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 **SPRUCE CREDIT UNION**

*Interior*  *Savings*

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Ms. Kathleen Conway  
President and Chief Executive Officer  
Interior Savings Credit Union  
Suite 300 – 678 Bernard Avenue  
Kelowna, BC V1Y 6P3

**File No.:** 71500-10-X027514  
71500-10-X020207  
**Ref. No.:** 0495

Mr. Edmond Kenneth Dickson  
Chief Executive Officer  
Spruce Credit Union  
879 Victoria Street  
Prince George, BC V2L 2K7

24 September 2021

VIA EMAIL [kconway@interiorsavings.com](mailto:kconway@interiorsavings.com), [kendickson@sprucecu.bc.ca](mailto:kendickson@sprucecu.bc.ca)

Dear Ms. Conway and Mr. Dickson:

**Re: Asset Transfer Agreement – Interior Savings Credit Union and Spruce Credit Union**

BC Financial Services Authority (“BCFSA”) has provided consent to the proposed Asset Transfer Agreement (“ATA”) between Interior Savings Credit Union and Spruce Credit Union (“Spruce”) pursuant to section 16(3) of the *Credit Union Incorporation Act* on September 23, 2021. If the ATA is approved by the membership of Spruce, the effective date of the ATA is stipulated to be January 1, 2022.

If you have any questions, please feel free to contact me by phone at 604 398-5675 or by email at [Priti.Hambrook@bcfsa.ca](mailto:Priti.Hambrook@bcfsa.ca).

Regards,



Priti P. Hambrook  
Senior Approvals Analyst

pc: Robert Shirra  
Chair, Interior Savings Credit Union

Reginald Scott Foot  
Chair, Spruce Credit Union

Peter Drazic  
Partner, MLT Aikins LLP

## 2 ALTERNATIVES CONSIDERED

In the last decade, Spruce has seen its capital levels and profitability decline, while operating within an increasingly competitive landscape. Financial pressures have impacted its ability to invest in new technology and the Spruce team to a level that will be required in this digital age of banking, paired with increasing regulatory compliance costs. The challenges to remain competitive in the financial services industry, coupled with a low interest rate environment, are substantial. A growing divide between large and small credit unions is putting added pressure on the credit union ecosystem (i.e. Centrals), which suggests that the costs to fund the ecosystem will continue to increase, particularly for smaller credit unions. At the same time, the larger credit unions continue to look further abroad for opportunities outside of BC, adding further burden on smaller credit unions to carry the remaining infrastructure costs.

Given the increasing challenges for smaller credit unions, Spruce has carefully considered the many alternatives to support its future viability and sustainability. The board of directors of Spruce participated in several workshops and completed planning sessions to consider its options and, after extensive future state analysis, it was determined that Spruce would not be able to continue in the longer term as an independent credit union. Without the financial, human and operational resources to adopt imminent changes required of credit unions, Spruce would need to find external alternatives to remain strong and viable into the future.

Spruce has explored collaborations with other credit unions, which would only generate isolated efficiencies in specific operational areas and not resolve the narrowing margin or justify the costs of participating in such partnerships. In addition, finding like-minded collaborative partners is challenging and, for many credit unions who've gone this route, we have seen it often results in an eventual merger or amalgamation.

The board of directors for Spruce also expressed a desire to consider alternatives while in a position of strength, rather than being forced into a merger or acquisition out of necessity. It is important for the board of directors that Spruce has value to contribute to a viable partnership. Several options were deemed not reasonable, such as federal continuance or pursuing an exclusively technology or digital banking platform, given the limited resources.

In response to the decision that a combination was the most reasonable and viable option, Spruce explored partnership discussions with several northern BC credit unions, which were unsuccessful. In fact, Spruce has participated in several exploratory discussions with different credit unions in northern BC over the last 20 years. Throughout this time, the board of directors has maintained its position that any merger would need to be financially sound, have demonstrated benefits for its members and community, and have the size and scale to face the future in order to reduce the impact on its members and employees from a continued series of mergers along with the large financial costs of merger transactions. For this reason, it has chosen to not proceed with single or multiple northern-based credit unions that would not achieve the size necessary to support the membership of the credit union for the longer term.

The board of directors for Spruce compared a potential merger with Interior to a potential merger with other credit unions of a similar size. The board of directors concluded that Interior had better alignment for members, employees, and the community for the following reasons:

- Both Spruce and Interior have like-minded values focused on maintaining the “Human Connection in Banking”;

# “A GROWING DIVIDE BETWEEN LARGE AND SMALL CREDIT UNIONS IS PUTTING ADDED PRESSURE ON THE CREDIT UNION ECOSYSTEM”

- Interior has close to \$3.53 billion in assets under administration and over \$200 million in retained earnings, with the size, financial strength and human resources better equipped to meet the increasing needs related to the required investments in technology, regulatory compliance, etc.;
- Better term deposit and mortgages pricing would be available to members;
- Commercial lending limits would increase to \$14 million with an increased risk appetite in this area;
- Interior and Spruce use many of the same technology and suppliers (CUMIS, Everlink, DNA). This reduces the financial costs of data integration and negative impacts related to retraining employees;
- Interior has an excellent track record and continued commitment for Prince George community donations, with its \$1 million bursary program, sponsorships, and marketing;
- There are no plans to close any branches in Prince George with Combined Interior, thereby reducing the likelihood of massive job losses to the employees and the negative impact to members;
- Employees would benefit through increased training and growth opportunities; and
- The ability to separate \$750,000 from Spruce’s retained earnings to create a Spruce Community Legacy Fund to support community causes at the direction of the existing board of directors that chose to be part of the advisory committee.

Overall, it was determined that merging with a much larger credit union (like Interior) makes more sense than taking part in a series of smaller ones due to the continued integration efforts.

# 3 INTERIOR SAVINGS CREDIT UNION RULES

## 1. Definitions

The meaning of any words or phrases defined in the *Credit Union Incorporation Act* and the *Financial Institutions Act*, shall, if not inconsistent with the subject or context, have the same meaning in these Rules. Further, in these Rules:

- (a) **annual general meeting** means the annual general meeting of the members of the Credit Union;
- (b) **board committee** means a committee of the Board of Directors appointed or elected by the Board of Directors pursuant to these Rules;
- (c) **Board of Directors** means the Board of Directors of the Credit Union;
- (d) **Chair** means the chair of the Board of Directors;
- (e) **Credit Union** means Interior Savings Credit Union;
- (f) ***Credit Union Incorporation Act*** means the *Credit Union Incorporation Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (g) **director** means a director of the Credit Union for the time being;
- (h) **electronic** means created, recorded, transmitted or stored in digital or other intangible form by electronic, magnetic or optical means or by any other similar means, including without limitation by telephone calls or messages, facsimile messages, electronic mail, transmission of data or information through automated touch-tone telephone systems, transmission of data or information through computer networks (including without limitation the Internet), and any other similar means;
- (i) ***Electronic Transactions Act*** means the *Electronic Transactions Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (j) ***Financial Institutions Act*** means the *Financial Institutions Act* of British Columbia from time to time in force and all amendments thereto and regulations made pursuant thereto;
- (k) **junior member** is a member under the age of 19.
- (l) **Member in good standing** means a member, including a junior member who, at the date on which good standing is determined:
  - a. has purchased, paid for and holds the number of Membership Equity Shares required by these Rules; and
  - b. has maintained at least one account that has had activity anytime in the 18 months prior to the date on which good standing is determined; and
  - c. is not more than 30 days in arrears in any obligation to the Credit Union.
- (m) **President and Chief Executive Officer** means the chief executive officer of the Credit Union appointed by the Board of Directors;
- (n) **Returning Officer** means a returning officer appointed pursuant to these Rules;

- (o) **Special Resolution** means, subject to the requirements of the *Credit Union Incorporation Act* and any amendments thereto, a resolution of the Credit Union passed by a majority of not less than 2/3 of the votes cast by members of the Credit Union entitled to vote either at a general meeting or by some other balloting means allowed by the *Credit Union Incorporation Act* or these Rules;
- (p) **spouse** has the meaning given to it in the *Credit Union Incorporation Act*;
- (q) **Term** means the period of time for which a director has been elected to serve;
- (r) **Vice Chair** means the vice chair of the Board of Directors;

## 2. Membership

- 2.1 Every application for membership shall be in writing or electronic means prescribed by the Board of Directors from time to time and be accompanied by payment in full of the purchase price of the number of Membership Equity Shares required to be held as a condition of membership on the date of application for membership.
- 2.2 A member may withdraw from membership and the membership of any person may be terminated in accordance with the *Credit Union Incorporation Act*.

## 3. Shares and Deposits

- 3.1 The Board of Directors may determine the forms by which a person may place monies on deposit and withdraw monies on deposit, and the Board of Directors may, by resolution, delegate the power to make such determination.
- 3.2 The shares of the Credit Union shall be divided into the following classes of shares, each consisting of an unlimited number of shares, designated as Membership Equity Shares, Investment Equity Shares, and Non-Equity Shares. Each class of shares shall consist of an unlimited number of sub-classes, and, subject to the *Credit Union Incorporation Act* and these Rules, the directors may, in their unlimited discretion;
  - (i) set terms and conditions for entitlement to dividends for each class or sub-class of shares;
  - (ii) declare or pay dividends on either one or more classes or sub-classes of shares in such amounts and at such times as from time to time determined;
- 3.3 Monies invested in Membership Equity Shares and Investment Equity Shares and dividends thereon shall not be guaranteed by the fund administered by the Credit Union Deposit Insurance Corporation of British Columbia.
- 3.4 Membership Equity Shares and Investment Equity Shares may only be purchased by a member of the Credit Union or transferred between members thereof or the shares may be assigned to, transferred to or redeemed or purchased by the Credit Union and any purchase, transfer, or assignment shall be at par value of \$1.00 each and any redemption shall be at par value of \$1.00 each plus any dividends declared but unpaid on the shares.

