

## STABILIZATION CENTRAL CREDIT UNION OF BRITISH COLUMBIA

### RULES

#### ARTICLE 1 - DEFINITIONS

1. In these Rules, unless there is something in the subject or context inconsistent therewith:

“Alternate Delegate” means a person appointed as an alternate delegate by a Class A Member and entitled to exercise all the powers of a Delegate where the Delegate is not present at a meeting;

“BCFSA” means the BC Financial Services Authority established under Part 2 of the Financial Services Authority Act;

“Chairperson” means the chairperson of the Directors;

“Class A Member” means a credit union incorporated, amalgamated or continued into British Columbia under the Credit Union Incorporation Act, the Credit Union Act or a former Credit Unions Act which has been accepted by the Directors for membership in Stabilization Central;

“Class A Shares” means those shares having the rights and restrictions set forth in these Rules and which may be held by Class A Members only;

“Class B Shares” means those shares having the rights and restrictions set forth in these Rules and which may be held only by Class A Members that are participants in the Master Bond Program;

“Credit Union Act” means the Credit Union Act of British Columbia repealed by the Financial Institutions Act and all amendments thereto and includes the regulations made pursuant thereto;

“Credit Union Incorporation Act” means the Credit Union Incorporation Act of British Columbia from time to time in force and all amendments thereto and includes the regulations made pursuant thereto;

“Delegate” means a person appointed as a delegate by a Class A Member and entitled to exercise the powers provided to ~~be exercised by~~ Delegates in these Rules;

“Director” means a director of Stabilization Central for the time being;

“Directors”, unless the context otherwise requires, means the Board of Directors of Stabilization Central;

“Electronic Transactions Act” means the Electronic Transactions Act of British Columbia from time to time in force and all amendments thereto and includes the regulations made pursuant thereto;

“Financial Institutions Act” means the Financial Institutions Act of British Columbia from time to time in force and all amendments thereto and includes the regulations made pursuant thereto;

“Financial Services Authority Act” means the Financial Services Authority Act of British Columbia from time to time in force and all amendments thereto and includes the regulations made pursuant thereto;

“Interpretation Act” means the Interpretation Act of British Columbia from time to time in force and all amendments thereto and includes the regulations made pursuant thereto;

“Master Bond Program” means the insurance program providing insurance against fidelity risks for credit unions and others which is operated and administered by Stabilization Central;

“President and Chief Executive Officer” means the person appointed by the Directors as the President and Chief Executive Officer of Stabilization Central;

“Region” has the meaning ascribed to such term in Rule 1(a) of Article 16 of these Rules;

“Secretary” means the person appointed by the Directors as the Secretary of Stabilization Central;

“Shares” means all classes of shares of Stabilization Central;

“Stabilization Central” means Stabilization Central Credit Union of British Columbia;

“Superintendent” means the Superintendent of Financial Institutions appointed under the Financial Institutions Act; and

“Vice-Chairperson” means the vice-chairperson of the Directors.

2. Words importing the singular include the plural and vice versa; and words importing individuals include corporations and vice versa where the context so requires.
3. The meaning of any words or phrases defined in the Credit Union Incorporation Act, the Financial Institutions Act, the Electronic Transactions Act or the Interpretation Act shall, if not inconsistent with the subject or context, bear the same meaning in these Rules.
4. The rules of construction contained in the Interpretation Act shall apply, with the necessary changes, to the interpretation of these Rules.

## **ARTICLE 2 - MEMBERSHIP**

1. Membership shall be limited to credit unions which qualify as Class A Members.
2. Every application for membership shall be in the form prescribed by the Directors.
3. The Directors shall consider every application for membership and shall accept or reject each application.
4. Each Class A Member shall furnish the following information to Stabilization Central in the manner and within the time as may be reasonably required by the Directors:
  - (a) a copy of its annual report to its members, including its audited financial statements;
  - (b) such financial and statistical information as the Directors of Stabilization Central shall direct; and
  - (c) such other information and documentation as the Directors of Stabilization Central shall direct.
5. Any Class A Member of Stabilization Central which does not subscribe and fully pay for Class A Shares allotted to it or does not pay its assessments without having been excused shall be deemed not to be in good standing.
6. A Class A Member not in good standing is not entitled:

- (a) to a vote in respect of any matter, including the election of a Director; or
- (b) to nominate any person for election as a Director.

### ARTICLE 3 - SHARES

1.
  - (a) The number of Class A Shares that may be held by Class A Members is unlimited;
  - (b) The number of Class B Shares that may be held by Class A Members shall not exceed that determined by the Directors pursuant to these Rules; and
  - (c) Shares shall be issued at, and shall have a par value of, \$1 each. Stabilization Central shall be entitled to redeem its Class A Shares and Class B Shares as set out in these Rules.
2.
  - (a) Each Class A Member is deemed to have subscribed for and, subject to Rule 2(b) and Rule 5 of this Article, is required to fully pay for and hold that number of Class A Shares as determined from time to time by the Directors;
  - (b) Each Class A Member shall upon notice of allotment to it of Class A Shares deemed to have been subscribed for by the Class A Member pay the purchase price of the Class A Shares, being \$1 for each Class A Share so allotted, forthwith to Stabilization Central;
  - (c) The Directors shall determine the number of Class B Shares to be held by each Class A Member which determination shall be based on the proportionate participation of each Class A Member in the Master Bond Program on the date fixed by the Directors and each Class A Member is deemed to have subscribed for and, subject to Rule 2(d) and Rule 5 of this Article, is required to fully pay for and hold the number of Class B Shares as so determined from time to time by the Directors; and
  - (d) Each Class A Member shall upon notice of allotment to it of Class B Shares deemed to have been subscribed for by the Class A Member pay the purchase price of the Class B Shares, being \$1 for each Class B Share so allotted, forthwith to Stabilization Central.
3.
  - (a) Notwithstanding any other provisions of these Rules, Stabilization Central may in its sole discretion but is not required under any circumstances to redeem, purchase or otherwise acquire any Shares of any class in excess of ten (10%) percent of the issued and outstanding Shares of that class during any one year period, unless required to do so by or under an enactment or a court order;
  - (b) Stabilization Central may redeem or repurchase its Shares as the Directors in their absolute discretion may determine, provided the total number of Class A Members is not reduced to less than ten as a result; and
  - (c) Except upon withdrawal or termination of membership or the exercise of a lien by Stabilization Central pursuant to these Rules, no redemption or repurchase of Shares shall be permitted which would reduce the total number of Shares held by any Class A Member below the number of Shares required to be held by the Class A Member pursuant to these Rules.
4. Fully paid Shares held in excess of the minimum required by these Rules may, with the consent of the Directors, be transferred by a Class A Member to another Class A Member at their par value of \$1 per share.

