

Member Complaint and Employee Whistleblowing Procedure

Review and Approval Section

Purpose

1. The purpose of this Member Complaint Resolution Procedure (the “**Procedure**”) is to set out the actions required in order to ensure fair and transparent resolution of member complaints, aligned with Market Conduct Code for Stabilization Central Credit Union of British Columbia (“Stabilization Central”).
2. This Procedure applies to Stabilization Central, as well as all employees, contractors, and directors.

Introduction

1. In 2021, BC credit unions agreed to adopt a Market Conduct Code, as proposed by the Canadian Credit Union Association (“**CCUA**”) and approved by the BC Financial Services Authority (“**BCFSA**”). While the credit union Market Conduct Code is designed to protect consumers, BCFSA suggested there would be value in Stabilization Central adopting its own Market Conduct Code, reflecting its obligations for fair and transparent treatment of member credit unions and institutions. A complaint handling procedure is one of the core requirements of Stabilization Central’s Market Conduct Code.
2. All of Stabilization Central’s members are BC credit unions. As financial services operators themselves, Stabilization Central’s members are more sophisticated than the average consumer. However, Stabilization Central acknowledges it is a good business practice to have a documented complaint resolution process.

Complaints about Products or Services (as customers of Stabilization Central)

Members will be encouraged to proactively discuss any concerns or questions about products or services with a senior officer at Stabilization Central, for the most efficient resolution. If those concerns are not resolved and evolve into a complaint, they should be escalated as follows:

- a. Discussion with a Stabilization Central employee, who will also include their leader and/or the most appropriate functional leader responsible for that product / service.
- b. If step (a) does not resolve the complaint, the employee will escalate the complaint to the Chief Executive Officer.
- c. If resolution cannot be achieved at the Chief Executive Officer level, the Corporate Secretary will provide the member with information regarding escalating the issue to the Board of Directors by way of the Governance and Conduct Review Committee.
- d. If all other attempts at resolution are not effective, the Member will be encouraged to have their legal counsel engage in good faith with Stabilization Central’s legal counsel, to discuss the next steps in settling the dispute.

Complaints about Governance Matters (as owners of Stabilization Central).

Stabilization Central’s members are also shareholders and have a voice in governance. In order to raise questions or concerns with regard to their shareholder rights or responsibilities, members should use the following process:

- a. Bring forward the concern to the Corporate Secretary, who can either help resolve the concern, or clarify in more detail how to address it in terms of Stabilization Central’s by-laws or the appropriate legislation / regulations.
- b. If resolution is not achieved, the Corporate Secretary escalates to the Chief Executive Officer.
- c. If resolution is not achieved through step (c), the matter is brought forward to the Board of Directors’ Governance and Conduct Review Committee (“**GCRC**”).
- d. If the GCRC cannot resolve the matter, the Committee Chair of the GCRC will bring it to the Board Chair, and request more fulsome discussion with the full Board of Directors. Alternately, the member may, at any time, advise the Board of Directors in writing of their concern.

Complaint Records Keeping

Stabilization Central will keep records of the complaints submitted by members indefinitely as it relates to Stabilization Central's products and services or governance-related matters. In each complaint file, Stabilization Central will include the following information:

- a. Nature of the complaint
- b. When complaint was opened and resolved
- c. If any losses were incurred as a result of the issue
- d. Complaint resolution

Complaint Reporting to Stabilization Central's Board

Stabilization Central Management will report to the Board by way of the GCRC at least annually the number of complaints received from members that relate to Stabilization Central's products and services and/or governance-related complaints. Reporting will include:

- a. Nature of the complaint
- b. How the complaint was dealt with

Employee Whistleblowing

Stabilization Central maintains a confidential whistleblower hotline ("ConfidenceLine") through Xpera for staff to report on instances of unethical conduct in anonymity.

In instances where the issue is related to the CEO, the complaint would get directed to Stabilization Central's Board Chair. If there is an issue that a member has with the Board Chair or member of the Board, the report would go directly to the Audit Chair.

To file a whistleblowing report, Stabilization Central employees would take the following steps:

1. File report online by clicking this link:
 - a. Click on "Create a new report".
 - b. The system will provide the person filing the report with a username and there will be a prompt to create a password for the purpose of receiving communication from Stabilization Central Credit Union and/or to update information in your file.
 - c. Submit the report.
 - d. Login to check the status of the report.
2. Alternatively, Stabilization Central employees can submit a phone report by calling 1-877-713-5107.