

Supplemental Information Package

for the Proposed Merger between
BlueShore Financial Credit Union
("BlueShore Financial")
and Beem Credit Union ("Beem")

**Together
Our Best**



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Mr. Brian Harris
Chief Executive Officer
Beem Credit Union

File No.: 71500-10-X020468
71500-10-X020264
Ref. No.: SR127452

Mr. Ian Thomas
President and Chief Executive Officer
BlueShore Financial Credit Union

15 October 2024

Dear Messrs. Harris and Thomas:

Re: Proposed Asset Transfer Agreement between Beem Credit Union and BlueShore Financial Credit Union

The Superintendent of Financial Institutions has provided consent to the proposed Asset Transfer Agreement (“ATA”) between Beem Credit Union and BlueShore Financial Credit Union (“BlueShore”) pursuant to section 16(3) of the *Credit Union Incorporation Act* and section 3(d) of the *Transfer of Powers and Duties (Financial Institutions) Regulation to the Financial Institutions Act* on October 15, 2024. If the ATA is approved by the membership of BlueShore, the effective date of the ATA is stipulated to be January 1, 2025.

Regards,



Priti Prasad Hambrook
Manager, Approvals

pc: Doug Sweeting, Board Chair
Beem Credit Union

Diana Chan, Board Chair
BlueShore Financial Credit Union

Having a say in the future of your financial institution is one of the benefits of credit union membership. The legislation governing BlueShore Financial requires our members' approval on the special resolution, and our shareholders' approval on the separate resolution. To pass, each of these resolutions requires a YES vote from two-thirds or more of voters.

Notice of Special Resolution—All Eligible Voting Members of BlueShore Financial

In accordance with the voting process provided for in the Rules of BlueShore Financial, we hereby seek your approval on the special resolution below.

“BE IT RESOLVED, as a special resolution, that the Asset Transfer Agreement between BlueShore Financial Credit Union, as the transferring credit union, and Beem Credit Union, as the acquiring credit union, under section 16 of the *Credit Union Incorporation Act* (BC) be and is hereby approved, and accordingly:

- a) BlueShore Financial Credit Union is hereby authorized and directed to execute the Asset Transfer Agreement; and
- b) the directors of BlueShore Financial Credit Union are hereby authorized and directed to take the steps necessary to complete the transfer of all the rights, property and assets of BlueShore Financial Credit Union to Beem Credit Union in accordance with the terms and subject to the conditions contained in the Asset Transfer Agreement.”

The Board of Directors recommends voting YES to a merger with Beem Credit Union.

Notice of Separate Resolution—Holders of Class C Investment Equity Shares of BlueShore Financial

In accordance with the voting process provided for in the Rules of BlueShore Financial, we hereby seek your approval on the separate resolution below.

“BE IT RESOLVED, as a separate resolution of the holders of the Class C Investment Equity Shares of BlueShore Financial Credit Union, that the Asset Transfer Agreement between BlueShore Financial Credit Union, as the transferring credit union, and Beem Credit Union, as the acquiring credit union, under section 16 of the *Credit Union Incorporation Act* (BC) be and is hereby approved, and accordingly:

- a) BlueShore Financial Credit Union is hereby authorized and directed to execute the Asset Transfer Agreement; and
- b) the directors of BlueShore Financial Credit Union are hereby authorized and directed to take the steps necessary to complete the transfer of all the rights, property and assets of BlueShore Financial Credit Union to Beem Credit Union in accordance with the terms and subject to the conditions contained in the Asset Transfer Agreement.”

The Board of Directors recommends voting YES to a merger with Beem Credit Union.

Vote Information

Who Can Vote—Special Resolution

Personal Members (Individuals)

Each individual member (Class A Membership Equity Shareholder) of BlueShore Financial who is 19 years of age or older and is in good standing in accordance with the [Rules of BlueShore Financial](#) as of August 31, 2024 is entitled to one vote on the BlueShore Financial Special Resolution for Class A Shareholders.

Non-Personal Members

Non-Personal members include companies, partnerships, societies and unincorporated associations.

Each non-personal member of BlueShore Financial who is in good standing in accordance with the Rules of BlueShore Financial as of August 31, 2024 is entitled to one vote on the BlueShore Financial Special Resolution for Class A Shareholders. The non-personal member's vote must be cast by an authorized signor who is 19 years of age or older.

Who Can Vote—Separate Resolution

Personal Shareholders (Individuals)

Each individual shareholder of Class C Investment Equity Shares of BlueShore Financial who is 19 years of age or older and who holds at least one Class C Investment Equity Share of BlueShore Financial is entitled to one vote on the BlueShore Financial Separate Resolution for Class C Shareholders.

Non-Personal Shareholders

Each non-personal shareholder of Class C Investment Equity Shares of BlueShore Financial who holds at least one Class C Investment Equity Share of BlueShore Financial is entitled to one vote on the BlueShore Financial Separate Resolution for Class C Shareholders. The non-personal shareholder's vote must be cast by an authorized signor who is 19 years of age or older.

Joint Shareholders of Class C Shares

If Class C Investment Equity Shares are held jointly, each joint holder is entitled to one vote on the BlueShore Financial Separate Resolution for Class C Shareholders.

Your vote counts. We're asking every eligible member and shareholder to vote on the opportunity for BlueShore Financial and Beem to merge.

Voting is easy—choose the voting method that suits you best.

Voting Methods	Voting Instructions and Deadlines
<p>ONLINE</p> <p>Use your smartphone, tablet, laptop or desktop computer.</p> <p>This secure and paperless option makes it easy for you to vote at a time that's convenient for you.</p>	<p>Vote online through Lumi (a virtual meeting and voting platform) from 9 AM PDT on November 25 to 5 PM PDT on December 3, 2024. You can submit your electronic Ballot early and edit it up until the voting deadline. Your selection as of the voting deadline will be counted as your vote.</p> <p>How to vote online:</p> <ol style="list-style-type: none"> 1. Ensure you are using the latest version of your web browser. The Lumi platform is supported on Android, IOS, Chrome, Firefox, Edge and Safari. (Internet Explorer is not compatible.) 2. Type the relevant URL below into your web browser to go to the live voting site for your Class of Shares: Special Resolution (Class A Membership Equity): https://web.lumiconnect.com/466194543 Separate Resolution (Class C Investment Equity): https://web.lumiconnect.com/449373044 3. Enter your unique voter code and password sent by mail, and click Login. 4. Select Voting tab. 5. Read the certifications, and cast your vote by selecting In Favour or Not In Favour. 6. Click Submit. By doing so, you are attesting to the certifications and submitting your Ballot. Your response will be confirmed. 7. You may edit your response until the voting deadline (this will only count as one vote). 8. Log out or close browser window. 9. To submit a Ballot with respect to another class of shares, repeat steps 2–8 above.
<p>MAIL-IN BALLOT</p> <p>Request a Mail-In Ballot at a BlueShore Financial branch or by contacting the Solution Centre at 1.888.713.6728 prior to November 15, 2024.</p>	<p>Ballots must be received by KPMG Management Services LP by 5 PM PDT on December 3, 2024. Please take into account 5 business days for mail to be received.</p> <p>How to vote by Mail-In Ballot (for each voting package):</p> <ol style="list-style-type: none"> 1. On the Ballot (2), mark an X in the box beside your selection. 2. On the Ballot and Authentication Envelope (3), write the unique voter code sent by mail. Read the certifications and agree by signing the envelope.

	<ol style="list-style-type: none"> 3. Place the Ballot in the completed Ballot and Authentication Envelope (3) and seal. 4. Place the sealed Ballot and Authentication Envelope into the postage-paid Voting Return Envelope (4) addressed to KPMG Management Services LP. Seal it and mail it by November 25, 2024 to ensure receipt by the voting deadline. 5. To submit a Ballot with respect to your other Class of Shares, repeat steps 1–4 above.
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General Voting Rules

- Each eligible member is entitled to one vote on the Special Resolution for Class A Shareholders, regardless of the number of Class A Shares held over the required minimum.
- Each Class C Shareholder is entitled to one vote on the Separate Resolution for Class C Shareholders, regardless of the number of Class C Shares held.
- If Class C Shares are held jointly, then each joint shareholder will receive a unique voter code and will be able to vote.
- If a member casts more than one vote on the Special Resolution for Class A Shareholders, all votes cast by that member on the Special Resolution for Class A Shareholders will be invalid.
- If a Class C Shareholder casts more than one vote on the Separate Resolution for Class C Shareholders, all votes cast by the shareholder on the Separate Resolution for Class C Shareholders will be invalid.
- Ballots received after the voting deadline above will be invalid.
- Failure to complete the Ballot pursuant to the voting instructions may render your Ballot invalid.
- Ballots received prior to the opening day of voting will be deemed to have been cast during the official voting period.

If you have any questions, please contact BlueShore Financial Solution Centre at 604.982.8000 or 1.888.713.6728, or visit any BlueShore Financial branch.

Voter Confidentiality

Voter information will be used exclusively by KPMG Management Services LP, the returning officer appointed by BlueShore Financial to administer the vote, and Lumi Canada Inc. Voter information will not be used for any other purpose or distributed to any other parties. The returning officer will not disclose any personal information about any voter without the voter's prior consent, unless the returning officer has a good faith belief that such disclosure is necessary to comply with legal process or other legal requirements of any court, governmental authority or agency, or to protect or defend rights, interests or property of the returning officer.

Vote Results

Results of the vote will be shared on the merger website at TogetherOurBest.ca following the tabulation of results.

Merged credit union executive biographies

The following are the biographies of the merged credit union's expected executive team, effective January 1, 2025.

Brian Harris—President and CEO

Accountable to the Beem Credit Union Board of Directors, the President and CEO is responsible for ensuring ongoing success and prosperity for the credit union and its shareholders. The President and CEO provides leadership, direction, co-ordination and planning to ensure the strategic goals and objectives of the credit union are achieved against all aspects of the corporate strategic plan.

Born and raised in British Columbia, with a career that has taken him across the globe, Brian has more than 20 years of experience leading financial services companies through significant growth while helping them adapt to an unprecedented pace of change.

Brian joined Interior Savings in 2022 and led the credit union through three successful mergers. Prior to that, he was Chief Product Officer at Nets, a leading payments provider based in the Nordics, where he and his team helped revolutionize the consumer and small business digital experience for more than 150 European financial institutions.

With a deeply held belief in the importance of purpose in business, a member-centric approach and a strong track record of inspiring engaged and high-performing teams, Brian is well-positioned to lead the merged credit union through this period of change and growth.

Ian Thomas—President of BlueShore Financial, a division of Beem Credit Union (Transition Period)

As President of BlueShore Financial, a division of Beem Credit Union, Ian would be responsible for overall leadership of BlueShore Financial, a division of Beem Credit Union, through the transition period.

Ian has a long track record of leadership in driving solid financial results, building high-performance teams and deepening member engagement throughout his career within the Canadian financial services sector. He has demonstrated strength in client experience, risk management, and technology innovation.

Ian has a breadth of executive experience with large and mid-sized Canadian credit unions, most recently serving as CEO of Kindred Credit Union for nearly five years. Prior to that, he held several executive roles during his 10 years at Coast Capital Savings, including as Chief Risk Officer, Vice-President Retail and Wealth, and Chief Member Experience Officer, in addition to his extensive risk advisory experience at Deloitte.

Sue Britton—Chief Innovation Officer

As Chief Business Innovation Officer, Sue Britton joined Beem in 2024 to help build an agile, cross-functional team that stimulates new ideas while developing process and discipline to deliver innovation throughout the organization.

With more than 30 years of experience in creating new products and solutions for the financial sector, Sue is a FinTech innovator and growth strategist. In addition to her role at Beem, Sue is also CEO and Founder of Firefly Growth, a company that helps clients transform and redefine their business or offerings in the market.

At present, Sue is a member of Fintech Canada, the Canadian Lenders Association, an Advisory Board Member with the Canadian Innovation Exchange, and also a member of FinPay Canada, a committee of Finance Canada.

Sue holds a Bachelor of Commerce from Ryerson University.

Dave Colic—Chief Technology Officer

As Chief Technology Officer, Dave is responsible for executing on the credit union's technology roadmap to deliver differentiated and user-centred applications, technologies, and robust data analysis to support the credit union's vision and decisions.

Dave built his career in IT and software development in the energy sector, before moving into the financial services industry in 2016 where, most recently, he held the position of VP of Enterprise Technology at Equitable Bank.

With more than two decades of leadership experience in his field, Dave has been able to leverage his strong technical background and rich history in designing technology systems to solve real-world problems, while also helping companies navigate through intense periods of change.

Dave holds an MBA and Bachelor of Technology where he graduated Summa Cum Laude from McMaster University.

Maggie Sinclair—Chief Growth Officer

Maggie joined Beem in 2024 as Chief Growth Officer, where she is responsible for ensuring member and market insights are converted into omni-channel member experiences that drive sustained revenue growth, increasing member wallet share and new member acquisition.

Over the past two decades, Maggie has worked and led across all business lines in the financial services industry. Her career has included international banking experience where she held senior roles at RBC, as well as Westpac and BT Financial in Australia, before joining the Canadian credit union system in 2015, most recently as Chief Growth Officer for Conexus Credit Union, where she has helped innovate and modernize the member experience.

Maggie holds an MBA in Human Resource Management from the University of South Australia and has completed the Executive Program at Queen's University.

She is also Vice-Chair of the Canadian Credit Union Association Board of Directors, a Fellow of the Canadian Institute of Bankers, and holds a Financial Planning designation and a ICD.D director designation.

Tara Collins—Chief People and Culture Officer

In her role as Chief People and Culture Officer, Tara leads Beem's strategies for people development, DEI, culture, leadership and change, in support of the credit union's overall vision, mission, values and strategy.

With more than 20 years of experience leading human resource growth and transformation globally and locally, Tara brings to her role a deep understanding of what is needed to help people and organizations thrive.

With a diverse background that has spanned the hospitality, retail, tech and financial services sectors, Tara has helped lead HR teams at Fairmont Hotels, Lululemon and, most recently, Vancity, where she held the role of VP, People.

Tara is a graduate of the Strategic Human Resources Management program at Royal Roads and holds a BA from Queens University.

Ron Lee—Chief Financial Officer

As Chief Financial Officer, Ron leads Beem by providing financial insights to guide and influence timely decisions and chart its strategic direction. Ron has more than 25 years of combined financial expertise in public practice and industry. He joined Gulf & Fraser in 2001, progressing from Controller to Vice President, Finance to his current position as Chief Financial Officer of Beem.

In his role, Ron sets the financial objectives of the organization and oversees the accounting and reporting, tax and compliance, financial planning and analysis, and treasury functions of the credit union.

Ron also participates on a number of regulatory working groups with the BC Financial Services Authority (BCFSA), Canadian Credit Union Association (CCUA) and the Credit Union Deposit Insurance Corporation (CUDIC) to ensure ongoing confidence and stability in the BC credit union system while maintaining a framework that allows credit unions to thrive and serve their members effectively.

Ron is a Chartered Professional Accountant (CPA, CA) and holds a Bachelor of Commerce from the University of British Columbia.

Karen Hawes—Chief Relationship Officer

In her role as Chief Relationship Officer at Beem, Karen cultivates strong organizational relationships across the credit union system, ensures the credit union's voice is represented in relevant provincial and federal policy decisions, and leads the development and effective operation of Beem's provincial governance model.

Karen has more than 30 years' experience in the credit union industry and 15 years of executive leadership in human resources, communication, and technology. Karen started her career working for financial institutions in the UK and, upon joining Interior Savings in 1995, Karen began as a teller and progressed through the business to regional manager prior to beginning her work in human resources and technology.

Prior to her current role, Karen served as Chief Culture and Technology Officer at Interior Savings where she was responsible and accountable for the overall planning, management and control of human resources, communications, information systems, privacy, processes, policies and procedures.

Karen holds a business degree from England, has completed advanced education including coaching and change management through Queens University and recently completed her Strategic Innovation certification through Stanford.

Mary Lynn Baker—Chief Integration Officer

Following the recent merger between Gulf & Fraser and Interior Savings, Mary Lynn was named Chief Integration Officer of Beem, where she is leading collaboration across the organization to develop and deliver a disciplined integration strategy, process, communication, and delivery plan.

Mary Lynn began her career in the financial services industry in 1996. Over nearly three decades, she has developed extensive and well-rounded experience in credit union operations.

Prior to the recent merger between Gulf & Fraser and Interior Savings, Mary Lynn was Chief Information Officer at Gulf & Fraser, where she was responsible for leading the management and execution of the credit union's network, security, and operational systems. She develops strategies to foster organizational efficiencies; innovation and creativity in the planning, design and implementation of operational processes and procedures; as well as technology standards and solutions, ensuring initiatives and procedures related to the delivery of these services strategically align with the credit union objectives.

Scott Betts—Chief Risk Officer

Following the recent merger between Gulf & Fraser and Interior Savings, Scott continued in his role as Chief Risk Officer of Beem. In his role, he oversees a team of professionals who collectively manage credit risk management and approvals, collections, enterprise risk management activities, compliance, fraud, and organization-wide policy management and development. Scott plays a key oversight role in risk and policy changes as the organization works through multiple mergers and integrations.

Within BC's financial system, Scott serves on working committees to establish guidelines and set high standards for delivering financial services in a manner that puts the consumer first and demands accountability from financial institutions. He has collaborated on a number of impactful projects—establishing the nationwide Market Code of Conduct, restructuring Canada's Central Bank protocols for managing liquidity, and establishing vendor management standards, among other initiatives.

Scott holds an Executive Master of Business Administration from Simon Fraser University and a Bachelor of Commerce from the University of Victoria.

Merged credit union Board Director biographies

The following individuals will be Beem Directors as of January 1, 2025.

Doug Sweeting, Board Chair

Doug has 40+ years of experience in the financial service industry, working with insurance companies, credit unions, securities dealers, and a bank. He has owned several insurance agencies and developed wealth management divisions for BC credit unions. He is actively involved with non-profit organizations and is a past board member for the Canadian Cancer Society, BCY division. Doug holds his ICD.D designation from the Institute of Corporate Directors.

Rob Shirra, Vice-Chair

Rob is a community-minded business executive with a strong commitment to the credit union system. From 1983-2017, he owned a successful management consulting company as a Certified Management Consultant (CMC) and worked with many large-scale national and international clients. In 2009, he was awarded the prestigious Fellow of the Canadian Association of Management Consultants (FCMC) and served as President and Chair of the BC Institute of Certified Management Consultants (ICMCBC) for seven consecutive years. In 2015 he was awarded the ICD.D designation from the Institute of Corporate Directors. More recently, in 2022, Mr. Shirra completed his ACCUD (Accredited Canadian Credit Union Director) certification. Prior to moving to the Okanagan, he served on the Board of another large BC credit union, where he chaired their Investment & Lending committee. Since 2019, he led the Board of Interior Savings as Chair, until the successful completion of the amalgamation that created Beem Credit Union early in 2024.

Linda Archer, Director

Linda has extensive experience in the cooperative system, business operations and governance. Through her work with the City of Vancouver and 20+ years in the credit union system, Linda has held senior leadership positions in human resources, marketing, operational consulting and member relations. Linda has completed formal governance training through the Institute of Corporate Directors and has facilitated credit union governance education for Canadian Credit Unions, as well as developed and facilitated cooperative and credit union governance education as an international development volunteer, primarily in Africa. Linda is a recipient of the BC Credit Union Foundation's Distinguished Service Award and has been a frequent speaker locally, nationally and internationally through the World Council of Credit Unions.