5. The Directors may differentiate between Class A Members in the amount of Shares to be allotted. Without limiting the generality of the foregoing, the Directors may allot and issue Shares to Class A Members other than in proportion to the existing shareholdings of such members.
6. Stabilization Central:
  - (a) may, but shall not be obliged to, issue a certificate for Class A Shares held by a Class A Member;
  - (b) may, but shall not be obliged to, issue to each Class A Member holding Class B Shares a certificate for Class B Shares held by that Class A Member and shall endorse on the certificate a statement that the Shares are subject to certain rights and restrictions; and
  - (c) shall upon request of a Class A Member deliver to it a statement in writing setting forth the number of Shares held by that Class A Member and stating the amount paid up thereon.
7. Stabilization Central has a lien on the amount invested in Shares by a Class A Member, together with dividends thereon, for any indebtedness due or accruing due to Stabilization Central by that Class A Member, or for any obligation in respect of the indebtedness, and the Shares may not be redeemed or withdrawn unless Stabilization Central consents.
8. Stabilization Central may apply any amount invested in Shares and dividends thereon on which it has a lien or charge to any indebtedness of the Class A Member or to any obligation in respect of the indebtedness, upon notice to the Class A Member.
9. In the event of the liquidation, dissolution or winding-up of Stabilization Central:
  - (a) firstly, Class A Members shall be entitled to payment of the amount paid on account of Shares held by each Class A Member together with all dividends declared and unpaid on those Shares; and
  - (b) secondly, any surplus, profits or assets of Stabilization Central remaining after the payments referred to in Rule 9(a) of this Article have been made, shall be distributed rateably and proportionately among the Class A Members according to the number of Class A Shares held.
10. A statutory declaration in writing that the declarant is a Director of Stabilization Central and that a Share in Stabilization Central has been forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons and corporations claiming to be entitled to the Share, and that declaration and the receipt of Stabilization Central for the consideration, if any, given for the Share on the sale or disposition thereof shall constitute a good title to the Share.
11. Any amount remaining unpaid on account of the purchase price of Shares shall bear interest from the due date for payment at a rate of interest specified by the Directors.
12. If a Class A Member amalgamates with another credit union, the amalgamated credit union shall be deemed to have applied for and to have been admitted to membership in Stabilization Central on the issue of the certificate of amalgamation, ~~the assets of all the amalgamating credit unions shall be aggregated~~ and, subject to Rule 2 of this Article 3, the amalgamated credit union shall be deemed to have subscribed for and is required to fully pay for and hold the number of Class A Shares and Class B Shares that is equal to the greater of: (a) the aggregate of the

numbers of Class A Shares and Class B Shares, respectively, held by each of the amalgamating credit unions prior to the amalgamation; and (b#) the number of Shares of each such Class-class the amalgamated credit union would otherwise be required to subscribe for pursuant to these Rules.;

13. If a Class A Member purchases all of the assets of one or more credit unions, then, on the issue of the certificate of business acquisition(s) and the assets of all of the credit unions shall be aggregated and, subject to Rule 2 of this Article 3, the acquiring credit union shall be deemed to have subscribed for and is required to fully pay for and hold, the number of Class A Shares and Class B Shares that is equal to the greater of: (a#) the aggregate of the numbers of Class A Shares and Class B Shares, respectively, held by the acquiring credit union and each of the credit unions being purchased prior to the purchase; and (b#) the number of Shares of each such Class-class the acquiring credit union would otherwise be required to subscribe for on completion of the purchase pursuant to these Rules.

~~14. If a Class A Member purchases a part only of the assets of another credit union, the assets purchased and the assets of the acquiring credit union shall be aggregated and, subject to Rule 2 of this Article 3, the acquiring credit union shall be deemed to have subscribed for and is required to fully pay for and hold the number of Class A Shares and Class B Shares that is equal to the greater of: (i) the aggregate of the numbers of Class A Shares and Class B Shares, respectively, held by the acquiring credit union and the credit union being purchased (pro-rated in the case of the latter on the basis of assets purchased), and (ii) the number of Shares of each such Class the acquiring credit union would otherwise be required to subscribe for on completion of the purchase pursuant to these Rules.~~

#### ARTICLE 4 - ASSESSMENTS

1. (a) Stabilization Central may levy assessments upon Class A Members;
- (b) The Directors shall determine for the period specified by resolution the assessment or assessments to be levied upon each Class A Member;
- (c) Stabilization Central shall notify Class A Members in writing of the amount of assessments payable for the period specified in the resolution pursuant to Rule 1(b) and the assessments shall be due and payable to Stabilization Central within sixty (60) days of the date of the notice or at any later date or dates and in the amount or amounts as the notice may specify, provided always that the Directors may, upon written application from a Class A Member which is subject to payment of assessments pursuant to this Article, permit the Class A Member to pay its assessments on any basis, as the Directors in their discretion may deem fit;
- (d) Any amount of assessments received by Stabilization Central in any fiscal year and not required for the purposes, if any, set out in the resolution referred to in Rule 1(b) shall be treated as part of the capital account of Stabilization Central;
- (e) Assessments shall be based upon the assets of each Class A Member; and
- (f) Notwithstanding any other provision in Rule 1 of this Article, Stabilization Central may in the discretion of the Directors waive an assessment on a Class A Member which is a central credit union.

2. Any amount of assessments remaining unpaid by a Class A Member after the expiration of sixty (60) days from the date of notice or such later date as the notice may specify for payment shall bear interest at a rate of interest specified by the Directors.
3. Stabilization Central may charge such fees for services provided by it as principal or agent as the Directors may from time to time determine.

#### **ARTICLE 5 - LOANS**

1. Every application for a loan shall be in a form prescribed by the Directors and be accompanied by the most recent financial statement of the applicant.
2. All applications for loans which are granted shall be kept on file by Stabilization Central for a period of at least one year after the loan or any extension of refinancing thereof has been repaid and thereafter Stabilization Central shall have no further obligation to the Class A Member or any other obligant to retain the application or any material pertaining thereto.
3. The Directors shall determine the terms and conditions of loans as to interest and other charges, term, repayment and any security.

