who acted honestly and in good faith with a view to the best interests of Vancity.

4. General Meetings

4.1 The annual general meeting of Vancity will be held on a date to be fixed by the Board and will be convened and held in accordance with the provisions of the Act.

4.2 Vancity will not mail notification of a meeting to dormant account members but will attempt to notify such members through other means as determined by the Board and permitted by the Act.

4.3 Where notice of a meeting of Vancity is received generally by members of Vancity, the omission to give notice to any member or the non-receipt of the notice by any member will not invalidate any ordinary resolution passed or any proceedings taken at the meeting.

4.4 Other general meetings may be convened by the Board and held in accordance with the provisions of the Act. Any meeting of holders of any class of shares may be convened by the Board and the provisions of these Rules with respect to general meetings will be applicable to such meetings of holders of any class of shares, except as specifically provided in these Rules.

4.5 For the purposes of order for the conduct of the annual general meeting the rules contained in the current edition of Robert's Rules of Order Newly Revised, the standing rules and the following additional rules shall govern the meeting:

- (a) Maximum time a member may address or speak to any one issue is three minutes, subject to the discretion of the Chair;
- (b) Issues that are personal and specific to the member may be ruled out of order by the Chair;
- (c) At the discretion of the Chair, all questions may be limited to those submitted in writing; and

- (d) The Board, management and staff of Vancity have the same rights as members with respect to annual general meetings (i.e. address the meetings, make a motion, etc.).
- 4.6 At a general meeting of Vancity one-quarter of the members or 100 members, whichever is the lesser, will constitute a quorum, but a lesser number may adjourn from time to time until a quorum is obtained. Except as provided in Rule 8.18 (e), at any meeting of holders of any class of shares other than a general meeting of members, the quorum for such meeting will be such person or persons holding not less than 20% of the aggregate amount paid up on such class of shares.
- 4.7 So far as practical the order of business at the annual general meeting will be:
- A. Receipt of Minutes of prior year's annual general meeting
 - B. Report of the Board including items referred from the prior year's annual general meeting
 - C. Chief Executive Officer's Report
 - D. Acceptance of the Auditor's Report
 - E. Acceptance of Financial Statements
 - F. Appointment of Auditor
 - G. Elections
 - H. Unfinished Business
 - I. New Business
 - J. Open Forum
 - K. Adjournment
- 4.8 At a meeting of members, unless a count of votes is called for, a declaration by the chair of the meeting that an ordinary resolution has been carried by the required majority will be conclusive evidence of the fact.
- 4.9 The only persons entitled to be present at an annual general meeting will be those entitled to vote, the Directors and auditors of Vancity and others who, although not entitled to vote are entitled or required under any provision of the Acts or these Rules to be present at the meeting. Any other person may be admitted only on the invitation of the Board or with the consent of the meeting.
- 4.10 At all general meetings each person to be admitted must, on request, present evidence of identity and membership in good standing.
- 4.11 In order for an ordinary resolution to be eligible for consideration by members at an annual general meeting, it must be submitted to the Board for review and consideration at least 90 days prior to the annual general meeting and the Board, at its discretion, will determine whether the ordinary resolution will be submitted to the members for consideration at the annual general meeting.
- 4.12 Voting at a meeting of Vancity will be by a show of hands unless the Board determines to permit voting by electronic means and such means are made available.

5. Seal

- 5.1 Vancity will have a corporate seal.
- 5.2 The Board will provide for the use and safe custody of the seal at the registered office of Vancity or such other place as the Board determines it will be kept for safekeeping.
- 5.3 The Board will appoint authorized signatories to execute documents required to be executed under seal.

6. Borrowing and Lending

- 6.1 Subject to the Acts, the Board may raise and borrow money for the purposes of Vancity upon such terms and conditions as to interest, time, repayment and security as it determines by Board resolution.
- 6.2 Subject to the Acts, the Board will determine the terms and conditions of loans as to interest and other charges, terms of repayment and security and may by Board resolution delegate the power to make loans and to make such determinations.

7. Alteration

- 7.1 Vancity will not mail notification of any special resolution to dormant account members but will attempt to notify such members through other means as determined by the Board and permitted by the Act.
- 7.2 Where notification of a special resolution for Vancity is received generally by members of Vancity, the omission to give notice to any member or the non-receipt of the notice by any member will not invalidate the vote.
- 7.3 Members may vote on a special resolution in the same manner as voting in the election of Directors as determined under Rule 3.2.02.
- 7.4 At least 18 days before the date for the close of balloting specified in Rule 7.4(e), the Board will provide through mail in physical or electronic form, to each eligible member who holds an account which is not a dormant account:
 - (a) the wording of the proposed special resolution or reference to the wording of the special resolution as distributed with the ballot and a space to enable the member to indicate whether the member is in favour of or opposed to the special resolution;
 - (b) when voting by physical means, one or more envelopes, which may be included as part of the ballot and bearing the address of Vancity or the election official, which envelope will allow for verification of the voting member, and provide for confidentiality of voting;
 - (c) notice of the means by which voting will take place, as determined under Rule 7.3 and under Rule 3.2.02;
 - (d) when voting takes place by ballot at branches of Vancity, notice of the polling places and the times at which ballot boxes will be available in the branches of Vancity, which times will be on at least five business days of Vancity and which days and times may be different for each polling place; and
 - (e) clear and precise instructions for casting the ballot and the return of the ballot, whether by mail, by deposit at a branch of Vancity, or by electronic means, and which will specify the day by which the ballot must be received by Vancity or the election official in order for the ballot to be considered returned and to be properly cast.
- 7.5 The Board will arrange for supervision of the counting of the ballots and will disclose the results within 30 days of the last date permitted under Rule 7.4(e) for voting on the special resolution. Until such time, the Board will keep the results confidential.
- 7.6 On a day after January 1 but prior to February 1 as determined by the Board, for the purpose of voting on the special resolution(s), the membership list of Vancity will be closed and only those members in good standing as of the close of business of Vancity on such date will be eligible to cast a ballot in respect of the special resolution(s).