- 3.5** In the event of the liquidation, dissolution or winding-up of the Credit Union, voluntary or involuntary, or any other distribution of assets of the Credit Union among the holders of its shares for the purpose of winding-up its affairs, Investment Equity Shareholders shall be entitled to receive the par value of their shares, together with any dividends declared but unpaid thereon, before any amount shall be paid, or any property or assets of the Credit Union distributed, to the holders of Membership Equity Shares on the occurrence of any such event. After payment to the holders of Investment Equity Shares of the amount so payable to them, the balance of the remaining assets, after conversion into money, shall be distributed pro rata to the holders of Membership Equity Shares.
- 3.6** A member of the Credit Union, including a junior member, shall purchase 5 Membership Equity Shares.
- 3.7** If a member does not hold the required number of Membership Equity Shares, the Credit Union may apply any money invested in the name of the member in Non-Equity Shares or apply any money on deposit and interest thereon in the name of the member toward the purchase of sufficient Membership Equity Shares so that the member shall own the number of Membership Equity Shares required by Rule 3.6.
- 3.8** The directors may establish policies to waive or delay purchase or payment in whole or in part of Membership Equity Shares as required by these Rules.
- 3.9**
- (a) Membership Equity Shares and Investment Equity Shares may be held jointly.
  - (b) All jointly held shares shall carry the right of survivorship unless a contrary statement, in writing, is given at the time of application for purchase or transfer and signed by all parties jointly holding the shares.
  - (c) Each joint shareholder must hold the minimum number of Membership Equity Shares required in order for each to be a voting member, otherwise the first named on the membership application shall be the voting member.
- 3.10**
- (a) Patronage refunds or dividends paid on shares shall be paid or credited at times, intervals and in a manner determined from time to time by the directors.
  - (b) No dividends or patronage refund may be declared or made in any year until a dividend has been declared in that year on the Investment Equity Shares.
  - (c) A resolution declaring a patronage refund or a dividend may direct payment of the patronage refund or dividend wholly or partly by the distribution of paid up shares.
  - (d) Share dividends on Equity Shares must be issued as fully paid. If a member is entitled to dividends in an amount which is not at least \$1.00, those dividends will not be paid, and, if those dividends exceed \$1.00 but are not an exact multiple of \$1.00, the excess entitlement will not be paid.
- 3.11** Subject to the restrictions contained in the *Credit Union Incorporation Act*, the Credit Union shall redeem all of the Membership Equity Shares held by a member upon the happening of any of the following events:
- (a) the termination by the Credit Union of the membership of the member;
  - (b) the member withdrawing from membership in the Credit Union; or,
  - (c) the death of the member; provided that where a member holds Membership Equity Shares jointly with right of survivorship, the Credit Union shall not be required to redeem those shares until the death of the last remaining joint holder.

- (d) the member is a society, corporation or any other legal entity and is dissolved, wound-up or otherwise ceases to exist
- 3.12 (a) Subject to the restrictions contained in the *Credit Union Incorporation Act*, upon written request of the member the Credit Union shall redeem the Investment Equity Shares held by a member; provided that, without a resolution to the contrary, the directors shall limit the number of Investment Equity Shares redeemed in any one calendar year to 20% of the aggregate amount of Investment Equity Shares issued and outstanding as of the previous financial year end.
- (b) The limit set out in (a) does not apply in the case of the death of a member.
- 3.13 Redemption or re-purchase of shares by the Credit Union shall be on such terms and conditions and in such order and in such number as the directors may from time to time determine, and the Credit Union shall not be required to redeem or re-purchase such shares pro-rata.
- 3.14 A statutory declaration of a director or officer of the Credit Union that a lien of the Credit Union has been exercised or a share forfeited and stating the date of the exercise or forfeiture shall be conclusive evidence of the facts therein stated.

#### 4. Borrowing and Lending

- 4.1 Subject to applicable legislation, the directors of the Credit Union may raise and borrow money for the purposes of the Credit Union upon such terms and conditions as to interest, term, repayment and security as they determine by resolution.
- 4.2 The directors of the Credit Union shall determine the terms and conditions of loans as to interest and other charges, term, repayment and any security and may, by resolution, delegate the power to make loans and to make the determinations aforesaid.

#### 5. Directors

- 5.1 (a) Except as provided for in Rule 5.1(c), the number of directors shall be a minimum of 9.
- (b) The representation on the Board of Directors shall be determined as hereinafter provided.
- (i) directors shall be elected or appointed to represent a designated geographical area (each, a “region”) in which the Credit Union maintains a branch network.
  - (ii) the initial regions of the Credit Union are the Central and North Okanagan region and the Thompson and South Okanagan region, each of which consists of those branches designated to it by the Board of Directors.
  - (iii) candidates to represent each region must, be ordinarily resident in the Province of British Columbia.
  - (iv) Members or candidates who are members at any branch of the Credit Union and candidates who are ordinarily resident in the Province of British Columbia, shall vote in or represent the region as designated by the Board of Directors.

- (v) The directors may, from time to time, but no more often than annually and prior to the notification of an election of directors to be given pursuant to Rule 6, designate additional regions, alter the description of any region, identify the region to which a branch belongs, and determine the number of directors to represent each region.
  - (c) If the Credit Union enters into an agreement to acquire all or substantially all of the assets of another credit union, the directors may appoint, as additional directors, persons who were directors of the transferring credit union at the date of the transfer and designate their terms of office to a maximum of 3 years. Directors so appointed shall be exempt from the requirements of Rules 5.1(b) and 6.3(k).
  - (d) When the term of office of a director appointed under Rule 5.1(c) has expired or, when the position becomes vacant prior to the expiration of the term, no vacancy shall be deemed to exist and Rule 6.1 shall not apply to a person appointed under Rule 5.1(c).
- 5.2 The directors shall meet within 30 days, or such longer time as the Superintendent may allow, after each annual general meeting and shall elect from their own members a Chair and Vice-Chair and may appoint such additional officers as they may deem necessary.
  - 5.3 The directors shall meet not less frequently than once in each quarter.
  - 5.4 The Chair may call a meeting of the directors at any time and shall, within 14 days of receipt of written request of three directors, call a meeting of the directors.
  - 5.5 3 days notice shall be given of meetings of the directors by personal delivery, 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, fax or email or any method of transmitting legibly recorded messages including electronic means. Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any director shall not invalidate the proceedings at that meeting. A director may waive, in writing, notice of any past or present meeting of the directors.
  - 5.6 A majority of directors shall constitute a quorum but a lesser number may adjourn from time to time until a quorum is obtained.
  - 5.7 The directors shall appoint a President and Chief Executive Officer to oversee the proper operation of the Credit Union.
  - 5.8 In the case of the absence of the Chair, or his inability for any cause to act, or in the case the office of the Chair becomes vacant, the Vice-Chair shall discharge the duties of the Chair. In the event that the Vice-Chair is also not available to discharge the duties of the Chair, the directors shall elect from amongst themselves a temporary Chair to fulfill the Chair responsibilities until either of the Chair or Vice-Chair is available.
  - 5.9 The directors shall elect the Conduct Review Committee, and elect or appoint other board committees as required.
  - 5.10 Directors may participate in a meeting of the directors or any committee of the directors by means of conference telephones or other communications facilities by means of which all directors participating in the meeting can hear each other, provided that all such directors agree to such participation. A director participating in accordance with this Rule shall be deemed to be present at the meeting and to have so agreed and shall be counted in a quorum and be entitled to speak and vote.
  - 5.11 A resolution consented to in writing, whether by document, facsimile transmission, email or any other method of transmitting legibly recorded messages including electronic means by all

of the directors or all of the members of a committee of directors, shall be as valid and effectual as if it had been passed at a meeting of the directors or of a committee of directors duly called and held. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the directors or the committee of directors as the case may be and shall be effective on the date stated thereon or on the latest date stated on any counterpart.

## 6. Nomination and Election of Directors

- 6.1 Each year directors shall be elected to replace those whose terms of office are expiring and a director whose term of office is expiring is eligible for re-election.
- 6.2 Except where an election is held to fill the unexpired portion of a term, directors shall be elected to hold office for 3 years. Beginning with the 2012 election as the starting point, the maximum number of successive terms a director can be elected to is 4 terms.
- 6.3 A person is not eligible to be elected or appointed to the office of director of the Credit Union and, if holding the office of director of the Credit Union, shall immediately vacate the office, if such person:
- (a) fails to maintain the minimum number of shares required for membership in the Credit Union;
  - (b) does not, or ceases to, meet the eligibility requirements of the *Financial Institutions Act* or the *Credit Union Incorporation Act*;
  - (c) is an employee of the Credit Union Deposit Insurance Corporation of British Columbia, an auditor of a credit union or a public servant concerned by his duties with the affairs of a credit union;
  - (d) is a corporation;
  - (e) is an undischarged bankrupt;
  - (f) is a discharged bankrupt and less than 5 years has elapsed since the date of discharge from bankruptcy;
  - (g) is convicted of an offense in connection with the promotion, formation or management of a corporation or involving fraud unless 5 years have elapsed since the latest of:
    - (i) the expiration of the period fixed for suspension of passing of sentence;
    - (ii) the imposition of a fine; or
    - (iii) the conclusion of a term of imprisonment and probation; but the disability imposed by this Rule 6.3(g) ceases on a pardon being granted under the *Criminal Records Act* (Canada);
  - (h) is found to be incapable of managing his or her own affairs by reason of mental infirmity;
  - (i) is an employee of the Credit Union, a subsidiary of the Credit Union or an associated corporation in which the Credit Union holds shares, or the spouse, parent, step-parent, child, step-child, mother-in-law, father-in-law, daughter-in-law or son-in-law of an employee of the Credit Union, a subsidiary of the Credit Union or an associated

corporation in which the Credit Union holds shares;

- (j) is, or is the spouse of, a director, officer, representative or employee of another credit union, bank, trust company, savings and loan association, loan company, deposit taking institution, insurance company or agency, stock brokerage or investment dealer or any other firm, association, syndicate, company, corporation or other business enterprise engaged in or concerned with or interested in, any business or any part thereof from time to time carried on by the Credit Union or by any of its subsidiaries (except where the directors determine, by resolution, that this Rule 6.3(k) shall not apply to such person);
- (k) has not been a member in good standing of the Credit Union or a credit union merged into the Credit Union for at least 1 year prior to the date on which nominations for the election of directors are closed pursuant to these Rules, except where a candidate is nominated by the Nominations and Elections Committee and this requirement is waived by the Nominations and Elections Committee;
- (l) has been an employee of the Credit Union, a subsidiary of the Credit Union or an associated corporation in which the Credit Union holds shares at any time during the 2 year period immediately before such election or proposed appointment;

**6.4** At least 120 days before each annual general meeting, the Chair shall appoint a Nominations and Elections Committee of not less than three persons who shall be members in good standing of the Credit Union, at least one being a director of the Credit Union, which Election Committee shall be charged with the conduct of the elections of those persons to be elected prior to the next annual general meeting.

**6.5** At least 90 days before an annual general meeting, the Nominations and Elections Committee shall notify all members of the Credit Union that an election of directors is to take place, specifying the number of positions to be filled and the Region to be represented and shall invite the nomination of eligible members as provided herein that meet the desired skill set as identified by the Governance Committee prior to the close of nominations, and stating the date on which nominations close, which shall not be less than 21 days from the date of giving such notice.

Candidates must be nominated in writing by at least three members in good standing or be invited to stand for election by the Nominations and Election Committee.

**6.6** 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 and Elections Committee a declaration, in writing, stating:

- (a) that the person is willing to stand for election, and if elected, to serve as a director; and,
- (b) that the person is aware of the directors' Conflict of Interest guidelines and Code of Conduct and that if successful a Personal Information Return will be required to be submitted to the Superintendent pursuant to the *Financial Institutions Act*.
- (c) that the person is not disqualified from eligibility by the operation of these Rules or applicable legislation in effect at the time the person is nominated.