#### **ARTICLE 6 - BORROWING POWER AND FINANCIAL POWERS**

1. The Directors shall have all the powers of Stabilization Central to raise and borrow money in such manner and upon such security, if any, as the Directors think fit, ~~subject to confirmation by Class A Members of Stabilization Central only if confirmation is required by statute.~~
2. The Directors shall have all the powers of Stabilization Central to mortgage, pledge and charge all or any of the property, undertaking and assets of Stabilization Central, present and future, to secure the payment or repayment of any obligation or obligations of, or undertaken by, Stabilization Central.
- ~~3. The Directors shall have the power on behalf of Stabilization Central to authorize the issue of a debenture or debentures from time to time with or without security and to enter into, execute and deliver every manner of obligation, document or security within the power of Stabilization Central to undertake, issue or grant.~~
- ~~4.3. All payments, other than for petty cash items, shall be by cheque or bill of exchange or by a form of voucher or transfer approved by the Directors.~~

#### **ARTICLE 7 - ACCOUNTS, RESERVES AND DISTRIBUTION OF SURPLUS**

1. (a) The Directors may establish such accounts as they shall see fit, including:
  - (i) an operating account, out of which the operational expenses of Stabilization Central shall be covered; and
  - (ii) a capital account, out of which financial assistance may be granted, in any manner the Directors see fit, whether directly from the account or as a charge against that account, on conditions that the Directors may establish;
- (b) The Directors may set up reserves as they may deem necessary or advisable;

- (c) Financial assistance payments may be made, directly or indirectly, to any or all of the following in the discretion of the Directors:
  - (i) a Class A Member;
  - (ii) one or more persons on behalf of, or for the benefit of, or in the interests of a Class A Member or the credit union system as a whole; or
  - (iii) the BCFSA or the Credit Union Deposit Insurance Corporation of British Columbia.
- 2. The Directors shall fix the rate or rates, if any, of dividends or interest, or both, to be paid on a Share out of net earnings or out of monies available for that purpose and may authorize the payment and distribution of the dividend or interest, or both, on the Share in such manner as they shall see fit.
- 3. The Directors may fix and authorize the payment and distribution of an interim dividend or interest on a Share or an advance on account of dividend or interest on a Share paid up to a date specified in the resolution provided that the payment of an interim dividend or an advance on account of dividend or interest on a Share appears to the Directors to be justified by the net earnings of Stabilization Central or other monies available for that purpose, after provision as in the opinion of the Directors is due and proper has been made for statutory and other reserves.
- 4. If, at the end of any fiscal year, it is determined that, after the establishment of reserves, net earnings are not sufficient to cover an interim dividend or interest on a Class A Share or an advance on account of dividend or interest on a Class A Share already paid, each Class A Member shall repay to Stabilization Central all or part of the interim dividend or interest on a Class A Share or an advance on account of dividend or interest on a Class A Share paid to that Class A Member as the Directors in a notice sent to the Class A Member specify as being required to ensure that dividends or interest on Class A Shares are paid only out of net earnings or out of monies available for that purpose and the amount due from the Class A Member to Stabilization Central may be set off against Class A Shares and any indebtedness of Stabilization Central standing to the credit of the Class A Member with Stabilization Central.
- 5. Dividends in respect of Class B Shares shall not exceed the amount which in the opinion of the Directors represents the surplus in excess of needs of the Master Bond Program.

#### **ARTICLE 8 - AUDITOR AND FISCAL YEAR**

- 1. The Class A Members shall appoint an auditor at each annual general meeting.
- 2. The auditor shall from time to time submit reports and give information to the Directors as may be requested by the Directors.
- 3. The fiscal year of Stabilization Central shall end on ~~the thirty-first day of~~ December 31 of each year.

#### **ARTICLE 9 - MEETINGS**

- 1. (a) In each fiscal year, there shall be an annual general meeting of Stabilization Central to be held not more than one hundred thirty-five (135) days after the fiscal year end of Stabilization Central or such longer period as may be permitted by law; and

- (b) The day, hour and, if applicable, place of the annual general meeting shall be determined by the Directors of Stabilization Central.
- 2.
- (a) In addition to the annual general meeting of Stabilization Central required to be held in accordance with Rule 1, additional general meetings may be held at such times as shall be determined by the Directors of Stabilization Central; ~~and~~
  - (b) Stabilization Central may hold a general meeting by holding two or more meetings at different times and, if applicable, different places, which meetings together shall constitute a single meeting, if convened and held in accordance with the provisions of the Credit Union Incorporation Act-~~i~~
  - (c) Stabilization Central may hold a general meeting in person, by a partially electronic meeting or by a fully electronic meeting, as determined by the Directors of Stabilization Central, if convened and held in accordance with the provisions of the Credit Union Incorporation Act-~~i~~; and
  - (d) 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.
3. The Directors may, whenever they think fit, and shall, upon a written requisition of not less than five (5%) per-cent of Class A Members, call a general meeting and the notice shall specify the day, hour and, if applicable, place of the meeting and the general nature of the business to be considered and dealt with thereat.
- 4.
- (a) Subject to Rule 4(b), at any general meeting, Delegates representing one-tenth of the Class A Members shall constitute a quorum; and
  - (b) If a quorum is not present within one hour of the time set for the commencement of the meeting, the meeting shall stand adjourned to a time and, if applicable, place determined by the Chairperson without further notice being required to be given and at that adjourned meeting, the Delegates present representing Class A Members, notwithstanding that they represent less than one-tenth of Class A Members, shall constitute a quorum.
5. Except as provided by the Credit Union Incorporation Act, these Rules and any special rules adopted during any meeting, the conduct of all meetings of Stabilization Central and of Directors of Stabilization Central shall be governed by the current edition of "Robert's Rules of Order, Newly Revised".
6. A notice of every general meeting shall be given by Stabilization Central to every Class A Member entitled to be present thereat and the provisions of the Credit Union Incorporation Act for giving and receipt of notices of a general meeting shall apply.
- ~~6-7.~~ In order for an ordinary resolution or other matter which is proposed by a member of Stabilization Central to be eligible for consideration at an annual general meeting, it must be submitted to Stabilization Central in advance in accordance with the Credit Union Incorporation Act; provided, however, this Rule 7 does not apply to ordinary resolutions or other matters invited by the Chairperson at an annual general meeting.