7.7 Subject to the Act, Vancity may amend, alter, or add to these Rules by special resolution from time to time.

8. Partnership Growth Model

8.1 In conjunction with an agreement between Vancity and another credit union to amalgamate the two credit unions or to transfer to Vancity all the assets and liabilities of the other credit union (an “Acquisition/Amalgamation Agreement”), the Board of Vancity may designate the business of the other credit union as a Vancity Partner, and if it does so:

- (a) the Vancity Partner will operate as a business division of Vancity in accordance with these Rules;
- (b) the Board of Vancity will designate a class of Partner Equity Shares of Vancity as shares linked to the Vancity Partner and such shares will be considered to be Partner Shares with respect to the Vancity Partner so designated;
- (c) the Board of Vancity will attach a qualification for members to be issued such Partner Shares and such qualification for issue of Partner Shares will be considered to be the Partner Bond with respect to the Vancity Partner so designated;
- (d) a designation of a Vancity Partner, the link of a class of Partner Equity Shares to a Vancity Partner, and the qualification for issue of such Partner Equity Shares may not be modified without the consent of the members holding such Partner Equity Shares (“Partner Members”); and
- (e) whenever a Vancity Partner has a Partner Bond substantially the same as the common bond of a former credit union, the Board of Vancity may assume that all members of the former credit union may subscribe for Partner Shares in the Vancity Partner.

8.2 A person who is, or who will concurrently become, a member of Vancity may also become a Partner Member by subscribing for a Partner Share. No member may subscribe for more than one Partner Share. A member who ceases to hold a Partner Share will cease to be a Partner Member.

8.3 Class G to Class Z Partner Equity Shares, each as a class, may be issued in an unlimited amount. The following special rights and restrictions are attached to Class G to Class Z Partner Equity Shares:

- (a) moneys invested in Class G to Class Z Partner Equity Shares and dividends on such shares are not guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation;
- (b) Class G to Class Z Partner Equity Shares are equity shares of Vancity;
- (c) subject to the provisions of the Act and to the requirements of Rule 8.3(d), the Board of Vancity may in its absolute discretion declare and pay dividends on Class G to Class Z Partner Equity Shares, in amounts and at times as it may determine;
- (d) in exercising the discretion to declare and pay dividends on any of Class G to Class Z Partner Equity Shares, the Board of Vancity will consider any submissions of the appropriate Partner Board regarding such Vancity Partner’s financial performance;
- (e) the Board of Vancity may establish a qualification which must be satisfied by a member before such member is entitled to be subscribed for any of Class G to Class Z Partner Equity Shares;

- (f) Class G to Class Z Partner Equity Shares will be issued at and have a par value of \$0.01 each;
 - (g) subject to the Act, upon written request of the member, Vancity will redeem all or any portion of Class G to Class Z Partner Equity Shares held by a Partner Member (but not so as to result in a member holding fractional shares) provided that the Board of Vancity may limit the amount of each class of Partner Equity Shares redeemed in any one calendar year to 10% of the total amount of such class of Partner Equity Shares, issued and outstanding; and
 - (h) in the event of winding-up of Vancity, the holders of Class G to Class Z Partner Equity Shares will be entitled to receive the par value of their shares, together with any dividends declared but unpaid on such shares. After payment to the holders of such Partner Equity Shares of the amounts so payable to them, they will not be entitled to share in any further distribution of the property or assets of Vancity.
- 8.4 Partner Members who were directors of a Vancity Partner immediately prior to the Acquisition/Amalgamation will form a board of the Vancity Partner (“Partner Board”), which will serve as the Partner Board until the first annual general meeting of the Partner Members of such Vancity Partner.
- 8.5 Partner Members will elect members of the Partner Board (“Partner Directors”) in accordance with these Rules.
- 8.6 The number of Partner Directors of a Vancity Partner will be not less than three or more than 12, unless the Board of Vancity agrees otherwise.
- 8.7 Except where an election is held to fill the unexpired portion of a term, Partner Directors will be elected to hold office for three years.
- 8.8 In order to be eligible to stand for election as a member of a Partner Board, a person:
- (a) must be a member in good standing of Vancity on the date for the close of nominations determined in accordance with these Rules; and
 - (b) must meet the requirements for eligibility as if they were to become a Director of Vancity, except as otherwise determined by the Board.
- 8.9 The Partner Board will establish from time to time procedures for nomination, voting and election of members of the Partner Board.
- 8.10 The Partner Board will determine its own procedures which will be similar to but need not be identical to the procedures for the Board of Vancity, and will comply with all relevant statutory requirements as if it was a board of directors of a credit union.
- 8.11 Partner Directors in order to hold office must agree in writing with Vancity:
- (a) to observe and be bound by the Standards of Business Conduct Policy and Ethical Behaviour for Directors that would be applicable if they were Directors of Vancity, and
 - (b) to comply with all legal requirements which would be applicable if they were Directors of Vancity.
- 8.12 The Partner Board will inform the Board of Vancity of all meetings of the Partner Board and permit no less than one Director to attend each meeting. Such Director will not count towards the quorum and will not participate in voting.

