

Notice of Special Resolution

The Board of Directors of the Ladysmith & District Credit Union hereby give notice to the members of the Credit Union, in accordance with Rule 78, Section 1(a) of the Credit Union Incorporation Act, that the Directors intend to submit the following Special Resolution for consideration and approval to the membership of the Credit Union at our Annual General Meeting to be held on May 10, 2022:

Special Resolution

BE IT RESOLVED as a Special Resolution of Ladysmith & District Credit Union, that the “Ladysmith & District Credit Union Rules” be amended by revising the following seven Articles:

- 4.16 Method of Voting – Voting in an election of directors shall be:
- a) by written vote, or
 - b) by electronic means, or
 - c) by both.
- 4.23 Voting, Counting, and Announcement of Results – The returning officer or, if there is no returning officer, the Nominating Committee shall supervise the election of directors and:
- a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration that the member has not previously cast a ballot in the election then in progress;
 - b) shall obtain all ballots, including electronic ballots and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be made in a manner that ensures the secrecy of the balloting;...
- 4.26 Recount Policy – If, in an election of directors, the number of votes received by an elected candidate or candidates who received the least votes in the election is less than ten (10) votes, including electronic votes, in excess of those received by the unelected candidate or candidates who received the most votes in that election, an official recount of votes cast at such election shall be held, provided that:...
- 4.42 Notice of Meetings - Reasonable notice of a meeting of directors specifying the place, day and hour of such meeting shall be given by mail, postage prepaid, addressed to each of the directors at his or her address as it appears on the books of the Credit Union or by leaving it at his or her usual business or residential address or by any method of transmitting legibly recorded messages. It shall not be necessary to give notice of a meeting of directors to any director:...

5.11 Method of Voting – Voting in an election, or on a resolution, or a special resolution, or as to any other matter, shall be:

- a) by show of hands, or
- b) by written vote, or
- c) by electronic means, or
- d) by any combination of them.

9.3 Voting – Voting on special resolutions shall be:

- a) by show of hands, or
- b) by written vote, or
- c) by electronic means, or
- d) by any combination of them.

9.7 Tally – The returning officer shall cause all ballots, either physical or electronic, to be returned to the returning officer following the close of voting and shall cause a tally to be made of all ballots, such tally to be conducted in a manner which ensures the secrecy of the voting.

Original Articles Referred to in Special Resolution

4.16 Method of Voting – Voting in an election of directors shall be by secret ballot, in person, at a general meeting.

4.23 Voting, Counting, and Announcement of Results – The returning officer or, if there is no returning officer, the Nominating Committee shall supervise the election of directors and:

- a) may require a member to provide proof and particulars of membership and may require a member to provide a declaration that the member has not previously cast a ballot in the election then in progress;
- a) shall obtain all ballots and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be made in a manner that ensures the secrecy of the balloting;...

4.26 Recount Policy – If, in an election of directors, the number of votes received by an elected candidate or candidates who received the least votes in the election is less than ten (10) votes in excess of those received by the unelected candidate or candidates who received the most votes in that election, an official recount of votes cast at such election shall be held, provided that:...

- 4.42 Notice of Meetings - Reasonable notice of a meeting of directors specifying the place, day and hour of such meeting shall be given by mail, postage prepaid, addressed to each of the directors at his or her address as it appears on the books of the Credit Union or by leaving it at his or her usual business or residential address or by telephone, telegraph, telex, or any method of transmitting legibly recorded messages. It shall not be necessary to give notice of a meeting of directors to any director:...
- 5.11 Method of Voting – Voting on a special resolution shall be by voting in person at a general meeting.
- 9.3 Voting – Voting on special resolutions shall be by show of hands or written vote at the call of the President of the Board at a general meeting called by the Board of Directors.
- 9.7 Tally – The returning officer shall cause all ballots to be returned to the returning officer following the close of voting and shall cause a tally to be made of all ballots, such tally to be conducted in a manner which ensures the secrecy of the voting.

This proposed Special Resolution will amend the aforementioned Rules to allow for electronic voting, and the tally of those electronic votes, at in-person, virtual, or hybrid Annual General Meetings. Since the onset of Covid-19, in person assemblies have been restricted. Our Annual General Meetings of 2020 and 2021 were held virtually. This was permitted by BCFSa under emergency conditions. However, future meetings may still necessitate a virtual component. Article 72 of the *Credit Union Incorporation Act* allows for voting at meetings to be either in writing, or electronic form. Updating the above Articles of the Credit Union's Rules will allow for voting to take place electronically. Article 4.42 also deletes specific provisions for communicating Notice of a meeting. We have done away with the words: telephone, telegraph, and telex, as these are outdated methods of reaching out to our membership. Finally, the Rules must allow a returning officer to tally all votes received, whether they are in-person physical votes, or electronic.

The British Columbia Financial Services Authority, the government body responsible for regulating Credit Unions in BC has given preliminary approval to the Special Resolution and the amended Rules, and they are now awaiting membership approval.

The Board of Directors has unanimously approved the Special Resolution and the amended Rules, and is recommending the membership vote in favour as well.

Respectfully submitted,

Board of Directors
Ladysmith & District Credit Union
March 28, 2022