## ARTICLE 10 - VOTING



1. Subject to Rule 2 of this Article 10, voting at a general meeting of Stabilization Central shall be conducted as follows:
  - (a) Unless a roll call or ballot vote is requested by a Delegate or ordered by the Chairperson prior to the taking of a vote, every vote cast in person shall be by show of hands and every vote cast at an electronic meeting by those members participating by telephone or other communications medium shall be by such electronic means as are made available by the Directors;
  - (b) If a roll call or a ballot vote is requested by a Delegate or ordered by the Chairperson, unless these Rules otherwise provide, the Chairperson shall conduct such a vote and determine the form of the voting;
  - (c) Each Delegate shall be entitled to one vote only on any matter on which the Class A Member represented by the Delegate is entitled to vote;
  - (d) A roll call or ballot vote may be taken and tabulated by any electronic voting device or other method approved by the Chairperson; and
  - (e) After a vote at a meeting is taken, a declaration of the Chairperson that a motion or resolution has been carried by the requisite majority shall be conclusive evidence of the fact without proof of the number or proportion of votes cast in favour of or against the motion or resolution unless a recorded vote was demanded prior to the voting taking place, in which case the number or proportion of votes cast in favour of or against the motion or resolution shall be announced by the Chairperson.
2.
  - (a) The Directors may determine from time to time that a resolution, including, but not limited to, a special resolution, will be considered exclusively by mail ballot or by electronic means, or a combination thereof;
  - (b) The Directors may determine that a resolution to be submitted to a vote at a meeting may also be voted upon by mail ballot or by electronic means, as an alternative to voting at such meeting; and
  - (c) Each Class A Member shall be entitled to one vote only on any resolution that is considered by mail ballot or by electronic means, or a combination thereof.
3.
  - (a) Elections of Directors will occur by voting by mail ballot or by electronic means, or a combination thereof, as may be determined by the Directors from time to time; and
  - (b) Each Class A Member eligible to vote in an election of Directors shall be entitled to cast one vote in the election.
4. The Directors may determine the method and manner of voting under Rules 2 or 3 of this Article, including the applicable deadline for the deposit of votes by mail ballot or by electronic means, and the basis upon which such votes may be cast.
5. A notice of every special resolution shall be given by Stabilization Central to every Class A Member and the provisions of the Credit Union Incorporation Act for giving and receipt of notices of special resolutions shall apply.

## **ARTICLE 11 - DELEGATES**

1. Every Class A Member is entitled to be represented at any general meeting of Stabilization Central by one Delegate.
2.
  - (a) A Delegate shall be a person appointed by an instrument executed by or on behalf of the Class A Member and delivered to Stabilization Central, effective upon receipt by Stabilization Central appointing that person to represent the Class A Member at a meeting or meetings and any adjournment of the meeting or meetings;
  - (b) The instrument appointing a Delegate referred to in Rule 2(a) may also appoint an Alternate Delegate to represent the Class A Member and, in the absence of the Delegate of the Class A Member, the Alternate Delegate shall be the Delegate and, subject to these Rules, exercise all the powers of a Delegate;
  - (c) No Alternate Delegate shall exercise any rights of the Class A Member by whom the Alternate Delegate is appointed in any proceeding at any meeting to which the instrument by which the Alternate Delegate is appointed relates on any occasion during the meeting or any adjournment thereof, when the Delegate is in attendance at the meeting, whether or not the Delegate is willing to participate in the meeting or to exercise any rights of the Class A Member thereat;
  - (d) A Delegate or, as permitted under this Rule, an Alternate Delegate must, unless the Class A Member represented by the Delegate or Alternate Delegate has only corporate members, be a member of the Class A Member represented;
  - (e) No Delegate, or authorized Alternate Delegate, shall represent or exercise the voting rights or any rights of more than one Class A Member at any meeting or meetings or any adjournment of the meeting or meetings specified in the instrument appointing the Delegate and Alternate Delegate, to represent the Class A Member named in the instrument thereat;
  - (f) The appointment of a Delegate or an Alternate Delegate to represent a Class A Member shall be effective until terminated in accordance with subparagraph (g) of this Rule; and
  - (g) An appointment of a Delegate or an Alternate Delegate may be altered or terminated by an instrument in writing executed by or on behalf of the Class A Member and delivered to Stabilization Central, effective upon receipt of the instrument by Stabilization Central.

## ARTICLE 12 - ELECTIONS

1. Subject to Rule 19 of this Article, there shall be up to nine Directors, but if that number is reduced by death, resignation, disqualification or removal from office or by failure of a Director being elected or appointed pursuant to these Rules, the remaining Directors, save as otherwise provided in these Rules, shall have all the powers of the Directors until the vacancy or vacancies caused thereby have been filled by appointment or election.
2.
  - (a) A Director elected by reason of expiration of the term of any Director shall hold office for a term expiring at the close of the third annual general meeting after the Director has taken office, three years unless a shorter term is designated or determined at the time of election;
  - (b) A Director appointed pursuant to Rule 4(a) of this Article shall hold office for a term expiring at the close of the third annual general meeting after the Director has taken

~~office, three years~~ unless a shorter term is designated or determined at the time of appointment or a successor in office is appointed; and

- (c) Save as provided by these Rules, a Director shall hold office for the term of office designated or determined pursuant to these Rules or until a successor in office is elected or appointed.

3. Every Director,

- (a) appointed under Rule 4(a) of this Article shall take office immediately following the appointment of that person or on such other date as may be determined by the Directors; and
- (b) elected under Rule 4(b) of this Article shall take office at the ~~conclusion~~ close of the next annual general meeting following the election of that person 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, ~~he or she~~ that person shall be deemed to have taken office at the close of the annual general meeting.

4. There shall be:

- (a) up to three Directors appointed by the Directors in accordance with Rule 5(a) of this Article; and
- (b) six Directors elected by the Class A Members on a regional basis, with one Director being elected by the Class A Members for each of the Regions established pursuant to Article 16 hereof.

