



Kootenay Savings Credit Union
220 - 1101 Dewdney Avenue
Trail, BC V1R 4T1

OFFICIAL NOTICE OF SPECIAL RESOLUTIONS

TO: ALL KOOTENAY SAVINGS CREDIT UNION MEMBERS

Every credit union has Rules and a Constitution approved by its members which outline how the organization will operate as a legal entity. While our Constitution and Rules are legal and regulatory requirements, they also help to ensure that the organization runs smoothly and effectively.

Kootenay Savings Credit Union recently undertook a full review of our Constitution and Rules, aiming to modernize them, enhance their alignment with our commitment to robust governance and ensure fair representation for all Kootenay Savings Credit Union members. **Your Board of Directors wholeheartedly supports the proposed new Constitution and Rules and recommends that members vote in favour of the Special Resolutions.**

SPECIAL RESOLUTION #1: 2024 CONSTITUTION

BE IT RESOLVED, as a special resolution, that the Constitution of Kootenay Savings Credit Union be altered by deleting such Constitution in its entirety and replacing it with the Constitution set out in Schedule "A".

SCHEDULE "A": CONSTITUTION

1. The Kootenay Savings Credit Union (hereinafter referred to as the "Credit Union") is formed under the Credit Unions Act, 1961, for the purpose of raising a fund by the subscriptions of the members and by such other means as the Act provides, and of making loans thereout to the members and by such other means as the Act provides, and of making loans thereout to the members in accordance with the provisions of the Act.
2. The capital of the Credit Union consists of an unlimited number of shares, of the denomination of one dollar each.
3. The liability of a member of the Credit Union is limited to the amount unpaid on the shares held by that member.
4. The registered office of the Credit Union will be the Corporate Solicitor's Office, as filed with the Registrar.

SUMMARY OF PROPOSED NEW & PROPOSED CONSTITUTION

1. No change.
2. The denomination of shares was corrected to align with the Kootenay Savings Credit Union Rules.
3. Language updated for gender neutrality.
4. The Registered office was updated, as filed with the Registrar.



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SPECIAL RESOLUTION #2: 2024 CREDIT UNION RULES

BE IT RESOLVED, as a special resolution, that the Rules of Kootenay Savings Credit Union be altered by deleting such Rules in their entirety and replacing them with the Rules set out in Schedule “B”.

The full Rules – Schedule “B” - are available at kscu.com/vote, or members can request a copy in branch, through email at corporatesecretary@kscu.com, or by calling our Member Service Centre at 1.800.665.5728.

SUMMARY OF PROPOSED NEW RULES

Global changes to Rules:

- All reference to “Representative Regions” has been removed;
- All reference to “shall” has been replaced with “will”;
- General housekeeping changes to grammar, punctuation, and wording to provide clarity;
- Modernization of language, including reference to gender neutrality, and reference to electronic/online channels;
- With the addition and removal of some Rules renumbering of the original Rules, both individually and subsections within the Rules, has occurred.

Rule 1 – Purpose

Language was updated to more closely align with the Credit Union’s Diversity Equity and Inclusion (DEI) Governance policy.

Rule 2 – Interpretation

Two definitions were added. One for “Ordinary Resolution” and the other for “Special Resolution”.

Rule 3 – Membership

Reference to an annual membership fee has been removed, as it no longer exists.

Rule 4 – Classes of Shares

Rule 4.5 currently describes “Old Shares” which have been paid out and no longer exist. A new rule regarding D Shares to be known as ‘Investment Shares’ (new Rule 4.5), was added for future potential use. Changes were also made to update definitions, rights, restrictions, and transferability of shares.

Rule 5 – Membership Shares

Class “A” was added to the description for clarity.

Rule 6 – Additional Participation Shares

Class “D” Shares were added as Additional Participation Shares and refund options were updated.



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Rule 7 – Old Shares

Reference to “Old Shares” was removed in its entirety. Old Shares have been paid out and no longer exist.

Due to the removal of Rule 7 ‘Old Shares’, renumbering of the following Rules has occurred.

Rule 7 – Patronage Shares *(previously Rule 8)*

As no patronage is paid to Auxiliary Members, reference to Auxiliary Members was removed and Ordinary Members, who are eligible for patronage, were added.

Rule 8 – Directors *(previously Rule 9)*

This Rule was renamed “Directors”, to replace “Representative Regions and Directors”, due to the removal of all reference to Representative Regions. Removal of current geographic limitations provides for all Directors to represent all Members and provides for Kootenay Savings to have the broadest possible selection of candidates within British Columbia. The number of required Board meetings was reduced but remains two times that of the standard requirement of quarterly meetings.

Rule 9 – Eligibility to Become a Director *(previously Rule 10)*

A new rule, Rule 9.1.1 (d) has been introduced to be consistent with proposed new Rule 10.3, regarding Board Tenure.

Rule 10 – Election of Directors *(previously Rule 11)*

A new rule, Rule 10.3, has been introduced regarding a maximum tenure for Directors, to ensure healthy Board experience and skill set rejuvenation.

Rule 11 – Chairperson of the Board *(previously Rule 12)*

Language was updated for flexibility and to align with current practice, including the removal of reference to “First” and “Second” Vice Chairs.

Rule 12 – Management *(previously Rule 13)*

No change to Rule.

Rule 13 – Borrowing and Lending *(previously Rule 14)*

No change to Rule.

Rule 14 – General Meetings *(previously Rule 15)*

Language updated to reflect current practice.

Rule 15 – Voting by Members *(previously Rule 16)*

A provision for electronic voting was added.

Rule 16 – Miscellaneous *(previously Rule 17)*

No change to Rule.