



KHALSA CREDIT UNION

RULES

DEFINITIONS

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

- (a) "credit union" means Khalsa Credit Union;
- (b) CREDIT UNION INCORPORATION ACT means the CREDIT UNION INCORPORATION ACT OF BRITISH COLUMBIA from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (c) COMPANY ACT means the COMPANY ACT OF BRITISH COLUMBIA from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (d) FINANCIAL INSTITUTIONS ACT means FINANCIAL INSTITUTIONS ACT OF BRITISH COLUMBIA from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (e) "Director" means a Director of the credit union for the time being;
- (f) "Directors" mean the Board of Directors of the credit union;
- (g) "Chairperson" means the Chairperson of the Directors;

The meaning of any words or phrases defined in the CREDIT UNION INCORPORATION ACT, the FINANCIAL INSTITUTIONS ACT, and to the extent it relates to the credit union, the COMPANY ACT shall, if not inconsistent with the subject or context, have the same meaning in these Rules.

RULE 1. MEMBERSHIP

- 1.1 Every application for membership shall be in writing and be accompanied by payment in full of the purchase price of Class A membership equity shares of the credit union required to be held by a member on the date of application for membership together with an entrance fee as determined from time to time by the directors.
- 1.2 There shall be no annual membership fee.
- 1.3 A member may withdraw from membership or any person's membership may be terminated, in accordance with the CREDIT UNION INCORPORATION ACT.
- 1.4 A member in good standing is a member, including a junior member, who at the date on which good standing is determined has purchased, paid for and holds the number of Class A membership equity shares required by these rules and is not more than 90 days delinquent in any obligation to the credit union.

RULE 2. SHARES AND DEPOSITS

- 2.1 The shares of the credit union shall be divided into two classes of equity shares, designated as:

- (a) Class A, membership equity shares; and
 - (b) Class B, equity shares.
- 2.2
- (a) The directors may issue share certificates which shall state on their face the words ‘NOT GUARANTEED BY THE CREDIT UNION DEPOSIT INSURANCE CORPORATION.’
 - (b) Notwithstanding Rule 2.2(a), the Class A membership equity shares shall be recorded to the member’s name and statement of shareholdings shall be provided to each member regarding the member’s shares, at least once in each fiscal year of the credit union.
- 2.3 Interest on deposits and dividends on shares, in the absence of an express contract or agreement, shall be paid or credited at times, intervals and in a manner determined by the directors.
- 2.4 The directors may determine the forms by which a person may withdraw monies on deposit or request redemption of shares.
- 2.5 The Class A membership equity shares shall have attached thereto the following rights and restrictions:
- (a) Monies invested in Class A membership equity shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia.
 - (b) Subject to the *CREDIT UNION INCORPORATION ACT*, Class A membership equity shares may only be subscribed for, purchased by, or transferred or assigned to the credit union or a member thereof, and only at par value, and in the case of redemption, par value plus any dividends declared but unpaid on them.
 - (c) Class A membership equity shares are not transferable or assignable without the resolution of the directors, obtained in advance, and no transfer or assignment of Class A membership equity shares is effective until the record of shareholdings maintained by the credit union is completed indicating the transfer or assignment.
 - (d) Subject to the *CREDIT UNION INCORPORATION ACT*, and upon the written request of the member, the credit union will redeem Class A membership equity shares held by a member upon any of the following conditions:
 - (i) the member, in the case of an individual, dies;