5. (a) To the extent reasonably practicable, the Class A Members will coordinate the nomination and election of Directors to ensure that the Board of Directors of Stabilization Central is comprised of persons with required and desirable skills, experience and personal attributes that are aligned to Stabilization Central's strategic plan and to its needs for risk oversight. If the nomination and election of Directors is not successful in achieving a composition of the Board of Directors with all the necessary breadth and depth of skills, experience and personal attributes that the current Directors determine to be necessary or desirable or if the Directors otherwise determine it to be appropriate, the Directors may appoint a person or persons as Director(s) pursuant to Rule 4(a). The term of office of any such appointed Directors need not be the same;

- (b) A Director to be elected pursuant to Rule 4(b) shall be elected by the Class A Members that belong to the Region for which the Director is to be elected; and

- (c) ~~The Delegate of~~ Central 1 Credit Union shall not cast a ballot or vote on the election of a Director pursuant to Rule 4(b) of this Article.

6. (a) A person is not eligible to be or continue to be a Director unless the person is a member of a Class A Member; and

- (b) A person is not eligible to be elected as a Director under Rule 4(b) unless the person is, at the time of election, a director or officer of a Class A Member that belongs to the Region for which an election is to be held.

7. Each year, Directors shall be elected or appointed to replace those whose term of office is expiring and a Director whose term of office is expiring is eligible for re-election or reappointment.
8. At least one hundred twenty (120) days before an annual general meeting, the Chairperson shall appoint a Nominations & Elections Committee of not less than three Directors; provided, however, that no Director whose term of office is expiring at the annual general meeting next following the appointment of the committee may serve as a member of the committee. The Nominations & Elections Committee will be responsible for:
  - (a) determining desired ~~skill~~skills, experience and personal attributes of candidates for election as a Director, taking into account the background of existing Directors and the specific ongoing needs of Stabilization Central;
  - (b) examining the overall composition of the Board of Directors of Stabilization Central and determining, with a view to renewal, succession and continuity of the Board of Directors, the strategy and oversight needs of Stabilization Central;
  - (c) identifying, recruiting and, if considered appropriate by the Nominations & Elections Committee, recommending to the Class A Members of the Region for which an election is to be held, a candidate for election as a Director who meets the criteria established pursuant to Rules 8(a) and (b); and
  - (d) providing general oversight of the conduct of the election of Directors.
9. At least ninety (90) days before an annual general meeting, if an election is to take place for a Region, the Nominations & Elections Committee shall:
  - (a) notify all Class A Members of that Region that an election is to take place, specifying the term of office which is to be filled and describing any desired or mandatory criteria for candidates for election established pursuant to Rules 8(a) and (b) of this Article; and
  - (b) invite from such Class A Members the submission to it, in writing, for consideration the names of proposed candidates, prior to the date on which nominations shall close which shall be specified in the notice, and which date shall be not less than thirty (30) days from the date of the notice.
10.
  - (a) Every nomination shall be in writing, signed on behalf of two nominators, in a form prescribed by Stabilization Central, including:
    - (i) the name and place of ordinary residence of the nominee;
    - (ii) the Class A Member(s) of which the nominee is a member;
    - (iii) the Class A Member of which the nominee is a director or officer; and
    - (iv) the names and principal place of business of the Class A Members who are the nominators;
  - (b) A Director to be elected pursuant to Rule 4(b) shall be nominated by two Class A Members that belong to the Region for which an election is to be held;
  - (c) A Director to be elected pursuant to Rule 4(b) may or may not be a Delegate or Alternate Delegate of a Class A Member;

- (d) Before the name of a person is placed in nomination as a candidate for election as a Director, that person shall deliver to the Nominations & Elections Committee a declaration, in writing, stating that the nominee is willing:
    - (i) to stand for election, and if elected, to serve as a Director;
    - (ii) to observe the provisions of the Credit Union Incorporation Act and the Financial Institutions Act, as applicable;
    - (iii) to comply with the Directors' conflict of interest guidelines and code of ethics adopted by the Directors from time to time; and
    - (iv) to observe these Rules and procedures relating to the election and the conduct thereof;
  - (e) The Nominations & Elections Committee shall examine each nomination received prior to the close of nominations and determine whether the nomination complies with the Credit Union Incorporation Act, the Financial Institutions Act, these Rules and any mandatory criteria established by the Nominations & Elections Committee pursuant to Rules 8(a) and (b) of this Article, and shall accept each nomination of a person qualified to be a candidate whose nomination is in order and reject each nomination which is not in order or that does not comply with the Credit Union Incorporation Act, the Financial Institutions Act, these Rules and any mandatory criteria established by the Nominations & Elections Committee pursuant to Rules 8(a) and (b) of this Article, and notify each nominee accordingly; and
  - (f) The Nominations & Elections Committee shall place in nomination, the names of all nominees whose nomination has been accepted by the Nominations & Elections Committee under Rule 10(e).
11. (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 Directors ~~will~~ may, in accordance with Rule 16 of this Article, appoint a qualified person or persons to the position(s) and advise the Class A Members at the next annual general meeting of such appointment(s); and
- (c) If the number of qualified persons nominated for the election exceeds the number of offices to be filled, the election process described below will apply.
12. At least thirty (30) days before an annual general meeting, if an election is to take place for a Region, the Nominations & Elections Committee shall provide to all Class A Members entitled to vote a notice setting forth:
- (a) a list of each of the candidates for election;
  - (b) such information regarding the candidates as may be determined by the Nominations & Elections Committee in its sole discretion and instructions on how additional information regarding the candidates for election may be obtained;
  - (c) if the Nominations & Elections Committee chooses to ~~endorse-recommend~~ a candidate or candidates, an indication of which candidate or candidates the Nominations & Elections Committee ~~endorses/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, if any, under which Class A 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 Nominations & Elections Committee; and
- (h) if the election is to be conducted using a mail-in ballot:
  - (i) a ballot envelope;
  - (ii) a ballot authentication envelope which must provide spaces for the name and address of the Class A Member and the signature of an authorized representative of the Class A Member; and
  - (iii) an addressed envelope bearing the address to which the completed ballot papers are to be mailed.

