
Community Savings Credit Union Summary of Proposed New & Revised Rules (May 2024)

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

Community Savings Credit Union (CSCU) has undertaken a comprehensive review of its Rules to ensure that the Rules are modernized and reflect governance best practices.

This summary describes the key proposed changes to the Rules and outlines the unique provisions that are specific to our credit union. It is subject in all respects to the terms of the full proposed Rules. Members are encouraged to review the full text of the proposed Rules carefully.

To request a complete copy of the proposed Rules, visit www.comsavings.com/special-resolution, phone us at 604.654.2000 or toll-free at 1.888.963.2000 to have a copy emailed to you, or request a copy of the revised Rules from one of our branches.

1 - Definitions

Legal documents often have definitions and interpretation principles set out at the beginning of the document. Refinements to this section relate to compliance with the appropriate act and terminology.

2 - Membership

Membership is an important and unique aspect of credit unions. This section describes how a person becomes a member and withdraws or is terminated from membership. No significant changes are being proposed to this section, other than grammatical changes and to update cross-referencing.

3 – Shares and Deposits

This section explains how shares are to be handled generally. The main change being proposed is to provide clarity on the types of classes of shares and to allow CSCU to offer investment shares to certain members for the purpose of providing capital funding for projects that benefit our members, including investments to broaden our reach to our communities to support increasing credit union membership, launching new growth initiatives, investing further in technology and infrastructure, and other projects designed to improve the member service we provide. CSCU is proposing at least two different classes of investment shares in case we choose to issue a separate class of investments shares which may carry a lower dividend rate than the other (i.e. should a special interest group be looking to investment in the credit union

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but does not require as significant of a financial return for doing so; rather the investment is for other qualitative reasons).

4 – Borrowing and Lending

From time to time, credit unions need to borrow money, whether to maintain or strengthen liquidity or for operating purposes. The Rules allow the Board of Directors to raise and borrow money as the Board determines appropriate for the credit union's needs. They also allow the Board to establish the terms and conditions of deposits made with the credit union and loans issued by the credit union. No changes are being proposed to this section.

5 – Directors and Management

Section 5 deals with how many people sit on the Board of Directors and what happens if there is a casual vacancy or a need to appoint additional directors. The most significant proposed changes include language to modernize and align with best practice around director rotation as well as to formalize adopted standards around flexibility of voting methods; other proposed changes primarily relate to grammatical changes or to update cross referencing.

6 – General Meetings

Most of section 6 deals with standard practices related to general meetings of credit unions, including, among other things, rules of order, quorum, order of business at an annual general meeting, eligibility to vote at general meetings, the chairing of meetings and so forth. No changes are being proposed to this section.

7 - Alteration

No changes are being proposed to this section.

8 – Financial Year End

No changes are being proposed to this section.

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