- (ii) the member, in the case of an incorporated company, is dissolved or wound up in accordance with the applicable legislation;
 - (iii) the member, in the case of a partnership, dissolves;
 - (iv) the member, in any other case, ceases to be a legal entity according to the legislation that created it;
 - (v) the member's membership is terminated;
 - (vi) a junior member, within one year after his majority was attained; or
 - (vii) as the directors in their discretion resolve.
- (e) The credit union may require evidence as to the events described in Rule 2.5(d), before redeeming Class A membership equity shares.
- (f) Notwithstanding the foregoing but subject to the *CREDIT UNION INCORPORATION ACT*, the amount of *Class A membership equity shares* that the credit union may be required to redeem in any one fiscal year of the credit union is limited to 10 per cent of the total amount of Class A membership equity shares issued and outstanding at the end of the previous fiscal year.
- (g) (i) Class A membership equity shares may be held jointly and each of the named persons, holding the required number of shares, will be deemed to be a member.
- (ii) All jointly held Class A membership equity shares shall carry the right of survivorship unless a contrary statement, in writing, is given at the time of subscription and signed by all parties jointly holding the shares.
- (iii) Pursuant to Rule 2.5(d), (e) & (f), the credit union shall redeem, upon demand by the surviving member, the Class A membership shares of the member so deceased.
- (h) Each member of the credit union shall subscribe for, purchase and fully pay for and hold the following number of Class A membership equity shares:
- (i) each member who is a natural person, 5 Class A membership equity shares;
 - (ii) each natural person of a joint account;
 - (1) 5 Class A membership equity shares for the first named person and
 - (2) 1 Class A membership equity shares for each additional named person;

- (iii) each incorporated company, 5 Class A membership equity shares;
 - (iv) each partnership, 5 Class A membership equity shares per partner; and
 - (v) each association or society, as contemplated in Rule 2.5(d) (iv), 5 Class A membership equity Shares;
- (i) The directors may from time to time by resolution, determine that the minimum required number of Class A membership equity shares be increased provided that:
- (i) such determination shall not exceed two times the number of shares required in Rule 2.5(h);
 - (ii) a determination by the directors pursuant to this rule may be made no more frequently than once per fiscal year of the credit union;
 - (iii) a subsequent determination by the directors shall not be made to have effect within 6 months of the last such determination; and
 - (iv) a determination by the directors pursuant to this rule shall not be effective until the expiration of not less than 90 days notice of the determination being given to the members of the credit union.
- (j) If, on the expiration of the period of notice required in these rules, the member has not paid for the required number of Class A membership equity shares, the credit union may apply any money on deposit and interest thereon or invested in non-equity shares and dividends credited thereon in the name of the member to the purchase of sufficient Class A membership equity shares in the name of the member so that the member shall own the number of Class A membership equity shares required by the applicable rule.
- (k) If, on the expiration of the period of notice referred to in Rule 2.5 (i), a member is not the owner of the required number of Class A membership equity shares and the member has insufficient monies on deposit or invested in non-equity shares, to permit the purchase of sufficient Class A membership equity shares then the member shall immediately cease to be a member.
- (l) Class A membership equity shares shall be issued at, and have a par value of \$1 each;
- (m) Class A membership equity shares shall be the credit union's 'membership shares' as defined in the *Credit Union Incorporation Act*;
- (n) no member may subscribe for more than 1,000 Class A membership equity shares in the aggregate.

2.6 The Class B equity shares shall have attached thereto the following rights and restrictions:

- (a) monies invested in Class B equity shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia;
- (b) subject to the *Credit Union Incorporation Act*, Class B equity shares may only be subscribed for, purchased by, or transferred or assigned to the credit union or a member thereof, and only at par value, and in the case of redemption, par value plus any dividends declared but unpaid on them;
- (c) Class B equity shares are not transferrable or assignable without the resolution of the directors, obtained in advance, and no transfer or assignment of shares is effective until the record of shareholdings maintained by the credit union is completed indicating the transfer or assignment;
- (d)
 - (i) Class B equity shares may be held jointly and each of the named persons, holding the required number of shares, will be deemed to be a member;
 - (ii) All jointly held Class B equity shares carry the right of survivorship unless a contrary statement, in writing, is given at the time of subscription and signed by all parties jointly holding the shares;
- (e) Class B equity shares may be redeemed at the sole discretion of, and under the terms and conditions as may be determined by, the directors;
- (f) Class B equity shares shall be issued at, and have a par value of, \$1 each;
- (g) A member may subscribe for a minimum of 35 and a maximum of 10,000 Class B Equity Shares effective May 1, 2016.