13. The following procedures shall be followed with respect to the election of Directors:

- (a) The Nominations & Elections Committee will arrange for receipt of all ballots returned by any method or combination of methods as determined by the Directors, 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;
- (b) No ballot will be counted in the election unless:
  - (i) if a mail ballot, the ballot is post-marked no later than the last day of the election as stated in the notice of election and the ballot is actually received by Stabilization Central before the close of business of Stabilization Central on the fifth business day following the last day of the election as stated in the notice of election; or
  - (ii) if a ballot cast by electronic means, the ballot is actually received by Stabilization Central before 11:59 p.m. on the last day of the election as stated in the notice of election;
- (c) If a Class A Member casts more than one ballot in an election, all of the ballots cast by the Class A Member will be void and none of them will be counted in the tally of ballots;
- (d) The Nominations & Elections Committee will determine whether a ballot is to be accepted or rejected and such determination is final and not open to review;
- (e)
  - (i) The person nominated for the vacancy for which an election is held and receiving the largest number of votes for that vacancy shall be duly elected;
  - (ii) In any election, if there are two or more persons having an equal number of votes, the successful candidates will be decided by lot by the Nominations & Elections Committee;
- (f) The results of the election shall be announced by the Nominations & Elections Committee at the next annual general meeting following the 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, and unless challenged within two (2) business days after the announcement is made, such announcement shall be conclusive evidence of the election results, without proof of the

number or proportion of the votes cast in favour of or against any nominee or any person elected; and

- (g) After the expiration of thirty (30) days from the date of the announcement of the election results, the Nominations & Elections Committee may destroy any ballots, tallies and other matter relating to the election and neither the Nominations & Elections Committee nor Stabilization Central shall be under any obligation to provide any particulars of an election thereafter.
14. ~~Save as in these Rules provided~~Except as provided otherwise in these Rules, the conduct of nominations and elections shall be subject to the rules of conduct as the Nominations & Elections Committee may determine.
  15. Before commencing duties, a Director shall complete and submit to the Superintendent a personal information return in the form established by the Superintendent under the Financial Institutions Act, disclosing the prescribed information.
  16. Where a vacancy occurs on the Board of Directors of Stabilization Central or, for any reason, the office of Director is not filled in an election, the remaining Directors may appoint a person qualified in accordance with these Rules to fill the vacancy. A person appointed to fill the vacancy of a Director to be elected pursuant to Rule 4(b) of this Article shall, at the time of appointment, be a director or officer of a Class A Member that belongs to the same Region in respect of which the vacancy occurred. Any person appointed to fill a vacancy under this Rule shall hold office until the ~~conclusion-close~~ of the next annual general meeting and any unexpired term of office of the person in respect of which a vacancy occurred shall be filled in accordance with these Rules.
  17. Notwithstanding any other Rule, no person shall take office as a Director if, at that time, an incumbent Director is a director or officer of the Class A Member of which the person is, at the time of the election or appointment of that person, a director or officer.
  18.
    - (a) If, as a result of the amalgamation of a Class A Member with another Class A Member, or as a result of the acquisition by asset transfer of a Class A Member by another Class A Member, a Director is a director or officer of the same Class A Member of which another Director is a director or officer (“Same Credit Union Directors”), the directors of the Class A Member shall determine which of the two Same Credit Union Directors may continue in office and shall so advise Stabilization Central in writing, within thirty (30) days of the effective date of the amalgamation or acquisition;
    - (b) Upon receipt by Stabilization Central of the advice referred to in Rule 18(a) of this Article, within the time and manner referred to in that Rule, the office of the other Same Credit Union Director shall be vacated; and
    - (c) If Stabilization Central does not receive the advice referred to in Rule 18(a) of this Article, within the time and manner referred to in that Rule, the Directors shall determine, not later than the end of the next meeting of the Directors, which of the Same Credit Union Directors may continue in office and, upon such determination, the office of the other Same Credit Union Director shall be vacated.
  19.
    - (a) If there is a reduction or increase in the number of Regions established pursuant to Article 16, the number of Directors shall be reduced or increased in a like manner so that there is one Director elected by the Class A Members from each Region and up to three Directors appointed by the Directors;

- (b) If the Directors add a Region, a vacancy shall be deemed to exist and the Class A Members that belong to the added Region shall elect a Director to fill such vacancy effective as at the next annual general meeting, provided however, that, if the Directors add the Region between annual general meetings, the Directors may appoint a Director to fill the vacancy in accordance with Rule 16 of this Article; and
- (c) If the Directors combine two or more Regions to form a single consolidated Region:
  - (i) the term of office of any Directors elected by the Class A Members who belong to such Regions shall expire and one vacancy shall be deemed to exist;
  - (ii) the Class A Members that belong to the combined Region shall elect a Director to fill such vacancy effective as at the next annual general meeting, provided however, that, if the Directors combine the Regions between annual general meetings, the Directors may appoint a Director to fill the vacancy in accordance with Rule 16 of this Article.

### ARTICLE 13 - DIRECTORS

1. Regular meetings of the Directors shall be held as often as deemed appropriate by the Directors and at least once in each calendar quarter of each year, unless each of the Directors waive the holding of a meeting in a calendar quarter.
2. Special meetings of the Directors may be called by the Chairperson at any time and shall be called upon the written request of at least three Directors.
3. A majority of the Directors then in office shall constitute a quorum at any meeting of the Directors but a lesser number may adjourn from time to time until a quorum is obtained, provided always that if the number of Directors is reduced below five, the remaining Directors shall constitute a quorum for the purpose only of filling vacancies under Rule 16 of Article 12.
4. A resolution, whether or not in counterpart, in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.
5. All acts done at any meeting of the Directors, or of a committee of Directors or by any person acting as a Director, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that any of them were disqualified, shall be as valid as if each such person had been duly appointed and was qualified to be a Director.
6.
  - (a)- Subject to the Financial Institutions Act, the Directors may delegate any of their powers to committees consisting of such Directors as the Directors think fit, and may from time to time revoke such delegation;
  - (b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Directors;
  - (c) The meetings and proceedings of any such committee consisting of three or more individuals shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under this Rule; and



(d) Every committee shall report to the next succeeding meeting of the Directors all business dealt with by the committee since the last preceding meeting of the Directors.

