

SUMMARY OF PROPOSED RULES AMENDMENTS OF WILLIAMS LAKE AND DISTRICT CREDIT UNION

The following table summarizes the Rules amendment proposed by Williams Lake and District Credit Union (“**WLDCU**”).

	Current Rule	Proposed Rule Amendment	Summary/Rationale
1.	<p>4.35 <u>Number of Directors</u> – The number of directors of the credit union shall be nine (9), but if that number is reduced by death, resignation, disqualification or removal from office or by failure to elect or appoint a director pursuant to these Rules, the remaining directors, save as provided by any other provision in these Rules, shall have all of the power of the directors until the vacancy or vacancies caused thereby have been filled by appointment or election. At least one (1) but no more than two (2) of the directors of the credit union shall be residents of the Bella Coola Valley and district; at least one (1) but no more than two (2) of the directors of the credit union shall be residents of 100 Mile House and district; and at least five (5) but no more than seven (7) of the directors of the credit union shall be residents of Williams Lake and district.</p>	<p>4.35 Numbers of Directors – The number of directors of the credit union shall be nine (9), but if that number is reduced by death, resignation, disqualification or removal from office or by failure to elect or appoint a director pursuant to these Rules, the remaining directors, save as provided by any other provision in these Rules, shall have all of the power of the directors until the vacancy or vacancies caused thereby have been filled by appointment or election.</p>	<p>Wording regarding regional representation and requiring a director to reside within a specific geographic area has been removed in order to increase the number of potential individuals qualified to act as directors of WLDCU.</p> <p>According to BCFA’s Governance Guidance, a board of directors of a credit union should be comprised of directors who collectively make up a range of qualifications, knowledge, skills, experience, and level of commitment available to fulfill board responsibilities.</p> <p>The proposed amendment aims to ensure that the Board of Directors of WLDCU continues to have all the necessary skills and experience to ensure proper oversight of management.</p>
2.	<p>4.36 <u>Appointment to Fill Vacancy</u> – 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 qualified person to fill the vacancy. A member in good standing on the date of appointment, other</p>	<p>4.36 <u>Appointment to Fill Vacancy</u> – Subject to Rule 4.39, 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 qualified person to fill the vacancy. A member in good</p>	<p>Wording has been updated to clarify that the ability of the directors to fill a casual vacancy does not apply where the vacancy is the result of a director who was appointed as an additional director in the context of a merger. Rule 4.39 of the Rules deals with directors who are</p>

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	<p>than a person disqualified by Rule 4.5, shall be eligible for appointment as a director. Any person so appointed shall hold office until the close of the next annual general meeting.</p>	<p>standing on the date of appointment, other than a person disqualified by Rule 4.5, shall be eligible for appointment as a director. Any person appointed pursuant to this Rule 4.36 shall hold office until the close of the next annual general meeting or for the unexpired portion of the term which gave rise to the vacancy, as determined at the time of appointment by the remaining directors.</p>	<p>appointed as additional directors in the context of a business acquisition by asset transfer. Rule 4.39 provides that no vacancy is created if a director appointed under Rule 4.38 ceases to hold office.</p> <p>In addition, wording has been added to give the board of directors more flexibility in deciding the length of term to be served by a director appointed pursuant to Rule 4.36. The proposed Rule will enable the directors to fill the position either until the next AGM or for the remainder of the term of office that was created by the casual vacancy.</p>
3.	N/A	<p><u>7.13 Separate Resolutions</u> - The provisions of these Rules and of the 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 Shares.</p>	<p>The current Rules do not contemplate how a vote would be conducted on a separate resolution. The proposed Rule provides that the provisions that apply for special resolutions will also apply for separate resolutions.</p>