- 8.13 The Partner Board will supervise the operations of a Vancity Partner in accordance with the independent management agreement governing the relationship between Vancity and the Vancity Partner (the “Management Agreement”).
- 8.14 The Partner Board will make reports to the Board of Vancity in accordance with the Management Agreement, and may make submissions on the progress and status of the Vancity Partner to assist the Board of Vancity in the exercise of its discretion to declare dividends on Partner Shares.
- 8.15 The Partner Board may recommend to the Board of Vancity the appointment of such employees as the Partner Board determines are required for the proper operation of such Vancity Partner, and the Board of Vancity will take such recommendations under consideration.
- 8.16 The Partner Board and the Board of Vancity will settle any disputes in accordance with any dispute-resolution provisions in the Management Agreement.
- 8.17
 - (a) At least once a year, the Board of Vancity will convene a meeting with each Partner Board on a date to be fixed by the Board of Vancity on recommendation by the respective Partner Board.
 - (b) At least once a year, the Board of Vancity will convene a meeting with all Partner Boards on a date to be fixed by the Board of Vancity.
- 8.18
 - (a) The Vancity Partner annual general meeting will be held on a date to be fixed by the appropriate Partner Board and will be held and convened in accordance with the provisions of the Act applicable to meetings of members of a credit union.
 - (b) Other general meetings of a Vancity Partner may be convened by the Partner Board and held in accordance with the provisions of the Act applicable to meetings of members of a credit union and so nearly as possible in the same manner as meetings of Vancity.
 - (c) A Partner Board will inform the Board of Vancity of the date, time and location of any general meetings of Partner Members as soon as practicable.
 - (d) A Partner Board will invite the Board of Vancity to attend and participate in any general meeting.
 - (e) At a general meeting of a Vancity Partner, one-quarter of the Partner Members, or 50 Partner Members, whichever is lesser, will constitute a quorum, but a lesser number may adjourn from time to time until a quorum is obtained.
- 8.19
 - (a) The name under which a Vancity Partner will carry on its business will be established by the Acquisition/Amalgamation Agreement and the part of such name which refers to the Vancity Partner may not be changed without the consent of the Partner Board. The part of such name which refers to Vancity may be changed by Vancity.
 - (b) All activities of the Vancity Partner will be subject to all regulatory requirements and supervision and review by the internal and external auditors of Vancity. All such activities will comply with the requirements of law, the requirements of all regulators and internal reporting requirements of Vancity.
 - (c) All activities of the Vancity Partner will comply with the Statement of Values and Commitments of Vancity.
- 8.20 In accordance with the Act, the rights attached to an issued class of Partner Equity Shares will not be prejudiced or interfered with unless Partner Members holding shares of that class so approve by a special resolution.

- 8.21 The Board of Vancity may, in their absolute discretion, designate one or more existing or proposed Vancity branches as a Vancity Partner, may link a class of Partner Equity Shares to such Vancity Partner and may establish a qualification for issue of such shares to members.
- 8.22 A Vancity Partner Board will be established by the Board of Vancity within 30 days of the establishment of the Vancity Partner under these Rules.

Appendix D

**STANDARDS OF BUSINESS
CONDUCT POLICY AND ETHICAL
BEHAVIOURS FOR DIRECTORS**

Vancity

Vancity

Standards of Business Conduct Policy and Ethical Behaviours for Directors

Policy

Vancity expects all Directors to adhere to high standard of business ethics. Vancity and each of its Directors are responsible to the members and we must work to promote trust and confidence in all our dealings.

This policy establishes a baseline standard of conduct for all Directors of Vancity. By reading, understanding and acting in accordance with this policy, Directors help to maintain and enhance the valued reputation which Vancity has developed and wishes to maintain.

Vancity's Standards of Business Conduct Policy and Ethical Behaviours for Directors are designed to give each Director enough information to recognize actions that may have a legal impact on Vancity. The Standards tell when and how to obtain guidance if a Director is concerned about possible ramifications of their actions. Please remember that difficulties and problems are most easily avoided or minimized if assistance is requested as soon as a possible problem or conflict of interest is identified.

The Standards of Business Conduct Policy and Ethical Behaviours for Directors applies to each Director of Vancity's Board of Directors and subsidiary Boards¹. Throughout their tenure as a Director within the Vancity Group, it is the responsibility of each Director to act in accordance with this policy.

Authorities

Delegation of monitoring the adherence to this policy is by the Board to the Governance and Conduct Review Committee.

Measures

Adherence to this policy will be measured by a report on the completion of all annual certifications by the Directors of Vancity and its subsidiaries and through reports by the Corporate Secretary on any issues to be addressed by the Committee and/or the Board with respect to a Director's actions or behaviours that are inconsistent with this policy.

¹ For the purposes of this policy, subsidiary Boards do not include Citizens Bank and Citizens Trust, which are governed by an independent policy.

Reporting

The following reports, at a minimum, will be provided by the Corporate Secretary, the CEO or a Director, to the Governance and Conduct Review Committee.

- Summary of Annual Sign offs by Directors Annually to Governance and Conduct Review Committee
- Identified Issues/Matters Dealt With Under this policy
- Event Based

Governance Responsibilities for Oversight

- The Governance and Conduct Review Committee will review this policy annually and update as necessary.
- The Board or a Committee will review the reports provided by management, make enquiries, and ensure the standards are upheld.
- The Governance and Conduct Review Committee will take action or will direct action to be taken with respect to non-compliance by any Director with respect to the elements of this policy or the failure to agree to adhere to the policy.

The Standards of Conduct and Ethical Behaviours for Directors

The following provides an outline of the standards and ethical behaviours which each Director is expected to adhere to.

Directors' Duties and Standards of Conduct

Directors must act at all times honestly, in good faith, and in a manner which will enhance the image of and be in the best interests of Vancity. Directors' performance is expected to reflect care, diligence, and skill equal to or surpassing the standard in the financial services industry. Directors shall not conduct personal, business or directorship matters in a manner that may damage the image or reputation of Vancity. Directors must be cognizant of the fact that Vancity is a financial institution and, use their best efforts to exemplify sound financial practices in personal, business and directorship matters.