7. In addition to any reasons provided in the Credit Union Incorporation Act or the Financial Institutions Act as they apply to Stabilization Central, the office of Director shall be vacated immediately if:

~~(a)~~ the Director by notice in writing to Stabilization Central resigns from office;

~~(b)(a)~~ the Director becomes of unsound mind or is found to be incapable of managing his or her own affairs by reason of mental infirmity;

~~(c)~~ the Director becomes bankrupt;

~~(d)~~ the Director is convicted of a criminal offence;

~~(e)(b)~~ the election or continuation in office of a person as a Director of Stabilization Central would adversely affect any certificate or registration of Stabilization Central under any securities laws of any jurisdiction in which Stabilization Central issues or proposes to issue securities;

~~(f)(c)~~ the Director fails, without being excused for reasonable circumstances by the Chairperson (or, in the case of the Chairperson, the Vice-Chairperson), to attend: to attend meetings of the Directors for three successive meetings unless excused by the Directors;

(i) three consecutive regular meetings of the Directors;

(ii) three consecutive regular meetings of a committee of the Directors to which the Director has been appointed or elected; or

(iii) more than a total of three regular meetings of the Directors and any committee of the Directors to which the Director has been appointed or elected in any fiscal year;

~~(g)(d)~~ the Director becomes a permanent paid employee of Stabilization Central or a subsidiary corporation of Stabilization Central;

~~(h)(e)~~ a special resolution is adopted resolving to remove the Director from office;

~~(i)(f)~~ the Director ceases to be a member of a Class A Member;

~~(j)(g)~~ if the Director was an officer or director of a Class A Member at the time of election or appointment, the Director ceases to be an officer or director of such Class A Member or, if such Class A Member amalgamates with one or more other Class A Members or disposes of all or substantially all of its assets to another Class A Member, the Director ceases to be an officer or director of the Class A Member that is the amalgamated credit union or the acquiring credit union, as the case may be;

~~(k)(h)~~ the Director is appointed a member of the Board of Directors of the BCFSa;

~~(l)~~ the Director is or becomes an officer, director or employee of an organization, other than a credit union, which the Directors by resolution determine to be in competition with its Class A Members;

~~(m)(i)~~ the BCFSa or the Superintendent assigns the Class A Member of which the Director is a member an intervention stage rating higher than *Stage 0 – Normal*;

~~(h)(j)~~ the Class A Member of which the Director is a member is declared by order of the Superintendent to be subject to the supervision of the Superintendent;

~~(h)(k)~~ if the Director was elected pursuant to Rule 4(b) of Article 12, the Class A Member of which the Director is a director or officer ceases to belong to the Region from which the Director was elected;

~~(h)(l)~~ the Director is a Same Credit Union Director and the directors of the Class A Member of which the Director is a director or officer or the Directors of Stabilization Central, as the case may be, determine that the Director shall not continue in office in accordance with Rule 18 of Article 12; or

~~(h)(m)~~ the Director was elected from a Region that is consolidated with one or more other Regions in accordance with Rule 19(c) of Article 12.

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

(a) is required by Rule 7 of this Article 13 to vacate the office of Director, but has not tendered ~~his or her~~the Director's resignation as a Director;

(b) has failed to observe the provisions of the Credit Union Incorporation Act or the Financial Institutions Act, as applicable;

(c) has breached the conflict of interest guidelines or code of ethics adopted by the Directors from time to time;

(d) has breached these Rules or procedures relating to the election and the conduct thereof; or

(e) has breached the confidentiality of any proceedings, deliberations or information of the Directors;

in each case, as may be determined by the resolution of the remaining Directors. At least seven (7) 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 attend and make submissions at the meeting prior to the Directors voting on the resolution for the Director's removal.

9. A Director may participate in a meeting of the Directors by telephone or other communications medium if all Directors 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 a partially electronic meeting, a majority of the Directors participating in the meeting are in British Columbia at the time of the meeting. ~~—~~A Director participating in accordance with this Rule shall be deemed to be present at the meeting and to have agreed and shall be counted in a quorum therefore and be entitled to speak and vote thereat.

10. Subject to the limitations contained in the Financial Institutions Act, Stabilization Central will indemnify:

(a) each director and officer of Stabilization Central;

(b) each former director and officer of Stabilization Central; and

- (c) each individual who acts or who has acted at the request of Stabilization Central as a director or officer of a corporation of which Stabilization Central is or was a member or creditor;

against all costs, charges and expenses, including an 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 Stabilization Central or the corporation, if:

- (d) the director or officer acted honestly and in good faith with a view to the best interests of Stabilization Central 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, Stabilization Central will pay an amount by way of indemnity that will fully indemnify for the amount of all liabilities described in this Rule and all income taxes payable as a result of the receipt of the indemnity payment.

#### **ARTICLE 14 - COMMITTEES**

1. At their first meeting following an annual general meeting of Stabilization Central, the Directors shall elect a Conduct Review Committee and an Audit Committee, shall appoint or elect an Investment and Loan Committee, and shall appoint or elect such other committees as may be required by law. All committees appointed or elected by the Directors shall be composed of not fewer than three individuals.
2. The Conduct Review Committee shall be composed of at least three persons elected by and from the Directors.
3. The Audit Committee shall be composed of at least three Directors and a majority of the members of the Audit Committee shall not be officers or employees of Stabilization Central or of an affiliate of Stabilization Central.
4. The Investment and Loan Committee shall be composed of at least three individuals. One of the persons appointed or elected to the Investment and Loan Committee shall be an officer of Stabilization Central, but a majority of the members of the Investment and Loan Committee shall not be officers or employees of Stabilization Central or of an affiliate of Stabilization Central.
5. The Chairperson of Stabilization Central may appoint such other committees as the Directors determine from time to time.
6. The chairperson of a committee of Stabilization Central shall be a Director of Stabilization Central.

7. The Directors may prescribe the duties of a committee and, subject to the Financial Institutions Act, may delegate the power to invest money to the Investment and Loan Committee, subject to any conditions the Directors may impose.
8. The majority of the members of a committee shall constitute a quorum at any meeting of the committee.
9. A member of any committee of the Directors may participate in a meeting of the committee by telephone or other communications medium if all of the committee members attending the meeting are able to participate in it, whether by telephone, by other communications medium or in person. A member of a committee participating in accordance with this Rule shall be deemed to be present at the meeting and to have agreed and shall be counted in a quorum therefore and be entitled to speak and vote thereat.
10. A resolution, whether or not in counterpart, in writing signed by all the members of a committee shall be as valid and effectual as if it had been passed at a meeting of the committee duly called and constituted.