Karri Brinnen, Director

Karri is an accomplished entrepreneur, a self-employed bookkeeper and brings strong experience in governance to the board. She previously worked at Interior Savings as the Senior Governance Coordinator and Executive Assistant to the CEO & Board of Directors. As a governance specialist, Karri was a founding member of the BC Credit Union Governance Professionals Group as well as a past member of Governance Professionals of Canada and has completed Levels A & B of the Credit Union Director Achievement Program. From 2019-2022, Karri served on the Board of Habitat for Humanity Okanagan where she held the position of Vice-Chair (2021-2022) and Chair of the Audit & Finance Committee.

Christine Dacre, Director

Christine is a Chartered Professional Accountant with 15+ years in executive and senior level financial positions and was the past CFO of TransLink. She has significant experience in finance, strategic planning, corporate leadership, risk management, internal controls, human resource processes and information technology. She is a resident of New Westminster, with an interest in the community. She currently sits on the boards of the Organized Crime Agency of BC and the BC Lottery Corporation. Her belief is that a credit union is a part of the community it serves. She holds her ICD.D designation from the Institute of Corporate Directors.

Daniel Drexler, Director

Daniel Drexler is a community-minded professional with a well-rounded background in municipal government, economic development, and information technology. Daniel works for the District of Barriere and serves as the Chief Administrative Officer where he is responsible for the implementation of Mayor and Council's strategic priorities and oversees all aspects of the day-to-day operations of the municipality. An active volunteer in his previous community of Grand Forks and the Boundary region, Daniel served as a board member of Community Futures Boundary for five years. Daniel was honoured as Volunteer of the Year by Community Futures Boundary in 2013. Daniel also spent two years as a board member of the Grand Forks Chamber of Commerce, and he served on the Grand Forks District Savings Credit Union Board for 7 years prior to its merger with Gulf & Fraser, when he joined the Board of Gulf & Fraser.

Elmer Epp, Director

Elmer's membership in Interior Savings goes back 40+ years. He has also been a member of Interior Savings' Board for 20+ years, including serving as the Chair from 1998 to April 2020. From 2013-2019 he served on the Board of Central 1 Credit Union, which represents all the credit unions in BC and most of the credit unions in Ontario. While at Central 1 he served as Chair of the Legislative Affairs Committee. Mr. Epp has been a lawyer for 40 years, specializing in corporate and commercial law. He is now retired, giving him more time to dedicate to his position on Beem's Board.

Reg Foot, Director

Reg has been employed for 20+ years as a Sales Manager at Carrier Lumber in Prince George. He has a passion for the co-operative system and was a Board member of Spruce Credit Union for over 10 years with the last two as the Board Chair. Reg is a graduate of the Credit Union Director Achievement (CUDA) program and holds a diploma in Marketing Management. He is also the owner/operator of a water ski school that has been in operation for over 30 years.

Nate Hampson, Director

Nathan was born, raised, and has lived in Abbotsford his entire life. He and his wife, Maja, are the proud parents of two young children. He has worked in the technology industry for 15 years. In that time, he built a successful consultancy firm that has helped hundreds of businesses build strategy and cope with change around technology and digital transformation. This includes businesses and not-for-profits in the medical, legal, financial, education, agriculture, manufacturing, and various other sectors.

He is passionate about building sustainable organizations that provide social good. He is excited about cooperative values and the alternative vision they provide: to build a strong, healthy, and socially beneficial financial institution whose duty is first and foremost to its members.

Tracey Scott, Director

Tracey has been in the construction industry for over 30 years, starting in the field by swinging a hammer, and then moving on to various sectors as Production & Logistics Manager, Business Owner, and ultimately her current role as Project Manager with Quantum Properties. Born and raised in Abbotsford/Mission, Tracey became a member of Matsqui Credit Union in 1976 and is a strong believer in the cooperative principles of the credit union. The importance of putting members first and providing support to the communities where our members live, work and play are paramount to Tracey's values.

Bruce Tisdale, Director

Bruce is a Chartered Professional Accountant with an extensive background in senior school district business administration. He also provides consulting services to school districts and works with the Ministry of Education. Bruce has served on various provincial committees in areas such as labour relations, technology, shared services, and finance. He continues to serve as a mentor to administration professionals new to the education sector. He is employed as Secretary Treasurer for a smaller school district in the Okanagan. He and his family have been involved with credit unions for more than fifty years.

Lee Varseveld, Director

Lee first became a member of Gulf & Fraser in the 1980s as a salmon and herring fisherman. Since fishing, Lee has enjoyed a long and rewarding career in the marine insurance industry as an employee of Pacific Coast Fishermen's Mutual Marine Insurance Company- a membership-driven Mutual. Lee is a Chartered Insurance Professional and currently serves as General Manager of Pacific Coast Fishermen's Mutual Marine Insurance Company reporting to its Board of Directors. Since joining the Gulf & Fraser Board in 2014, Lee has served on every committee of the Board and currently serves as Chair for the Investment & Lending Committee of Beem. Lee continues a path of life-long learning to strengthen his contribution to the continued success of the credit union and holds the designation of Certified Credit Union Director.

Bill Wilby, Director

Bill is an experienced credit union board director who is passionate about cooperative organizations and their potential to enhance the lives of members and communities. Bill's hometown is Alert Bay, but Bill and his wife Sandra have lived in the Grand Forks area for the last 40 years. Bill has served a combined twelve years as a credit union director at two credit unions, Grand Forks District Savings Credit Union and Stabilization Central Credit Union. Bill has been the chair of credit union peer group three, the chair of the local Agricultural Society and volunteers for the local food co-op. Bill is an Accredited Canadian Credit Union Director (ACCUD), a Certified Credit Union Director (CCD I & II), holds his ICD.D designation and holds many certificates related to governance and co-ops.

Tracey Wolsey, Director

Tracey is an energy industry executive committed to the north. Born and raised in northeast BC, Tracey continues to reside in the Fort St. John area with her husband and extended family after retiring from a long and productive career with Suncor Energy from 1998-2021. Her post-secondary education includes a Bachelor of Arts degree in Political Science from the University of Calgary, a Master's degree from the University of Northern British Columbia and a leadership program at Harvard. She has received several awards including Suncor President's Operational Excellence Awards and a BC 'Outstanding Resources Woman of Honor' award.

Diana Chan, Director

Diana is a business owner and former executive in the credit union system, both in BC and nationally. She is a Chartered Professional Accountant with extensive experience in human resources, finance and governance. Diana holds the Institute of Corporate Directors Director designation (ICD.D). Diana received her fellowship from the Chartered Professional Accountants of BC in 2018 and was presented with the Queen's Diamond Jubilee medal in 2012.

Diana is a Director of both the Whistler Housing Authority and the Whistler Community Services Society. Diana has also volunteered with various community boards including YWCA of Metro Vancouver, Whistler Institute for Learning Society and Basketball BC. She served as a trustee of the BC Credit Union Employees' Pension and Benefits Trusts from 2013 to 2015. She holds an Honours degree from the Richard Ivey School of Business at the University of Western Ontario. Diana resides in Whistler.

Lynne Charbonneau, Director

Lynne Charbonneau is a Vice-President of the World Bank Administrative Tribunal and Adjunct Professor for the University of Calgary Faculty of Law. In addition to serving on the Board of Directors of BlueShore Financial, she serves on the Board of Directors of Inuvialuit Development Corporation, a diversified investment, venture capital and management holding company owned on behalf of the Inuit of Canada's western Arctic. Lynne has served on the boards of several not-for-profit organizations over the last two decades and holds the Institute of Corporate Directors Director designation (ICD.D).

Lynne is past chair of the Board of Directors of Actsafe Safety Association, a worker health and safety organization for the production of motion picture, television, live events and performing arts in British

Columbia. In recent years, Lynne has also served on the Futures Task Force of the Law Society of British Columbia and on the Dean's Advisory Committee for the Centre for Business Law at the Peter A. Allard School of Law at the University of British Columbia. From 2005 until 2018, Lynne served as Deputy General Counsel at HSBC Bank Canada. Prior to her time with HSBC, Lynne was a partner of the Canadian national law firm, Fasken Martineau DuMoulin LLP.

Lynne received the 2018 Canadian Corporate Counsel Association (CCCA) Innovation Award for creation of value in a law department, the 2013 Lexpert Zenith Award recognizing her as one of an elite group of "Women Leaders in the Legal Profession" in Canada and a 2008 Lexpert designation as a "Rising Star—Leading Lawyer Under 40". Lynne resides in North Vancouver.

[Oliver Grüter-Andrew, Director](#)

Oliver is the President and Chief Executive Officer of E-Comm 9-1-1, which answers the over two million 9-1-1 calls made annually by British Columbians. His 30-year business career includes significant experience with information systems management and digital transformation. He held leadership roles in the utility and consumer retail industries and served in executive positions at the University of British Columbia and the Provincial Health Services Authority prior to his current role.

Oliver has been a governor and volunteer for not-for-profits and social ventures, including 10 years on the Board of the German-Canadian Benevolent Society of B.C. He earned a Bachelor of Science degree from the University of London. Oliver was born and raised in Germany and lived and worked in the United Kingdom before moving to Vancouver in 1998, where he still resides today.

[Julie McGill, Director](#)

Julie is an experienced private equity and venture capital investor with a track record of bringing together people and resources to successfully scale organizations. She is currently General/Limited Partner in several direct and indirect private equity investment funds. She is focused on using collaborative investment principles to generate outsized returns and power equitable change in capital markets.

Previously, Julie has managed private asset portfolios in both a family office environment and an institutionally backed, top quartile performing North American buyout fund. Prior to entering private investment, she spent the first decade of her career in professional service firms, moving quickly from an audit to transaction advisory capacity. Through her work investing across a diverse range of both early-stage technology and mature companies, Julie brings a broad spectrum of operational, transactional, capital management and governance experience. Julie is a Chartered Professional Accountant, Chartered Business Valuator and holds the Institute of Corporate Directors Director designation (ICD.D).

Julie sits on several private company boards and is an active member of the community. She is past Chair of Central City Foundation and is involved in several local youth and sport organizations. She holds a Bachelor of Commerce degree from McGill University. Julie resides in Vancouver.

Board Committees

The Board of Directors for the merged credit union will continue to have the committees required by the *Financial Institutions Act* and the *Credit Union Incorporation Act* to support the governance and oversight responsibilities of key areas. The complete list of Board committees and their purposes are as follows:

Audit Committee

The committee is established in accordance with Section 39.56 of the *Credit Union Incorporation Act* and Section 115 of the *Financial Institutions Act* to oversee integrity of the financial statements and the internal and external audit and assurance services that assess the validity of the financial statements and the merged credit union's general control environment.

The purpose of this committee is to:

1. Assist the board of directors in fulfilling its oversight responsibilities by reviewing:
 - a. financial reporting;
 - b. all audit processes;
 - c. compliance with laws, regulations, and policies; and
 - d. the adequacy and effectiveness of internal controls; and
2. Carry out such other purposes as may be described in the *Credit Union Incorporation Act*, the *Financial Institutions Act* and their applicable Regulations.

Investment and Loan Committee

The Committee has been established in accordance with Section 135 of the *Financial Institutions Act*. The purpose of the Investment and Loan Committee is to:

1. Establish and review prudent investment and lending policies, as proposed by management.
2. Ensure that the credit union has procedures in place to implement its investment and lending policies.
3. Provide effective oversight of the credit union's risk management activities related to investment risk, credit risk, liquidity risk, structural risk and capital management. This includes providing appropriate policies with respect to the risks to be taken, the level of those risks and the monitoring and compliance to the policies.
4. Carry out such other purposes as may be described in the *Financial Institutions Act* and its Regulations.

Governance and Conduct Review Committee

The role of the Governance & Conduct Review Committee is to ensure the Board of Directors effectively governs Beem and that the governance practices evolve with the needs of the credit union. In addition, the Committee will meet the requirements as established in accordance with the *Financial Institutions Act*:

1. To oversee the quality and the effectiveness of the credit union's corporate governance and statutory requirements.
2. To prevent and resolve Director, CEO and credit union or third-party conflicts of interest.
3. To ensure all third-party related party activity, as required by the *Financial Institutions Act* or credit union policy, is reported.
4. Upon the Committee becoming aware of a possible conflict of interest, the Committee must make enquiries and determine the particulars (parties involved, value and nature of transaction).
5. To approve or decline related party actions, as approved by the CRO and to inform the Board of Directors of the Committee's decision.

6. To ensure transaction confidentiality in compliance with the *Financial Institutions Act*.
7. Establishment of appropriate standards of business conduct and processes for ensuring compliance with those standards.

A conflict of interest arises where a Director has an interest that appears to influence the Director's duties to Beem. The *Financial Institutions Act* states that a Director has a duty to act with the utmost honesty and good faith and must always act in the best interest of the credit union.

Compensation & Human Resources Committee

The Compensation & Human Resources Committee reviews and makes recommendations to the Board on the credit union's overall compensation philosophy, succession planning, human resource matters including the compensation of the Chief Executive Officer and managing the process of evaluating the performance of the Chief Executive Officer.

Election Committee

The Election Committee oversees the Director election, ensuring all nomination and election processes contained in Beem's Rules and related legislation are followed. It also ensures that there is a sufficient number of qualified candidates for election each year as required by Beem's Rules.

Innovation and Strategy Committee

The Innovation and Strategy Committee has delegated authority to oversee the successful implementation of Beem's innovation program and development and execution of the organization's strategic plan.

The Committee will provide feedback and oversight of the strategies and innovation approach to product development, service delivery programs, infrastructure development, capital projects and other capital-intensive initiatives. The Committee is responsible for advising the Board on its innovation goals and deliverables, funding programs, activities, business case attainment and significant strategic partnerships. Such partnerships relate to core financial programs, co-operative development initiatives, joint ventures, or other partnerships with industry service organizations and/or any joint initiatives with other members of the financial services sector.

The Committee is responsible for the development of the Board Strategic Planning Session, in which the Board provides overall strategic direction and input to management. The Committee will review the progress of the corporate strategic initiatives in support of the corporate strategic objectives and ensure alignment to the vision and member interests.

Risk Committee

The Risk Committee's purpose is to oversee the credit union's Enterprise Risk Management regime and promote an effective enterprise risk culture throughout the credit union. The Risk Committee will monitor the credit union's risk profile, key risk metrics and key controls, assess the relevancy and potential impact of emerging risks, and receive independent analysis on the risks inherent in the credit union's operations, strategies and business plans and the mitigating tactics employed. The Risk Committee will ensure the credit union's risk management function and associated activities are independent from operational management, adequately resourced and have appropriate prioritization and visibility throughout the organization.

Community Council Committee

The Community Council Committee's purpose is to establish and maintain the Community Councils for the credit union in line with the Rules.

The Community Council Committee provides leadership and feedback to management, and act as an advocate for and create awareness of the Community Councils to Beem's membership.

The Committee, along with credit union management, will provide feedback and oversight of the strategies and approach to Community Council initiatives. The Committee is responsible for advising the Board on the Councils' goals, deliverables, and activities.

Beem Foundation Advisory Committee

The purpose of the Beem Foundation Advisory Committee is to review and approve donations from the Foundation (formerly the Gulf & Fraser Donor Advised Fund with Charitable Impact) to specific registered charitable organizations that meet the Foundation's funding criteria, as determined by the Committee.

The Committee will also disperse the full value of the GFCU Savings and Gulf & Fraser Legacy Endowment Fund (GFCU Legacy Fund), established through the merger of Gulf & Fraser and GFCU Savings. Funds will be disbursed over a 5-year period in accordance with the funding criteria as determined by the Committee.

The Committee will annually review the Investment Policy Statement, which includes advising Charitable Impact on advisor selection, risk tolerance and return expectations, investment recommendation, annual distribution amounts and frequency of distributions.

The Committee's authority is limited to the constructs of a Donor Advised Fund arrangement, currently with the Charitable Impact Foundation and the Phoenix Foundation of the Boundary Communities.

Asset Transfer Agreement

THIS AGREEMENT is dated as of the ____ day of _____, 2024,

BETWEEN:

BLUESHORE FINANCIAL CREDIT UNION,

a credit union incorporated under the laws of the Province of British Columbia having its head office at 1250 Lonsdale Avenue, North Vancouver, British Columbia V7M 2H6

(the “**Vendor**”)

AND:

BEEM CREDIT UNION,

a credit union incorporated under the laws of the Province of British Columbia having its head office at 300 – 678 Bernard Ave, Kelowna, British Columbia V1Y 6P3

(the “**Purchaser**”)

WHEREAS:

- A. The Purchaser and the Vendor wish to combine the businesses of their respective credit unions pursuant to the business acquisition by asset transfer provisions of the Act (as hereinafter defined);
- B. The Vendor is a “transferring credit union” pursuant to section 16(1) of the Act and the Purchaser is an “acquiring credit union”;
- C. In accordance with the provisions of the Act, the Superintendent (as hereinafter defined) has consented to this Agreement, a copy of which consent is attached as Schedule “A”;
- D. In accordance with the provisions of the Act, this Agreement has been approved by special resolution of the members of the Vendor and by separate resolution of the holders of the Class C Investment Equity Shares of the Vendor; and
- E. It is desirable and in the interests of each of the Vendor and the Purchaser and their respective members that the business acquisition by asset transfer of the Vendor, as a transferring credit union, by the Purchaser, as an acquiring credit union, should be effected on the terms and conditions set forth in this Agreement.