Observing and Respecting Policies and Laws

Directors are required to be aware of the laws and regulations relating to the business that Vancity conducts and specifically for the areas in which Directors have responsibility. Vancity expects that no Director will enter into any transaction or perform any task that could reasonably be considered legally suspect. Directors are expected to keep informed of the policies of Vancity and abide by them.

Irregular Business Conduct

Vancity does not permit any irregular business conduct under any circumstances. This would include a Director engaging in or aiding someone else in conducting the following types of activities: criminal, fraud, illegal activities, bribery, theft, commission sharing, falsifying records, money laundering and kiting, terrorism, tied selling², and insider

² Tied selling: The illegal practice of a company providing a product or service on condition the customer purchases a product from the same or related company.

trading. Directors are not permitted to personally borrow or lend money from or to employees or members unless they are close friends or family.

Safeguarding Assets and Confidentiality of Information

As a financial cooperative, Vancity strives to maintain a high level of transparency with its members. At the same time, Directors have fiduciary obligations to protect member and employee information and a duty of care that reflects the demands of operating in a highly competitive market environment. Within this context, this policy was developed to assist Directors in discharging these sometime conflicting obligations.

Directors are responsible to protect and safeguard the property and assets of Vancity and its members. This includes tangible assets as well as information of members, employees and Vancity.

All information relating to Vancity, its members, its personnel, and to other businesses or individuals that Directors receive or have access to in the course of their work is to be treated as confidential. Such information shall not be used for any purpose other than that for which it was obtained.

Vancity Directors may only disclose confidential information to external third parties when its use or disclosure is authorized or required by law or court order. Any other external disclosure of confidential information requires the prior approval of the Board .

For greater clarity, Directors must not disclose the content of board deliberations, any director's position on matters decided by the board, or the documents that have been referred to by directors to aid in their decision-making.

Directors recognize that they act in the best interest of Vancity and that such disclosures will do harm to Vancity. Should Vancity determine that it wishes to make information public concerning board deliberations, it may do so by motion of the board.

Directors are encouraged to fully debate issues that come to the board for decision at board meetings; however, once a matter has been decided by the board, the board acts as one body in supporting this decision. Individual positions on a matter are left in the board room.

Directors recognize that documents concerning Vancity's business may be released by Vancity to the public and should not be released by directors until Vancity has done so.

Undue Advantage

Vancity Directors must not:

- Attempt to influence Vancity policies or decisions so as to gain a personal or business advantage for themselves or a related party;
- Use confidential information for any personal or business advantage for themselves or a related party;
- Use their position with Vancity to attempt to gain personal benefits or to confer benefits upon other persons or businesses with whom they have common personal or business interests.

Outside Financial Interests

Directors must disclose to the Corporate Secretary any outside financial interests they have that involve Vancity. The rules governing transactions with “related parties” are complex; approval of the Board or the Governance and Conduct Review Committee may be required.

Gifts and Entertainment

If a Director may be placed in a compromising position by accepting, directly or through a third party, gifts, entertainment or favours from members or suppliers, potential members or suppliers, or other persons with whom Vancity has dealings, or from Vancity executive, Directors and their immediate families must not seek or accept such gifts, including cash. Directors are to use discretion in deciding whether acceptance is the business “norm”.

Member Conflict

Vancity Directors must be alert to conflicts of interest that may arise between the duty of Vancity to two or more members or between the interests of Vancity and its duty to its members as a collective.

Respect in the Workplace

The Vancity Group is committed to creating and maintaining a positive and welcoming work environment that is free of harassment, discrimination and bullying, where individual differences are valued, and where all are treated with dignity and respect.

Directors will treat employees and members with dignity and respect, irrespective of sex, gender, sexual orientation, marital status, family status, age, disability (mental or physical), political belief, race, colour, nationality or ethnic origin, or religion.

Conflicts of Interest

Directors will disclose the nature and extent of any interest, either direct or indirect, in accordance with the Conflict of Interest Policy and the Related Party Transactions Policy. The Directors will uphold the standard of care for directors under the Financial Institutions Act.

Financial Transactions of Directors

A Director must satisfy all financial obligations to Vancity. When a Director has failed to do so, the Governance and Conduct Review Committee may require the Director not to serve on any committee of the Board, to resign from any boards or committees on which he/she serves as an appointee of Vancity, and may request the Superintendent to remove the Director pursuant to the Financial Institutions Act.

Reporting Responsibilities

Directors are required to report to the Corporate Secretary, any action, deed, or transaction, past, present or proposed, that appears to violate the terms of this policy. The Corporate Secretary will decide what needs to be reported to the Governance and

Conduct Review Committee or a Director can voluntarily report items to the Governance and Conduct Review Committee.

When unclear about the course of conduct to adopt, Directors may seek the advice of the Corporate Secretary, the Chair of the Governance and Conduct Review Committee, the Chair of the Board, or an external advisor as permitted by policy.

Cooperating with Investigations

At all times if there is an investigation into activities, transactions or other activities, whether conducted by Internal Audit, Corporate Security or outside agents contracted by Vancity, Directors are expected and required to cooperate. To verify that the investigation is valid, Directors are invited to contact the Corporate Secretary.

Certification of Awareness and Adherence

At the time of taking office as a Director and annually thereafter, Directors will be asked to review this policy and sign a document to confirm that they have received a copy, have read it, understand it, and sought additional information if required to assist their understanding of it. The Director's signature confirms that the Director agrees to adhere to these Standards of Business Conduct Policy and Ethical Behaviours for Directors.

Associated Governance Policies

Directors can refer to the following related policies for additional guidance:

- Ethical Policy
- Permissible Expenses for Directors Policy.
- Engaging Independent Advisors Policy
- Conflict of Interest Policy
- Vancity Group Respect in the Workplace Policy

Questions

Directors are invited to call upon the Corporate Secretary for assistance in dealing with issues that fall within this policy or to seek guidance or counsel on items that a Director is dealing with.