RULE 3. BORROWING AND LENDING

- 3.1 Subject to the CREDIT UNION INCORPORATION ACT, the FINANCIAL INSTITUTIONS ACT and the COMPANY ACT, the directors of the credit union may raise and borrow money for the purposes of the credit union upon such terms and conditions as to interest, term, repayment, and security as they determine by resolution.
- 3.2 Subject to the CREDIT UNION INCORPORATION ACT, the FINANCIAL INSTITUTIONS ACT and the COMPANY ACT, the directors shall determine the terms and conditions of loans as to interest and other charges, terms of repayment, security; and may require a number of Class B equity shares be subscribed for and purchased by the member and may, by resolution, delegate the power to make loans and to make the determinations aforesaid.
- 3.3 At the full and timely retirement of the indebtedness by the member referred to in Rule 3.2 above, any additional shares held at the time of the retirement of indebtedness, in excess of the minimum holdings generally required by these rules from time to time, may be redeemed upon the member's request in writing, but shall not be required to be

redeemed by the credit union, pursuant to Rule 2.6(e).

RULE 4. DIRECTORS, ELECTIONS AND MANAGEMENT

- 4.1 The number of directors of the credit union shall be nine.
- 4.2 The number of members of the Nominating Committee shall be five. Should any member of the Nominating Committee in office prior to the next election of the Nominating Committee resign or have resigned his office, the directors may appoint another member of the credit union to fill the unexpired portion of his term provided that a member so appointed shall meet the qualifications of a director as set out in Rule 4.26.
- 4.3 No later than 90 days before an election of directors is to be held, the Nominating Committee shall:
- (a) notify all members of the credit union that an election of directors is to take place, specifying:
Directors' characteristics and attributes sought, as defined by the Board of Directors.
Any gaps existing in the current board which the board seeks to be filled the number of positions which the Nominating Committee knows at that time are required to be filled;
 - (b) invite members to submit to the Nominating Committee, in such form or forms the Nominating Committee shall from time to time specify for the purpose, the names of proposed candidates prior to a date which shall be specified in the notice, which date shall not be less than twenty-one (21) days from the date of the notice referred to in (a) above;
 - (c) include as part of the nomination form a requirement that the nomination form be signed by two (2) members in good standing and there be submitted with the name of each proposed candidate a resume which meets guidelines established by the Nominating Committee, as to form and content;
 - (d) make the nomination forms available to members online and also at all branches of the credit union.
 - (e) completed nomination forms shall be submitted in original to head office before the deadline in person or by courier. Applications that fail to comply will not be accepted.
- 4.4 In respect of any election:
- (a) a member may not submit to the Nominating Committee the name of more than one proposed candidate;
 - (b) Rule 4.4(a) does not apply to the members of the Nominating Committee.

- 4.5 Within fifteen (15) days of the date by which nominations are to be submitted under Rule 4.3(b), the Nominating Committee shall:
- (a) require all candidates for directorship claiming to meet the qualifications set out in Rule 4.26 to stand before Siri Guru Granth Sahib Ji and affirm their qualifications before the Nominating Committee, and further affirm that they will (i) observe the provisions of the CREDIT UNION INCORPORATION ACT, the FINANCIAL INSTITUTIONS ACT, and the COMPANY ACT, as applicable; (ii) comply with the directors' conflict of interest guidelines adopted by the directors, from time to time; and (iii) observe the Rules of the credit union and procedures relating to the election and the conduct thereof;
 - (b) place in nomination the names of all qualified candidates who have affirmed as required by Rule 4.5(a), whose consents they have first obtained; and
 - (c) request that each candidate complete the personal information return required to be submitted to the superintendent pursuant to the FINANCIAL INSTITUTIONS ACT.
- 4.6 Notwithstanding any other provisions of these Rules in particular Rule 4.3(e), Nominations shall be closed at the conclusion of the period referred to in Rule 4.3(b), the Nominating Committee may, at any time prior to the commencement of voting as determined by the Board of Directors, place in nomination the names of any additional qualified candidates who must affirm as required by Rule 4.5(a).
- 4.7 Subject to Rule 5.5, in respect of an election of directors, voting on special resolutions or voting at a general meeting:
- (a) voting in an election shall be by voting in person at a branch of the credit union and on a day or days, as prescribed by the Board of Directors, within the fifteen (15) day period immediately preceding the day of the annual general meeting and the hours for casting ballots shall be between 10:00 a.m. and 5:00 p.m.;
 - (b) voting on all special resolutions shall be by voting in person at a branch of the credit union and on a day or days, as prescribed by the Board of Directors and the hours for casting ballots shall be between 10:00 a.m. and 5:00 p.m.
 - (c) where a special general meeting has been called for the purpose of considering one or more special resolution, the voting on the special resolution(s) shall take place pursuant to Rule 4.7(b) except that the day or days of the voting shall occur within the fifteen (15) day period following the special general meeting called for the purpose; and
 - (d) for the purposes of voting in an election, voting on special resolutions or voting at a general meeting, the named persons of a joint account shall each have all of the rights of membership including the right to vote as individual members.
- 4.8 Where an election is to be held the Nominating Committee shall forward, at least 30 days before the election is to be held, to all members of the credit union entitled to