**6.7** A junior member is not eligible to nominate candidates for, or vote in, a director election.

**6.8** The Nominations and Elections Committee shall:

- (a) evaluate individual director candidates based on the required background and expertise that has been identified by the board's Governance Committee as needed to complement the skill set of the board, and identify and recommend candidates to

fill board vacancies based on this evaluation;

- (b) identify and recommend candidates to fill board vacancies;
- (c) limit the number of recommended candidates on each ballot to a maximum of five (5) candidates per region, with no limit being placed on the total number of candidates that may appear on each ballot;
- (d) accept each nomination of a member 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 Election Guidelines;
- (e) notify each nominee accordingly;
- (f) place in nomination the names of qualified candidates at least equal to the number of vacancies to be filled in the election;
- (g) inform each candidate of the provisions of these Rules with respect to the conduct of the election and any determinations of the directors or the Nominations and Elections Committee relating to elections and the conduct thereof, and;
- (h) conduct the elections of directors in accordance with these Rules and the Election Requirements as approved by the Board of Directors from time to time.

**6.9** A candidate may submit, by the date on which nominations close, a current photograph and a combined resume and statement, which shall be reviewed by the Nominations and Elections Committee. The statement shall be rejected by the Committee if considered by the Committee to be lacking in good taste, defamatory, or injurious to the reputation of the Credit Union.

**6.10** If the number of qualified persons nominated for the offices to be filled is less than or equal to the number of offices to be filled, those persons shall be declared elected by acclamation.

**6.11** If there is an election by acclamation, the respective terms of the persons so elected shall be decided by lot by the Nominations and Elections Committee.

**6.12** Subject to the *Credit Union Incorporations Act*, the *Financial Institutions Act*, the *Electronic Transactions Act* and these Rules, the Board of Directors, in its sole discretion, will determine the means by which the election of directors will be carried out.

**6.13** If the number of qualified persons nominated for election exceeds the number of offices to be filled, an election shall be conducted and the Nominations and Elections Committee, after determining which elements of Rule 11 to include, shall at least 18 days before the date set for closure of voting, provide to all members entitled to vote a notice setting forth:

- (a) a ballot listing alphabetically and by Region represented, the name of all nominees;
- (b) a photograph, resumé and statement if submitted by a candidate pursuant to Rule 6.9;
- (c) clear and precise instructions for casting an electronic or paper ballot and the return thereof, which shall specify the date by which the ballot must be returned to the address specified in the voting instructions; and;
- (d) if the election is to be conducted using a mail-in paper ballot
  - (i) a ballot envelope;

- (ii) a ballot authentication envelope which must provide spaces for the name, address, membership number and signature of the member; and
    - (iii) an addressed envelope bearing the address to which the completed ballot papers are to be mailed or delivered;
- 6.14** The membership list of the Credit Union shall, for the purpose of voting in the election, be closed on a date determined by the Directors which date shall be no more than 31 days before the mailing of the notice required to be mailed pursuant to Rule 6.13, and only those members in good standing, except junior members, as of the close of business of the Credit Union on such voting record date shall be eligible to vote in the election.
- 6.15** The accidental omission to mail the material referred to in Rule 6.13 to any member, or the non-receipt of the material does not invalidate an election. If an eligible member does not receive a ballot pursuant to Rule 6.13, or loses or destroys the ballot before it is cast, then upon receipt prior to the close of voting of a declaration from that member that the ballot was not received, or has been lost or destroyed, and that the member has not cast a ballot in that election, the Credit Union shall make available to that member the items and information to be provided pursuant to Rule 6.13.
- 6.16** Every member desiring to cast a ballot in the election shall:
- (a) provide such proof and particulars of membership as the directors may prescribe; and
  - (b) provide a declaration, in the form prescribed by the directors, that the member is a member in good standing and has not previously cast a ballot in the election then in progress.
- 6.17** Subject to applicable legislation, the directors shall from time to time determine the method and manner in which candidates shall be permitted to campaign for election and candidates shall campaign only in accordance with the permitted method and manner. A candidate who, in the opinion of the Nominations and Elections Committee, breaches the campaign regulations shall be disqualified as a candidate and no vote cast in favour of that candidate shall be counted in the tally of ballots, but the ballots shall not otherwise be deemed to be void. Within 24 hours of the disqualification of a candidate by the Nominations and Elections Committee, the Committee shall give written notice of such disqualification to the candidate and the notice shall specify the reason or reasons for the disqualification. The candidate shall have the right within 72 hours to appeal the disqualification to the directors and the directors shall consider the appeal and advise the candidate of their decision within 7 days. The decision of the directors shall be final and binding.
- 6.18** The Nominations and Elections Committee shall appoint a Returning Officer from time to time, who shall be responsible for supervising the tallying of the election ballots, and for any other balloting conducted concurrently therewith pursuant to these Rules. The final decision on whether a ballot is to be rejected or accepted shall be made prior to the tallying of votes by the Returning Officer, whose discretion is absolute and not open to question or review.
- 6.19** The Returning Officer shall, after the close of balloting, cause all ballots received to be tallied, in a manner to ensure the secrecy of balloting.
- 6.20** No ballot shall be counted in the election unless:
- (a) such ballot is received by the Credit Union within the time and in the manner specified in the voting instructions;
  - (b) such ballot has been marked in a manner which indicates that the voter intended to vote for any number of duly nominated candidates up to and including, but not exceeding, the number of persons required to be elected; and

- (c) all valid requirements of the directors have been fulfilled with respect to the casting of the ballots.
- 6.21 Subject to Rules 6.11 and 6.22, where any directors' terms of office being filled at any election are for different lengths, the term of each person shall be determined in proportion to the number of votes received, with the person receiving the greatest number of votes holding office for the longest term.
- 6.22 In any election if there are two or more persons having an equal number of votes, the successful nominees (or length of terms of office, as the case may be) shall be decided by lot by the Returning Officer.
- 6.23 As soon as practicable but not later than 10 days from the closing of an election in accordance with the voting instructions, the Returning Officer shall communicate the results of the election to the Chair of the Nominations and Elections Committee who will communicate such results to each of the Directors and each of the candidates for election.
- 6.24 An alphabetic listing of the candidates and the Region to be represented and the number of votes received by each shall be posted on the Credit Union website and in the Administration Office of the Credit Union as soon as the ballots have been counted and shall remain posted until the close of business on the third business day following the date upon which the ballots were tabulated.
- 6.25 The results of the election, including the total number of ballots cast, the number of spoiled ballots and the number of votes obtained by each candidate, shall be announced at the next annual general meeting after the balloting has taken place.
- 6.26 If the margin for the least successful elected candidate or candidates in the election is less than 20 votes in excess of the most successful of the unelected candidates in that election for the Region to be represented an official recount of votes cast at such election of directors may be held provided that:
- (a) such recount shall have been initiated by any unsuccessful candidate within the 20 vote margin by notice in writing delivered to the Administration Office of the Credit Union (for the attention of the Chair) within 5 clear business days from the date upon which the election results were posted in accordance with Rule 6.24.
  - (b) no official recount will be initiated for any purpose other than determining the successful candidate for election, and only the votes (including those contained in any spoiled or rejected ballots) affecting those candidates whose election may be in doubt, shall be considered (that is to say, the votes of any candidate or candidates who have been elected, or have failed to be elected by a margin of less than 20 votes); and
  - (c) if the length of term of office of any candidate shall incidentally be affected by any such recount, such length of term of office shall be determined by such recount.
- 6.27 If an official recount shall have been initiated by the aforesaid procedure, the Chair shall, within 1 week after receipt of such written notice requesting an official recount, direct the existing Nominations and Elections Committee to conduct the recount tally. The Nominations and Elections Committee shall conduct and determine the required recount within 25 clear days of the original ballot count date and the result of any such official recount shall be final, conclusive and binding on all persons involved in that election or affected thereby. In conducting such recount, the Committee shall:
- (a) notify every candidate concerned in the election of the time, date and place of the recount;
  - (b) permit every candidate concerned in the election to attend the recount, either in

person or by scrutineer appointed in writing by the candidate to attend on his/her behalf;

- (c) in considering the validity of any ballot, be bound by the voting instructions prescribed for the election concerned by the directors;
- (e) in the event of a tie resulting from any such recount, determine the successful candidate by lot; and,
- (f) submit their final report to the Chair within 5 days after making their final determination.

**6.28** If, as a result of any such official recount, there is a change in the successful candidates for election, or any change in the length of term of office of any elected candidate, the fact of such result (but not the detailed counts relating thereto) shall be published in the next regular newsletter of the Credit Union published after such recount has been determined.

**6.29** Subject to the *Financial Institutions Act* and Rule 6.30 a person elected as a director shall take office at the close of the annual general meeting next following his election, 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 shall be deemed to have taken office at the close of the annual general meeting.

**6.30** If a nominated candidate dies or becomes ineligible for election, before the end of the nomination period, the election will proceed as if the candidate was not nominated. If a nominated candidate dies following the nomination period and during the voting period for election, the election is cancelled and new election proceedings will be initiated. Candidates properly nominated in the first election are deemed to be candidates in the new election without re-nomination.

**6.31** Where a vacancy occurs among the directors or, for any reason, the office of Director is not filled in an election, the remaining Directors may appoint a qualified person to fill the vacancy. Any person so appointed shall hold office for the remaining term related to the vacancy or unfilled position.

**6.32** Subject to the limitations contained in the *Financial Institutions Act*, the Credit Union shall indemnify:

- (a) each director and officer of the Credit Union;
- (b) each former director and officer of the Credit Union; and
- (c) each person who acts or who has acted at the request of the Credit Union as a director or officer of a corporation of which the Credit Union is or was a shareholder or creditor; against all costs including any personal tax liability, charges and expenses, including an amount paid to settle any action or satisfy any judgment, reasonably incurred by the director or officer or person for any civil, criminal or administrative action or proceeding to which the director or officer or person is made a party by reason of being or having been a director or officer of the Credit Union or corporation, if the director or officer of the Credit Union or corporation acted honestly and in good faith with a view to the best interests of the Credit Union and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer of the Credit Union or corporation had reasonable grounds for believing that his conduct was lawful.

**6.33** A person may be removed as a director by a resolution passed by not less than 2/3 of the remaining directors, if that director meets any of the following:

- (a) has failed to comply with the Board of Directors Attendance Standards Policy;
- (b) ceases to be a Member in good standing;
- (c) relocates their permanent residence outside of the Province of British Columbia
- (d) owns or controls, directly or indirectly, an interest of 50 per cent or more in any entity that is a member that ceases to be a member in good standing;
- (e) is consistently in default of account obligations to the Credit Union, or
- (f) owns or controls, directly or indirectly, an interest of 50 per cent or more in any entity that is a member that is consistently in default of account obligations to the Credit Union;
- (g) has breached the Code of Conduct and Business Ethics or Conflict of Interest Policy for the Board of Directors, or the confidentiality of any proceedings, deliberations, or information of the board,

as determined by the remaining directors in accordance with policies and procedures relating to director review established by the Conduct Review Committee.

Per the above, at least 7 days prior to the meeting at which the removal of a director is to be considered, the corporate secretary will provide such director with notice of the meeting and the grounds for considering the director's removal. The director may appear and make submissions prior to the remaining directors voting on the resolution for the director's removal.