Standards of Business Conduct Companion Piece - Communication Protocol

COMMUNICATION PROTOCOL REGARDING RELEASE OF INFORMATION

The Governance and Conduct Review Committee has requested that as a companion piece to the Standards of Business Conduct Policy and Ethical Behaviours for Directors (Code of Conduct for Directors) that a formal communication protocol be established to further clarify how and what information from Board or Committee meetings is shared with the public.

As a financial cooperative, Vancity strives to maintain a high level of transparency with its members. At the same time, Directors have fiduciary obligations to protect member and employee information and have a duty of care that reflects the demands of operating in a highly competitive market environment. Within this context, the Code of Conduct for Directors was established to assist Directors in discharging these concurrent obligations.

The Code of Conduct for Directors outlines the following:

Directors are responsible to protect and safeguard the property and assets of Vancity and its members. This includes information of members, employees and Vancity as well as its tangible assets.

All information relating to Vancity, its members, its personnel, and to other businesses or individuals that Directors receive or have access to in the course of their work is to be treated as confidential.

Vancity Directors may only disclose confidential information to external third parties when use or disclosure is authorized or required by law or court order. Any other external disclosure of confidential information requires the prior approval of the Board.

For greater clarity, Directors must not disclose the content of board deliberations, any director's position on matters decided by the board, or the documents that have been referred to by directors to aid in their decision-making.

Directors recognize that they act in the best interest of Vancity and that such disclosures will do harm to Vancity. Should Vancity determine that it wishes to make information public concerning board deliberations, it may do so by motion of the board.

Directors are encouraged to fully debate issues that come to the board for decision at board meetings; however, once a matter has been decided by the board the board, acts as one body in supporting this decision. Individual positions on a matter are left in the board room.

Directors recognize that information or documents concerning Vancity's business may be released by Vancity to the public and should not be released by directors until Vancity has done so.

With respect to the final item (in italics above) the Vancity communication protocol is outlined below to provide Directors with greater clarity on how Vancity manages those items which are to be released publicly.

All information relating to Vancity, its members, its personnel, and to other businesses or individuals that Directors receive or have access to in the course of their work is to be treated as confidential. External disclosure of confidential information requires the prior approval of the Board.

Confirmation of approval for release:

Future items coming to the Board or a Committee will include in the cover template a Communication Protocol category:

- Confidential – Internal Use Only, or
- Confidential – For Public Release: Date (TBD, or specific date). Public release may refer to internal communications and/or external communications.

This will be captured in the permanent records of the organization.

Application:

Matters approved for public release are handled as follows:

- Communications will provide directors and executive with electronic materials in advance of public announcements. This may include a communication package which contains key messages, timelines, scripts, spokesperson assignments, audiences, etc.
- On the date of release, the key spokespersons are accountable for making statements and/or responding to questions. Under the existing Director Guidelines, the Chair of the Board is the primary spokesperson for Board decisions and policies. The Chair works closely with the CEO to ensure their communications are consistent and properly co-ordinated. A Board member will only act as the spokesperson for Vancity at the request of the Chair and/or CEO.

BOARD AND MANAGEMENT/STAFF COMMUNICATION PROTOCOL

In communicating with each other, directors, management, and staff exhibit trust and respect toward each other, foster candid and robust discussion, honour the confidentiality of sensitive information, and scrupulously demonstrate ethical behaviour.

The Board's primary interface with management and staff is through the CEO. However, the Board also has an important relationship with other executive management, governance staff, and CEO office staff. The executive management team, governance staff, and CEO office staff promote the effectiveness of the Board by providing the Board with sound advice and by providing relevant, accurate and timely information.

To facilitate the effective and appropriate flow of advice and information, Directors and management agree to communicate with each other according to the following protocol:

Chair of the Board

- To the CEO – ongoing on everything and anything
- To the Corporate Secretary and governance management and staff as delegated – ongoing for organizing of meetings, all governance matters

Directors

- Communicate through the Chair of the Board
- Communicate to the Corporate Secretary and governance management and staff as delegated – as required to request or provide information related to governance matters (e.g. meetings, remuneration, request for reports, e-mail approvals, etc.)

Committee Chairs

- To the Corporate Secretary and governance management and staff as delegated – ongoing for organizing meetings, all governance matters
- To the designated executive who supports the Committee – as required for subject specific matters

Committee Members

- Communicate through the Chair of the Committee, governance staff, and CEO office staff
- To Committee Chair and designated executive to the Committee – as required on subject specific matters, with copy (or verbal update) to the CEO, as required
- To Chair of the Board as required on subject specific matters not delegated to Committees of the Board (e.g. strategic planning), with copy (or verbal update) to the CEO, as required
- Communicate through the CEO, or as delegated by the CEO, on all other matters

Corporate Secretary, governance management and staff as delegated

- To Chair of the Board, Committee Chairs, and Directors – ongoing for organizing meetings, and all governance matters

This formal protocol does not preclude some informal communications. The key is not to undermine good Board and management communications and functioning, or create the perception of undue influence or inappropriate Board involvement at the operational level. To that end, Directors are not to communicate directly with management and staff on operational matters, outside the above protocol, without the CEO's knowledge and consent (for example, requests for meeting with staff or attempting to manage or expedite operational issues directly).

Appendix E

**TERMS OF REFERENCE FOR
A DIRECTOR**

Vancity

Vancity

Terms of Reference for a Director

First Approved: December 26, 1996

Most Recent Revision Approved: October 25, 2011

Introduction

Every director owes a duty of care to Vancity. The directors are responsible for executing their duties in the best interest of Vancity which in turn will benefit the stakeholders.