#### **ARTICLE 15 - OFFICERS**

1. The Directors shall, not later than ninety (90) days after each annual general meeting of Stabilization Central, elect as officers from their own number a Chairperson and a Vice-Chairperson.
2. It shall be the duty of the Chairperson to preside at all meetings of the Directors of Stabilization Central and all meetings of the Class A Members, and to submit to the annual general meeting the report of the Directors on the affairs of Stabilization Central.
3. In case of the absence of the Chairperson, or the inability of the Chairperson for any cause to act, the Vice-Chairperson shall discharge the duties of the Chairperson and, in case the office of Chairperson becomes vacant the Vice-Chairperson shall act as Chairperson until the vacancy is filled.
4. (a) The Directors may appoint or cause to be appointed:
  - (i) other officers, from their own number or otherwise; and
  - (ii) employees,and may specify the duties of the officers or employees and fix their remuneration, if any; and
- (b) Any officer or employee so appointed shall hold office at the pleasure of the Directors.
5. Directors, officers and employees shall hold in strict confidence all transactions of the Class A Members with Stabilization Central, provided however, that this Rule shall not apply:
  - (a) with respect to confidential disclosures in the ordinary course of its business if hypothecating or charging any promissory notes, mortgages or other securities taken by it as security from a Class A Member;
  - (b) to disclosures to persons acting in a professional or confidential relationship of Stabilization Central;

- (c) where required or permitted by an order of any court of competent jurisdiction or in compliance with any law; or
- (d) where necessary for Stabilization Central to discharge its functions.

**ARTICLE 16 – REGIONS**

- 1. (a) The Class A Members shall be divided into groups of up to six regions (each, a “Region”), the composition of which shall be determined by resolution of the Directors; and
- (b) Notwithstanding Rule 1(a) of this Article, the Directors may determine that a Class A Member that is a central credit union shall not be assigned to any of the Regions established pursuant to this Article.
- 2. The Directors may, by resolution, reduce or increase the number of Regions established pursuant to this Article and change the composition of such Regions from time to time. Without limiting the foregoing, the Directors may, by resolution, re-assign a Class A Member from one Region to another or change the composition of any Region established pursuant to this Article to reflect the incorporation, amalgamation, continuation, liquidation or dissolution of a Class A Member.
- 3. The Directors may, by resolution, assign descriptive names to the Regions established pursuant to this Article from time to time.

**ARTICLE 17 - THE SEAL**

- 1. Stabilization Central ~~shall~~may have a common seal.
- ~~2. If Stabilization Central has a common seal, The the~~ Directors shall provide for the safe custody of the seal at the registered office of Stabilization Central or such other place as the Directors determine it will be kept for safekeeping and will provide for its use.

~~The seal may be affixed to any instrument in accordance with the authority of a resolution of the Directors and by any person or persons as may be prescribed in the resolution. A general resolution authorizing the use of the seal may at any time be passed by the Directors and shall apply to the use of the seal until countermanded by the Directors. The seal may be affixed to any instrument without the necessity of any resolution in the presence of:~~

- ~~3. any two of the Chairperson, Vice Chairperson, President and Chief Executive Officer, and Secretary;~~
- ~~4. any one of the above together with a Director; or~~
- ~~5.2. any two Directors.~~

~~Any person or persons authorized hereby or pursuant hereto to affix the seal to any instrument in whose presence the seal is affixed shall sign the instrument attesting thereto PROVIDED THAT the signature or signatures of any person or persons authorized hereby or pursuant hereto to affix the seal to any instrument may, if authorized by the Directors, be printed, lithographed, engraved, or otherwise mechanically reproduced, upon all instruments executed or issued by Stabilization Central or any officer thereof; and any instrument on which the signature or signatures of any person or persons are so reproduced by authorization of the Directors shall be deemed to have been manually signed by such person or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if such instrument had been signed manually, and notwithstanding that the person or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such instrument. The term "instrument" as used in this Article shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, agreements, releases, receipts and discharges for the payment of money or other obligations, certificates of Stabilization Central, shares, bonds, debentures and other securities of Stabilization Central, and all paper writings.~~

~~6. To enable the seal to be affixed to any debt obligations, share certificates or other securities of Stabilization Central, whether in definitive or interim form, on which facsimiles of any of the signatures of any of the Directors or officers of Stabilization Central are, in accordance with these Rules, printed or otherwise mechanically reproduced, there may be delivered to the firm or company employed to engrave, lithograph or print such definitive or interim debt obligations, share certificates or other securities, one or more unmounted dyes reproducing the seal, and~~

~~(a) any two of the Chairperson, Vice Chairperson, President and Chief Executive Officer, and Secretary;~~

~~(b) any one of the above, together with a Director; or~~

~~(c) any two Directors;~~

~~may by a document authorize such firm or company to cause the seal to be affixed to such definitive or interim debt obligations, share certificates or other securities by the use of such dyes. Debt obligations, share certificates or other securities to which the seal has been so affixed shall for all purposes be deemed to be under and to bear the seal lawfully affixed thereto.~~

## **ARTICLE 18 - AMENDMENTS**

1. Class A Members may, subject to the provisions of any applicable statute, by special resolution amend the Rules of Stabilization Central provided that no amendment shall come into effect until it has received the consent of the Superintendent and until the later of: (a) the date a certified copy has been accepted for filing by the Registrar of Companies; and (b) the date specified in the resolution.
2. Amendments may be introduced in one or more of the following ways:
  - (a) by the Directors of Stabilization Central; and
  - (b) by a Class A Member.

3. Amendments introduced pursuant to Rule 2(b) of this Article must be ~~in the hands of the Secretary deposited at the registered office of Stabilization Central at least ninety (90) days before the anniversary date of the last annual general meeting or at least not later than~~ ninety (90) days ~~prior to~~before the annual general meeting of Stabilization Central or any general meeting or special general meeting of Stabilization Central at which it is intended to present the amendment.

#### **ARTICLE 19 - MISCELLANEOUS**

1. Subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Electronic Transactions Act, unless these Rules expressly provide otherwise:
  - (a) where these Rules require the use of documents that are “written”, “in writing” and other similar words, the Directors may in their discretion permit the use of documents in such electronic forms as the Directors consider 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 Directors may in their 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 an electronic means notified to the intended recipient) as the Directors consider 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, “document” includes, without limitation, notices, instruments, resolutions, ballots, and financial statements.