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties covenant and agree with each other as follows:

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1. **Definitions** – In this Agreement, unless the context otherwise requires:

- (a) **“Act”** means the *Credit Union Incorporation Act*, R.S.B.C. 1996, Chapter 82, as amended from time to time;
- (b) **“Agreement”** means this Asset Transfer Agreement as the same may be amended from time to time and the expressions **“hereof”**, **“herein”**, **“hereto”**, **“hereunder”**, and **“hereby”**, and similar expressions refer to this Agreement and not to any particular provision;
- (c) **“ARC”** means an advance ruling certificate issued under subsection 102(1) of the *Competition Act* in respect of the transactions contemplated by this Agreement;
- (d) **“Business Day”** means each day Monday through Friday inclusive, other than a day which is a statutory holiday in British Columbia;
- (e) **“Commissioner”** means the Commissioner of Competition appointed pursuant to subsection 7(1) of the *Competition Act*;
- (f) **“Competition Act”** means the *Competition Act*, R.S.C. 1985, c. C-34, as amended from time to time;
- (g) **“Competition Act Approval”** means any of:
 - (i) the issuance of an ARC;
 - (ii) the Purchaser and the Vendor have provided the notice required under section 114 of the *Competition Act* to the Commissioner with respect to the transactions contemplated by this Agreement and the applicable waiting period under section 123 of the *Competition Act* has expired or has been terminated in accordance with the *Competition Act*; or
 - (iii) the obligation to give the requisite notice under section 114 of the *Competition Act* has been waived pursuant to paragraph 113(c) of the *Competition Act*,

and, in the case of (ii) or (iii), the Commissioner shall have advised the Purchaser in writing that the Commissioner does not, at that time, intend to make an application to the Competition Tribunal under section 92 of the *Competition Act* for an order in respect of the transactions contemplated by this Agreement, and such advice has not been rescinded prior to the Effective Date;

- (h) **“Competition Bureau”** means the Canadian Competition Bureau;
- (i) **“DBP”** has the meaning given to that term in paragraph (f) of Schedule “C” of this Agreement;
- (j) **“Delivery Date”** has the meaning given to that term in Article 9.1 of this Agreement;
- (k) **“Depositor”** means a person having money on deposit with the Vendor;

- (l) **“Effective Date”** means January 1, 2025, or such other date specified by the Superintendent as the effective date of the transfer of the Vendor’s Assets and set out in the certificate of business acquisition issued by the Registrar pursuant to section 16(8)(b) of the Act;
- (m) **“Effective Time”** means 12:02 a.m. (Pacific Time) on the Effective Date;
- (n) **“Excess Fractional Amount”** has the meaning given to that term in paragraph 4 of Schedule “B” of this Agreement;
- (o) **“Excess Membership Shares”** has the meaning given to that term in paragraph 2 of Schedule “B” of this Agreement;
- (p) **“Financial Statements”** has the meaning given to that term in Article (c) of this Agreement;
- (q) **“IFRS”** means International Financial Reporting Standards as adopted by the Accounting Standards Board, as those standards are amended from time to time;
- (r) **“Income Tax Act”** means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.), as amended from time to time;
- (s) **“Non-Disclosure Agreement”** means the Confidentiality and Non-Disclosure Agreement dated as of July 11, 2024, between the Vendor and the Purchaser;
- (t) **“Personal Information”** has the meaning given to that term in the *Personal Information Protection Act*, S.B.C. 2003, Chapter 63, as amended from time to time;
- (u) **“Redemption Value”** has the meaning given to that term in Article 3.2 of this Agreement;
- (v) **“Registrar”** has the meaning given to that term in the Act;
- (w) **“Rules”** means the rules of the Purchaser or the Vendor, as the case may be, as described in section 7 of the Act;
- (x) **“Shareholder”** means a person recorded in the records of the Vendor as the owner of a share or shares of the Vendor, whether or not a member of the Vendor;
- (y) **“Submission Date”** means the date the Purchaser is required hereunder to submit, or does submit, to the Superintendent a fully executed copy of this Agreement and certified copies of the resolutions, which are to be delivered to the Purchaser by the Vendor as contemplated in Article 9.1;
- (z) **“Superintendent”** has the meaning given to that term in the Act;
- (aa) **“Transition Period”** means the period commencing on the Effective Date and expiring on the day that is 18 months following the Effective Date or such other period as may be mutually agreed by the Chief Executive Officer of the Purchaser and the President of BlueShore Financial, a division of Beem Credit Union;
- (bb) **“Vendor Nominees”** has the meaning given to that term in Article (a) of this Agreement;

- (cc) **“Vendor’s Assets”** means all of the rights, property and assets of the Vendor of whatever nature and kind, real or personal, and wherever situated, owned by the Vendor on the Effective Date immediately prior to the Effective Time, including, without limiting the generality of the foregoing, all indebtedness owed to the Vendor, all actions and causes of action, all choses in action, all agreements, records and evidences of indebtedness due to it, all securities held by it with respect to any indebtedness due to it, all cash on hand and in any bank or invested in shares of, on deposit with or held in trust by Central 1 Credit Union, all bonds, shares, stocks or other securities held by it, all lands and all furnishings, furniture and equipment owned by it, all trademarks, trade names, copyrights, goodwill and the right to represent itself as carrying on the Vendor’s Business and the right to use the name “BlueShore Financial Credit Union”, “BlueShore Financial” and any variations thereof;
- (dd) **“Vendor’s Business”** means the business carried on by the Vendor immediately prior to the Effective Time on the Effective Date;
- (ee) **“Vendor’s Executive Team”** has the meaning given to that term in paragraph (b) of Schedule “C” of this Agreement; and
- (ff) **“Vendor’s Liabilities”** means each and every indebtedness and liability of the Vendor, present and future, direct or indirect, absolute or contingent to any and all persons, including, without limiting the generality of the foregoing, the liability of the Vendor to Depositors for monies on deposit with the Vendor and to Shareholders with respect to monies invested in shares of the Vendor.
- 1.2. **Headings** – The headings herein are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 1.3. **Invalidity of Any Provision** – If any covenant, obligation or provision contained in this Agreement shall be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each covenant, obligation or provision of this Agreement shall separately be valid and enforceable to the fullest extent permitted by law.
- 1.4. **Amendments** – This Agreement may only be amended from time to time in writing executed by each of the Vendor and the Purchaser.
- 1.5. **Number and Gender** – In this Agreement, words in the singular include the plural and *vice versa* and words in one gender include all genders.
- 1.6. **Governing Law** – This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein and each of the parties submits to the jurisdiction of the Courts of British Columbia with respect to this Agreement.
- 1.7. **Date for Action** – If any date on which any action required to be taken hereunder by either party is not a Business Day, such action shall be required to be taken on the next following Business Day.
- 1.8. **Duty to Act Reasonably** – Wherever any matter hereunder is subject to approval or consent of one party, that party shall not unreasonably withhold or delay such approval or consent.
- 1.9. **Time of the Essence** – Time shall be of the essence of this Agreement.

- 1.10. **Schedules** – The following schedules are attached hereto and form part of this Agreement:
- (a) Schedule “A” – Superintendent’s Consent;
 - (b) Schedule “B” – Share Exchange;
 - (c) Schedule “C” – Employment Matters; and
 - (d) Schedule “D” – Purchaser’s Services.

**ARTICLE 2
TRANSFER OF ASSETS AND ASSUMPTION OF LIABILITIES**

- 2.1. **Transfer of the Vendor’s Assets** – Upon the terms and subject to the conditions hereof, the Vendor agrees to transfer to the Purchaser, and the Purchaser agrees to acquire from the Vendor, all the Vendor’s Assets as of the Effective Time.
- 2.2. **Assumption of Liabilities** – In consideration of the acquisition by the Purchaser of the Vendor’s Assets, the Purchaser agrees to assume, as of the Effective Time, all the Vendor’s Liabilities.
- 2.3. **Deposits** – Without limiting the generality of Article 2.2, as of the Effective Time, the Purchaser shall assume the obligations of the Vendor to each Depositor on a dollar-for-dollar basis on the amount of deposits of each Depositor with the Vendor and on the same terms and conditions with respect to each deposit as existed between the Vendor and each Depositor at the time the asset transfer contemplated hereunder takes effect.
- 2.4. **No Exclusions** – For the purposes of sections 16(2)(e) and (f) of the Act, the Vendor and the Purchaser acknowledge and agree that none of the assets of the Vendor are excluded from the Vendor’s Assets and that none of the liabilities of the Vendor are excluded from the Vendor’s Liabilities.
- 2.5. **Income Tax Act** – It is the intention of the Vendor and the Purchaser that the transfer and distribution of the Vendor’s Assets as contemplated by the terms and conditions hereof shall take place pursuant to subsection 88(1) of the *Income Tax Act*.

**ARTICLE 3
SHARES**

- 3.1. **Share Exchange** – Effective at 12:01 a.m. (Pacific Time) on the Effective Date (and, for greater certainty, prior to the Effective Time), the issued shares of the Vendor will be exchanged for shares of the Purchaser in the manner described in Schedule “B”. The exchange of shares is subject to the rights of holders of equity shares other than membership shares to require the purchase of such shares at the value established in Article 3.2 and as provided for by section 24 of the Act.
- 3.2. **Fair Market Value** – As the Class A Membership Equity Shares and the Class C Investment Equity Shares of the Vendor are, pursuant to the Vendor’s Rules, to be purchased or redeemed at an amount equal to the sum of the par value of each Class A Membership Equity Share (\$1.00) and each Class C Investment Equity Share (\$1.00) plus any dividends declared but unpaid thereon (the “**Redemption Value**”), a willing purchaser acting in good faith and at arm’s length in the open market would only pay the Redemption Value for a Class A Membership Equity Share or Class C Investment Equity Share of the Vendor. Accordingly, the parties have determined for the purposes of this Agreement and sections 16(2)(d) and 24 of the Act that the fair market value of each Class A Membership

Equity Share and each Class C Investment Equity Share of the Vendor is the Redemption Value of the share.

3.3. **Right of Repurchase –**

- (a) The Vendor covenants to and agrees that it will, immediately following the execution of this Agreement, issue to the holders of its Class C Investment Equity Shares the notice required under section 24(1) of the Act.
- (b) The Purchaser covenants to purchase the Class C Investment Equity Shares of the Vendor from holders of such shares exercising that right under section 24(2) of the Act for the Redemption Value of such shares as set out in Article 3.2 hereof.
- (c) The Class C Investment Equity Shares of the Vendor to be exchanged for Class “C” Investment Equity Shares of the Purchaser will be those Class C Investment Equity Shares of the Vendor remaining following exercise by the holders of Class C Investment Equity Shares of the Vendor of their right to have their shares redeemed by the Purchaser under section 24 of the Act.

3.4. **Purchaser Not a Member of Vendor** – Notwithstanding the exchange of shares provided for in Article 3.1, it is understood and agreed that the Purchaser does not thereby become a member of the Vendor. However, each Shareholder of the Vendor receiving sufficient Class “A” Membership Equity Shares of the Purchaser will become a member of the Purchaser entitled to participate in and use the services of the Purchaser as set out in this Agreement, subject to the provisions of the Act and the Rules of the Purchaser with respect to the rights of members.

3.5. **Income Tax Act** – It is the intention of the Vendor and the Purchaser that the exchange of shares as contemplated by the terms and conditions hereof shall take place pursuant to subsection 85.1 of the *Income Tax Act*.

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE VENDOR**

4.1. The Vendor represents and warrants to the Purchaser that:

- (a) **Status of the Vendor** – The Vendor is a credit union duly incorporated, validly existing and in good standing under the laws of the Province of British Columbia with respect to the filing of annual reports and has the power and capacity to own the Vendor’s Assets and to carry on the Vendor’s Business;
- (b) **Authority to Sell** – The execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Vendor and this Agreement constitutes a legal, valid and binding obligation of the Vendor enforceable against the Vendor in accordance with its terms except as may be limited by laws of general application affecting the rights of creditors;
- (c) **Financial Statements** – Except as otherwise disclosed in writing to the Purchaser by the Vendor, the audited financial statements of the Vendor for the fiscal year ending on December 31, 2023 (the “**Financial Statements**”), have been prepared in accordance with IFRS and present fairly and correctly the Vendor’s Assets and the Vendor’s Liabilities and the financial condition of the Vendor as of the date of the Financial Statements and of the operations of the Vendor during the period covered by such statements;

- (d) **Transaction Will Not Cause Default** – Neither the execution and delivery of this Agreement nor the completion of the transactions contemplated herein will:
- (i) violate any of the terms and provisions of the constating documents or the Rules of the Vendor or any resolution of the directors or members of the Vendor, or any order, decree, bylaw, regulation, covenant or restriction applicable to the Vendor or any of the Vendor's Assets;
 - (ii) give any person any right of termination, cancellation or acceleration with respect to any agreement, instrument or other document to which the Vendor is a party or the Vendor or any of the Vendor's Assets is subject or from which the Vendor derives a benefit, save to the extent that the consent of third parties is required to assign any leasehold property of the Vendor or any material contracts of the Vendor;
 - (iii) result in the creation of a lien, encumbrance or other charge of any kind or nature whatsoever on any of the Vendor's Assets; or
 - (iv) result in any fees, duties, taxes, assessments or other amounts relating to any of the Vendor's Assets becoming due or payable other than, to the extent applicable, property transfer tax, provincial sales tax, federal goods and services tax, and fees payable to the BC Financial Services Authority, the Superintendent, the Registrar or the Competition Bureau in connection with the transactions contemplated herein;
- (e) **Assets** – The Vendor owns and possesses and has good and marketable title to the Vendor's Assets, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances or other claims whatsoever except for (i) mortgages, liens, charges, security interests, encumbrances or other claims registered in the British Columbia Land Title Office against real property registered in the name of the Vendor and disclosed in writing to the Purchaser by the Vendor; and (ii) security perfected by the following financing statements registered in the British Columbia Personal Property Registry:
- (i) transition financing statement registered under base registration #4687375 in favour of Central 1 Credit Union, as amended by amendment #595921I, amendment #069205D and amendment #187052B;
 - (ii) transition financing statement registered under base registration #4687376 in favour of Central 1 Credit Union, as amended by amendment #595919I, amendment #069207D and amendment #187054B;
 - (iii) financing statement registered under base registration #9660845 in favour of Fédération des Caisses Desjardins du Québec, as amended by amendment #130904K, secured party transfer #098467J, amendment #590476I, amendment #705912H, amendment #069213D, amendment #997695C, amendment #187057B, and any renewals thereof;
 - (iv) financing statement registered under base registration #823786A in favour of Central 1 Credit Union, as amended by renewal #779066J, renewal #710602J, amendment #595917I, renewal #831140G, amendment #069210D and amendment #187061B, and any further renewals thereof; and

- (v) financing statement registered under base registration #197364K in favour of The Bank of Nova Scotia, as amended by renewal #785449N, and any further renewals thereof;
- (f) **Books and Records** – Except as otherwise disclosed in writing to the Purchaser by the Vendor, the books and records of the Vendor fairly and correctly set out and disclose in all material respects, in accordance with IFRS, the financial position of the Vendor and all material financial transactions of the Vendor relating to the Vendor's Business have been accurately recorded in such books and records;
- (g) **Material Change** – Since the date of the consolidated statement of financial position included in the Financial Statements and except as disclosed in writing to the Purchaser there has not been:
 - (i) any material change in the financial condition of the Vendor's Business, the Vendor's Liabilities or the Vendor's Assets other than changes in the ordinary course of business, none of which has been materially adverse;
 - (ii) any damage, destruction, loss or other event (whether or not covered by insurance) materially and adversely affecting the Vendor's Assets or the Vendor's Business;
 - (iii) any material increase in the compensation payable or to become payable by the Vendor to any of its officers, employees or agents or any bonus, payment or arrangement made to or with any of them, save and except as agreed to in writing by the Purchaser;
- (h) **Auxiliary Members** – Except as disclosed in writing to the Purchaser, there are no "auxiliary members" of the Vendor, as such term is defined in the Act;
- (i) **Disclosure** – The Vendor has disclosed to the Purchaser all material facts which if known by a prospective purchaser of the Vendor's Assets might reasonably have a bearing on the prospective purchaser's decision as to whether or not to purchase the Vendor's Assets and assume the Vendor's Liabilities;
- (j) **Litigation** – Except for collection litigation by the Vendor in the ordinary course of business and as otherwise disclosed in writing by the Vendor to the Purchaser, there is no litigation or administrative or governmental proceeding or inquiry pending or, to the knowledge of the Vendor, threatened against or relating to the Vendor or the Vendor's Business or any of the Vendor's Assets nor does the Vendor know of or have reasonable grounds for believing that there is any basis for any such action, proceeding or enquiry;
- (k) **Conformity with Laws** – All governmental licenses and permits required for the conduct in the ordinary course of the operations of the Vendor's Business and the uses to which the Vendor's Assets have been put have been obtained and are in good standing and such conduct and uses are not in breach of any statute, bylaw, regulation, covenant, restriction, plan or permit;
- (l) **Collective Agreement** – The Vendor is not a party to any collective agreements;
- (m) **Terms of Employment** – Except as otherwise disclosed in writing to the Purchaser, all employees of the Vendor are parties to written contracts of employment with the Vendor. The Vendor has provided to the Purchaser a list of all employees of the Vendor and copies of the employment contracts for each

member of the Vendor's Executive Team, including change of control and retention agreements with respect to such individuals;

(n) **Shares –**

- (i) the Vendor has no issued and outstanding equity shares other than:
 - A. Class A Membership Equity Shares of the Vendor, which have been issued to each member of the Vendor at an issue price of \$1.00 each; and
 - B. Class C Investment Equity Shares of the Vendor, which have been issued to the holders of such shares at an issue price of \$1.00 each;
 - (ii) there are no issued and outstanding Class B Transaction Equity Shares of the Vendor, Class D Participation Equity Shares of the Vendor, Class E Equity Shares of the Vendor, Class F Equity Shares of the Vendor or Preferred Equity Shares of the Vendor; and
 - (iii) there are no issued and outstanding Class E Life Insured Savings Non-Equity Shares of the Vendor;
- (o) **Dividends** - Except as disclosed in writing by the Vendor to the Purchaser on or before the date of this Agreement, there are no declared and unpaid dividends on any of the Vendor's shares and there are no unpaid bonuses, interest refunds or patronage refunds owing to the Vendor's Shareholders.

- 4.2. **Reliance on Representations and Warranties** – The Vendor acknowledges that the Purchaser intends to and shall rely on the foregoing representations and warranties in entering into this Agreement and in concluding the transactions contemplated hereby.

ARTICLE 5 COVENANTS OF THE VENDOR

- 5.1. **Conduct of the Vendor's Business** – Between the date of this Agreement and the Effective Date, except as agreed to in writing by the Purchaser, the Vendor will conduct its business diligently and only in the ordinary course and will use its best efforts to preserve the Vendor's Assets intact, to keep available to the Purchaser the Vendor's present employees and to preserve for the Purchaser the Vendor's relationship with its members and others having business relations with it.
- 5.2. **Access by the Purchaser** – The Vendor will give to the Purchaser and the Purchaser's solicitors, accountants and other representatives full access, during normal business hours throughout the period between the date of this Agreement and the Effective Time to all of the properties, books, contracts, commitments and records of the Vendor relating to the Vendor's Business, the Vendor's Assets and the Vendor's Liabilities and will furnish to the Purchaser during such period all such information as the Purchaser may reasonably request.
- 5.3. **Disclosure** – If, on or before the Effective Date, any new or conflicting material information about the Vendor or the Vendor's Business from that previously disclosed to the Purchaser comes to the attention of the Vendor, the Vendor shall provide such new or conflicting material information to the Purchaser as soon as reasonably possible thereafter.