## 7. General Meeting

- 7.1 The annual general meeting of the Credit Union shall be held on a date to be fixed by the directors and shall be convened and held in accordance with the provisions of the *Credit Union Incorporation Act*.
- 7.2 General meetings can be conducted simultaneously in different locations connected by video conference or other electronic means, and such simultaneous meetings shall constitute a single meeting with the meeting quorum and votes to be calculated accordingly.
- 7.3 Other general meetings may be convened and held in accordance with the provisions of the *Credit Union Incorporation Act*.
- 7.4 A general meeting may adopt rules of order for its conduct but, if no rules are adopted, Robert's Rules of Order Newly Revised shall be used.
- 7.5 At a general meeting of the Credit Union, 50 members shall constitute a quorum, but a lesser number may adjourn from time to time until a quorum is obtained.
- 7.6 So far as practical, the order of business at an annual general meeting shall be:
  - (a) call to order
  - (b) ascertainment of quorum
  - (c) appointment of Recording Secretary and Parliamentarian
  - (d) approval of previous minutes
  - (e) business arising from previous minutes

- (f) report from Board of Directors
  - (g) report from President and Chief Executive Officer and other management reports, if any
  - (h) report of the Auditor
  - (i) board committee reports, if any
  - (j) appointment of Auditor
  - (k) other resolutions, if any
  - (l) other business, if any
  - (m) adjournment
- 7.7 The Chair or a director designated by the Chair shall chair general meetings of the Credit Union.
- 7.8 Subject to the *Credit Union Incorporation Act* the Chair shall determine the manner by which voting shall be undertaken at a meeting of the Credit Union.
- 7.9 Except for resolutions submitted by the Board of Directors, in order for an Ordinary Resolution to be eligible for consideration by members at a general meeting, it must be submitted to the Board of Directors for review and consideration at least 90 days prior to the general meeting, and the Board of Directors, in its discretion, shall determine whether the resolution shall be submitted to the members for consideration at the general meeting.
- 7.10 Subject to the provisions of Rules 7.11 and 7.13, a resolution adopted at a general meeting of the Credit Union by the requisite majority shall be binding.
- 7.11 The directors may, within 30 days after any general meeting at which a resolution has been adopted by the requisite majority, determine to refer the resolution to the general membership for affirmation, and the resolution shall be of no force or effect unless affirmed.
- 7.12 If the Board decides to refer a resolution for affirmation in accordance with Rule 7.11, the Board will appoint a Returning Officer to oversee the process of affirmation, including the balloting process and count.
- 7.13 Where the directors make a determination to submit a resolution adopted at any general meeting to the members for affirmation as provided in Rule 7.11, the directors shall within 180 days of the general meeting at which the resolution was adopted and after determining which elements of Rule 11 to include, provide to each member entitled to vote at the date of that meeting:
- (a) a notice containing a brief statement of the action taken by the membership, the determination taken by the directors to refer the resolution to the membership for affirmation and the reason of the directors for referring the resolution to the members for affirmation;
  - (b) a ballot containing provision for a vote 'for' or 'against' the affirmation of the resolution;
  - (c) clear and precise instructions for casting an electronic or paper ballot and the return thereof, which shall specify the date by which the ballot must be returned to the address specified in the voting instructions; and;

- (d) if the election is to be conducted using a mail-in paper ballot:
  - (i) a ballot envelope;
  - (ii) a ballot authentication envelope which must provide spaces for the name, address, membership number and signature of the member; and
  - (iii) an addressed envelope bearing the address to which the completed ballot papers are to be mailed or delivered;

**7.14** The accidental omission to mail the material referred to in Rule 7.13 to any member, or the non-receipt of the material, does not invalidate the result of the balloting. If an eligible member does not receive a ballot pursuant to Rule 7.13, or loses or destroys the ballot before it is cast, then upon receipt prior to the close of voting of a declaration from that member that the ballot was not received, or has been lost or destroyed, and that the member has not cast a ballot in that vote, the Credit Union shall make available to that member the items and information to be provided pursuant to Rule 7.13.

**7.15** Every member desiring to vote on the resolution shall:

- (a) provide such proof and particulars of membership as the directors may prescribe; and,
- (b) provide a declaration, in the form prescribed by the directors, that the member was a member in good standing at the date of the meeting and has not previously voted by mail or other means on the resolution.

**7.16** A junior member is not eligible to vote on Special Resolutions or on matters to be considered at a general meeting.

**7.17** No vote on the resolution shall be counted unless:

- (a) such ballot is received by the Credit Union within the time and in the manner specified in the voting instructions;
- (b) such ballot has been marked in a manner which indicates that the voter intended to vote for or against the resolution; and,
- (c) all valid requirements of the directors have been fulfilled with respect to the casting of the ballot.

**7.18** The Returning Officer appointed pursuant to Rule 7.12 shall, after the close of balloting, cause all ballots received by mail, delivery or other permitted means to be tallied, in a manner to ensure the secrecy of balloting. The result of the vote on the resolution shall be posted in the Administration Office of the Credit Union as soon as the ballots have been counted and shall remain posted until the close of business on the third clear business day following the close of balloting.

## **8. Special Resolutions**

**8.1** Voting on a Special Resolution shall be by any means permitted by these Rules.

**8.2** On any Special Resolution to be voted on, the directors shall, at least 18 days prior to the date set for closure of voting on the Special Resolution and after determining which elements of Rule 11 to include, provide to all members entitled to vote a notice setting forth;

- (a) the Special Resolution to be voted on;

- (b) a ballot containing the provision for a vote ‘for’ or ‘against’ the Special Resolution;
- (c) clear and precise instructions for casting an electronic or paper ballot and the return thereof, which shall specify the date by which the ballot must be returned to the address specified in the voting instructions; and;
- (d) if the election is to be conducted using a mail-in paper ballot:
  - (i) a ballot envelope;
  - (ii) a ballot authentication envelope which must provide spaces for the name, address, membership number and signature of the member; and
  - (iii) an addressed envelope bearing the address to which the completed ballot papers are to be mailed or delivered;
- (e) required or permitted information as the Board of Directors deems necessary or advisable in connection with the voting;

**8.3** The membership list of the Credit Union shall, for the purpose of voting on Special Resolutions, be closed on a date determined by the Directors which date shall be no more than 31 days before the mailing of the notice required to be mailed pursuant to Rule 8.2, and only those members in good standing, except junior members, as of the close of business of the Credit Union on such voting record date shall be eligible to vote on the Special Resolution.

**8.4** The accidental omission to mail the material referred to in Rule 8.2 to any member, or the non-receipt of the material does not invalidate the result of the balloting. If an eligible member does not receive a ballot pursuant to Rule 8.2, or loses or destroys the ballot before it is cast, then upon receipt prior to the close of voting of a declaration from that member that the ballot was not received, or has been lost or destroyed, and that the member has not cast a ballot in that vote, the Credit Union shall make available to that member the items and information to be provided pursuant to Rule 8.2.

**8.5** Every member desiring to vote on the Special Resolution shall:

- (a) provide such proof and particulars of membership as the directors may prescribe; and
- (b) provide a declaration, in the form prescribed by the directors, that the member is a member in good standing and has not previously voted on the Special Resolution.

**8.6** No vote on the Special Resolution shall be counted unless:

- (a) such ballot is received by the Credit Union within the time and at that address, or in the manner specified in the voting instructions;
- (b) such ballot has been marked in a manner which indicates that the voter intended to vote for or against the Special Resolution; and
- (c) all valid requirements of the directors have been fulfilled with respect to the casting of the ballots.

**8.7** If a proposed Special Resolution ballot is being conducted concurrently with the election of Directors, then the Returning Officer appointed for the Election shall also supervise the tallying of the ballots for the Special Resolution. If the ballot being conducted is not concurrent with an election, the Board will appoint a Returning Officer for the purpose of supervising the Special Resolution process and balloting.

- 8.8 The Returning Officer shall, after the close of balloting, cause all ballots to be tallied, in a manner to ensure the secrecy of balloting.
- 8.9 The final decision on whether a ballot is to be rejected or accepted shall be made prior to the tallying of votes by the Returning Officer, whose discretion is final and absolute.
- 8.10 As soon as practicable but in no event later than 10 days from the closing of balloting the Returning Officer shall communicate the results of the election to the Chair of the Board of Directors.
- 8.11 The result of the vote on the Special Resolution shall be posted on the Credit Union website and in the Administration Office of the Credit Union as soon as the ballots have been counted and shall remain posted until the close of business on the third clear business day following the close of balloting.

## 9. Seal

- 9.1 The Credit Union shall have a corporate seal.
- 9.2 The corporate seal shall be held in safekeeping at the registered office of the Credit Union or at such other place as the directors shall determine.

## 10. Alteration

- 10.1 The Credit Union may alter these Rules by Special Resolution from time to time.

## 11. Miscellaneous

- 11.1 These Rules are subject to the provisions of applicable legislation.
- 11.2 Subject to the *Credit Union Incorporation Act*, the *Financial Institutions Act* and the *Electronic Transactions Act*, if the Board of Directors determines pursuant to these Rules that members may vote by electronic means, the Board of Directors may prescribe such technological and other requirements for the use of such electronic means as the Board of Directors in its discretion considers desirable in the circumstances.
- 11.3 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” or other similar words, the Board of Directors may in its discretion permit the use of documents in such electronic forms as the Board of Directors in its discretion considers desirable in the circumstances, provided that such electronic documents are accessible in a manner useable for subsequent reference;
  - (b) where these Rules require the provision or delivery of documents, the Board of Directors may in its 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 Board of Directors in its discretion considers 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 purpose of this Rule, “documents” includes without limitation notices, instruments, resolutions and ballots.

# 4 ASSET TRANSFER AGREEMENT

## ASSET TRANSFER AGREEMENT

Between:

**SPRUCE CREDIT UNION**

- and -

**INTERIOR SAVINGS CREDIT UNION**

Dated: \_\_\_\_\_, 2021

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## ASSET TRANSFER AGREEMENT

**THIS AGREEMENT** is made effective as of the \_\_\_\_ day of \_\_\_\_\_, 2021

**BETWEEN:**

**SPRUCE CREDIT UNION**, a credit union created under the laws of British Columbia, and having its head office at:  
879 Victoria Street  
Prince George, BC V2L 2K7

(“**Spruce**”)

- and -

**INTERIOR SAVINGS CREDIT UNION**, a credit union created under the laws of British Columbia, and having its head office at:  
300 - 678 Bernard Avenue  
Kelowna, BC V1Y 6P3

(“**Interior**”)

**WHEREAS:**

- A.** Spruce and Interior (each a “**Credit Union**” and together, the “**Credit Unions**” or the “**Parties**”) wish to combine their respective operations by way of the acquisition and assumption by Interior of all or substantially all of the assets and liabilities of Spruce in accordance with section 16 of the CUIA (the “**Acquisition**”), with the intention of building on the strengths of each Credit Union and fostering an aligned corporate culture with a senior leadership team committed to recognizing the operational efficiencies and capturing the economies of scale of the proposed acquisition to facilitate the advancement of a jointly developed vision and strategy, intended to enhance the value proposition for the benefit of the respective members of the Credit Unions;
- B.** the Credit Unions have, as of the date hereof, obtained the Required Approvals, which are necessary in order to complete the Acquisition, including, without limitation, the consent of BCFSa to the Asset Transfer Agreement in accordance with section 16 of the CUIA (the “**BCFSa Consent**”);
- C.** the Credit Unions have made full disclosure to one another of their respective assets and liabilities, and in particular, of the assets and liabilities of Spruce, which will become the assets and liabilities of Post-Acquisition Interior; and
- D.** the Credit Unions have agreed to finalize their mutual understanding and agreements with respect to the Acquisition and the Acquisition will be completed in accordance with the terms and conditions herein,