Standard of Care

As a member of the Board, each director shall fulfill the legal requirements and obligations of a director which includes a comprehensive understanding of their statutory and fiduciary roles. Additionally every director shall meet the requirements of a director as specified in the credit union rules.

Each director is expected to be knowledgeable of the Credit Union Incorporation Act, the Financial Institutions Act, the Business Corporations Act (of B.C.) and any other legislation which governs Vancity as well as the Vancity Rules.

Each director shall demonstrate an appropriate standard of care towards Vancity including:

- a. Ensure they are in compliance with the requirements of the regulator;
- b. Exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances;
- c. Exercise good judgement and act with integrity;
- d. Act honestly and in good faith and in the best interests of the credit union and its members;
- e. Act as a steward of the financial resources of the credit union;
- f. Respect confidentiality by dealing in confidence with all matters involving Vancity affairs, until such time as there has been general public disclosure or unless it is known that the information is on the public record;
- g. Identify potential conflict areas, real or perceived, and ensure they are appropriately identified and reviewed;
- h. Use their abilities, experience and influence constructively; and
- i. Represent the interests of all members in the governance of Vancity ensuring that the best interests of Vancity are paramount.

Duties and Responsibilities

Board Activity

As a member of the Board, each director shall:

- a. Participate in the review and approval of Vancity strategy and policies and in monitoring their implementation;
- b. Be an available resource to management and the Board;
- c. Wherever possible and so far as practicable, advise the CEO and/or Chair when introducing significant and/or previously unknown information or material at a Board meeting;
- d. Understand the difference between governing and managing, and use discretion so as not to encroach on management's area of responsibility;
- e. When appropriate, communicate with the Chair and/or CEO between meetings;
- f. Demonstrate a willingness and availability for one on one consultation with the Chair and/or CEO; and
- g. Participate in the evaluation of the CEO and Vancity performance.

Preparation and Attendance

To enhance the effectiveness the Board and its committees, each director shall:

- a. prepare for board and committee meetings by reading reports and background materials prepared for each meeting, analyzing the material, and doing independent research if necessary to better understand the material;
- b. maintain an excellent board and committee meeting attendance record¹; and
- c. have acquired adequate information necessary for decision making.

Note: Directors who do not attend director's meetings will be deemed to have consented to the resolutions passed at those meetings unless dissenting notices are sent out as required by legislation.

Communication

Communication is fundamental to board effectiveness and therefore each board member shall:

- a. participate fully and frankly in the deliberations and discussions of the Board;
- b. encourage free and open discussion of the affairs of Vancity by the Board and its members;
- c. make reasonable enquiries about information provided to them by management to ensure that the information provided is correct and clearly understood;
- d. ask probing questions, in an appropriate manner and at proper times, and

¹ The target is 100% attendance. Anything less than 80% without extenuating circumstances would create considerable concern for the Board.

- e. focus inquiries on issues related to strategy, policy, implementation and results, rather than issues relating to the day to day management of Vancity.

Independence

Recognizing that the cohesiveness of the Board is an important element in its effectiveness, each director shall:

- a. be a positive force with a demonstrated interest in the long-term success of Vancity; and
- b. speak and act independently while respecting decisions of the group.

Board Interaction

As a member of the Board, each director shall establish an effective, independent and respected presence and a collegial relationship with other board members.

Each director will take time to educate themselves on their governance duties and sound governance practices.

Committee Work

In order to assist board committees in being effective and productive each director shall:

- a. participate on committees and become knowledgeable with the purpose and goals of the committee; and
- b. understand the process of committee work, and the role of management and staff supporting the committee.

Business, Community and Industry Knowledge

Recognizing that decisions can only be made by well informed board members, each director shall:

- a. be generally knowledgeable of Vancity's products, services, and industry;
- b. understand the unique role of Vancity within the community;
- c. maintain an understanding of the regulatory, legislative, business, social and political environments within which Vancity operates;
- d. become acquainted with the officers of Vancity;
- e. remain knowledgeable of Vancity's facilities and visit them when appropriate; and
- f. represent Vancity at functions and community events and be an effective representative of Vancity.

Standards of Business Conduct and Ethical Behaviours for Directors

Vancity has a detailed Standards of Business Conduct and Ethical Behaviours for Directors Policy, which Directors sign annually and must abide by. The Standards of Business Conduct and Ethical Behaviours for Directors Policy is found in the Board Manual.

An aspect of the fiduciary duty owed to Vancity by directors is the duty not to disclose matters that are private to Vancity. For greater clarity, directors must not disclose the content of the board deliberations, any director's position on matters decided by the board nor the documents that have been referred to by directors to aid in their decision-making.

Directors recognize that they act in the best interest of Vancity and that such disclosures will do harm to Vancity. Should Vancity determine that it wishes to make information public concerning board deliberations, it may do so by motion of the board.

If an individual director disagrees with a decision made by the board, the director must nonetheless support the decision or resign from the board.

Directors recognize that documents concerning Vancity's business may be released by Vancity to the public and should not be released by directors until Vancity has done so.

Directors must continue to be a member of Vancity and be a member in good standing.

Directors hold a fiduciary duty to Vancity. This duty recognizes that directors are in a position of trust over the actions of Vancity and can engage in activities that can harm Vancity. The director holds a responsibility to act primarily for another's benefit, rather than for themselves. In this regard, directors will be prohibited from:

- a. Engaging in activities that put their personal interests in conflict with the best interests of Vancity;
- b. Engaging in activities that would provide the director with a direct benefit that should have been earned by Vancity;
- c. Failing to act in a situation where action would be in the best interests of Vancity; and
- d. Taking a corporate opportunity for personal profit that Vancity either could have obtained for itself or that it was actively seeking.