vote:

- (a) clear and precise instructions for voting as directed by the Election Returns Committee;
 - (b) a notice containing a resume of not more than two hundred (200) words for each candidate and indicating those candidates nominated by the Nominating Committee;
 - (c) a notice that each member has the right to one vote provided that to be eligible to vote a person must be a member sixty (60) days before the giving of the notice; that the named persons of a joint account have full membership privileges and may vote as individual members; that a representative duly appointed in writing as provided in the Act may vote for a member which is a corporation, an association or a society ; and that the Act prohibits a junior member (under the age of majority) from voting;
 - (d) advice of the date or dates during which voting in an election shall take place; and
 - (e) advice of the branches, their locations and voting hours at which polling in the election shall take place.
- 4.9 Sixty (60) days before the giving of the notice required to be given pursuant to Rule 4.8, the membership list of the credit union shall, for the purpose of the election, be closed and only members as of the close of business of the credit union on such date shall be eligible to cast ballots in the election.
- 4.10 Subject to the provisions of Rule 4.11, if the offices of directors being filled at any election are for different lengths of term, the term of each director elected shall be determined in proportion to the number of votes received by that director, the director receiving the greatest number of votes to hold office for the longest term.
- 4.11 (a) If there are two (2) or more persons having an equal number of votes in any election, the successful nominees or the terms of the person so elected (if the offices of directors being filled are for different lengths of term), as the case may be, shall be determined by lot.
- (b) If there is an election by acclamation, the terms of the persons so elected (if the offices of directors being filled are for different lengths of term) shall be determined by lot.
- 4.12 (a) For the purposes of supervising elections of directors, the Board of Directors, exclusive of those directors whose terms are expiring, shall appoint an Election Returns Committee comprised of:
- (i) chairperson, Nominating Committee,
 - (ii) a member of the Nominating Committee,
 - (iii) a member of the Board of Directors whose term is not expiring or is not

- seeking re-election, and
 - (iv) two persons, deemed to be independent by the Board of Directors, who need not be members of the credit union;
 - (b) The appointed members of the Election Returns Committee shall meet within seven (7) days of their appointment and elect from their number, a chairperson, Election Returns Committee;
 - (c) The Election Returns Committee shall abide by the Rules of the credit union, the FINANCIAL INSTITUTIONS ACT, the CREDIT UNION INCORPORATION ACT and the COMPANY ACT in carrying out its duties;
 - (d) The Election Returns Committee shall be deemed to be the returning officer and be responsible for the supervision of elections;
 - (e) The rulings or decisions made by the majority of the Election Returns Committee shall be binding upon the credit union and all participants in an election; and
 - (f) The Election Returns Committee shall meet at the call of the chairperson who shall give at least seven (7) days notice of a meeting to be held and a minimum of three (3) members at such meetings shall be a quorum.
- 4.13 The chairperson, Election Returns Committee, elected under Rule 4.12 (b) may, but need not, be a member of the credit union.
- 4.14 Where an Election Returns Committee is appointed, its members shall be appointed at least 60 days prior to the date on which voting in an election is to commence.
- 4.15 The Nominating Committee and, where applicable, the Election Returns Committee may engage such other resource persons as the directors and the Nominating Committee or the Election Returns Committee agree are required to conduct the election in a proper manner and the credit union's external auditors shall be the scrutineers.
- 4.16 A ballot shall list the candidates alphabetically and must contain votes for the number of persons to be elected and any ballot indicating another intention is void.
- 4.17 If a member who is entitled to receive a ballot does not receive a ballot or loses or destroys his ballot before it is cast, then, prior to the close of balloting, on declaration by the member that the ballot was not received or has been lost or destroyed and that the member has not cast a ballot in the election, a new ballot shall be made available to that member, together with such information as was provided to other members entitled to vote in that election.
- 4.18 The Election Returns Committee shall supervise the election of directors and:
- (a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration that the member has not previously