**NOW THEREFORE** in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Credit Unions agree as follows:

## ARTICLE 1 – INTERPRETATION

### 1.1 Definitions

In this Agreement, including in the recitals, the following terms shall have the meanings set forth below:

- (a) “**Acquired Assets**” means all of the Assets of Spruce owned by Spruce on the Effective Date immediately prior to the Effective Time;
- (b) “**Acquired Liabilities**” means each and every Liability of Spruce, present and future, direct or indirect, absolute or contingent to any and all Persons, including, without limiting the generality of the foregoing, the Liability of Spruce to Depositors for monies on deposit with Spruce and to Shareholders with respect to monies invested in shares of Spruce;
- (c) “**Affiliate**” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to “**control**” another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term “**controlled**” shall have a similar meanings;
- (d) “**Agreement**” means this asset transfer agreement, including the schedules hereto, and all amendments made in writing by the Parties, and “**herein**”, “**hereof**” and similar expressions mean and refer to this Agreement and not to any particular article, section, subsection or Schedule;
- (e) “**Applicable Law**” in respect of any Person, property, transaction or event, means all present laws, statutes, regulations, treaties, judgments and decrees applicable to that Person, property, transaction or event, including all applicable regulatory requirements and other requirements, rules, orders, directives and policies of any Governmental Authority having the force of law over that Person, property, transaction or event;
- (f) “**Approvals**” includes approvals, certificates, authorizations, consents, franchises, permits, grants, licences, notifications, privileges, rights, orders, judgments, rulings, directives, ordinances, decrees, registrations and filings binding upon a Party or its operations or property required from any Person (other than a Party hereto), including any Governmental Authority;
- (g) “**Assets**” means, in respect of a Person: (i) all personal property of any nature and kind legally or beneficially owned by the Person or leased, operated, managed or controlled by the Person; (ii) any real property which such Party owns, leases, operates, manages or controls in any manner, and includes all land, buildings, structures, installations and fixtures, relating thereto; and (iii) all Intellectual Property of such Person;
- (h) “**BCFSA**” means the BC Financial Services Authority;
- (i) “**BCFSA Consent**” has the meaning ascribed to that term in the recitals of this Agreement;

- (j) “**Business Day**” means any day, other than a Saturday or a Sunday, or statutory holiday, in British Columbia, Canada;
- (k) “**Closing**” means the completion of the Acquisition in accordance with this Agreement;
- (l) “**Commissioner of Competition**” means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act, or their designee;
- (m) “**Competition Act**” means the *Competition Act* (Canada), as amended, and the regulations thereunder;
- (n) “**Competition Act Approval**” means (a) the issuance of an advance ruling certificate by the Commissioner of Competition under subsection 102(1) of the Competition Act to each of the Parties (and any other applicable person) submitting to the Competition Bureau of Canada a notification under Section 114 of the Competition Act in connection with the Acquisition; or (b) both of (A) the waiting period, including any extension thereof, under Section 123 of the Competition Act shall have expired or been terminated, or the requirement to submit a notification under Section 114 of the Competition Act has been waived pursuant to Section 113(c) of the Competition Act, and (B) the issuance to each such person of a no-action letter by the Competition Bureau of Canada;
- (o) “**Constating Documents**” means, as applicable with respect to any Person, its rules, common bond, articles or certificate of incorporation, continuance or amalgamation, amendment, amalgamation or continuance, memorandum of association, by-laws, constitution, charter, declaration of trust, trust deed, partnership agreement, limited partnership agreement or other similar document, and all unanimous shareholder agreements, other shareholder agreements and similar arrangements applicable to the Person’s capital stock, all as amended and as in effect from time to time, and includes in respect of the Credit Unions, all documents for establishment and incorporation as required by the CUIA;
- (p) “**Contract**” means any contract, agreement, lease, license, arrangement, commitment, letter of intent, memorandum of understanding, heads of agreement, promise, obligation, right, instrument, document, or other similar understanding, whether written or oral;
- (q) “**CUIA**” means the *Credit Union Incorporation Act* (British Columbia);
- (r) “**Depositor**” means a Person having money on deposit with Spruce immediately before the Effective Time;
- (s) “**Effective Date**” means the date stipulated by the BCFSa under subsection 16(7) of the CUIA as the effective date of the Acquisition, being the same date shown on the certificate of business acquisition subsequently issued by the Registrar;
- (t) “**Effective Time**” means 12:01(PST) am on the Effective Date;
- (u) “**Encumbrance**” means any lien, pledge, hypothecation, charge, mortgage, deed of trust, security interest, encumbrance, restriction, equitable interest, claim, easement, right-of-way, servitude, right of possession, lease tenancy, Contract, encroachment, burden, intrusion, covenant, infringement, interference, option, pre-emptive rights or right of first refusal, and “**Encumber**” or “**Encumbered**” has a corresponding meaning;

- (v) “**Enforcement Exceptions**” means limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other similar Applicable Laws affecting the enforcement of the rights of creditors and others and, to the extent equitable remedies such as specific performance and injunctions are only available, at the discretion of the court from which they are sought;
- (w) “**Governmental Authority**” means any applicable domestic or foreign government, including any federal, provincial, state, territorial, local or municipal government, and any governmental agency or department, tribunal, board, commission, court or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government, as well as any arbitrator, arbitration tribunal or other tribunal or any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing and shall, for the purposes of this Agreement, include the Minister, BCFSa and the Competition Bureau of Canada;
- (x) “**Intellectual Property**” means, in respect of a Person, any and all names, business names, trade names, brand names, patents, designs (including industrial design rights), copyrights, trademarks and trade names, business processes, formulae, know-how, trade secrets and Confidential Information, integrated circuit topographies, computer programs, source code and documentation (whether in paper, electronic or other format), and all other analogous intellectual property or intangible proprietary rights, which may subsist anywhere in the world, whether registered or unregistered, including all applications for registration of same, registrations where available of any such intellectual property rights at either a national, regional or international level, all rights to file such applications and continuations, derivations or divisions thereof, and all reissues and re-examinations of any such registrations;
- (y) “**Liability**” means any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unfixed, un-liquidated, unsecured, un-matured, unaccrued, unasserted, contingent, conditional, inchoate, implied, vicarious, joint, several or secondary liability), strict liability (including, strict liability arising under Applicable Law) regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet;
- (z) “**Material Adverse Change (or Effect)**” means, in respect of each Credit Union and its Subsidiaries, taken as a whole, a change or effect in the condition (financial or otherwise) of the Assets, Liabilities, rights, operations, business (but for certainty excluding prospects) of such Credit Union and its Subsidiaries, taken as a whole, which change (or effect), individually or in the aggregate, could reasonably be expected to be materially adverse to the condition (financial or otherwise), Assets, Liabilities, rights, operations, business, of such Credit Union and its Subsidiaries, taken as a whole, or ability to carry out the transactions contemplated by this Agreement, including any change or effect caused by, arising from, or relating to acts of terrorism or war (whether or not declared), or by interruption of utilities or other public or commercial products or services which materially impair the ability of such Credit Union and its Subsidiaries, taken as a whole, to conduct its operations (which shall include without limitation the Credit Union’s ability to maintain its capital and liquidity ratios above the minimum requirements imposed by BCFSa and/or the Credit Union being able to maintain Stage – 0 ISR (Intervention Stage Rating) by BCFSa) except on a temporary basis; *provided*, however, that changes to general economic or other conditions affecting the financial markets

generally, or financial institutions, specifically, will not constitute a “**Material Adverse Change (or Effect)**” for purposes of this Agreement unless and only to the extent such changes have a materially disproportionate adverse effect on such Credit Union and its Subsidiaries, taken as a whole, relative to the adverse effect that such changes have on other Persons in the same industry;

- (aa) “**Member Approval**” means the requisite approval of the Acquisition by Spruce Shareholders in accordance with the CUIA;
- (bb) “**Minister**” means the Minister to the Government of British Columbia who has administration of the *Financial Administration Act* (British Columbia);
- (cc) “**Ordinary Course of Business**” means, in respect of a Party and its Affiliates, the ordinary course of business consistent with past custom and practice (including with respect to quantity, quality and frequency) of the relevant Party and its Affiliates in the industry in which the relevant Party and its Affiliates do business as of the date hereof;
- (dd) “**Permitted Encumbrances**” means:
  - (i) easements, rights of way, servitude, and similar rights in land for sewers, drains, gas and oil pipelines, gas and water mains, telephone or cable television conduits;
  - (ii) rights reserved to or vested in any Governmental Authority by the term of any lease, license, franchise, grant or permit pursuant to Applicable Law;
  - (iii) liens for Taxes which are not yet due and payable;
  - (iv) liens incurred, created and granted in the Ordinary Course of Business to a public utility, municipality or Governmental Authority;
  - (v) rights of lessors, including purchase money security interests, under equipment leases in respect of office equipment and other minor equipment entered into in the Ordinary Course of Business;
  - (vi) any privilege in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required under Contracts so long as the payment of such or the performance of such other obligation or act is not delinquent as at the date hereof; and
  - (vii) those Encumbrances, if any, listed in Schedule 1.1(dd) hereof;
- (ee) “**Person**” means any natural person, sole proprietorship, partnership, limited partnership, corporation, trust, joint venture, Governmental Authority or incorporated or unincorporated entity or association of any nature;
- (ff) “**Post-Acquisition Interior**” means Interior following the Acquisition;
- (gg) “**Registrar**” means the person appointed as the Registrar of Companies under section 400 of the *Business Corporations Act* (British Columbia);

- (hh) “**Required Approvals**” means, collectively, the BCFSA Consent, the Competition Act Approval and the Member Approval;
- (ii) “**Shareholder**” means a person recorded in the records of Spruce as the owner of a share or shares of Spruce, whether or not a member of Spruce;
- (jj) “**Subsidiary**” means:
  - (i) when used to describe a relationship with a Credit Union, a “subsidiary” as defined in section 2.1 of the CUIA;
  - (ii) with respect to a corporation, a subsidiary as defined in the *Business Corporations Act* (British Columbia) and any partnership, joint venture or other Person which is controlled by the corporation or any Subsidiary of the corporation; and
  - (iii) with respect to any other Person, any other Person which is controlled by such Person or any Subsidiary of such Person;

For purposes of paragraphs (ii) and (iii) above, a Person “**controls**” another Person if that Person directly or indirectly possesses the power to direct or cause the direction of the management and policies of that other Person, whether through ownership of securities, by Contract or otherwise and “**controlled by**” and “**under common control with**” have similar meanings;

- (kk) “**Taxes**” means all present and future taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges of any nature imposed by any Governmental Authority including income, capital (including large corporations), withholding, consumption, sales, use, transfer, goods and services or other value-added, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, health, education, business, school, property, local improvement, development, education development and occupation taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and charges, together with all fines, interest, penalties on or in respect of, or *in lieu of* or for non-collection of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges.