- 5.4. **Insurance** – From the date of this Agreement until the Effective Date, the Vendor will maintain in full force and effect the policies of insurance presently in force and if requested by the Purchaser will cause the Purchaser to be added as a named insured under all such policies and to remain as a named insured until the Effective Date.
- 5.5. **Procure Consents** – The Vendor shall diligently take all reasonable steps necessary to obtain all consents required to vest in the Purchaser all of the Vendor's Assets.
- 5.6. **Leases** – The Vendor will cause its leases of any real or personal property to be assigned to the Purchaser or its successor, each with the prior consent of the lessor confirmed in writing if required by the terms of the lease.
- 5.7. **Contact Information** – The Vendor will cause its telephone numbers, internet access, website and other communication channels to be assigned to the Purchaser or its successor, each with the prior consent of the service provider where required.
- 5.8. **Employees** – The Vendor agrees with the Purchaser on various employment matters as set out in Schedule "C" hereto.
- 5.9. **Material Contracts, Dividends and Other Payments** – Between the date of this Agreement and the Effective Date, the Vendor shall not, without the prior written consent of the Purchaser, which consent will not be unreasonably withheld:
- (a) enter any material contracts, agreements or obligations that are out of the ordinary course of business and would be binding upon the Purchaser following the Effective Date, including, but not limited to, any new or amended employment agreements with management employees of the Vendor; or
 - (b) incur an unbudgeted expense in excess of \$100,000.00 or initiate a distribution of current earnings or capital in excess of \$100,000.00 (in aggregate), provided that any expenses in relation to employee variable pay, patronage allocations, dividends, or hedging or securitization arrangements permitted to be incurred, accrued, distributed or paid pursuant to this Article (b) without the consent of the Purchaser are incurred, accrued, distributed or paid in accordance with established policies and procedures for the Vendor in a manner consistent with prior years.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

- 6.1. The Purchaser represents and warrants to the Vendor that:
- (a) **Status of the Purchaser** – The Purchaser is a credit union duly incorporated, validly existing and in good standing under the laws of the Province of British Columbia with respect to the filing of annual reports and has the power and capacity to purchase the Vendor's Assets;
 - (b) **Authority to Purchase** – The execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate actions of the Purchaser and this Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms except as may be limited by laws of general application affecting the rights of creditors;
 - (c) **Transaction Will Not Cause Default** – Neither the execution and delivery of this Agreement nor the completion of the transactions contemplated herein will violate

any of the terms and provisions of the constating documents or the Rules of the Purchaser or any resolution of the directors or members of the Purchaser, or any order, decree, bylaw, regulation, covenant or restriction applicable to the Purchaser or any of the Purchaser's assets;

- (d) **Common Bond** – The Purchaser does not have a common bond of membership as of the date of this Agreement and will not have a common bond of membership as of the Effective Date;
 - (e) **Disclosure** – The Purchaser has disclosed to the Vendor all material facts which if known by a prospective vendor of the Vendor's Assets might reasonably have a bearing on the prospective vendor's decision as to whether or not to sell the Vendor's Assets and have the Purchaser assume the Vendor's Liabilities;
 - (f) **Litigation** – Except for collection litigation by the Purchaser in the ordinary course of business and as otherwise disclosed in writing by the Purchaser to the Vendor, there is no litigation or administrative or governmental proceeding or inquiry pending or, to the knowledge of the Purchaser, threatened against or relating to the Purchaser or the Purchaser's business or any of the Purchaser's assets nor does the Purchaser know of or have reasonable grounds for believing that there is any basis for any such action, proceeding or enquiry;
 - (g) **Conformity with Laws** – All governmental licenses and permits required for the conduct in the ordinary course of the operations of the Purchaser's business and the uses to which the Purchaser's assets may be put, have been obtained and are in good standing and such conduct and uses are not in breach of any statute, bylaw, regulation, covenant, restriction, plan or permit;
 - (h) **Dividends** – Except as disclosed in writing by the Purchaser to the Vendor on or before the date of this Agreement, there are no declared and unpaid dividends on any of the Purchaser's shares and there are no unpaid bonuses, interest refunds or patronage refunds owing to the Purchaser's shareholders.
- 6.2. **Reliance on Representations and Warranties** – The Purchaser acknowledges that the Vendor intends to and shall rely on the foregoing representations and warranties in entering into this Agreement and in concluding the transactions contemplated hereby.

ARTICLE 7 COVENANTS OF THE PURCHASER

- 7.1. **Conduct of the Purchaser's Business** – Between the date of this Agreement and the Effective Date, the Purchaser will conduct its business diligently and only in the ordinary course.
- 7.2. **Disclosure** – If, on or before the Effective Date, any new or conflicting material information about the Purchaser or its business from that previously disclosed to the Vendor comes to the attention of the Purchaser, the Purchaser shall provide such new or conflicting material information to the Vendor as soon as reasonably possible thereafter.
- 7.3. **Financial Statements** – The Purchaser will provide to members of the Vendor a copy of the audited consolidated financial statements of Gulf and Fraser Fishermen's Credit Union and Interior Savings Credit Union for the fiscal year ending on December 31, 2023, upon request of the member.

- 7.4. **Employees** – The Purchaser agrees with the Vendor on various employment matters as set out in Schedule “C” hereto.
- 7.5. **Services** – The Purchaser covenants and agrees with the Vendor that the services the Purchaser offers to its members and proposes to extend to members of the Vendor are the comprehensive range of services set forth in Schedule “D” hereto.
- 7.6. **Vendor Branches** – Subject to factors outside of its control, the Purchaser will continue operating the existing branches of the Vendor for at least the Transition Period. It is not presently intended that there shall be any reduction of hours or change of physical location for the existing branches; provided, however, that the Purchaser may, upon advance notice to employees of the applicable branch, vary the current hours of business after the Effective Date to better suit the members of the branches and the communities that they serve.
- 7.7. **Offices** –
- (a) The location of the head office and the registered office of the Purchaser immediately after the Effective Date shall be the current head office of the Purchaser in Kelowna, British Columbia.
 - (b) The current head office of the Vendor in North Vancouver, British Columbia shall remain operational as a regional administrative office for staff and administration processes for at least the Transition Period.
 - (c) The location of the records office of the Purchaser immediately after the Effective Date shall be the current records office of the Purchaser located at the offices of Edwards, Kenny & Bray LLP in Vancouver, British Columbia.
- 7.8. **Directors** –
- (a) As of the Effective Date, the directors of the Purchaser shall, by resolution, appoint as additional directors of the Purchaser four nominees of the Vendor (the “**Vendor Nominees**”), two of whom shall be assigned to a one-year term, one of whom shall be assigned to a two-year term and one of whom shall be assigned to a three-year term (with the first year of the term commencing on the Effective Date and ending at the close of the Purchaser’s 2026 AGM), such terms being assigned by the directors of the Purchaser in consultation with the directors of the Vendor. The Vendor Nominees shall be individuals who are directors of the Vendor immediately prior to the Effective Date. The nomination process, which may include a third-party assessment, should consider the competency matrix needs, diversity and representation that meets the best interests of the members.
 - (b) With the addition of the Vendor Nominees as additional directors of the Purchaser by the resolution contemplated in Article (a), the number of directors of the Purchaser as of the Effective Date, together with the 14 existing directors of the Purchaser, shall be 18.
 - (c) Unless otherwise determined by the directors of the Purchaser, upon expiration or earlier termination of the term of a Vendor Nominee for any reason whatsoever, no person will be elected or appointed to fill the vacancy and the number of directors of the Purchaser shall be deemed to have been reduced accordingly.
 - (d) The length of time served as directors of the Vendor by the Vendor Nominees appointed pursuant to Article (a) will not be included in the calculation of time

served as a director of the Purchaser for the purposes of determining term limits in accordance with the Rules of the Purchaser.

- (e) The Purchaser will pay outgoing directors of the Vendor, who are directors immediately prior to the Effective Date but who do not become directors of the Purchaser, \$15,000 for ceasing to be a director, regardless of the term remaining on the director's term of office with the Vendor.
- (f) After a one-year exclusionary period from the Effective Date, any former director of the Vendor shall be eligible for election for any vacancy for which an election is to be held for the Purchaser's board of directors, subject to and in accordance with the Rules of the Purchaser. For clarity, the Vendor Nominees are not subject to the one-year exclusionary period.

7.9. **President and Chief Executive Officer** – At the Effective Date, the President and Chief Executive Officer of the Purchaser shall be the individual who is the President and Chief Executive Officer of the Purchaser immediately prior to the Effective Date.

7.10. **President of BlueShore Financial** – At the Effective Date, the Purchaser shall appoint the Chief Executive Officer of the Vendor immediately prior to the Effective Date to be President of BlueShore Financial, a division of Beem Credit Union, effective as of the Effective Date. Such appointment shall continue for at least the Transition Period, or as otherwise mutually agreed upon by the Purchaser and the Chief Executive Officer of the Vendor.

7.11. **Insurance** –

- (a) The Purchaser shall maintain in effect without any reduction in scope or coverage for 10 years from the Effective Date customary policies of directors' and officers' liability insurance providing protection comparable to the protection provided by the policies maintained by the Vendor as are in effect immediately prior to the Effective Date and providing coverage on a "trailing" or "run-off" basis for all present and former directors and officers of the Vendor with respect to claims arising from facts or events which occurred prior to the Effective Date.
- (b) All rights to indemnification or exculpation now existing in favour of present and former officers and directors of the Vendor shall survive the consummation of the transactions contemplated herein and shall continue in full force and effect for a period of not less than 10 years from the Effective Date.

7.12. **Corporate Name** – The name of the Purchaser on and after the Effective Date, until amended in accordance with the Act, shall be "Beem Credit Union" and, subject to Article 7.13, the Purchaser shall operate under the trade names "Gulf & Fraser", "Interior Savings", "GFCU Savings", "North Peace Savings" and "BlueShore Financial"; provided, however, that the Purchaser may cease using such trade names if market analysis suggests that it would be beneficial to the Purchaser or its members to do so.

7.13. **BlueShore Financial Trade Name** – During the Transition Period and subject to the Act, the Purchaser will operate the former branches of the Vendor, as relocated from time to time, under the name "BlueShore Financial" or a variation thereof. After the expiry of the Transition Period, the Purchaser may cease using such trade name if: (a) market analysis and integration planning suggests that it would be beneficial to the Purchaser or its members to do so; or (b) the Purchaser is required by law to do so.

- 7.14. **Personal Information** – The Purchaser shall:
- (a) only use or disclose Personal Information disclosed to the Purchaser by the Vendor for the same purposes for which it was collected, used or disclosed by the Vendor; and
 - (b) notify the employees, customers, directors, officers and members whose Personal Information the Vendor has disclosed to the Purchaser without consent that the transactions contemplated by this Agreement have taken place and that Personal Information about them has been disclosed to the Purchaser.

ARTICLE 8 CONDITIONS PRECEDENT

- 8.1. **Purchaser's Conditions Precedent** – This Agreement and the obligations of the Purchaser under this Agreement are subject to the fulfilment of the following conditions:
- (a) the Vendor's representations and warranties contained in this Agreement are true as of the Delivery Date and shall be true at and as of the Submission Date as though such representations and warranties were made as of such time;
 - (b) the Vendor shall have performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it at or prior to the Submission Date;
 - (c) between the date of this Agreement and the Delivery Date there has not been, and prior to the Submission Date there shall not have been, any event, condition, change of circumstance or other fact in relation to the Vendor which has occurred that has had a material adverse impact on the Vendor or will have a material adverse impact on the business of the Purchaser upon completion of the transactions contemplated herein;
 - (d) prior to the Effective Date, the Purchaser shall have received from the Vendor a certified copy of resolutions of the directors of the Vendor nominating the Vendor Nominees for appointment as additional directors of the Purchaser; and
 - (e) Competition Act Approval shall have been received prior to the Effective Date.
- 8.2. **Waiver** – The conditions described in Article 8.1 are for the exclusive benefit of the Purchaser and any such condition may be waived in whole or in part by the Purchaser.
- 8.3. **Notice to Vendor** – If, by the Submission Date, the Purchaser is of the opinion that any of the conditions set forth in Article 8.1 have not been fulfilled and the Purchaser is unwilling to waive the conditions, the Purchaser shall deliver to the Vendor a notice:
- (a) specifying in what respect the conditions have not been fulfilled; and
 - (b) advising the Vendor that the Purchaser will not be submitting a copy of this Agreement to the Superintendent in accordance with Article 9.2 hereof.

In such event, the Purchaser shall not be required to proceed with the transactions contemplated hereunder and this Agreement shall be of no further force and effect whatsoever.

- 8.4. **Vendor's Conditions Precedent** – This Agreement and the obligations of the Vendor under this Agreement are subject to the fulfilment of the following conditions:
- (a) the Purchaser's representations and warranties contained in this Agreement are true as of the Delivery Date and shall be true at and as of the Submission Date as though such representations and warranties were made as of such time;
 - (b) the Purchaser shall have performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it at or prior to the Submission Date;
 - (c) between the date of this Agreement and the Delivery Date there has not been, and prior to the Submission Date there shall not have been, any event, condition, change of circumstance or other fact in relation to the Purchaser which has occurred that has had a material adverse impact on the Purchaser;
 - (d) prior to the Effective Date, the Vendor shall have received from the Purchaser a certified copy of resolutions of the directors of the Purchaser appointing the Vendor Nominees as additional directors of the Purchaser as of the Effective Date and assigning each of the Vendor Nominees to a one, two or three year term; and
 - (e) Competition Act Approval shall have been received prior to the Effective Date.

8.5. **Waiver** – The conditions described in Article 8.4 are for the exclusive benefit of the Vendor and any such condition may be waived in whole or in part by the Vendor.

8.6. **Notice to Purchaser** – If, prior to the Purchaser's submission of a copy of this Agreement to the Superintendent in accordance with Article 9.2, the Vendor is of the opinion that any of the conditions set forth in Article 8.4 have not been fulfilled and the Vendor is unwilling to waive the conditions, the Vendor shall deliver to the Purchaser a notice:

- (a) specifying in what respect the conditions have not been fulfilled; and
- (b) requesting that the Purchaser not submit a copy of this Agreement to the Superintendent pursuant to Article 9.2.

In such event, the Vendor shall not be required to proceed with the transactions contemplated hereunder and this Agreement shall be of no further force and effect whatsoever.

8.7. **Fulfilment of Conditions** – If the conditions set out in Article 8.1 and 8.4 are fulfilled or waived by the Effective Date, then, upon the issue by the Registrar of the certificate of business acquisition pursuant to section 16(8)(b) of the Act:

- (a) this Agreement shall constitute the absolute sale, transfer and assignment of all of the Vendor's Assets to the Purchaser pursuant to section 18 of the Act, upon the terms and conditions herein set forth;
- (b) this Agreement shall be binding upon the Vendor and the Purchaser and each of the members and shareholders of the Vendor and the Purchaser; and
- (c) without any further act or deed, as of the Effective Date:
 - (i) the Vendor shall cease to carry on business;

- (ii) all the Vendor's Assets shall be transferred to and vested in the Purchaser;
- (iii) all of the Vendor's Liabilities:
 - A. shall be transferred to and assumed by the Purchaser;
 - B. shall become the obligations and liabilities of the Purchaser; and
 - C. shall become enforceable against the Purchaser as if the Purchaser had incurred them; and
- (iv) each member of the Vendor will become a member of the Purchaser and will remain a member of the Purchaser until the membership ceases in accordance with the provisions of the Act or the Rules of the Purchaser.

ARTICLE 9 PROCEDURES

- 9.1. **Delivery by the Vendor to the Purchaser** – As soon as feasible following the date the special resolution of the members of the Vendor and the separate resolution of the holders of the Class C Investment Equity Shares of the Vendor have been passed in accordance with section 16(4) of the Act (with such date of delivery being the “**Delivery Date**”), the Vendor shall deliver to the Purchaser:
- (a) one executed copy of this Agreement;
 - (b) one certified copy of the special resolution of members of the Vendor passed in accordance with section 16(4)(b)(i) of the Act; and
 - (c) one certified copy of the separate resolution of holders of Class C Investment Equity Shares of the Vendor passed in accordance with section 16(4)(b)(ii) of the Act.
- 9.2. **Submission by the Purchaser to the Superintendent and Registrar**– As soon as feasible after receipt from the Vendor of the documents referred to in Article 9.1 and not later than three Business Days following the Delivery Date, the Purchaser shall submit to the Superintendent one fully executed copy of this Agreement together with those certified copies of the resolutions delivered to it by the Vendor.
- 9.3. **Prohibition** –
- (a) The Vendor shall not deliver or submit to the Superintendent any of the documentation described in Article 9.2 of this Agreement, it being the intention of the parties that the Purchaser shall co-ordinate the submission of such documentation to the Superintendent.
 - (b) The Purchaser shall not deliver or submit to the Superintendent any of the documentation described in Article 9.2 of this Agreement if, prior to such submission, the Purchaser has received a notice from the Vendor pursuant to Article 8.6 hereof.
- 9.4. **Additional Documents to be Delivered by the Vendor** – Prior to the Effective Date, the Vendor shall deliver or cause to be delivered to the Purchaser's solicitors (unless otherwise directed by the Purchaser), in trust, the following, to be released from trust to the Purchaser

only upon issuance of a certificate of business acquisition pursuant to section 16(8)(b) of the Act:

- (a) all deeds of conveyance, bills of sale, transfers and assignments executed by the Vendor, in form and content satisfactory to the Purchaser's solicitors, appropriate to effectively vest good and marketable title to the Vendor's Assets in the Purchaser to the extent contemplated by this Agreement, and immediately registerable in all places where registration of such instruments is required; and
- (b) all consents or approvals required to be obtained by the Vendor.

ARTICLE 10 NOTICES

10.1. **Notices** – All notices which may or are required to be given herein or pursuant to this Agreement shall be in writing and shall be given personally by serving the same upon any officer of the party to be served or by mail by posting the same by prepaid registered mail addressed:

- (a) to the Vendor at:

BlueShore Financial Credit Union
1250 Lonsdale Avenue
North Vancouver, BC V7M 2H6

Attention: Chief Executive Officer

- (b) to the Purchaser at:

Beem Credit Union
300 – 678 Bernard Avenue
Kelowna, BC V1Y 6P3

Attention: Chief Executive Officer

or such other addresses as the parties may advise by notice in writing and any such notice shall be deemed to have been received and effectively served, if mailed, the second Business Day following posting and if served personally, on the day of delivery.

10.2. **Delays** – In the event that, at the time a notice is mailed as provided in Article 10.1 or at any time during the period of two Business Days following such mailing, postal or airline or airport employees are engaged in a strike, work slowdown or other work stoppage at the place at which the notice is mailed or at the place to which the notice is mailed or at any point through which such notice must pass, such notice shall be deemed to have been given and received at the time when such notice would be received in the ordinary course of mailings, allowing for such strikes, work slowdown or other work stoppage.

ARTICLE 11 GENERAL

11.1. **Further Assurances** – The parties hereto shall execute such further and other documents and do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement.

- 11.2. **Entire Agreement** – This Agreement, together with the Non-Disclosure Agreement and the Schedules attached hereto, constitutes the entire agreement between the parties in respect of its subject matter and there are no representations or warranties, express or implied, statutory or otherwise and no agreements collateral hereto other than as expressly set forth or referred to herein. For greater certainty, this Agreement supersedes and replaces the Memorandum of Understanding dated as of August 2, 2024, between the Vendor and the Purchaser, which shall have no further force or effect.
- 11.3. **Assignment** – Neither the Purchaser nor the Vendor may assign its rights or obligations under this Agreement.
- 11.4. **Survival** – The parties hereto agree that all covenants and agreements under this Agreement which are to be performed after the Effective Date shall survive the consummation of the transactions contemplated herein and shall be binding upon the Purchaser thereafter.
- 11.5. **Binding Effect** – This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors.
- 11.6. **Counterparts** – This Agreement may be executed by the parties in counterparts, by original, facsimile copy or other electronic means, each of which when so executed by one or more of the parties to this Agreement shall be deemed to be an original, and such counterparts taken together shall constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF each of the Vendor and the Purchaser has executed this Agreement as of the day and year first above written.

BLUESHORE FINANCIAL CREDIT UNION

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

BEEEM CREDIT UNION

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

SCHEDULE "A"

SUPERINTENDENT'S CONSENT

See attached.