cast a ballot in the election then in progress;

- (b) shall obtain all ballots and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be made in a manner that ensures the secrecy of the balloting;
- (c) shall determine whether a ballot is to be accepted or rejected and, such determination is final and not open to review; and
- (d) shall announce the results of the election including the total number of ballots cast, the number of spoiled ballots and the number of votes obtained by each candidate, at the annual general meeting.

4.19 An alphabetic listing of the candidates and the number of votes received by each shall be posted in each office of the credit union as soon as the results of the ballot have been announced and shall remain posted for three clear business days.

4.20 The Board of Directors may from time to time determine the method and manner in which candidates shall be permitted to campaign for election and candidates shall campaign only in accordance with the permitted method and manner as determined by the Board of Directors.

4.21 In respect of elections,

- (a) no candidate shall interfere with the election process or seek assistance in connection with the election from any employee of the credit union, any member of the Election Returns Committee, the scrutineers or any person employed by the Election Returns Committee or scrutineers; and
- (b) the employees shall not in any way promote the cause of or campaign for any candidate in an election of Directors of the Credit Union.

4.22 Except where an election is held to fill the unexpired portion of a term, directors shall be elected to hold office for six (6) years.

4.23 The directors of the credit union shall be elected and shall retire in rotation and for the first election for directors held after this rule takes effect three directors shall be elected to hold office until the close of the sixth annual general meeting after they have been elected, three directors shall be elected to hold office until the close of the fourth annual general meeting after they have been elected and three directors shall be elected to hold office until the close of the second annual general meeting after they have been elected. Every second year directors shall be elected to replace those retiring and a retiring director is eligible to be nominated for re-election.

4.24 (a) At their first meeting following every annual general meeting the directors shall elect from among themselves a Chairperson and Vice-Chairperson and appoint such additional officers as they consider necessary and shall constitute from among themselves an executive committee, an investment and loan committee, an audit committee and a conduct review committee to whom they shall

delegate certain powers and duties. The Chairperson of the Board of Directors shall be the Chairperson of the executive committee. The members of the statutory committees shall elect the chairpersons. The executive committee will be constituted of the chairpersons of the statutory committees, namely Audit Committee, Conduct Review Committee & Investment & Loan Committee. Each of the committees shall be constituted of at least three members of the board except for the investment and loan committee which shall consist of at least four members of the board and the Chief Executive Officer of the credit union who shall be an ex officio member of the committee and who shall have a vote. Any committee shall conform to any rule that may from time to time be imposed upon it by the board of directors and shall report every act or thing done in exercise of its powers and duties at the earliest meeting of the directors to be held next after it has been done.

- (b) Following the announcement of election results at the annual general meeting, as required by Rule 4.18(d), a Nominating Committee, consisting of five members, shall be established. The Nominating Committee shall be comprised of:
 - (a) three directors of the Credit Union, selected by the Board of Directors, except that no director whose terms of office is expiring at the general meeting next following the appointment of the Nominating Committee may serve as a members of the Committee; and
 - (b) two persons who are members of the Credit Union, who shall have the same qualifications as directors but who are not directors of the Credit Union, elected by the membership. The Board of Directors shall place before the meeting a sufficient number of nominations of qualified persons to fill these two positions on the Nominating Committee and shall call for further nominations of qualified persons from the floor. Each nomination from the floor shall require a mover and a seconder. The individuals receiving the greatest number of votes shall be the successful nominee and if there are two or more persons having an equal number of votes in any election the successful nominees shall be determined by lot.
- (c) The first meeting of the directors following an annual general meeting shall occur within forty five (45) days following the annual general meeting.