All other capitalized terms used herein shall, for the purposes of this Agreement and all instruments, certificates and other documents delivered by the Parties pursuant to or in connection with this Agreement (including, for certainty, communications between the Parties), have the meanings attributed to them throughout this Agreement unless something in the subject matter or context is inconsistent therewith.

## 1.2 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule 1.1(dd)	–	Permitted Encumbrances
Schedule 5.6(a)	–	Directors
Schedule 5.6(a)	–	Officers
Schedule (b)	–	Proposed Products & Services

Any reference to a Schedule to this Agreement shall be deemed to be a reference to, and shall incorporate by reference all matters contained in such Schedule.

### **1.3 Currency**

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

### **1.4 Date for Any Action**

If the date on which any action is required to be taken hereunder by a Party is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

### **1.5 Accounting Principles**

Wherever in this Agreement reference is made to generally accepted accounting principles or to International Financial Reporting Standards (“**IFRS**”), such reference shall be deemed to be to the generally accepted accounting principles from time to time approved by the Chartered Professional Accountants of Canada or any successor entity thereto (and, where applicable, as modified by the guidelines of BCFSA), both applicable as at the date on which any calculation or determination is required to be made in accordance with generally accepted accounting principles, and in respect of each Party applied in a manner consistent with such Party’s past practice. Accounting terms used but not otherwise defined in this Agreement shall, if defined under IFRS, have the meanings ascribed thereto under IFRS or, where not defined under IFRS, shall be interpreted in accordance with IFRS.

### **1.6 Statutory References**

Any reference to a statute or regulatory instrument shall be deemed to include a reference to such statute or regulatory instrument and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulatory instrument that may be passed which has the effect of supplementing or superseding the statute or regulatory instrument so referred to or the regulations made pursuant thereto.

### **1.7 Knowledge**

In this Agreement, references to “**to the knowledge of**” means the actual knowledge of the Executive Officers of Spruce or Interior, as the case may be, without the requirement to make inquiry of any other members of their organization, as applicable. For purposes of this Section 1.7 “**Executive Officers**” means:

- (a) in the case of Spruce, Chief Executive Officer; and
- (b) in the case of Interior, President and Chief Executive Officer, Senior Vice-President and Chief Operating Officer, Senior Vice-President, Chief Financial and Risk Officer, Senior Vice-President, Member and Community Engagement, Senior Vice-President, Culture and Technology, Vice-President, Digital Solutions and Vice-President, Commercial Services.

### **1.8 Interpretation Not Affected by Headings**

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or

interpretation of the provisions of this Agreement.

### **1.9 Number and Gender**

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders.

### **1.10 Severability**

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

### **1.11 Time of the Essence**

Time shall be of the essence in the Agreement.

### **1.12 Governing Law**

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and each Party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such Province and all courts competent to hear appeals therefrom.

### **1.13 Material Adverse Change (or Effect)**

For certainty, the Parties acknowledge that this Agreement has been intentionally drafted to include the defined term “**Material Adverse Change (or Effect)**” and undefined terms and qualifiers that relate to materiality like ‘**materiality**’, ‘**material adverse impact**’, and similar terms. It is not intended that such undefined terms are ascribed the same meaning as the defined term.

### **1.14 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to the transactions herein contemplated and supersedes any prior understandings, agreements, negotiations and discussions, written or oral, between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements or understandings, express or implied, between the Parties with respect to the transactions contemplated herein, except as specifically set forth in this Agreement.

## **ARTICLE 2 – TRANSFER OF ASSETS AND ASSUMPTION OF LIABILITIES**

## **2.1 Transfer of Spruce's Assets**

Upon the terms and subject to the conditions hereof, Spruce agrees to transfer to Interior, and Interior agrees to acquire from Spruce, immediately following the share exchange transactions prescribed by Section 2.6 hereof, all the Acquired Assets and Acquired Liabilities, effective as of the Effective Time.

## **2.2 Assumption of Liabilities**

In consideration of the acquisition by Interior of the Acquired Assets, Interior agrees to assume, as of the Effective Time, all of the Acquired Liabilities.

## **2.3 Deposits**

Without limiting the generality of Section 2.2, as of the Effective Time, Interior shall assume the obligations of Spruce to each Depositor on a dollar-for-dollar basis in the amount of the deposits of each Depositor with Spruce and on the same terms and conditions with respect to each deposit as existed between Spruce and each Depositor at the time the asset transfer contemplated hereunder takes effect until the expiry or renewal of such Depositor's term.

## **2.4 No Exclusions**

For the purposes of sections 16(2)(e) and (f) of the CUIA, the Credit Unions acknowledge and agree that none of the assets of Spruce are excluded from the Acquired Assets and that none of the liabilities of Spruce are excluded from the Acquired Liabilities.

## **2.5 Closing Procedures**

The Parties agree that any document that is required to be delivered by one Party to the other under this Agreement may, unless otherwise reasonably requested, be sent by the delivering Party (or its solicitors) in electronic format, including in portable document format, to the other Party (or its solicitors) via email.

## **2.6 Shares**

- (a) At the Effective Time, the issued and outstanding shares of Spruce will be exchanged for shares of Post-Acquisition Interior on the basis that ONE (1) Membership Equity Share of Interior will be issued in exchange for each issued Class "A" Membership Equity Share of Spruce as at the Effective Time.
- (b) Within a reasonable amount of time following the share exchanges set out in subsection (a) above, Post-Acquisition Interior may redeem from any member holding in excess of FIVE (5) Membership Equity Shares (as a result of the exchange referred to in Section 2.6(a) above), those shares that are in excess, provided however, that at no time shall any member hold in excess of 1,000 Membership Equity Shares.
- (c) There are no issued and outstanding equity shares of Spruce within the meaning and for the purpose of section 16(2)(d) and section 24 of the CUIA.

## **2.7 Effective Date and Time**

The Acquisition shall become effective on the Effective Date at the Effective Time.

## ARTICLE 3– REPRESENTATIONS AND WARRANTIES OF SPRUCE

### 3.1 Representations and Warranties of Spruce

Spruce makes the following representations and warranties to Interior with Spruce acknowledging that Interior is entering into this Agreement in reliance upon such representations and warranties.

- (a) Organization and Qualification. Spruce is a credit union duly created, amalgamated or continued, validly existing and in good standing under the laws of the Province of British Columbia and has the requisite corporate power and authority to own its properties as now owned and to carry on its business as it is being conducted as of the date hereof. Spruce is duly registered to do business and is in good standing in each jurisdiction in which the character of its Assets, owned or leased, or the nature of its activities makes such registration necessary, except where the failure to be so registered or in good standing would not, taken as a whole, have a material adverse impact on Spruce. Copies of the Constatng Documents of Spruce together with all amendments to date have been provided to the other Party and are accurate and complete as of the date hereof.
- (b) Authority Relative to this Agreement. Spruce has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by Spruce in the transactions contemplated hereby have been duly authorized by Spruce’s board of directors and no other corporate proceedings on the part of Spruce are necessary to authorize this Agreement or the transactions contemplated hereby. This Agreement has been duly executed and delivered by Spruce and constitutes a legal, valid and binding obligation of Spruce enforceable against one another in accordance with its terms, subject to Enforcement Exceptions.
- (c) No Violations; Absence of Defaults and Conflicts.
  - (i) Spruce is not in violation of its Constatng Documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any Contract, Encumbrance or in respect of any Liability to which Spruce is a party or to which any of them, or any of its respective Assets, may be subject or by which Spruce is bound, except for such defaults which, taken as a whole, would not materially adversely affect Spruce.
  - (ii) Neither the execution and delivery of this Agreement by Spruce nor the consummation of the transactions contemplated hereby nor compliance by Spruce with any of the provisions hereof will violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under or in respect of, or result in the creation of any Encumbrance upon any of the Assets of Spruce or cause any Liability to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of:
    - (A) its Constatng Documents (in each case, excluding, such violations, conflicts, breaches, defaults, terminations, accelerations or creations of Encumbrances which, or any Approvals or notices which if not given or

received, would not, taken as a whole, have a material adverse impact on Spruce),

- (B) subject to compliance with the statutes and regulations referred to in (iii) below, violate any Applicable Laws in relation to Spruce or any of its Assets in any material respect, or
  - (C) cause the suspension or revocation of any Approval currently in effect which would have a material adverse impact on Spruce or, following the Effective Date, Post-Acquisition Interior.
- (iii) Other than in connection with or in compliance with the provisions of Applicable Laws (including the provisions of the CUIA and any other Applicable Laws that regulate the acquisition of Spruce under the CUIA, competition, antitrust, and investment and the requirements of the CUIA in relation to the consummation of the Acquisition and as may be otherwise set out in this Agreement):
- (A) there is no material legal impediment to Spruce's consummation of the transactions contemplated hereby, and
  - (B) no filing or registration with, or Approval of, any Governmental Authority is required of Spruce in connection with the consummation of the transactions, except for such filings or registrations which, if not made, or for such Approvals which, if not received, would not, taken as a whole, have a material adverse impact on Spruce or, following Closing, Post-Acquisition Interior, or significantly impede the ability of Spruce to consummate the transactions.
- (d) Filings. Other than the filings contemplated by this Agreement in respect of the transactions contemplated hereby, Spruce has filed all documents required to be filed by it with applicable Governmental Authorities, other than any documents, which, taken as a whole, would not result in a material adverse impact on Spruce.
- (e) No Material Adverse Change. Since December 31, 2020: (i) Spruce has conducted its operations only in the Ordinary Course of Business, (ii) no Liability to Spruce has been incurred other than in the Ordinary Course of Business, and (iii) there has not been any Material Adverse Change in respect of Spruce, taken as a whole, and no event has occurred or circumstance exists that could reasonably be expected to result in a Material Adverse Change.
- (f) Title. Spruce, in all material respects, has good and sufficient title to its Assets, free and clear of any Encumbrances other than any Permitted Encumbrances.
- (g) Approvals. Spruce has obtained and is in material compliance with all Approvals of or from any Governmental Authority necessary to conduct its business, as it is being or is proposed to be conducted as of the date hereof, other any Approvals, the absence of which would, individually or in the aggregate, not have a material adverse impact on Spruce or, following Closing, Post-Acquisition Interior.
- (h) Disclosure. To the knowledge of Spruce, Spruce has not withheld from Interior any material information or documents concerning Spruce or its material Assets or Liabilities

during the course of Interior's review of Spruce and its Assets. No representation or warranty contained in this Agreement or other disclosure document provided or to be provided to Interior pursuant to this Agreement contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading.

### **3.2 Survival of Representations and Warranties**

The representations and warranties contained in this Article 3 shall expire and be terminated on the Effective Date.

## **ARTICLE 4 – REPRESENTATIONS AND WARRANTIES OF INTERIOR**

### **4.1 Representations and Warranties of Interior**

Interior makes the following representations and warranties to Spruce with Interior acknowledging that Spruce is entering into this Agreement in reliance upon such representations and warranties.