SCHEDULE "B"

SHARE EXCHANGE

Effective at 12:01 a.m. (Pacific Time) on the Effective Date (and, for greater certainty, prior to the Effective Time), the issued shares of the Vendor will be exchanged for shares of the Purchaser as follows:

Membership Shares

1. Subject to paragraphs 2 and 4 below, each issued Class A Membership Equity Share of the Vendor will be exchanged for one fully paid Class "A" Membership Equity Share of the Purchaser, up to a maximum of 1,000 Class "A" Membership Equity Shares of the Purchaser per Shareholder.
2. If any Shareholder of the Vendor holds more than 1,000 membership shares of the Vendor or any Shareholder of the Vendor, who is already a member of the Purchaser, would hold more than 1,000 Class "A" Membership Equity Shares of the Purchaser after the share exchange described above in paragraph 1, the Class A Membership Equity Shares of the Vendor in excess of 1,000, either alone or in combination with Class "A" Membership Equity Shares of the Purchaser held by the Shareholder prior to the share exchange contemplated above (in either case, the "**Excess Membership Shares**"), shall not be exchanged for Class "A" Membership Equity Shares of the Purchaser. In such case, an amount of \$1.00 shall be made available for each of the Excess Membership Shares which are not exchanged for Class "A" Membership Equity Shares of the Purchaser by:
 - (a) depositing such amount in a demand deposit account held with the Purchaser which is in the name of the Shareholder of the Excess Membership Shares not exchanged; or
 - (b) if the Shareholder does not hold a demand deposit account with the Purchaser, by mailing to the Shareholder's last-known address with the Vendor such amount in the form of an official cheque payable to the Shareholder of the Excess Membership Shares not exchanged.

Other Equity Shares

3. Subject to paragraph 4 below and the rights of the holders of equity shares other than membership shares to require the purchase of such shares at the value established in Article 3.2 of this Agreement and as provided for by section 24 of the Act:
 - (a) each Class C Investment Equity Share of the Vendor will be exchanged for one fully paid Class "C" Investment Equity Share of the Purchaser up to a maximum of 500,000 Class "C" Investment Equity Shares of the Purchaser per Shareholder; and
 - (b) for any Class C Investment Equity Shares of the Vendor which are jointly held by two or more Shareholders, such Class C Investment Equity Shares of the Vendor will be exchanged for an equivalent number of fully paid Class "C" Investment Equity Shares of the Purchaser as shares that are not jointly held, with the total number of Class "C" Investment Equity Shares of the Purchaser divided equally among the joint holders of the shares.

Fractional Shares

4. Where the exchange of shares pursuant to paragraphs 1 or 3 above would lead to the issuance of fractional shares, the Purchaser will round down the shares exchanged in a manner that results in an exchange of non-fractional (*i.e.*, whole) shares. The Purchaser will make available the amount

of the fractional shares of the Vendor which have not been exchanged for shares of the Purchaser as a result of such rounding down (the “**Excess Fractional Amount**”) by:

- (i) depositing such Shareholder’s Excess Fractional Amount in the demand deposit account held with the Purchaser which is in the name of the Shareholder of the fractional share not exchanged; or
- (ii) if the Shareholder does not hold a demand deposit account with the Purchaser, the Purchaser will donate the Shareholder’s Excess Fractional Amount to a registered charity selected by the Purchaser, unless the Shareholder has contacted the Purchaser by phone at 1.866.736.4334 or email at inquiry@beemcreditunion.ca within 30 days of the Effective Date to request that the Purchaser pay the Shareholder’s Excess Fractional Amount to the Shareholder. If the Shareholder has made such a request, the Purchaser will make the Shareholder’s Excess Fractional Amount available to the Shareholder for pickup at any branch of the Purchaser (including former branches of the Vendor) for a period of 90 days after the Effective Date. Upon expiry of such 90 days, if such Shareholder’s Excess Fractional Amount has not been picked up by the Shareholder, the Purchaser may donate such amount to a registered charity selected by the Purchaser.

Unissued Shares

- 5. Any unissued shares of the Vendor will not be exchanged for shares of the Purchaser and will be cancelled on the Effective Date.

SCHEDULE "C"

EMPLOYMENT MATTERS

The Purchaser and the Vendor acknowledge and agree that the employees of the Vendor are a key component of the transactions as contemplated herein and the parties agree as follows:

1. On the Effective Date, the Purchaser shall assume the employment obligations of the Vendor for all employees of the Vendor. Without limiting the generality of the foregoing:
 - (a) the Purchaser shall recognize the continuity of employment of all employees of the Vendor including recognition of length of service for all matters for which length of service is relevant; and
 - (b) on and after the Effective Date, the Purchaser shall assume all obligations and liabilities of the Vendor under any employment agreements between the Vendor and employees of the Vendor in place as of the Effective Date, subject to Article (a) of this Agreement.
2. Integration of the employees of the Vendor shall be guided by the following general principles and arrangements:
 - (a) during the Transition Period, the Purchaser will operate the former branches of the Vendor as a division of the Purchaser under the name "BlueShore Financial";
 - (b) subject to normal attrition or the decision by an employee not to continue in the employment of the Purchaser, it is intended that all employees of the Vendor, with the exception of the Vendor's Executive Team, shall be integrated into the business and operations of the Purchaser and offered positions with the Purchaser that are consistent with their skills, expertise and qualifications. For the purposes of this Schedule, the "**Vendor's Executive Team**" means the Chief Executive Officer, Chief Information Officer, Chief Risk Officer and Chief Marketing & Strategy Officer of the Vendor;
 - (c) the Purchaser shall offer employment terms that are substantially consistent with that of the Vendor and such terms will include equivalent (or better) salary and bonus opportunity and materially consistent provisions in relation to group benefits, vacation and time off, hybrid work options, staff banking and other similar matters;
 - (d) it is intended that all employees of the Vendor who continue employment with the Purchaser shall have opportunities for promotion, training and personal development equivalent to those offered to other employees of the Purchaser and it is expected that employees of the Vendor will take the necessary skill and training development to meet the current standards of an employee of the Purchaser (with such training to be paid by the Purchaser in accordance with its current policies in respect of such matters);
 - (e) other than as outlined in paragraph 2(f) below, by no earlier than December 31, 2025, employees of the Vendor will transition to the salary and bonus, group benefits, vacation and time off, hybrid work options, staff banking and other similar matters normally available to employees of the Purchaser in similar positions. In the interim period until employees of the Vendor are transitioned to such programs of the Purchaser, the Purchaser shall continue the current programs of the Vendor for such employees, subject to the terms and conditions of the applicable plans;
 - (f) the Purchaser will allow employees of the Vendor who are already pension plan participants of the Vendor's defined benefit pension plan (the "**DBP**") to continue to accrue

pension benefits and vesting service in accordance with the terms and conditions of the DBP;

- (g) in the event an employee's monthly salary or hourly wage with the Vendor is less than what the employee would earn at the Purchaser in a comparable position at a similar skill level, expertise, qualifications and performance standard, the employee's salary/wage shall be harmonized to the Purchaser's salary/wage scale as identified by a role evaluation. In the event that an employee is earning more than the comparable position at a similar skill level, expertise, qualifications and performance standard, the employee's salary will be maintained at the Vendor's rate until such time as the salary paid by the Purchaser for that position exceeds the Vendor's rate; and
- (h) subject to the change in role for the current Chief Executive Officer of the Vendor as noted in Article 7.10, it is the intention of the Purchaser that the Vendor's Executive Team will, for the Transition Period and subject to any change of control provisions which may be exercised by the applicable Vendor's Executive Team member, retain their current titles and positions.

SCHEDULE "D"

PURCHASER'S SERVICES

The Purchaser offers a full range of banking services to individuals, businesses and not-for-profit organizations. In addition to the services offered by the credit union, other subsidiaries and suppliers of the Purchaser provide a wide array of services to individuals, businesses and the community, including additional wealth management and insurance services to members. More information about the Purchaser's products and services can be found on the Purchaser's website at <http://www.beemcreditunion.ca>.

The following is a representative listing of the products and services which the Purchaser offers to its members:

RETAIL BANKING

Chequing and Savings Accounts
Foreign Currency Accounts
TFSA's, RRSP's, RRIF's, LIF's, RESP's and RDSP's
Money and Wire Transfers
Debit Cards
CRA Direct Deposit
Bank Drafts
Foreign Currency Exchange
Safe Deposit Boxes
Telephone, Mobile and Online Banking
Automatic Teller Machines
Overdraft Protection
Credit Cards
Mortgages, Construction Mortgages, Personal Loans, Bridge Financing, Lines of Credit, Loans and RRSP Loans
Term Deposits and Guaranteed Investment Certificates
Interac e-Transfer
Remote Deposit Capture

COMMERCIAL BANKING

Chequing and Savings Accounts
Foreign Currency Accounts
Credit Cards
Merchant Payment Services
Automated Funds Transfer
Telephone, Mobile and Online Banking
Automatic Teller Machines
Night Deposit
Construction and Real Estate Financing
Commercial Loans and Mortgages
Operating Lines of Credit
Term Deposits
Letters of Credit
Payroll Services

WEALTH MANAGEMENT (provided through subsidiaries of the Purchaser)

Wills & Estate Planning
Financial Advisory Services

On-Line Brokerage Services
Investment Services
FHSAs, Mutual Funds, Segregated Funds & RESPs
Annuities
Group & Self-Administered Retirement Plans
Pension Plans

INSURANCE (provided through subsidiaries of the Purchaser)

Home Insurance
Vehicle and Marine Insurance
Travel Insurance
Medical and Dental Plans
Life, Health, Disability & Critical Injury Insurance
Commercial General Liability Insurance
Property Insurance
Professional Liability Insurance
Group Benefits and Small Business Insurance

Carry-over of Vendor Products and Services

In addition to the above products and services, the Vendor has distinguished itself with respect to certain products and services targeted at select demographics, including commercial lending, wealth management and private banking services. These services include, without limitation, proprietary trading, portfolio management, trading in private securities, at-home service and a differentiated, high-touch in-branch experience. The points of differentiation reflective in these services will be evaluated for alignment to the strategy of the Purchaser and may be extended to all members of the Purchaser.

If, as a result of the transactions contemplated by this Agreement, there will be changes to fees, products or services that were provided by the Vendor prior to the Effective Date, the Vendor or the Purchaser, as the case may be, shall provide any affected members with reasonable notice before such changes take effect.

Beem Credit Union Rules

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BEEM CREDIT UNION

RULES

1. INTERPRETATION

1.1. **Definitions.** In these Rules, unless the subject or context otherwise requires:

- (a) “**Affiliate**” means a corporation that is affiliated with another corporation within the meaning of the legislation pursuant to which the first mentioned corporation is incorporated, continued, amalgamated or otherwise recognized;
- (b) “**Amalgamating Credit Unions**” means Gulf and Fraser Fishermen’s Credit Union and Interior Savings Credit Union;
- (c) “**Auxiliary Member**” means a person who holds equity shares in the Credit Union, but is not a member of the Credit Union;
- (d) “**Board**” means the board of directors of the Credit Union;
- (e) “**Board Chair**” means the chair of the Board;
- (f) “**Board Committee**” means a committee of individuals appointed or elected by the Board pursuant to these Rules;
- (g) “**Communities**” has the meaning given to that term in Rule 13.1 and “**Community**” means one of the Communities;
- (h) “**Community Council**” means a group of Community Representatives who represent a specific Community;
- (i) “**Community Representative**” means an individual who is appointed or elected to a Community Council pursuant to Rule 13 and “**Community Representatives**” means more than one Community Representative;
- (j) “**Credit Union**” means Beem Credit Union;
- (k) “**Credit Union Incorporation Act**” means the *Credit Union Incorporation Act* (British Columbia) from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (l) “**Director**” means a director of the Credit Union for the time being and “**Directors**” means more than one Director;
- (m) “**Director Qualification Policy**” has the meaning given to that term in Rule 9.6;
- (n) “**Election Committee**” means the committee, appointed by the Board from time to time, which is charged with the conduct of the election of Directors;
- (o) “**Election Guidelines**” means the method and manner in which candidates are permitted to campaign for election as may be established by the Election Committee from time to time;
- (p) “**Electronic Meeting**” means a Fully Electronic Meeting or a Partially Electronic Meeting;

- (q) “**Electronic Transactions Act**” means the *Electronic Transactions Act* (British Columbia) from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (r) “**Financial Institutions Act**” means the *Financial Institutions Act* (British Columbia) from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (s) “**Fully Electronic Meeting**” means a meeting in which persons are entitled to participate solely by telephone or other communications medium, as set out in the notice for the meeting, if all persons attending the meeting are able to participate in it, whether by telephone or other communications medium;
- (t) “**Junior Member**” means a member who is under 19 years of age;
- (u) “**Initial Directors**” has the meaning given to that term in Rule 7.1;
- (v) “**Legacy Credit Union**” means each of the Amalgamating Credit Unions and Aldergrove Credit Union, Grand Forks District Savings Credit Union, North Peace Savings and Credit Union and Spruce Credit Union;
- (w) “**Member in Good Standing**” means a member, including a Junior Member, who at the date on which good standing is determined:
 - (i) has purchased, paid for and holds the number of Class “A” Membership Equity Shares required by these Rules to be a member; and
 - (ii) is not more than 90 days delinquent in any obligation to the Credit Union;
- (x) “**Ordinary Resolution**” means a resolution passed by the members of the Credit Union in a general meeting by a simple majority of the votes cast by members;
- (y) “**Partially Electronic Meeting**” means a meeting in which persons are entitled to participate in person or by telephone or other communications medium, as set out in the notice for the meeting, if all persons attending the meeting are able to participate in it, whether by telephone, by other communications medium or in person;
- (z) “**Securities Transfer Act**” means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (aa) “**Special Resolution**” means a resolution in respect of which notice has been given as required under the *Credit Union Incorporation Act* and under these Rules 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 *Credit Union Incorporation Act* and under these Rules;
- (bb) “**Superintendent**” means the Superintendent of Financial Institutions under the *Financial Institutions Act*; and
- (cc) “**Vice-Chair**” means the vice-chair of the Board.

1.2. **Other Meanings.** The meaning of any words or phrases defined in the *Credit Union Incorporation Act*, the *Financial Institutions Act* and the *Electronic Transactions Act* will, if not inconsistent with the subject or context, have the same meaning in these Rules.

- 1.3. **Application of Legislation.** These Rules must be read and applied in conjunction with the *Credit Union Incorporation Act*, the *Financial Institutions Act* and the *Electronic Transactions Act*. Except where such legislation states that the rules of a credit union may provide otherwise, any applicable provision of such legislation that is inconsistent with these Rules shall prevail.

2. MEMBERSHIP

- 2.1. **Application for Membership.** Every application for membership shall be in writing and shall be accompanied by payment in full of the purchase price of the number of Class “A” Membership Equity Shares required to be held by a member under these Rules.

- 2.2. **Membership Share Requirements.** As a condition of admission as a member, a person is required to subscribe and pay for at least five Class “A” Membership Equity Shares.

- 2.3. **Permitted Number of Class “A” Membership Equity Shares.** At the discretion of the Board, members may be permitted to subscribe and pay for Class “A” Membership Equity Shares in excess of five, but not in excess of 1,000.

- 2.4. **Increase in Membership Share Requirements.** The Board may, by resolution, determine that the number of Class “A” Membership Equity Shares required to be owned by a member or a certain type of member (such as, for example, a type of member who is not an individual) shall be increased, provided that:

- (a) the Board may not determine that the total number of Class “A” Membership Equity Shares required to be owned by a member shall exceed 1,000 Class “A” Membership Equity Shares;
- (b) on any one occasion, the Board may not determine to increase the number of Class “A” Membership Equity Shares required to be owned by more than 25 Class “A” Membership Equity Shares;
- (c) a determination by the Board pursuant to this Rule may be made no more frequently than once per financial year;
- (d) a subsequent determination by the Board shall not be made to have effect within six months of the last such determination; and
- (e) subject to Rule 2.7, a determination by the Board pursuant to this Rule 2.4 shall not be effective until the expiration of not less than 90 days after notice of a determination is deemed to have been received by the members.

- 2.5. **Credit Union May Transfer Deposits or Shares to Purchase Membership Shares.** If a member does not hold the required number of Class “A” Membership Equity Shares under Rule 2.2 or Rule 2.4 (in the latter case, on expiration of the period of notice described in Rule 2.4), the Credit Union may apply any money on deposit and interest thereon or invested in shares of the Credit Union from any other class of 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 will hold the number of Class “A” Membership Equity Shares required by Rule 2.2 or Rule 2.4, as applicable.

- 2.6. **Termination of Membership for Insufficient Share Holdings.** If a member does not hold the required number of Class “A” Membership Equity Shares and the member has insufficient monies on deposit or invested in other shares to permit the purchase of sufficient Class “A” Membership Equity Shares pursuant to Rule 2.5, the member shall immediately cease to be a member of the Credit Union in accordance with the *Credit Union Incorporation Act*.

2.7. **Membership Share Requirements After Notice is Given.** A person who becomes a member of the Credit Union at any time after notice is given under Rule 2.4 shall, as a condition of membership, subscribe and fully pay for the increased number of Class “A” Membership Equity Shares required to be held by a member in accordance with such notice.

2.8. **Junior Members.**

(a) A Junior Member is not entitled to vote, be a Director or be a member of a committee of the Credit Union.

(b) A Junior Member becomes a member with full membership rights and obligations on reaching 19 years of age.

2.9. **Auxiliary Members.** An Auxiliary Member is not entitled to be a Director or be a member of a Board Committee and, except as expressly provided otherwise in the *Credit Union Incorporation Act*, an Auxiliary Member is not entitled to vote.

2.10. **Withdrawal or Termination of Membership.** A member may withdraw from membership, and membership of any member may be terminated, in accordance with the *Credit Union Incorporation Act*.

3. **SHARES**

3.1. **Classes of Shares.** The shares of the Credit Union are divided into three classes of shares designated as Class “A” Membership Equity Shares, Class “B” Investment Equity Shares and Class “C” Investment Equity Shares, each class consisting of an unlimited number of shares.

3.2. **Par Value.** All shares have a par value of \$1.00 each.

3.3. **No Guarantee.** Money invested in equity shares together with dividends thereon will not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia.

3.4. **Class “A” Membership Equity Shares.** Class “A” Membership Equity Shares shall have attached thereto the following rights and restrictions:

(a) ownership, assignment, transfer and issue of Class “A” Membership Equity Shares is limited as set out in the *Credit Union Incorporation Act*,

(b) subject to the *Credit Union Incorporation Act*, the Credit Union shall redeem all of the Class “A” Membership Equity Shares held by a member upon the happening of any of the following events:

(i) the termination by the Credit Union of the membership of the member;

(ii) the member withdrawing from membership in the Credit Union;

(iii) the member is a natural person and dies, subject to Rule 3.10 and subject to any contrary intention of the personal representative of the deceased member to transfer the shares to a person entitled to hold them pursuant to the *Credit Union Incorporation Act* and these Rules;

(iv) the member is a partnership or unincorporated association which dissolves; or

- (v) the member is a society, corporation or any other legal entity and is dissolved, wound-up or otherwise ceases to exist;

provided, however, that the Credit Union may require evidence as to the events described in this Rule 3.4(b) before redeeming Class "A" Membership Equity Shares;

- (c) subject to the *Credit Union Incorporation Act*, the Credit Union may redeem the Class "A" Membership Equity Shares held by a member on such terms and conditions and at such times as the Board, in its discretion, resolves;
- (d) notwithstanding any other provision of this Rule 3.4, 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 financial year is limited to 10% of the amount of Class "A" Membership Equity Shares issued and outstanding on the last day of the immediately preceding financial year; and
- (e) any redemption, purchase, assignment or transfer of Class "A" Membership Equity Shares shall be at par value plus any dividends declared but unpaid thereon.