Authority

An individual director has no specific authority as a director but rather the authority resides with the Board of Directors as a whole. A director cannot unilaterally operate, give direction to management, or authorize transactions unless specific authority has been delegated by the Board and is properly transacted.

When a motion has been decided by proper decision making protocol of the Board, every director is expected to support the decision. If the director is strongly opposed to the decision of the Board and cannot agree to support the decision, the individual can pursue options through legal means or resign from the Board.

Director Evaluation

Each director agrees to an annual evaluation of their performance as a director. Results of the evaluation will be facilitated by the Chair of the Board. Where the evaluation results identify that the board member is not operating at a satisfactory level, the board member commits to improvement.

Agreed to by: _____
Name of director

Date: _____

Appendix F

**TERMS OF REFERENCE FOR
THE BOARD OF DIRECTORS**

Vancity



Terms of Reference for the Board of Directors

First Approved: November 25, 1996

Most Recent Revision Approved: October 25, 2011

Introduction

The Board of Directors is responsible under law for the management of Vancity's business and its affairs. It has the statutory authority and obligation to protect the assets of Vancity in the interest of all members. Although directors are elected by the members to bring special expertise or a point of view to Board deliberations, the best interests of Vancity must be paramount at all times.

The Board, as a body, acts as an "agent" of the credit union in all matters except those designated by statute to the members. The Board also acts in a fiduciary relationship to the credit union and it must act with the utmost good faith toward the credit union and toward all members.

The Board is responsible to the credit union and to members without discrimination among groups of members. Furthermore, the Board may be accountable to third parties such as government agencies, creditors, employees and others. (Wainberg, et. al, 1980).

While the Board is called upon to "manage or supervise the management of the business and affairs" of the credit union in Section 136 of the British Columbia Corporations Act, this is done by delegation to the Chief Executive Officer (CEO), who is charged with the day-to-day leadership and management of Vancity.

Although the Board of Directors delegates a distinct role in the overall conduct of business affairs to management, the Board cannot "appoint a manager (or a CEO) with full powers to conduct the business free from any control and supervision". Furthermore, the Board cannot delegate its decision-making responsibility to a committee, although there is an important role for board committees.

In performing its functions, the Board considers the legitimate interests which stakeholders such as employees, suppliers, members and communities may have in Vancity.

In supervising the business of the organization, the Board, through the Chief Executive Officer, sets the standards of conduct, ethics and values for Vancity.

The Board need not rely entirely on its own expertise or that of management for all decisions. It may and should call upon expert advice to offer an opinion when required,

in order to assist with informed decision making. It is the responsibility of the Board to seek reasonable assurance that all such experts are independent and qualified to offer the advice being sought. The use of expert opinion does not relieve directors from the obligation of exercising their own judgement.

Procedures and Organization

The Board operates by delegating some of its authorities, including spending authorizations, to management and by reserving some powers to itself. Subject to Vancity Rules, the Board retains the responsibility for managing its own affairs including:

- (i) selecting its Chair;
- (ii) ensuring that vacancies on the Board are filled according to the Acts, and Vancity's Rules. (See Vancity Rules 3.2 to 3.5.27 and B.C. Corporations Act - Sec. 131 & 132);
- (iii) constituting committees of the Board and delegating powers, duties and responsibilities to committees within the framework of Vancity Rules and the laws by which Vancity is governed;
- (iv) appointing a member committee to bring forward recommendations for Director compensation; and
- (v) proposing changes to Vancity Rules, whether additions, deletions or amendments, for consideration and approval of the members.

Duties and Responsibilities

Appointing, Monitoring and Compensating Senior Management

- (i) The Board has the responsibility for the appointment and replacement of the CEO, for monitoring and evaluating the CEO's performance, for determining the CEO's compensation and for providing advice and counsel in the execution of the CEO's duties.
- (ii) The CEO is the only employee solely hired and terminated by the Vancity Board. There will be a binding contract between the Board and the CEO and it shall include salary, other compensations, tenure, terms of termination, procedure for evaluation and provision for liability insurance. For all other employees, the Board authorizes the CEO to make appointments. (There are other positions which require hiring and firing actions jointly by the CEO and the Audit Committee, specifically Chief Financial Officer and the Chief Internal Auditor.)
- (iii) The Board has the responsibility for ensuring that plans have been made for management succession and development.
- (iv) The Board will understand and approve incentive based compensation plans to ensure that there is an alignment of risk and reward; and that the incentive programs do not reward undue risk taking.
- (v) The Board will set a compensation philosophy for Vancity. It will ensure that the compensation for the CEO and senior management is appropriate in relation to the organizational needs and sector comparables.

Corporate Objectives, Strategies and Plans

The Board has the responsibility:

- (i) to participate with management, directly or through its committees, in developing and approving Vancity corporate objectives and goals (Mission Statement) and ensuring that the goals and objectives reflect the needs and interests of the members, affinity groups and the community at large.
- (ii) to approve the strategies and annual business plans by which Vancity allocates its resources to reach those goals.

Monitoring and Acting

The Board has the responsibility:

- (i) to review progress with respect to the achievement of the goals established in the strategic and business plans on a regular basis, recognizing that management is responsible for implementing the plans;
- (ii) to approve financial statements;
- (iii) to approve major financial decisions, including new financings, mergers, acquisitions and divestitures;
- (iv) to approve payment of dividends;
- (v) for the identification of the principal risks of Vancity's business and taking all reasonable steps to ensure the implementation of appropriate systems to manage these risks; and
- (vi) for directing management to ensure systems are in place for implementation and integrity of Vancity's internal control and management information systems.

Policies and Procedures

The Board has the responsibility:

- (i) to approve and monitor compliance with all significant policies by which Vancity is operated;
- (ii) to direct management to implement systems which are designed to ensure that Vancity operates within applicable laws and regulations, and to the highest ethical and moral standards; and
- (iii) to approve, and from time to time, to initiate, policy statements reflecting ethical behaviour: between employer and employee; between Vancity and member; and between Vancity and society.