- (a) Organization and Qualification. Interior is a credit union duly created, amalgamated or continued, validly existing and in good standing under the laws of the Province of British Columbia and has the requisite corporate power and authority to own its properties as now owned and to carry on its business as it is being conducted as of the date hereof. Interior is duly registered to do business and is in good standing in each jurisdiction in which the character of its Assets, owned or leased, or the nature of its activities makes such registration necessary, except where the failure to be so registered or in good standing would not, taken as a whole, have a material adverse impact on Interior. Copies of the Constating Documents of Interior together with all amendments to date have been provided to the other Party and are accurate and complete as of the date hereof.
- (b) Authority Relative to this Agreement. Interior has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by Interior in the transactions contemplated hereby (including the appointment of the initial board of directors of Post-Acquisition Interior as contemplated hereby) have been duly authorized by Interior's board of directors and no other corporate proceedings on the part of Interior are necessary to authorize this Agreement or the transactions contemplated hereby. This Agreement has been duly executed and delivered by Interior and constitutes a legal, valid and binding obligation of Interior enforceable against one another in accordance with its terms, subject to Enforcement Exceptions.
- (c) No Violations; Absence of Defaults and Conflicts.
  - (i) Neither Interior nor any of its Subsidiaries are in violation of their Constating Documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any Contract, Encumbrance or in respect of any Liability to which Interior or any of its Subsidiaries are a party or to which any of them, or any of its respective Assets, may be subject or by which Interior or any of its Subsidiaries are bound, except for such defaults which, taken as a whole, would not materially adversely affect Interior.

- (ii) Neither the execution and delivery of this Agreement by Interior nor the consummation of the transactions contemplated hereby nor compliance by Interior with any of the provisions hereof will violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under or in respect of, or result in the creation of any Encumbrance upon any of the Assets of Interior or any of its Subsidiaries or cause any Liability to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of:
  - (A) its Constatng Documents (in each case, excluding, such violations, conflicts, breaches, defaults, terminations, accelerations or creations of Encumbrances which, or any Approvals or notices which if not given or received, would not, taken as a whole, have a material adverse impact on Interior),
  - (B) subject to compliance with the statutes and regulations referred to in (iii) below, violate any Applicable Laws in relation to Interior or any of its Subsidiaries or any of its Assets in any material respect, or
  - (C) cause the suspension or revocation of any Approval currently in effect which would have a material adverse impact on Interior or, following the Effective Date, Post-Acquisition Interior.
- (iii) Other than in connection with or in compliance with the provisions of Applicable Laws (including the provisions of the CUIA and any other Applicable Laws that regulate the acquisition of Spruce under the CUIA, competition, antitrust, and investment and the requirements of the CUIA in relation to the consummation of the Acquisition and as may be otherwise set out in this Agreement):
  - (A) there is no material legal impediment to Interior’s consummation of the transactions contemplated hereby, and
  - (B) no filing or registration with, or Approval of, any Governmental Authority is required of Interior in connection with the consummation of the transactions, except for such filings or registrations which, if not made, or for such Approvals which, if not received, would not, taken as a whole, have a material adverse impact on Interior or, following Closing, Post-Acquisition Interior, or significantly impede the ability of Interior to consummate the transactions.
- (d) Disclosure. To the knowledge of Interior, Interior has not withheld from Spruce any material information or documents concerning Interior or its material Assets or Liabilities during the course of Spruce’s review of Interior and its Assets. No representation or warranty contained in this Agreement or other disclosure document provided or to be provided to Interior pursuant to this Agreement contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading.

## 4.2 Survival of Representations and Warranties

The representations and warranties contained in this Article 4 shall expire and be terminated on the Effective Date.

## ARTICLE 5 – POST-CLOSING MATTERS

### 5.1 Continuity of Employment

As of the date hereof, Interior, in consultation with Spruce, shall have extended offers of employment to all persons employed by Spruce on the date hereof, on terms and conditions that are no less favorable than those existing on the date hereof. Post-Acquisition Interior will implement a human resources integration plan to ensure effective onboarding of Spruce employees who are employed by Post-Acquisition Interior following the Effective Date.

### 5.2 Spruce Branches.

From and after the Effective Time, all branches of Spruce will continue to be open and operative and, as of the date hereof, Interior has no plans or intentions to suspend or cease the operations of any Spruce branch.

### 5.3 Spruce Legacy Fund

As of the date hereof, Spruce shall have accrued the aggregate amount of seven-hundred and fifty-thousand (\$750,000) dollars which funds are earmarked for the purpose of supporting the legacy giving spirit of Spruce linked to the communities it currently services (the “**Spruce Legacy Fund**”).

### 5.4 Name

The name of Post-Acquisition Interior will continue to be the name of Interior, being: “Interior Savings Credit Union”.

### 5.5 Registered Office/Head Office

The registered office of Post-Acquisition Interior shall be located at 300 - 678 Bernard Avenue, Kelowna, British Columbia. The head office of Post-Acquisition Interior shall be located at the same address.

### 5.6 Directors/Senior Officers

- (a) The board of directors of Post-Acquisition Interior shall initially consist of the directors of Interior with the addition of one (1) existing director of Spruce (the “**Spruce Director**”). The directors of Post-Acquisition Interior shall be the individuals whose names, addresses and occupations appear in Schedule 5.6(a). The Credit Unions acknowledge and agree that the Spruce Director shall serve on the board of Post-Acquisition Interior for a term of three (3) years, which term shall commence on the Effective Date and permanently expire on the date that is three (3) years from such date. Upon the expiration of the term of the Spruce Director, the Spruce Director shall not be precluded from pursuing nomination or election to the board of Post-Acquisition Interior in accordance with its standard election procedures in effect as of such date.

- (b) The Chief Executive Officer and all other initial members of the senior executive leadership team of Post-Acquisition Interior shall be those individuals whose names appear in Schedule 5.6(a).

### **5.7 Insurance**

The Parties agree that the Post-Acquisition Interior will maintain in effect customary policies of directors' and officers' liability insurance providing protection comparable to the policy maintained by Interior as is in effect immediately prior to the Effective Date. Interior confirms that all present and former directors and officers of Spruce shall be covered with respect to claims arising from facts or events which occurred prior to the Effective Date through existing Interior directors' and officers' liability insurance and such coverage shall continue following the Effective Date.

### **5.8 GST Election**

The Credit Unions shall jointly elect under section 167(1) of the *Excise Tax Act* (Canada) that no tax be payable with respect to the Acquisition and Post-Acquisition Interior shall complete and file such election in compliance with the requirements of the *Excise Tax Act* (Canada). Post-Acquisition Interior shall file such election in prescribed form and within the time limits contained in the *Excise Tax Act* (Canada) with the appropriate Governmental Authority.

### **5.9 Products and Services Proposed to be Offered**

All products and services currently offered by Interior and Spruce are expected to form part of Post-Acquisition Interior's mix of product and services. At the Effective Time, no new products or services (that are not already being offered or provided by Spruce or Interior) will be introduced and no existing products or services will be discontinued, other than the natural expiration of the normal life cycle of certain products offered by either of the Credit Unions in the Ordinary Course of Business.

Schedule (b) hereof sets out a list of major lines of business proposed to be offered by Post-Acquisition Interior, which, as noted above, shall be consistent with the lines of business being offered by either, or both, of the Credit Unions immediately prior to the Acquisition.

### **5.10 Common Bond of Membership**

The common bond for Post-Acquisition Interior will continue to be the common bond of Interior, being: "Persons who reside, work or carry on business in the Province of British Columbia."

## ARTICLE 6 – GENERAL

### 6.1 Relationship of the Parties

It is understood and agreed that nothing herein contained shall be construed as constituting a partnership, joint venture, joint enterprise or agency between the Parties during the period between the date hereof and the Effective Date by virtue of having entered into this Agreement.

### 6.2 Amendment

No amendment of any provision of this Agreement shall be binding on any Party unless consented to in writing by such Party.

### 6.3 Assignment

No Party may assign this Agreement or any of its rights, interests or obligations under this Agreement (whether by operation of law or otherwise) without the prior written consent of the other Party.

### 6.4 Binding Effect

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

### 6.5 Waiver and Modification

The Parties may waive or consent to the modification of, in whole or in part, any inaccuracy of any representation or warranty made to them in the Agreement or in any document to be delivered pursuant to the Agreement and may waive or consent to the modification of any of the covenants in the Agreement contained for their respective benefit or waive or consent to the modification of any of the obligations of the other Party in the Agreement; *provided*, however, that any such waiver or consent, to be effective, must be in writing executed by the Party granting such waiver or consent. No omission, delay or failure to exercise any right or power, or any waiver by any Party hereto of any breach or default, whether expressed or implied, or any failure to insist upon strict compliance with any provision of this Agreement, shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

### 6.6 Third Party Beneficiaries

The provisions of Section 5.7 are: (a) intended for the benefit of all present and former directors and officers of the Parties as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives (collectively, the “**Third Party Beneficiaries**”) and the Parties acknowledge and agree that the Parties and, following the Acquisition, Post-Acquisition Interior shall hold the rights and benefits of Section 5.7 in trust for and on behalf of the Third Party Beneficiaries and each of the Parties hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries, and (b) in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by Contract or otherwise. Except as provided in this Section, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

## **6.7 Further Assurances**

Notwithstanding that the transactions and events set out herein shall occur and shall be deemed to occur in the order set out in this Agreement, or otherwise in accordance with the direction of BCFSA, in each case without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, Contracts, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document, evidence or perform the transactions or events set out herein and intent of this Agreement.

## **6.8 Dispute of this Agreement**

Notwithstanding the retainer agreement entered into between Interior, Spruce and MLT Aikins LLP, the Credit Unions both acknowledge and agree that in the event that there is a dispute that arises and such dispute results in the initiation of legal proceedings by one Credit Union against the other in respect of this Agreement, that neither party shall be able to retain the services of MLT Aikins LLP in respect of its pursuit or defence of such legal proceeding.

## **6.9 Counterparts**

This Agreement may be executed in any number of counterparts, by facsimile and by electronic means in portable document format, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to be as of the date hereof.

*[Signature Page Follows]*

**IN WITNESS WHEREOF** this Agreement has been executed by the Credit Unions as of the date first written above.

**SPRUCE CREDIT UNION**

By: \_\_\_\_\_  
Name: Reg Foot  
Title: Board Chair

By: \_\_\_\_\_  
Name: Kelli Moorhead  
Title: Board Vice-Chair

**INTERIOR SAVINGS CREDIT UNION**

By: \_\_\_\_\_  
Name: Kathy Conway  
Title: President and Chief Executive Officer

By: \_\_\_\_\_  
Name: Rob Shira  
Title: Board Chair

## SCHEDULE 1.1(DD) - PERMITTED ENCUMBRANCES

### REAL PROPERTY

- Nil

### PERSONAL PROPERTY

- Security interests and liens perfected by the following registrations with the British Columbia Personal Property Registry as follows:

REGISTRATION NO.	DEBTOR	SECURED PARTY	COLLATERAL DESCRIPTION
4685667 Infinity registration length	Spruce Credit Union	Central 1 Credit Union	All of the debtor's present and after-acquired personal property.
4686773 Infinity registration length	Spruce Credit Union	Central 1 Credit Union	All accounts, debts, claims, choses in action and demands now due to, or hereafter to become due to, or which may become vested in, the debtor (the "debts") and all contracts, bills, notes, lien notes, books of account, letters, invoices, papers and documents in any way evidencing, relating to or securing the debts and all other rights and benefits now or hereafter vested in the debtor in respect of the debts. Proceeds: all of the debtor's present and after-acquired goods, securities, instruments, documents of title, chattel paper, intangibles or money (as defined by the personal property security act of british columbia) which are proceeds (as defined in the said act) of the original collateral.
422276A Expires May 31, 2022	Spruce Credit Union	Central 1 Credit Union	All of the debtor s present and after-acquired personal property, except those intangibles which are the minimum deposits which the debtor must maintain unencumbered to meet the requirements of the liquidity requirement regulation under the financial institutions act, R.S.B.C. 1996, C 141 or any regulation or legislation in substitution therefor.