3.5. **Class "B" Investment Equity Shares.** Class "B" Investment Equity Shares shall have attached thereto the following rights and restrictions:

- (a) Class "B" Investment Equity Shares may only be issued to a member of the Credit Union;
- (b) the Credit Union may redeem any Class "B" Investment Equity Shares on such terms and conditions and at such times as the Board, in its discretion, resolves; and
- (c) any redemption or purchase of Class "B" Investment Equity Shares shall be at par value plus any dividends declared but unpaid thereon.

3.6. **Class "C" Investment Equity Shares.** Class "C" Investment Equity Shares shall have attached thereto the following rights and restrictions:

- (a) Class "C" Investment Equity Shares may only be issued to a member of the Credit Union;
- (b) the Credit Union may redeem any Class "C" Investment Equity Shares on such terms and conditions and at such times as the Board, in its discretion, resolves; and
- (c) any redemption or purchase of Class "C" Investment Equity Shares shall be at par value plus any dividends declared but unpaid thereon.

3.7. **Distribution on Wind-Up.** Subject to the *Credit Union Incorporation Act*, each class of equity shares shall rank rateably with all other classes of equity shares in the event of liquidation, dissolution or winding up of the Credit Union or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding up its affairs, whether voluntary or involuntary.

3.8. **Minimum and Maximum Number of Shares to be Held.** Subject to the *Credit Union Incorporation Act* and these Rules, the Board may from time to time, by resolution, determine the minimum and maximum number of shares, of any class or in total, in the Credit Union permitted to be purchased and held by any member or Auxiliary Member and all terms and conditions attaching to any application for shares in the Credit Union including the maximum number of applications permitted by a member and the minimum or maximum number of shares required for each application.

- 3.9. **Policies for Purchase, Payment, Redemption and Ownership of Shares.** Subject to the provisions of the *Credit Union Incorporation Act* that specify the minimum number of membership shares for which a member must subscribe and pay, the Board may establish policies to waive or delay purchase, payment, redemption and ownership in whole or in part of equity shares as required by these Rules.
- 3.10. **Joint Ownership.**
- (a) If, prior to the amalgamation of the Amalgamating Credit Unions, equity shares of an Amalgamating Credit Union were held jointly, the holders may continue to jointly hold the equity shares of the Credit Union for which the shares of the Amalgamating Credit Union were exchanged on the amalgamation of the Amalgamating Credit Unions.
 - (b) Except as contemplated in Rule 3.10(a), the Credit Union will not issue jointly held shares and every share in the Credit Union may only be issued in the name of one member or shareholder, as the case may be.
 - (c) Each joint holder of Class “A” Membership Equity Shares must hold the minimum number of Class “A” Membership Equity Shares required by these Rules to be a member for each joint holder to be a voting member, otherwise only the first person named on the membership shall be entitled to vote in respect of such jointly held shares.
 - (d) Only the first person named on the register of members and auxiliary members for jointly held equity shares other than Class “A” Membership Equity Shares shall be entitled to vote in respect of such jointly held shares.
 - (e) All jointly held equity shares will carry the right of survivorship unless a contrary statement, in writing, is given to the Credit Union and signed by all parties jointly holding the shares.
 - (f) Subject to the *Credit Union Incorporation Act*, the Credit Union will not be required to redeem any equity share that is held jointly with a right of survivorship, until the death of the last joint holder.
- 3.11. **Share Certificates.** The Credit Union will issue share certificates for equity shares other than Class “A” Membership Equity Shares. Each share certificate issued for equity shares must conspicuously state on its face the words “NOT GUARANTEED BY THE CREDIT UNION DEPOSIT INSURANCE CORPORATION”.
- 3.12. **Form of Share Certificate.** Every share certificate issued by the Credit Union will be in such form as the Board approves and will comply with the *Credit Union Incorporation Act*.
- 3.13. **Replacement of Share Certificates.** If any share certificate is worn out or defaced, then, on production of that certificate to the Credit Union, the certificate may be cancelled and a new certificate issued in place of that certificate; and if any share certificate is lost or destroyed, then, subject to the *Securities Transfer Act*, on proof of the loss or destruction to the satisfaction of the Board and on giving such indemnity as the Board deems adequate, a new certificate in place of the lost or destroyed certificate will be issued to the party entitled to it.
- 3.14. **Delivery of Share Certificates.** A share certificate registered in the names of two or more persons will be delivered to the person first named on the register of members and auxiliary members.
- 3.15. **Resolution of the Board to Redeem or Purchase Shares.** Subject to the *Credit Union Incorporation Act* and these Rules, the Credit Union may, by Board resolution, redeem or purchase any of its shares on such terms and conditions and at such times as the Board determines.

- 3.16. **Manner of Redemption or Purchase.** If the Credit Union proposes, at its option, to redeem or purchase some but not all of the shares of any class, the Board may, subject to the special rights and restrictions attached to such class of shares, decide the manner in which the shares to be redeemed or purchased will be selected.
- 3.17. **Transfer Subject to Consent of the Board.** No equity shares will be transferred without the previous consent of the Board expressed by a Board resolution, and the Board will not be required to give any reason for refusing to consent to any such proposed transfer.
- 3.18. **Effective Date of Transfer.** No transfer or assignment of equity shares is effective until the register of members and auxiliary members of the Credit Union is completed, indicating the transfer or assignment.
- 3.19. **Instrument of Transfer Required.** No transfer of equity shares will be registered unless a proper instrument of transfer has been delivered to the Credit Union, but an instrument of transfer is not required for the Credit Union to register a transmission of shares in compliance with the *Credit Union Incorporation Act*.
- 3.20. **Transfer Registration.** Subject to the *Credit Union Incorporation Act*, its constitution, and these Rules, the Credit Union will, on application of the transferor or transferee of an equity share, enter the name of the transferee on its register of members and auxiliary members.
- 3.21. **Form of Instrument of Transfer.** The instrument of transfer of any equity share will be in the form, if any, on the back of the Credit Union's share certificates or any other form that the Board approves.
- 3.22. **One Class per Transfer Instrument.** If the Board so requires, each instrument of transfer will be in respect of only one class of shares.
- 3.23. **Presentation of Instrument of Transfer and Share Certificate.** Every instrument of transfer will be executed by the transferor and left at the registered office of the Credit Union for registration, together with the share certificate, if any, for the shares to be transferred and such other evidence, if any, as the Board may require to provide the title of the transferor or the transferor's right to transfer the shares. All instruments of transfer which are registered will be retained by the Credit Union but any instrument of transfer that the Board declines to register will be returned to the person depositing the same, together with the share certificate which accompanied the same when tendered for registration.
- 3.24. **Authorization to Transfer.** The signature of the registered owner of any equity shares or of the registered owner's duly authorized attorney on the instrument of transfer constitutes an authority to the Credit Union to register the shares specified in the instrument of transfer in the name of the person named in that instrument as transferee.
- 3.25. **Credit Union Not Required to Inquire into Title.** Neither the Credit Union nor any Director, officer or agent is required to inquire into the title of the transferee of those equity shares to be transferred or is liable to the registered or any intermediate owner of those shares, for registering the transfer.
- 3.26. **Transfer on Death or Bankruptcy.** Subject to these Rules, the *Credit Union Incorporation Act* and the *Securities Transfer Act*, a person who becomes entitled to an equity share as a result of the death or bankruptcy of any member or Auxiliary Member, on producing the evidence required by the *Credit Union Incorporation Act* and the *Securities Transfer Act*, or who becomes entitled to a share as a result of an order of a court of competent jurisdiction or a statute, on producing such evidence as the Board deems sufficient that the person is so entitled, may be registered as holder of the share or may transfer the share to a person entitled by these Rules and the *Credit Union Incorporation Act* to hold such share.

- 3.27. **Commissions and Discounts.** Subject to the provisions of the *Financial Institutions Act* and the *Credit Union Incorporation Act*, the Credit Union, or the Board on behalf of the Credit Union, may pay a commission or allow a discount to any person in consideration of that person subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Credit Union, or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any such shares, provided that the rate of the commission and discount will not in the aggregate exceed the amount permitted by the *Credit Union Incorporation Act*.
- 3.28. **Dividends.** Subject to these Rules and the *Credit Union Incorporation Act*:
- (a) the Board, at its discretion, may set terms and conditions for entitlement to dividends for each class of shares, may declare dividends on any class of shares in such amounts and at such times as from time to time determined, and may declare different rates of dividends for different classes of shares;
 - (b) any entitlement to dividends in respect of any class of equity shares shall be non-cumulative;
 - (c) dividends, patronage refunds or bonuses declared, if any, at the discretion of the Board may be paid as an allocation of equity shares, provided that if any such allocation would result in a person holding more equity shares of a particular class than a person is permitted to subscribe for or hold under these Rules or the *Credit Union Incorporation Act*, the Board may credit the excess or any part of that excess to the person's account.
- 3.29. **Participation Programs.** Subject to the *Credit Union Incorporation Act* and the *Financial Institutions Act*, the Board may develop and offer such participation programs as the Board deems in the best interest of the Credit Union.

4. **DEPOSITS**

- 4.1. **Deposit Forms.** The Board may determine the forms by which a person may place monies on deposit and withdraw monies on deposit or request redemption of shares, and the Board may, by resolution, delegate the power to make such determinations.
- 4.2. **Interest.** Interest on deposits, 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, and the Board may, by resolution, delegate the power to make such determinations.

5. **LOANS**

- 5.1. **Board Will Determine Terms of Loans.** Subject to the *Credit Union Incorporation Act* and the *Financial Institutions Act*, the Board will determine the terms and conditions of loans as to interest and other charges, terms of repayment and security, and the Board may, by resolution, delegate the power to make loans and such determinations.

6. **BORROWING**

- 6.1. **Borrowing Permitted.** Subject to the *Credit Union Incorporation Act* and the *Financial Institutions Act*, the Board may raise and borrow money for the purposes of the Credit Union upon such terms and conditions as to interest, time, repayment and security as it determines by Board resolution.

7. COMPOSITION OF BOARD OF DIRECTORS

- 7.1. **Initial Directors.** The initial Directors of the Credit Union and their respective terms of office will be as set out in the amalgamation agreement dated as of November 9, 2023, between the Amalgamating Credit Unions (the “**Initial Directors**”). The term of office of an Initial Director as outlined in the amalgamation agreement shall be included when calculating the total number of terms the Initial Director may serve in accordance with Rule 9.4(h).
- 7.2. **Size of Board of Directors.** The number of Directors of the Credit Union will be determined from time to time by the Board, but shall be no fewer than nine and no more than 18. If the members have been notified that an election is to take place, the Board may not change the number of Directors until the results of that election have been determined and the newly elected Directors have taken office.
- 7.3. **Regional Representation.** The Board may, but shall not be obligated, to require from time to time that a certain number of Directors be residents of any region specified by resolution of the Board. Irrespective of any residency requirements, all Directors shall, notwithstanding anything else contained in these Rules, be representatives of, and elected by all members of the Credit Union. Any such residency requirements may be modified by the Board in its discretion including, without limitation, reducing or increasing the number of Directors required to be residents of a specific region. The Board may, in its discretion, determine from time to time the criteria for determining residency for the purposes of this Rule.
- 7.4. **Capacity of Board if a Vacancy.** If the number of Directors in office is less than the required number set by the Board under Rule 7.2, as a result of death, resignation, disqualification or removal from office or by failure to elect or appoint a Director under these Rules, the remaining Directors, except as provided elsewhere in these Rules, will have all of the power of the Board until the vacancy or vacancies have been filled by appointment or election.
- 7.5. **Appointment to Fill Vacancy.** Where a casual vacancy occurs among the Directors or, for any reason, the office of Director is not filled in an election, the remaining Directors may appoint a person to fill the vacancy who:
- (a) meets the eligibility requirements as set out in these Rules; and
 - (b) if the casual vacancy relates to one of the Initial Directors, was a former director of the same Legacy Credit Union of which the vacating Director was a former director.

In the case of an appointment to fill a vacancy of one of the Initial Directors, the person appointed to fill the vacancy shall hold office for the remaining term of the vacating Director. In any other case, a person so appointed shall hold office until the close of the next annual general meeting.

- 7.6. **Number of Directors Less than Quorum.** Where the number of Directors is reduced below the number set by or under these Rules as the necessary quorum for Directors, the continuing Directors may act for the purpose of filling vacancies up to that number, or of summoning a general meeting of the Credit Union, but for no other purpose.

8. BOARD UPON MERGER

- 8.1. **Additional Directors.** If the Credit Union enters into an asset transfer agreement to acquire all or substantially all of the assets of another credit union (the “**transferring credit union**”) in accordance with the *Credit Union Incorporation Act*, the Board may appoint as additional Directors of the Credit Union any or all of the persons who were directors of the transferring credit union at the effective date of the asset transfer and designate the term of office of each such person

appointed as a Director. Directors appointed under this Rule 8.1 shall be in addition to the number of Directors set by the Board under Rule 7.2.

- 8.2. **Vacancies After Merger.** When the term of office of a person appointed as a Director pursuant to Rule 8.1 has expired or where the position becomes vacant prior to the expiration of the term of office, no vacancy will be deemed to exist and the number of Directors shall be deemed to have been reduced accordingly.
- 8.3. **Casual Vacancy.** Notwithstanding Rule 8.2, if a casual vacancy occurs in relation to a Director appointed pursuant to Rule 8.1 before the expiry of the Director's term of office as a result of death, resignation, disqualification or removal from office, the Board may appoint a person who is eligible under Rule 8.1 to fill such vacancy. The person appointed to fill the vacancy shall hold office for the remaining term of the vacating Director.
- 8.4. **General Eligibility.** When the term of office of a person appointed as a Director pursuant to Rule 8.1 expires or in the event of such person otherwise ceasing to be a Director, such person shall be eligible as a candidate for election or appointment to fill any other vacancy in the Board provided that such person is not otherwise disqualified by these Rules from being a Director.

9. ELECTION, APPOINTMENT AND REMOVAL OF DIRECTORS

- 9.1. **Director Elections to be Held.** Each year, Directors will be elected to replace those whose terms expire and a Director whose term expires is eligible for re-election, subject to Rule 9.4(h).
- 9.2. **Length of Term.** Except where a person is appointed under Rule 7.5 or 8.3 to fill the unexpired portion of a term and subject to the provisions of Rules 7.1, 8.1 and 9.7, each person elected as a Director will hold office for a term expiring at the close of the third annual general meeting after the Director has taken office. Notwithstanding the foregoing, if, for any reason, the terms of the remaining Directors will not allow for the expiry of a balanced number of the Directors' terms at each successive annual general meeting, the Board may, by resolution, determine the lengths of terms to be served by Directors elected in subsequent elections in such a manner that the Board may return as soon as is practicably possible to a balanced cycle of Directors' terms expiring at each successive annual general meeting.
- 9.3. **Eligibility to Act as a Director.** In order to be eligible to stand for election or be appointed as a Director, a person must, for at least one year prior to the date of the person's nomination for election or at least one year prior to the appointment being made:
- (a) have been a Member in Good Standing of the Credit Union;
 - (b) have been a member in good standing of an Amalgamating Credit Union; or
 - (c) have been a member in good standing of another credit union of which all or substantially all of the assets have been purchased by the Credit Union;

provided, however, if a candidate is nominated by the Election Committee or appointed as a Director by the Board, the eligibility requirement stated in this Rule may be waived by the Election Committee or the Board, as the case may be, but the candidate must become a member of the Credit Union prior to taking office as a Director and otherwise not be disqualified by these Rules from being a Director.

- 9.4. **Disqualification.** No person is eligible to become or continue as a Director if the person:
- (a) is disqualified from becoming or acting as a director pursuant to the *Financial Institutions Act* or the *Credit Union Incorporation Act*;

- (b) is or becomes an employee of the Credit Union or any of its subsidiaries or Affiliates;
- (c) was an employee of a credit union (including, but not limited to, the Credit Union) or any subsidiary or Affiliate of a credit union at any time during the three-year period prior to the date that nominations for the office of Director under these Rules closed or, in the case of appointment, during the two-year period prior to the date of appointment;
- (d) is a spouse, parent or child of any person referred to in Rule 9.4(b) or (c);
- (e) 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 credit union) or a subsidiary or Affiliate of any of them except where that person has been requested or authorized in writing by the Board 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 or Affiliate of any of them;
- (f) is the spouse of any person referred to in Rule 9.4(e);
- (g) is or has been removed at any time within the previous five years from the position of Director by the Board in accordance with Rule 9.7; or
- (h) has served four terms as a Director, whether served consecutively or non-consecutively, provided that if a person is appointed:
 - (i) to fill a vacancy pursuant to Rule 7.5 or 8.3, the time served as a Director during such appointment shall not be included when calculating the total number of terms the Director may serve; or
 - (ii) as an additional Director pursuant to Rule 8.1, the time served as a Director during such appointment shall be included when calculating the total number of terms the Director may serve.

9.5. **Residency Requirement.** If, pursuant to Rule 7.3, the Board has required that a certain number of Directors be resident of a specific region, a person must be resident in such region, in accordance with the criteria established by the Board, on the date of nomination for election or appointment as a Director in order to be eligible to stand for election or be appointed as a Director for such position or positions. If a Director changes residency after election or appointment, that Director shall not, for that reason only, be disqualified from serving the balance of the Director's term of office.

9.6. **Director Qualification Policy.** The Board will, at least annually, determine the required and necessary skills, experience, personal attributes and other criteria of candidates for election or appointment as a Director that are directly aligned to the Credit Union's strategic plan and to its needs for risk oversight, taking into account the background of existing Directors and the specific ongoing needs of the Credit Union and establish a transparent and independent evaluation process to compare candidates to the necessary skills and qualities (the "**Director Qualification Policy**"). The Board shall take an active role in ensuring candidates with the necessary skills and qualities as outlined in the Director Qualification Policy are recruited.

9.7. **Removal of Directors.** A person may be removed as a Director by a 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 by the Board Chair (or, in the case of the Board Chair, the Vice-Chair), to attend:

- (i) three consecutive regular meetings of the Board;
 - (ii) three consecutive regular meetings of a Board Committee to which the Director has been appointed or elected; or
 - (iii) more than a total of four regular meetings of the Board and any Board Committee to which the Director has been appointed or elected in any financial year;
- (b) ceases to be a Member in Good Standing;
 - (c) owns or controls a 50% or greater interest in an incorporated or unincorporated entity which is more than 90 days delinquent in any obligation to the Credit Union;
 - (d) has breached these Rules or the Election Guidelines when the Director was a candidate for election as a Director;
 - (e) has breached the conflict of interest policy, the code of conduct & ethics or the code of performance standards for Directors, adopted by the Board from time to time; or
 - (f) has breached the confidentiality of any proceedings, deliberations or information of the Board;

in each case, as may be determined by the resolution of the remaining Directors. At least seven days prior to the meeting at which the removal of a Director is to be considered, the 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.

10. **NOMINATIONS**

10.1. **Election Committee.** At least 120 days before an annual general meeting, the Board will appoint an Election Committee of not less than three individuals who are members of the Credit Union, but not Junior Members. Appointees to the Election Committee may, but need not be, Directors, provided that no Director standing for office in the election may serve on the Election Committee. The Election Committee will be charged with the conduct of the election of Directors and will be responsible for:

- (a) evaluating candidates based on, and in accordance with, the Director Qualification Policy and any residency requirements established by the Board pursuant to Rule 7.3;
- (b) identifying, recruiting and, if considered appropriate by the Election Committee, endorsing or recommending candidates for election as Directors who have the qualifications outlined in the Director Qualification Policy;
- (c) preparing for delivery to the members the notice of election required by Rule 11.4;
- (d) monitoring the conduct of candidates during the election process and, if a candidate has campaigned in any method or manner in contravention of the Election Guidelines, addressing the contravention in accordance with Rule 10.11; and
- (e) conducting the nomination and election of Directors in accordance with these Rules.