This includes the development of policies to reflect social and ethical consideration for use in situations of major change, for example; merger, divestiture, new product development, expansion and retrenchment.

Reporting to the Members

The Board has the responsibility:

- (i) to ensure that the social and financial performance of Vancity is adequately reported to members, other security holders and regulators on a timely and regular basis;

- (ii) to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;
- (iii) to ensure the timely reporting of any other developments that have a significant and material impact on the value of Vancity;
- (iv) to report annually to members on the Board's stewardship for the preceding year (the Annual Report and Annual General Meeting); and
- (v) to ensure that Vancity has in place a policy to enable it to communicate effectively with its members, stakeholders and the public generally.

Governance Practices

- The Board is responsible for ensuring its own effectiveness. This will include ensuring proper understanding of duties, responsibilities of individual directors, the Board as a whole and each committee, that independent judgment¹ is exercised in making decisions at the Board table, and that processes allow the Board to operate effectively.
- The Board is responsible for its own training and development, including access to effective orientation programs, ongoing training and development.
- The Board is responsible for ensuring an effective succession process is in place.

General Legal Obligations of the Board of Directors

The Board has the responsibility to act in accordance with its obligations contained in the Business Corporations Act (of British Columbia), The Financial Institutions Act, the Credit Union Incorporation Act, the Vancity Rules, and any other relevant legislation and regulations.

The Board has the responsibility for directing management to ensure that legal requirements have been met, and that documents and records have been properly prepared, approved and maintained.

The Business Corporations Act (of British Columbia) identifies the following as legal requirements for the Board:

- Directors shall, subject to the Act, the regulations and the memorandum and articles of the company, manage or supervise the management of the affairs and business of the company. {Sec. 136 (1)}
- A director or officer of a company, when exercising the powers and performing the functions of a director or officer of the company, as the case may be, must:
 - (a) act honestly and in good faith and with a view to the best interests of the company {Sec. 142 (1) (a)}; and
 - (b) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances. {Sec. 142 (1) (b)}
 - (c) act in accordance with this Act and the regulations, and {Sec. 142 (1) (c)}

¹ Independent of management

(d) subject to paragraphs (a) to (c), act in accordance with the memorandum and articles of the company. {Sec. 142 (1) (d)}

The Credit Union Incorporation Act provides the Board with the power to terminate a person's membership in the credit union.

The Financial Institutions Act restricts the directors of financial institutions from delegating the following to a Committee:

- (i) to fill a vacancy among the directors or the members of the audit committee, or the investment and loan committee, or in the office of the auditor, or appoint or remove the chief operating officer, however designated; the chief executive officer, however designated; the chief financial officer, however designated; the chairperson of the board or the president of the company; {Sec. 111 (2) (a)}
- (ii) to issue securities except in the manner and on the terms authorized by the directors; {Sec. 111 (2) (b)}
- (iii) to declare dividends; {Sec. 111 (2) (c)}
- (iv) to purchase, redeem or otherwise acquire shares issued by Vancity; {Sec. 111 (2) (d)}
- (v) to approve an information circular; {Sec. 111 (2) (e)}
- (vi) to approve a take over bid circular, directors' circular or issuer bid circular; {Sec. 111 (2) (f)}
- (vii) to approve a financial statement; {Sec. 111 (2) (g)} or
- (viii) to adopt, amend or repeal the directors' bylaws. {Sec. 111 (2) (h)}.

Appendix G

DIRECTORS'
REMUNERATION

Vancity

directors' remuneration

As elected representatives of Vancity's member-owners, the Board of Directors is responsible for setting the direction of the credit union and providing effective governance of the credit union's operations. The remuneration paid to directors recognizes the Board's considerable responsibilities.

Current remuneration for the Board reflects the increase of 1.3% set by BC Provincial Consumer Price Index, and is in accordance to the resolution approved at the 2010 AGM :

1. The remuneration for the Board Chair is \$52,239
2. The remuneration for a Committee Chair is \$43,567
3. The remuneration for the Vice Chair is \$36,306
4. The remuneration for a Director is \$36,306
5. The remuneration is in place for 3 years commencing April 21, 2010 and ending on the date of the AGM in 2013.
6. In 2011 and 2012 Director remuneration will increase by BC Provincial Consumer Price Index if the organizational earning target has been achieved for that year.
7. Future remuneration reviews will be completed one year before due such that the next review will be put to the membership at the 2012 AGM to take effect on the date of the AGM in 2013.
8. Transparency and disclosure of remuneration will be included in external publications, e.g. website and annual report, and specific amounts paid will be listed by Director.

The membership approved the following remuneration schedule for the Directors which will take effect following the Annual General Meeting on May 7, 2013.

1. The Director remuneration paid by Vancity increase by 10 per cent, to take effect as of the Annual General Meeting in 2013;
2. In addition to the 10 per cent increase effective at the Annual General Meeting in 2013, the Director remuneration will increase by the BC Provincial Consumer Price Index *if the organizational earning target is achieved for 2012*;

3. That the 2014 and 2015 Director remuneration will increase by the BC Provincial Consumer Price Index *if the organizational earning target is achieved for the previous fiscal year;*
4. This remuneration structure will be in place for 3 years commencing from the Annual General Meeting in 2013 and ending on the date of the Annual General Meeting in 2016;
5. Future remuneration reviews will be completed one year before due such that the next review will be put to the membership at the 2015 Annual General Meeting to take effect on the date of the Annual General Meeting in 2016; and
6. That transparency and disclosure of remuneration will be included in external publications such as the Vancity website and annual report, and specific amounts paid will be listed by Director.