4.25 The chairperson of each committee will be responsible for the meetings of the committees and any reports to the board.

4.26.1 Directors and Nominating Committee members shall have the following qualifications and commitments:

- (a) must have taken Amrit as prescribed by Siri Guru Gobind Singh Ji, must accept Siri Guru Granth Sahib as a Living Guru and must have faith in the Ten Gurus and their Gurbani and must abide by all regulations of the Amrit;

- (b) must understand and live by the four Rehts and the-four Korehts as mentioned in the Reht Maryada of the Akal Takhat as he or she will be a role model for others;
- (c) must give priority to the Sikh education and thereby committed to the concept of Sikh Schools; and
- (d) must donate towards to the cause of Sikhism either one-tenth of his or her income or spend time for voluntary services;
- (e) must lead a life of simplicity, sincerity and integrity and must always abstain from all types of intoxicants;

4.26.2 No person who:

- (a) is a person disqualified from becoming or acting as a director pursuant to the COMPANY ACT, the FINANCIAL INSTITUTIONS ACT or the CREDIT UNION INCORPORATION ACT;
- (b) is or becomes a paid employee of the credit union or an affiliate of the credit union or the spouse, child, or step-child, of a paid employee of the credit union or an affiliate of the credit union;
- (c) was an employee of a credit union or an affiliate of a credit union during the one-year period prior to the date that nominations for the office of director under these Rules closed, or during the one-year period prior to the date of the annual general meeting at which he is nominated for the Nominating Committee as the case may be;
- (d) is an employee, officer or director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution or another credit union (other than a director of a Central 1 Credit Union) or a subsidiary of any of them except where that person has been requested or authorized in writing by the directors to serve as a director of a bank, trust company, loan company, savings and loan association, deposit-taking institution, lending institution, other credit union or a subsidiary of any of them;
- (e) has not been a member in good standing of the credit union for 12 consecutive months prior to the date that nominations for the office of director under these Rules closed, or for 12 consecutive months prior to the date of the annual general meeting at which he is nominated for the Nominating Committee as the case may be;
- (f) being a director, has failed, without being excused, to attend regular meetings of the directors for three consecutive months in which meetings are held;

is eligible to hold office as a director or as a member of the Nominating Committee, and, if holding office as a director or member of the Nominating Committee, shall vacate office forthwith.

- 4.26.3 Before commencing duties, a director shall complete and submit to the Superintendent the personal information return in the form prescribed by the FINANCIAL INSTITUTIONS ACT, disclosing the prescribed information.
- 4.26.4 A person may be removed as a director by resolution passed by a majority or not less than $2/3^{\text{rd}}$ of the remaining directors if that director has breached the policies concerning conflict of interest or the code of conduct and ethics for directors or breached the confidentiality of any proceedings, deliberations, or information of the Board of Directors, as determined by the remaining directors in accordance with the policies and procedures relating to director review established by the Board of Directors
- 4.27 The Board of Directors shall meet at least monthly but, as may be approved by the Board, up to two (2) monthly meetings per annum may be cancelled provided that the cancellations are not consecutive and that the business normally conducted at a meeting so cancelled is brought forward to the next monthly meeting.
- 4.28 The Chairperson may call a meeting of the Board of Directors at any time and shall within fourteen (14) days of receipt of written request of three (3) directors, call a meeting of the Board of Directors.
- 4.29 Seven (7) days notice shall be given of meetings to the directors but notice may be waived by a director who does not receive notice.
- 4.30 A majority of the directors shall constitute a quorum but a lesser number may adjourn from time to time until a quorum is obtained.
- 4.31 In a case of absence of the Chairperson, or his inability for any cause to act, or in case the office of the chairperson becomes vacant, the Vice-chairperson shall discharge the duties of the Chairperson.
- 4.32 Any director who fails to abide by the qualifications of a director as required by Rule 4.26.1 may be dismissed by special resolution of the membership. The directors may propose such a special resolution to the membership provided a motion to do so is passed by a majority of directors and the director who is the subject of the motion shall not vote on the motion. The director who is the subject of the special resolution shall be given an opportunity to be heard at the membership meeting.
- 4.33 Where a vacancy occurs in the board of directors, the directors or the remaining directors may appoint a person to fill the vacancy, but any person who is so appointed shall only hold office until the next election of directors.
- 4.34 Every director shall forthwith after his election as a director of the credit union, file with the conduct review committee a statement of disclosure in the form established by the conduct review committee disclosing any conflict of interest which he may have.
- 4.35 Subject to the applicable law and these rules, the directors may adopt rules of order governing their conduct but, where no rules are adopted or the adopted rules are silent