10.2. **Nominations.** At least 90 days before an annual general meeting, the Election Committee will, if an election is to be held:

- (a) notify members of the Credit Union that an election of Directors is to take place, specifying the number of positions to be filled and, to the extent applicable, the regions in which candidates must be resident in order to be eligible for election;
 - (b) communicate to members in a clear manner the necessary skills and qualities of candidates for election as a Director and the evaluation process for assessing whether a candidate possesses such skills and qualities; and
 - (c) invite the submission to it, in writing, the names of proposed candidates, prior to the date on which nominations close, which will be specified in the notice and be a date not less than 30 days from the date of the notice.
- 10.3. **Number of Nominations per Member.** No member, unless they are a member of the Election Committee, may nominate more than one candidate to stand for election each year.
- 10.4. **Candidate Declaration.** Every candidate for election or appointment as a Director will file with the Election 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 the candidate:
- (a) is not disqualified under Rules 9.3 or 9.4 to act as a Director;
 - (b) is willing to stand for election or be appointed, and if elected or appointed, to serve as a Director;
 - (c) if elected or appointed, will comply with the provisions of these Rules, the *Credit Union Incorporation Act* and the *Financial Institutions Act*;
 - (d) if elected or appointed, will comply with the conflict of interest policy, the code of conduct & ethics and the code of performance standards for Directors, adopted by the Board from time to time; and
 - (e) in the case of an election, will comply with these Rules and the Election Guidelines with respect to the conduct of the election.
- 10.5. **Candidate Interview.** 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 Election Committee, at the time and place (if any) specified by the Election Committee, unless the requirement to attend such interview has been waived by the Election Committee.
- 10.6. **Acceptance of Nominations.** The Election Committee will examine each nomination received and determine whether the nomination complies with the *Credit Union Incorporation Act*, the *Financial Institutions Act*, these Rules, any residency requirements established by the Board pursuant to Rule 7.3, and the Director Qualification Policy, and will accept each nomination of a member qualified to be a candidate whose nomination is in order and reject each nomination which is not in order or that does not comply and notify each candidate accordingly, and promptly after the date on which nominations close:
- (a) place into nomination the names of all qualified candidates nominated by the Election Committee and all qualified candidates nominated in writing by at least three Members in Good Standing of the Credit Union;
 - (b) inform each candidate of the provisions of these Rules and the Election Guidelines with respect to the conduct of the election and provide to each candidate a copy of these Rules and the Election Guidelines; and

- (c) request that each candidate complete the personal information return required to be submitted to the Superintendent pursuant to the *Financial Institutions Act*.
- 10.7. **Conflicts of Interest.** At the time of nomination, every nominated candidate will make a statement of all known conflicts of interest between the candidate and the Credit Union in a form as prescribed by the Election Committee.
- 10.8. **Election Guidelines.** The Election Committee may, from time to time, determine the Election Guidelines.
- 10.9. **Candidate Information Sessions.** A candidate must attend at least one of the information sessions held for candidates, unless the requirement to attend an information session has been waived by the Election Committee. If a candidate fails, without being excused for reasonable circumstances by the Election Committee, to attend at least one of the required information sessions, the candidate will be disqualified from the election then in progress and be deemed ineligible to serve as a Director for such election.
- 10.10. **Rejection of Candidacy.** If the Election Committee resolves that a member's nomination information is false, incomplete or misleading in any material respect or that the candidacy is frivolous, vexatious or for the purpose of harming the Credit Union, the Election Committee may reject the member's candidacy.
- 10.11. **Disqualification.** If, in the opinion of the Election Committee, a candidate or person representing the candidate campaigns in any method or manner in contravention of the Election Guidelines, the Election Committee will contact the candidate to request the candidate comply with the Election Guidelines. If the candidate fails to comply immediately with such request, the Election Committee may make a determination as to whether the candidate should be disqualified. The candidate shall be given at least three business days' written notice of the proposed disqualification, together with a summary of the conduct on the part of the candidate (or the candidate's representative) giving rise to the proposed disqualification, and the candidate will have three business days to provide a written response to the conduct allegations. The Election Committee may thereupon address the issue of the candidate's disqualification as it deems appropriate, and in particular, the Election Committee may impose conditions on the continued candidacy or disqualify the candidate from the election. If the Election Committee decides to disqualify the candidate, the Election Committee will give written notice of such disqualification specifying the reasons for disqualification to the candidate within three business days of 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 with respect to votes for other candidates on the ballots. The decision of the Election Committee will be final, conclusive and binding on the candidate.
- 10.12. **Acclamation.**
- (a) 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.
 - (b) 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 by acclamation. The Board may appoint members to the remaining position(s) and advise the members at the annual general meeting of such appointment(s).
 - (c) Where any offices of Directors being filled are for different lengths of terms and the offices are filled by an election by acclamation, the term of each person declared elected by acclamation will be decided by lot by the Board.

- 10.13. **If Election Required.** If the number of qualified persons nominated for the election exceeds the number of offices to be filled, the election process described in Rule 11 will apply.

11. ELECTION PROCESS

- 11.1. **Method of Voting.** Subject to the *Credit Union Incorporation Act* and the Electronic Transactions Act, the Board shall determine the method of voting in an election of Directors, which may include voting by:

- (a) mail ballot;
- (b) ballot at a branch office;
- (c) electronic means; or
- (d) any combination of the above methods of voting.

- 11.2. **Returning Officer.** The Board may appoint a returning officer for an election. The returning officer may, but need not be, a member of the Credit Union, but the returning officer will not be a Director. Where a returning officer is appointed, the returning officer will be appointed at least 60 days prior to the date on which voting in an election is to commence.

- 11.3. **Resources for Elections.** The Election Committee and the returning officer, if any, may engage such other resource persons as the Board and the Election Committee or returning officer may agree are required to conduct the election in a proper manner.

- 11.4. **Notice of Election to Members.** Where an election is to be held, the Election Committee will provide, at least 30 days before the annual general meeting, to all members of the Credit Union entitled to vote:

- (a) a list of each of the candidates for election;
- (b) such information regarding the candidates as may be determined by the Election Committee in its sole discretion and instructions on how additional information regarding the candidates for election may be obtained;
- (c) if the Election Committee chooses to endorse or recommend a candidate or candidates, an indication of which candidate or candidates the Election Committee endorses or recommends;
- (d) clear and precise instructions for voting;
- (e) notice of the dates and times during which voting in the election will take place;
- (f) a list of conditions under which members will be eligible to vote in the election;
- (g) a ballot by electronic or non-electronic means, listing the names of the candidates in an order chosen by lot by the Election Committee; and
- (h) if the Board has determined that voting may be conducted by mail ballot or by ballot at a branch office and ballots are provided solely by electronic means, advice of the right of each member to:
 - (i) if voting may be conducted by mail ballot, request in writing, by telephone or in person at a branch of the Credit Union, not less than 10 days prior to the close of

voting, that a non-electronic ballot be provided to the member by mail, which ballot may then be cast by mail; or

- (ii) if voting may be conducted by ballot at a branch office, request in person at a branch of the Credit Union, prior to the close of voting, that a non-electronic ballot be made available to the member, which ballot may then be cast at a branch of the Credit Union.

11.5. **Non-Electronic Ballots.** If the Election Committee decides to provide ballots by non-electronic means with the notice of election or if a member requests a ballot under Rule 11.4(h), the Election Committee will provide with the notice of election or to the member, as the case may be:

- (a) a ballot listing the names of all candidates in the order chosen by lot by the Election Committee;
- (b) one or more envelopes, which may be included as part of the ballot and bearing the address of the Credit Union or the returning officer, which envelope(s) will allow for verification of the voting member, and provide for confidentiality of voting; and
- (c) clear instructions for casting the ballot and return of the ballot, whether by mail or drop-off at a branch of the Credit Union, which will specify the day by which the ballot must be received by the Credit Union or the returning officer in order for the ballot to be considered returned and properly cast.

11.6. **Close of Voting.** No ballot will be counted in the election unless:

- (a) if a mail ballot, the ballot is post-marked no later than the last day of the election as stated in the notice of the election and the ballot is actually received by the Credit Union or the returning officer before the close of business of the Credit Union on the fifth business day following the last day of the election as stated in the notice of election; or
- (b) if a ballot dropped-off at a branch, the ballot is actually received by the Credit Union or the returning officer before the close of business of the Credit Union on the last day of the election as stated in the notice of election; and
- (c) if a ballot cast by electronic means, the ballot is actually received by the Credit Union or the returning officer before 11:59 p.m. on the last day of the election as stated in the notice of election.

11.7. **Multiple Ballots.** If a member casts more than one ballot in an election, all of the ballots cast by the member will be void and none of them will be counted in the tally of ballots; provided, however, if one of the ballots is an electronic ballot and the other ballot is a non-electronic ballot, the electronic ballot will be counted in the tally of ballots and the non-electronic ballot will not be counted.

11.8. **Validity of Ballots.** A ballot must contain votes for the number of persons to be elected and a ballot indicating another intention is void; provided, however, no member may cast more than one vote for a candidate.

11.9. **Voting, Counting and Announcement of Results.** The returning officer or, if there is no returning officer, the Election Committee, will supervise the election and:

- (a) may require a member to provide proof of membership and a declaration that the member has not previously cast a ballot in the election then in progress;

- (b) will arrange for receipt of all ballots returned by any method or combination of methods as determined by the Board, and, after the close of voting, will cause a tally to be made of all such ballots, in a manner that ensures the confidentiality of voting;
 - (c) will determine whether a ballot is to be accepted or rejected and such determination is final and not open to review;
 - (d) will, as soon as practicable following the close of voting, communicate the results of the election (including the number of votes received by each candidate) to the chair of the Election Committee or, if there is no returning officer, to the Board, following which the Board Chair (or another Director designated by the Board if the Board Chair is a candidate in the election) and the chief executive officer of the Credit Union will communicate such information to each of the candidates for election; and
 - (e) will announce the results of the election to the membership at the next annual general meeting following completion of voting or, if the election results with respect to the election are not determined by the close of the annual general meeting, then as soon thereafter as the results are determined.
- 11.10. **Posting of Results.** A listing of the candidates and the number of votes received by each candidate from highest to lowest shall be posted on the website of the Credit Union on the next business day following the annual general meeting (or, if the election results are not determined by the close of the annual general meeting, then as soon thereafter as the results are determined) and shall remain posted on the website for at least 10 business days.
- 11.11. **Varying Terms.** Subject to Rule 11.12, 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.
- 11.12. **Ties.** In any election, if there are two or more persons having an equal number of votes, the successful candidates or the lengths of terms of office, as the case may be, will be decided by lot by the Election Committee.
- 11.13. **Recounts.** If the margin for the least successful elected candidate or candidates in the election is less than 20 votes in excess of the most successful of the unelected candidates in that election, a recount of votes cast at such election may be held, provided that:
- (a) such recount shall have been initiated by any unsuccessful candidate within the 20 vote margin by notice in writing delivered to the head office of the Credit Union (for the attention of the chair of the Election Committee) within five business days from the date upon which the election results were communicated to the unsuccessful candidate in accordance with Rule 11.9(d);
 - (b) no recount will be initiated for any purpose other than determining the successful candidate(s) for election and only the votes (including those contained in any spoiled or rejected ballots) affecting those candidates whose election may be in doubt shall be considered (i.e., the votes of any candidate or candidates who have been elected or have failed to be elected by a margin of less than 20 votes); and
 - (c) if the length of term of office of any candidate shall incidentally be affected by any such recount, such length of term of office shall be determined by such recount.
- 11.14. **Recount Procedure.** If a recount shall have been initiated in accordance with Rule 11.13, the chair of the Election Committee shall, within five business days after receipt of such written notice

requesting a recount, direct the returning officer, or if there is no returning officer, the Election Committee (as it was comprised at the time of the election) to conduct the recount tally. The returning officer or, if there is no returning officer, the Election Committee, shall conduct and determine the required recount within 10 business days of the date the request was received by the returning officer or the Election Committee (as the case may be) to conduct a recount, and the result of any such recount shall be final, conclusive and binding on all persons involved in that election or affected thereby. In conducting such recount, the returning officer or, if there is no returning officer, the Election Committee shall:

- (a) notify every candidate concerned in the election of the time, date and place of the recount;
- (b) permit every candidate concerned in the election to attend the recount, either in person or by scrutineer appointed in writing by the candidate to attend on the candidate's behalf;
- (c) in considering the validity of any ballot, be bound by the voting instructions previously prescribed for the election by the Election Committee;
- (d) in the event of a tie resulting from any such recount, determine the successful candidate by lot; and
- (e) submit a final report to the chair of the Election Committee or, if there is no returning officer, to the Board Chair, within five days after making the final determination.

11.15. **Posting of Recount Results.** If, as a result of any such recount, there is a change in the successful candidates for election, or any change in the length of term of office of any elected candidate, the fact of such result and the number of votes received by each candidate from highest to lowest, as confirmed pursuant to the recount, will be posted on the website of the Credit Union and will remain posted for at least 10 business days after the chair of the Election Committee or the Board has received the final report from the returning officer or the Election Committee, as the case may be.

11.16. **When Directors Take Office.** Subject to the *Financial Institutions Act*, a person elected as a Director will take office at the close of the annual general meeting next following the person's election or, if the election results with respect to the election of that person are not determined by the close of the annual general meeting, then as soon thereafter as the results are determined provided that, for the purpose of determining that person's length of term, the person shall be deemed to have taken office at the close of the annual general meeting.

12. PROCEEDINGS OF THE BOARD

12.1. **Frequency of Meetings.** The Board will meet as needed and at least once each quarter.

12.2. **Place of Meetings.** Unless not reasonably practical and convenient, the place of in person meetings of the Board will rotate between the different geographic regions served by the Credit Union.

12.3. **Calling Meetings.** The Board 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.

12.4. **Notice of Meetings.** At least 24 hours' notice will be given of meetings of the Board by personal delivery, mail, telephone, email or any other electronic means, but a Director may waive notice of any past or present meeting of the Board. Attendance at a meeting shall be deemed to be a waiver of such notice. It will not be necessary to give notice of a meeting of the Board to any Director if such meeting is to be held immediately following a general meeting at which such Director has taken office or is the meeting at which such Director is appointed. Accidental omission to give notice

of a meeting to, or the non-receipt of notice of a meeting by, any Directors will not invalidate the proceedings of that meeting, except where a quorum as set out in Rule 12.5 is not met.

- 12.5. **Quorum.** A quorum of a meeting of the Board consists of a majority of the Directors. A lesser number may adjourn from time to time until a quorum is obtained.
- 12.6. **Director with Conflict Counted in Quorum.** A Director who is interested, directly or indirectly, in a proposed contract or transaction with the Credit Union may be counted for the purposes of the quorum required by Rule 12.5.
- 12.7. **Board Officers and Statutory Committees.** At the first meeting of the Board following each annual general meeting, the Board will elect from among themselves a Board Chair and a Vice-Chair and appoint or elect such additional officers from among themselves as they consider necessary. At such meeting, the Board will also appoint or elect such Board Committees as may be required by the *Credit Union Incorporation Act* and the *Financial Institutions Act*, provided that the composition of such Board Committees shall be consistent with the requirements of the *Credit Union Incorporation Act* and the *Financial Institutions Act*, as applicable.
- 12.8. **Appointment of Officers and Employees.** The Board will appoint the president, the chief executive officer and the secretary, and may appoint or authorize the appointment of such additional officers and employees as may be required for the proper operation of the Credit Union.
- 12.9. **Duties of Board Chair.** The Board Chair will preside at each meeting of the Board and perform such other duties as may be required of the Board Chair under these Rules and, subject to the *Credit Union Incorporation Act*, the *Financial Institutions Act* and these Rules, as may be determined by the Board from time to time.
- 12.10. **Duties of Vice-Chair.** If the Board Chair is absent or is unable for any reason to act, the Vice-Chair or such other Director as may be designated by the Board will discharge the duties of the Board Chair. If, after the election of the Board Chair under Rule 12.7, the office of the Board Chair becomes vacant, the Board will meet within 30 days of such vacancy to elect a new Board Chair and, if applicable, a new Vice-Chair.
- 12.11. **Rules of Order.** Subject to the *Credit Union Incorporation Act* and the *Financial Institutions Act*, the Board may adopt rules of order for its conduct, but if no rules are adopted, the current edition of "Robert's Rules of Order Newly Revised" will be used.
- 12.12. **Meetings by Telecommunications.** A meeting of the Board or of a Board Committee may be held by telephone or other communications medium if all Directors or Board Committee members attending the meeting are able to participate in it, whether by telephone, by other communications medium or in person, provided that, in the case of an in person meeting or Partially Electronic Meeting of the Board, a majority of the Directors participating in the meeting are in British Columbia at the time of the meeting. A Director or Board Committee member who participates in the meeting in accordance with this Rule will be deemed to be present at the meeting and counted in the quorum for such meeting.
- 12.13. **Delegation of Powers.** Subject to the *Credit Union Incorporation Act* and the *Financial Institutions Act*, the Board may delegate any of its powers to:
 - (a) committees consisting of not fewer than three individuals who are such persons as the Board may think fit; and
 - (b) such officer or officers as the Board thinks fit;and may from time to time revoke any such delegations.

- 12.14. **Terms of Reference.** Subject to the *Financial Institutions Act*, any Board Committee will, in the exercise of the powers delegated to it, conform to any terms and conditions that may from time to time be imposed upon it by the Board.
- 12.15. **Quorum for Board Committee.** A majority of the members of a Board Committee will constitute a quorum.
- 12.16. **Role of Board Chair on Board Committees as Ex Officio Member.** Where the Board Chair serves as a member of a Board Committee solely on an ex officio basis, the Board Chair will not be counted in determining the quorum for the Board Committee and will not have a vote at meetings of that Board Committee, unless otherwise stated in the terms of reference adopted by the Board for such Board Committee.
- 12.17. **Consent Resolution.** A Board resolution or a Board Committee resolution, whether or not in counterpart, 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 resolution in writing.
- 12.18. **Remuneration of Directors.** The remuneration, if any, of the Directors in relation to their service as Directors may be established, from time to time, by the Board.
- 12.19. **Indemnification of Directors.** Subject to the limitations contained in the *Financial Institutions Act*, the Credit Union will indemnify:

- (a) each director and officer of the Credit Union;
- (b) each former director and officer of the Credit Union; and
- (c) each individual who acts or who has acted at the request of the Credit Union as a director or officer of a corporation of which the Credit Union is or was a member or creditor;

against all costs, charges and expenses, including any amount paid to settle any action or proceeding or satisfy any judgment, reasonably incurred for any civil, criminal or administrative action or proceeding, whether threatened, pending, continuing or completed, to which the director or officer is made a party by reason of being or having been a director or officer of the Credit Union or the corporation, if:

- (d) the director or officer acted honestly and in good faith with a view to the best interests of the Credit Union or the corporation, as the case may be; and
- (e) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer had reasonable grounds for believing that the conduct was lawful.

Subject to applicable laws, if the director or officer is required to include in income or in the income of that individual's estate, any payment made under this indemnification for the purpose of determining income tax payable by the director or officer, the Credit Union will pay an amount by way of indemnity that will fully indemnify for the amount of all liabilities described in this Rule 12.19 and all income taxes payable as a result of the receipt of the indemnity payment.

13. **COMMUNITIES AND COMMUNITY COUNCILS**

- 13.1. **Communities.** On or before December 31, 2025, the Board shall by resolution establish two or more communities under these Rules ("**Communities**") and determine the criteria upon which a person will be deemed to be part of each such Community. The Communities shall be based upon

geographic area or affinity-based connection, such as a common bond of religious interest, ethnic interest, social interest, occupation, employment or community.

13.2. **Modifications.** From time to time, the Board may by resolution passed by not less than two-thirds of the Directors:

- (a) modify or expand the composition of any Community or the criteria upon which a person will be deemed to be part of such Community;
- (b) create one or more new Communities and determine the criteria upon which a person will be deemed to be part of each such new Community; or
- (c) reduce the number of Communities, provided that, after establishment of the initial Communities under Rule 13.1, there must at all times be at least two Communities.

13.3. **Community Councils.** There shall be one Community Council for each Community and each Community Council shall be comprised of at least three Community Representatives. Community Representatives shall be elected or appointed for a term of office of one year or such other term as may be determined by the Board.

13.4. **Chair.** The Board will annually appoint a chair for each Community Council from among the Community Representatives on the Community Council.

13.5. **Terms of Reference.** A Community Council must, in the exercise of its activities, conform to any terms and conditions that may from time to time be imposed upon it by the Board.

13.6. **Appointment or Election.** The Board may determine, at its discretion, to:

- (a) appoint Community Representatives to a Community Council; or
- (b) permit the members of the Credit Union who are a part of the Community which is represented by a Community Council to elect its Community Representatives,

in each case, where such Community Representatives are eligible to be elected or appointed to the Community Council in accordance with these Rules. If the Board determines to conduct an election of Community Representatives to Community Councils, the Board shall determine the method and manner of voting.

13.7. **Eligibility.** In order to be eligible to be elected or appointed to a Community Council, a person must:

- (a) not be a Director;
- (b) not then be serving on another Community Council, unless the Board determines that such person may serve on more than one Community Council;
- (c) be a part of the Community which is represented by the Community Council to which the person is elected or appointed, in accordance with the criteria established by the Board;
- (d) be a Member in Good Standing or, prior to the person's election or appointment to a Community Council, become a member of the Credit Union; and
- (e) meet such other eligibility or qualification requirements for election or appointment to Community Councils as may be determined by the Board from time to time.

- 13.8. **Removal.** A person may be removed as a Community Representative by a Board resolution passed by not less than two-thirds of the Directors.
- 13.9. **Affiliation.** Whenever it is necessary to determine whether a person is part of a Community for the purpose of eligibility to serve as a Community Representative for a Community Council or to vote in an election of a Community Representative to a Community Council, the Board shall make the determination and the decision of the Board shall be final and conclusive.
- 13.10. **Purpose.** It is intended that Community Councils will allow for Communities to have input into the recruitment, development and succession of the Board, and provide feedback to the Board in relation to the needs of the various Communities and ways that the Credit Union can serve or better serve the Communities and the membership of the Credit Union as a whole. Each Community Council will report to the Board at least annually.
- 13.11. **Recruitment Committee.** The Board will appoint the chair of each Community Council to a director recruitment committee, which shall be responsible to identify, recruit and recommend to the Election Committee potential candidates for election or appointment to the Board. The director recruitment committee shall seek candidates who possess the required and necessary skills, experience, personal attributes and other criteria of candidates for election to the Board as outlined in the Director Qualification Policy.
14. **GENERAL MEETINGS**
- 14.1. **Date of Annual General Meeting.** The annual general meeting of the Credit Union will be held on the day, hour and, if applicable, place to be fixed by the Board and will be convened and held in accordance with the provisions of the *Credit Union Incorporation Act*.
- 14.2. **Other General Meetings.** Other general meetings may be convened by the Board and held in accordance with the provisions of the *Credit Union Incorporation Act*.
- 14.3. **Multiple Locations.** General meetings, including the annual general meeting, may be convened by holding two or more meetings at different times and, if applicable, different places, which meetings together will constitute a single meeting, if convened and held in accordance with the provisions of the *Credit Union Incorporation Act*.
- 14.4. **Electronic Meetings.** The Credit Union may hold a general meeting in person, by a Partially Electronic Meeting or by a Fully Electronic Meeting, as determined by the Board, if convened and held in accordance with the provisions of the *Credit Union Incorporation Act*. If a general meeting is an Electronic Meeting, the notice must contain instructions for attending and participating in the meeting by telephone or other communications medium, including, if applicable, instructions for voting at the meeting.
- 14.5. **Class Meetings.** 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 and unless the subject or context requires otherwise.
- 14.6. **Rules of Order.** Subject to the *Credit Union Incorporation Act*, a general meeting may adopt rules of order for its conduct, but if no rules are adopted, the current edition of "Robert's Rules of Order Newly Revised" will be used.
- 14.7. **Quorum.**
- (a) At a general meeting of the Credit Union, 25 members will constitute a quorum, but a lesser number may adjourn from time to time until a quorum is obtained.

- (b) If a general meeting is held at different times and, if applicable, different places, the quorum for such meeting will be a combined total of 25 members, but a lesser number may adjourn from time to time until a quorum is obtained.
 - (c) 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 10% of the aggregate amount paid up on such class of shares.
- 14.8. **Order of Business.** Business to be conducted at an annual general meeting shall be such business as may be required by the *Credit Union Incorporation Act* or these Rules, and such other business as may be determined by the Board.
- 14.9. **Ordinary Resolutions.** In order for an Ordinary Resolution or other matter which is proposed by a member of the Credit Union to be eligible for consideration at an annual general meeting, it must be submitted to the Credit Union in advance in accordance with the *Credit Union Incorporation Act*, provided, however, this Rule 14.9 does not apply to Ordinary Resolutions or other matters invited by the Board Chair at an annual general meeting.
- 14.10. **Permitted Attendees.** The only persons entitled to be present at a general meeting will be:
- (a) those entitled to vote;
 - (b) the Directors;
 - (c) the auditor of the Credit Union; and
 - (d) others who, although not entitled to vote, are entitled or required under any provision of the *Credit Union Incorporation Act*, the *Financial Institutions Act* or 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.
- 14.11. **Membership Declaration.** Each person desiring to cast a vote on any issue at a general meeting will, on request, present evidence of age, identity and membership and a declaration that the member has not previously voted on the issue then being considered.
- 14.12. **Board Chair.** The Board Chair will chair general meetings of the Credit Union. If the Board Chair is absent or is unable for any reason to act, the Vice-Chair or such other Director as may be designated by the Board will discharge the duties of the Board Chair.
- 14.13. **Decorum.** At a general meeting, the Board Chair may refuse entry to, or request removal of, any individual the Board Chair determines, in the Board Chair's sole discretion, is acting in an abusive, hostile, bullying, harassing or disruptive manner or has persistently failed to comply with directions or orders of the Board Chair. If the meeting is an Electronic Meeting, the Board Chair may, in the Board Chair's sole discretion, elect to mute such individual or request that the individual disconnect or be disconnected from the meeting.
- 14.14. **Method of Voting.** Subject to the *Credit Union Incorporation Act* and these Rules, voting at a general meeting of the Credit Union will be by show of hands, unless the Board Chair determines to permit voting by a written vote or electronic means and such means are made available.

15. **SPECIAL RESOLUTIONS**

- 15.1. **Special Resolution Required.** Subject to the *Credit Union Incorporation Act*, the Credit Union may alter its constitution or these Rules by Special Resolution from time to time.
- 15.2. **Method of Voting.** Subject to the *Credit Union Incorporation Act* and the Electronic Transactions Act, the Board shall determine the method of voting on a Special Resolution, which may include voting by:
- (a) mail ballot;
 - (b) ballot at a branch office;
 - (c) electronic means; or
 - (d) any combination of the above methods of voting.
- 15.3. **Returning Officer.** The Board may appoint a returning officer for a vote on a Special Resolution. The returning officer may, but need not be, a member of the Credit Union, but the returning officer will not be a Director. Where a returning officer is appointed, the returning officer will be appointed at least 60 days prior to the date on which voting on the resolution is to commence.
- 15.4. **Resources for Vote.** The Board and the returning officer, if any, may engage such other resource persons as the Board and the returning officer may agree are required to conduct the vote in a proper manner.
- 15.5. **Notice of Resolution.** At least 18 days before the last day of voting permitted under Rule 15.5(c), the Board will provide to each eligible member entitled to vote on a Special Resolution:
- (a) the wording of the proposed Special Resolution or, if the Special Resolution is lengthy, a summary description of the change or action proposed to be made by the Special Resolution accompanied by instructions for how to access the wording of the Special Resolution by electronic means (including, but not limited to, on the website of the Credit Union) and in any branch of the Credit Union;
 - (b) clear and precise instructions for voting;
 - (c) notice of the dates and times during which voting on the Special Resolution will take place;
 - (d) a ballot by electronic or non-electronic means; and
 - (e) if the Board has determined that voting may be conducted by mail ballot or by ballot at a branch office and ballots are provided solely by electronic means, advice of the right of each member to:
 - (i) if voting may be conducted by mail ballot, request in writing, by telephone or in person at a branch of the Credit Union, not less than 10 days prior to the close of voting, that a non-electronic ballot be provided to the member by mail, which ballot may then be cast by mail; or
 - (ii) if voting may be conducted by ballot at a branch office, request in person at a branch of the Credit Union, prior to the close of voting, that a non-electronic ballot be made available to the member, which ballot may then be cast at a branch of the Credit Union.

- 15.6. **Non-Electronic Ballots.** If the Board decides to provide ballots by non-electronic means with the notice of the Special Resolution or if a member requests a ballot under Rule 15.5(e), the Board will provide with the notice of Special Resolution or to the member, as the case may be:
- (a) a ballot, which includes a space to enable the member to indicate whether the member is in favour of or opposed to the Special Resolution;
 - (b) one or more envelopes, which may be included as part of the ballot and bearing the address of the Credit Union or the returning officer, which envelope(s) will allow for verification of the voting member, and provide for confidentiality of voting; and
 - (c) clear instructions for casting the ballot and return of the ballot, whether by mail or drop-off at a branch of the Credit Union , which will specify the day by which the ballot must be received by the Credit Union or the returning officer in order for the ballot to be considered returned and properly cast.
- 15.7. **Close of Voting.** No ballot will be counted for the vote on the Special Resolution unless:
- (a) if a mail ballot, the ballot is post-marked no later than the last day of voting as stated in the notice of resolution and the ballot is actually received by the Credit Union or the returning officer before the close of business of the Credit Union on the fifth business day following the last day of voting as stated in the notice of resolution;
 - (b) if a ballot dropped-off at a branch, the ballot is actually received by the Credit Union or the returning offer before the close of business of the Credit Union on the last day of voting as stated in the notice of resolution; and
 - (c) if a ballot cast by electronic means, the ballot is actually received by the Credit Union or the returning officer before 11:59 p.m. on the last day of voting as stated in the notice of resolution.
- 15.8. **Multiple Ballots.** If a member casts more than one ballot on a Special Resolution, all of the ballots cast by the member will be void and none of them will be counted in the tally of ballots; provided, however, if one of the ballots is an electronic ballot and the other ballot is a non-electronic ballot, the electronic ballot will be counted in the tally of ballots and the non-electronic ballot will not be counted.
- 15.9. **Voting and Counting of Ballots.** The returning officer or, if there is no returning officer, the Board, will supervise the vote and:
- (a) may require a member to provide proof of membership and a declaration that the member has not previously cast a ballot on the Special Resolution then being considered;
 - (b) will arrange for receipt of all ballots returned by any method or combination of methods as determined by the Board and, after the close of voting, will cause a tally to be made of all such ballots, in a manner that ensures the confidentiality of voting;
 - (c) will determine whether a ballot is to be accepted or rejected and such determination is final and not open to review; and
 - (d) will communicate the results of the vote on the Special Resolution to the Board Chair within seven days of the tally of the ballots.

- 15.10. **Results.** The Board will announce the results of the vote on a Special Resolution to the members within 60 days of the last day of voting as stated in the notice of resolution. Until such time, the Board will keep the results confidential.
- 15.11. **Filing with Superintendent.** The Credit Union will file with the Superintendent every Special Resolution passed by its members.
- 15.12. **Separate Resolutions.** The provisions of these Rules and of the *Credit Union Incorporation Act* relating to notice of and voting on Special Resolutions shall apply, with the necessary changes and so far as are applicable, to separate resolutions of the holders of any class of equity shares, other than the Class "A" Membership Equity Shares.

16. VOTING

- 16.1. **Voting Eligibility for Election or Special Resolution.** To be eligible to vote in an election or on a Special Resolution a person must:
- (a) have been a Member in Good Standing, other than a Junior Member, on the day which is 90 days prior to the commencement of voting; or
 - (b) have been a member, other than a Junior Member, of another credit union, of which all or substantially all of the assets have been purchased by the Credit Union, on the day which is 90 days prior to the commencement of voting.
- 16.2. **Voting Eligibility at General Meetings.** To be eligible to vote at a general meeting of the Credit Union, a person must:
- (a) have been a Member in Good Standing, other than a Junior Member, on the day which is 60 days prior to the date the general meeting is to be held; or
 - (b) have been a member, other than a Junior Member, of another credit union, of which all or substantially all of the assets have been purchased by the Credit Union, on the day which is 60 days prior to the date the general meeting is to be held.
- 16.3. **Number of Votes.** Subject to the *Credit Union Incorporation Act* and these Rules, no member has more than one vote on a resolution or in an election of Directors and no Auxiliary Member has more than one vote on a separate resolution.
- 16.4. **Voting by Non-Individual Members.** A member of the Credit Union who is not an individual or an unincorporated association may be represented and vote at meetings of the Credit Union by an individual who:
- (a) is not a member; and
 - (b) by written authorization deposited with the Credit Union, is authorized to vote at the meeting on behalf of the member.
- 16.5. **Voting by Unincorporated Associations.** A member of the Credit Union who is an unincorporated association may be represented and vote at meetings of the Credit Union by an individual who:
- (a) is a member of the Credit Union; and
 - (b) by written authorization deposited with the Credit Union, is authorized to vote at the meeting on behalf of the unincorporated association.

16.6. **No Proxy Voting.** Except as contemplated in Rules 16.4 and 16.5, no member or Auxiliary Member may vote by proxy.

17. **NOTICES**

17.1. **Notice of General Meeting and Special Resolutions.** Subject to the *Credit Union Incorporation Act* and these Rules, the Board will give at least 18 days' notice of each general meeting and each Special Resolution to each member of the Credit Union and to the Superintendent.

17.2. **Deemed Date of Delivery.** If a notice, statement or report is sent by post, service or delivery of it is deemed to be effected by properly addressing, prepaying and mailing the notice, and the service or delivery is deemed to have been effected five days, Saturdays, Sundays and holidays excepted, following the date of mailing.

17.3. **Accidental Omission.** Where a call for nominations or notice of an election, meeting or resolution of the Credit Union is received generally by members of the Credit Union, the accidental omission to give the call for nominations or notice to any member or the non-receipt thereof by any member will not invalidate the election, resolution passed or proceedings taken at the meeting.

17.4. **Members Occupying Same Home.** If a member consents in writing to the giving of notice of elections, general meetings and Special Resolutions to another member who occupies the same home as the member, notice to that other member is effective notice to the person consenting.

17.5. **Junior Members.** The Credit Union need not give notice of an election, a general meeting or a Special Resolution to a Junior Member.

17.6. **Electronic Communications.** Subject to the *Credit Union Incorporation Act*, the *Financial Institutions Act* and the Electronic Transactions Act, unless these Rules expressly provide otherwise:

(a) where those Rules require the use of documents that are "written", "in writing" and other similar words, the Board may in its discretion permit the use of documents in such electronic forms as the Board considers desirable in the circumstances, provided that such electronic documents are accessible in a manner useable for subsequent reference;

(b) where these Rules, the *Credit Union Incorporation Act* or the *Financial Institutions Act* require the provision or delivery of documents, the Board may in its discretion permit the provision or delivery of such documents in such electronic form and by such electronic means (including, without limitation, making such electronic documents accessible to the intended recipient by attaching such document to the member's regular statement) as the Board considers desirable in the circumstances, provided that such electronic documents are accessible by the recipient in a manner useable for subsequent reference and capable of being retained by the recipient in a manner useable for subsequent reference; and

(c) for the purposes of this Rule 17.6, "document" includes, without limitation, notices, instruments, resolutions, ballots and financial statements.

18. **SEAL**

18.1. **Seal Optional.** The Credit Union may have a corporate seal.

18.2. **Custody of Seal.** If the Credit Union has a corporate seal, the Board will provide for its safe custody at the registered office of the Credit Union or such other place as the Board determines it will be kept for safekeeping and will provide for its use.

Alternatives considered

Both credit unions explored several options for a path forward.

Status Quo

Within the past three years, Beem Credit Union has merged with several like-minded credit unions, while both credit unions have also been successful in pursuing organic growth and have been able to make an acceptable level of investment to support this growth path.

Maintaining a stand-alone approach would mean that the credit unions would remain concentrated in their respective market areas and would need to rely on collaboration with other meaningful partners to pursue effective economies of scale. While this option is the least disruptive to operations and employees, it was not seen as an ideal option in the long term for the following reasons:

- Limits the opportunity for growth and ability to service members throughout the province.
- Limits the ability to attract and retain employees who may wish to work in different areas of the province.
- Limits the ability to further expand lending and deposit portfolios.
- Limits the ability to grow fast enough to achieve the scale to meet increased regulatory demands and to invest enough in digital transformation to meet the ever-increasing demands of members and potential members.

Collaboration, Partnerships, and Joint Ventures

Collaboration, partnerships, and joint ventures have played an important role in the credit union system for much of its history. These collaborative efforts have had varying levels of success and may have served their purpose at the time. The reality is that collaboration is difficult. Credit unions vary in size and culture, have different priorities, have different levels of financial performance, and must be mindful of their local landscape and economy. Collaboration fails to address the need to consolidate infrastructures to achieve significant efficiencies that can be recognized in perpetuity. Gaining true efficiencies through collaboration is becoming increasingly challenging and, in many instances, cost prohibitive.

Federal Continuance

Federal continuance was considered to be the most complex and expensive option. While having access to a national market may present the greatest opportunity for long-term benefit, it also presents the biggest risk. Given the cost, complexity, and competitive environment on a national scale, this option is typically only feasible for very large credit unions and, although each of BlueShore Financial and Beem Credit Union are large credit unions, neither felt this was the most beneficial option for their respective members at this time.

Other Merger Partners

Consideration was given to other potential merger partners across the province, including exploratory conversations between BlueShore Financial and Coastal Community Credit Union. However, timing must be right for both parties. Further, BlueShore Financial feels this is an opportunity to align with a provincial credit union with values and a governance structure that would maintain the community focus and localness which is true to credit union roots. Ultimately, both credit unions feel that coming together through a proposed merger is the best option for their respective members in ensuring the credit unions' remain true to their common visions.

An asset transfer approach was chosen based upon legal and accounting advice. Members of BlueShore Financial will therefore become members of Beem Credit Union. However, members can expect to still visit "BlueShore Financial" branches for at least 18 months following the merger.

We're listening.

We'd love to hear any feedback or questions that you may have.

Website: TogetherOurBest.ca | Email: merger@blueshorefinancial.com

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