on an issue of conduct then the current edition of “Robert’s Rules of Order Newly Revised” shall be used for advice and guidance.

RULE 5. GENERAL MEETING, VOTING AND MEMBER CONDUCT

- 5.1 The annual general meeting of the credit union shall be held on a date to be fixed by the Board of Directors.
- 5.2 Sixty (60) days before the giving of the notice of an annual or special general meeting, the membership list of the credit union shall be closed and only members as of the close of business of the credit union on such date shall be eligible to vote at the annual or special general meeting.
- 5.3 Other general meetings may be convened and held in accordance with the provisions of the CREDIT UNION INCORPORATION ACT, the FINANCIAL INSTITUTIONS ACT and the COMPANY ACT, as applicable
- 5.4 In respect of order at general meetings, members are required to conduct themselves in keeping with the spirit of the Khalsa and within the following rules:
 - (a) members must address the chairperson, usually the Chairperson, and may not speak to the meeting until recognized by the chairperson;
 - (b) except as may be stated in the notice of meeting, as approved by the Board of Directors, members speaking to issues or to motions are limited to two addresses per issue or motion not exceeding two minutes in length at any one time;
 - (c) members shall address only those issues or motions raised in the authorized agenda and which are under discussion pursuant to the order of the agenda;
 - (d) the chairperson shall rule out of order any member who refuses to cease speaking pursuant to (b) and (c) and where the member refuses to abide by the order of the chairperson, the chairperson may order the removal of the member from the meeting;
 - (e) the chairperson may order the removal of any person or persons deemed by the chairperson as being unruly; and
 - (f) subject to the applicable law and these rules, a general meeting may adopt additional rules of order for its conduct, but if no additional rules are adopted, Robert’s Rules of Order (Revised) shall be used.
- 5.5 Voting for an election of directors and voting for any special resolution shall be by secret ballot. Voting at a general meeting shall be by a show of hands except where any member entitled to vote at a general meeting may demand the vote be by secret ballot on any matter and where a secret ballot is demanded, it shall be taken forthwith. Every ballot cast shall be held in safekeeping by the secretary of the credit union for

three months after the meeting, or after the voting for an election of directors or after the voting for any special resolution, and during that period, shall be open to inspection at the credit union's head office during normal business hours by any member entitled to vote at the meeting, or for the election of directors or for any special resolution.

- 5.6 At a general meeting of the credit union, one-quarter of the members or 50 members, whichever is the lesser, shall constitute a quorum, but a lesser number may adjourn from time to time until a quorum is obtained.
- 5.7 So far as is practical, the order of business at an annual general meeting shall be:
- (a) approval of minutes;
 - (b) business arising out of minutes;
 - (c) report of the Chairman;
 - (d) report of the Chief Executive Officer;
 - (e) report of the auditor;
 - (f) approval of financial statements;
 - (g) report of other committees;
 - (h) elections;
 - (i) appointment of auditor;
 - (j) unfinished business;
 - (k) new business;
 - (l) good and welfare;
 - (m) adjourn.

RULE 6. SEAL

- 6.1 The credit union shall have a corporate seal.
- 6.2 The directors shall provide for the safe custody of the corporate seal at the registered office of the credit union or such other safe place as the directors determine it shall be kept for safekeeping.

RULE 7. ALTERATION

- 7.1 Subject to applicable law, the credit union membership may alter these rules by special resolution from time to time.