[While it is not anticipated to have any material changes, the permitted encumbrances will be reviewed and updated Closing Date, as applicable, to reflect current permitted encumbrances.]

## SCHEDULE 5.6(A) - DIRECTORS

The names and place of ordinary residence of each director of Post-Acquisition Interior are set out below:

NAME	ADDRESS	CITY	PROVINCE	TELEPHONE
<b>INTERIOR DIRECTORS</b>				
Rob Shirra (Chair)	-----	Summerland	BC	-----
Liza Curran (Vice-Chair)	-----	Ashcroft	BC	-----
Ken Christian	-----	Kamloops	BC	-----
Elmer Epp	-----	Kamloops	BC	-----
Anna Florczynski	-----	Kelowna	BC	-----
Stacey Fenwick	-----	Kelowna	BC	-----
Don Grant	-----	Peachland	BC	-----
Caroline Grover	-----	Kelowna	BC	-----
Daphane Nelson	-----	Kamloops	BC	-----
Shelley Sanders	-----	Merritt	BC	-----
Bruce Tisdale	-----	Merritt	BC	-----
Sandy Watt	-----	Kamloops	BC	-----
<b>SPRUCE DIRECTOR</b>				
Reg Foot	-----	BC	BC	-----

[Addresses and phone numbers to be completed and redacted from any public facing copy of the Asset Transfer Agreement (for example: when distributed to Spruce members as part of the special meeting materials).]

## SCHEDULE 5.6(A) - OFFICERS

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NAME	OFFICE
Kathy Conway	President & Chief Executive Officer
Ted Schisler	Senior Vice-President and Chief Operating Officer
Trevor Tremblay	Senior Vice-President, Chief Financial Officer and Risk Officer
Gene Creelman	Senior Vice-President, Member and Community Engagement
Karen Hawes	Senior Vice-President, Culture and Technology
Ryan Tombs	Vice-President, Digital Solutions
Cliff Ehnes	Vice-President, Commercial Services

## SCHEDULE (B) - PRODUCTS AND SERVICES

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Below is a list of major lines of business to be offered to members by Post-Acquisition Interior.

- Consumer Banking and Personal Banking
- Commercial Services and Small Business Banking
- Wealth Management
- Insurance Services

# 5 DIRECTOR AND EXECUTIVE MANAGEMENT PROFILES

## DIRECTORS

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**ROB SHIRRA**  
**Chair, Summerland**

Director Since: 2020  
Current Term: 2020-2023

Mr. Shirra is a community-minded business executive with a strong commitment to the credit union system. From 1983-2017, he owned a successful management consulting company and worked with many large-scale national and international clients. In 2015 he was awarded the ICD.D designation from the Institute of Corporate Directors. Prior to moving to the Okanagan, he served on the Board of another large BC credit union, where he chaired their Investment & Lending committee. Since 1988 he has been a director on several other industry and community boards.

**Committees**

- Human Resources Committee
- Nominations & Elections Committee

**Other Relevant Board Appointments**

- ITS Canada (Past Chair)
  - Institute of Certified Management Consults of BC (Past Chair)
- 



**LIZA CURRAN**  
**Vice-Chair, Ashcroft**

Director Since: 2014  
Current Term: 2020-2023

Ms. Curran is a Chartered Professional Accountant with a lengthy background in both private and public practice. She became a member of Interior Savings in 1991. Ms. Curran has served on the Boards of The Friends of Historic Hat Creek Ranch Society, the Thompson Cariboo Minor Hockey Association and the School Planning and Parent's Advisory Councils in School District #74. Ms. Curran joined the Interior Savings' Board of Directors in 2014.

**Committees**

- Audit & Risk Committee
- Human Resources Committee
- Investment & Lending Committee



**KEN CHRISTIAN**  
**Kamloops**

Director Since: 2016  
Current Term: 2019-2022

Mr. Christian has been a credit union member for over 50 years and has diligently served the communities of the Kamloops region in various capacities. He is currently Mayor of the City of Kamloops, President of the Kamloops Airport Authority and Chair of the Thompson Regional Hospital District. Mr. Christian was elected to the Interior Savings Board of Directors in 2016.

**Committees**

- Governance & Conduct Review Committee (Chair)
- Nominations & Elections Committee

**Other Relevant Board Appointments**

- Kamloops City Council
- 



**ELMER EPP**  
**Kamloops**

Director Since: 1995  
Current Term: 2020-2023

Mr. Epp's membership in Interior Savings goes back over 40 years. He has also been a member of Interior Savings' Board for over 20 years, including serving as the Chair from 1998 to April 2020. From 2013-2019 he served on the Board of Central 1 Credit Union, which represents all the Credit Unions in BC and most of the Credit Unions in Ontario. While at Central 1 he served as Chair of the Legislative Affairs Committee. Mr. Epp has been a lawyer for 35 years and is with the law firm of Cates Ford Soll Epp, specializing in corporate and commercial law.

**Committees**

- Investment & Lending Committee

**Other Relevant Board Appointments**

- 1200089 B.C. Ltd. (insurance subsidiary of Interior) - Board



**ANNA FLORCZYNSKI**  
**Kelowna**

Director Since: 2017  
Current Term: 2020-2023

Ms. Florczynski is an executive with over thirty years of experience in the banking/financial sector. She served as the Chief Executive Officer of Bayview Credit Union in Saint John, NB from 2006 to 2015. She was recognized as one of the Top 50 CEO's in Atlantic Canada in 2015. Ms. Florczynski retired to Kelowna with her husband in 2016. Ms. Florczynski is a member and has a designation of the Institute of Corporate Directors of Canada.

**Committees**

- Audit & Risk Committee
- Investment & Lending Committee

**Other Relevant Board Appointments**

- Member of 100 Women Who Care - Kelowna
- Alzheimer's Society of New Brunswick (2013 -Jun 2016)
- Member of Saint John Board of Trade (2007- 2015)
- Joshua Group Board of Directors (2010,2011)
- Board of Governors - Certified General Accountants Association of New Brunswick (2005 - 2007)



**STACEY FENWICK**  
**Kelowna**

Director Since: 2015  
Current Term: 2021-2024

Ms. Fenwick has been a member of Interior Savings since 1992 and was elected to the Board of Directors in 2015. Educated with a Masters in Business Administration in Strategic Management from the University of British Columbia, she is currently working as a professor at the Okanagan School of Business at Okanagan College. She became a student in the Doctorate of Business Administration program at Athabasca University in 2019. Her research interest is in performance measurements in social enterprises. She is also a director and Past Chair of the Board at Habitat for Humanity Okanagan.

**Committees**

- Audit & Risk Committee
- Investment & Lending committee

**Other Relevant Board Appointments**

- Habitat for Humanity Okanagan - Current director (Board Chair 2016-2020)



**DON GRANT**  
**Peachland**

Director Since: 1994  
Current Term: 2019-2022

An avid cyclist, Mr. Grant has served as Chair of the Board of Interior Savings Credit Union and has been actively involved with many of the Board's committees. Following his business career with Johnson & Johnson, Mr. Grant serves on the Board of Directors of the College of Dietitians of BC; Interdivisional Strategic Council, Interior Health Authority; Kelowna General Hospital Foundation, Patient Safety & Family Centered Care; and the Executive Committee of ICV Health.

**Committees**

- Investment & Lending Committee (Chair)
  - Audit & Risk Committee
- 



**CAROLINE GROVER**  
**Kelowna**

Director Since: 2016  
Current Term: 2019-2022

Ms. Grover has been a member of credit unions for over 40 years and is the past CEO of the Kelowna Chamber of Commerce. She brings a blend of senior level business management skills, extensive regional community networks and an advanced knowledge of governance boards. Ms. Grover distinguished herself throughout an award-winning marketing and economic development career. Her post-secondary education crosses business, economic development and public relations fields. Since being elected to the Interior Savings Board in 2016, Ms. Grover earned a Canadian Credit Union Director certificate (Honors) and a Credit Union Community Investment Certificate. Currently she acts as Entrepreneur in Residence at the Salmon Arm Innovation Centre, supporting women-led businesses.

**Committees**

- Human Resources Committee
- Nominations & Elections Committee



**DAPHANE NELSON**  
**Kamloops**

Director Since: 2016  
Current Term: 2019-2022

Ms. Nelson recognizes she has lived most of her life in unceded Secwepemcúl'ecw, the land of the Secwépemc people that provides her with nourishment, livelihood, and recreation. She previously worked in commercial lending and is currently employed as the administrator of a Kamloops law firm while maintaining a practice as a governance, business and cooperative developer. Ms. Nelson has recently completed the Governance Professionals of Canada designation and her board and committee experience spans the past two decades with many grassroots organizations. She is a founding director of both the Kamloops Public Market Cooperative and the Lived Experience Committee. Ms. Nelson was elected to the Interior Savings Board of Directors in 2016 where she discovered her passion for the cooperative model.

**Committees**

- Nominations & Elections Committee (Chair)
- Governance & Conduct Review Committee



**SHELLEY SANDERS**  
**Merritt**

Director Since: 2012  
Current Term: 2021-2024

Mrs. Sanders was elected to the Board in 2012. She has been with Interior Health as the Laboratory Manager at Royal Inland Hospital in Kamloops since 2009. Shelley has numerous years of Board experience on National and Provincial organizations and has served on City Council in Merritt. Shelley has been Chair of the Interior Savings Human Resources committee for the last 3 years.

**Committees**

- Human Resources Committee (Chair)
- Governance & Conduct Review Committee



**BRUCE TISDALE**  
**Merritt**

Director Since: 2018  
Current Term: 2021-2024

Mr. Tisdale is a Chartered Professional Accountant with an extensive background in senior school district business administration. He also provides consulting services to school districts and works with the Ministry of Education. Mr. Tisdale has served on various provincial committees in areas such as labor relations, technology, shared services, and finance. He continues to serve as a mentor to administration professionals new to the education sector. Mr. Tisdale is currently employed as a Secretary Treasurer for a smaller school district in the Okanagan. He and his family have been involved with credit unions for more than fifty years.

**Committees**

- Audit & Risk Committee (Chair)
- Governance & Conduct Review Committee

**Other Relevant Board Appointments**

- President of various youth sports organizations
- Rotary International (member)
- Director of Hockey Operations Junior A Hockey Club



**SANDY WATT**  
**Kamloops**

Director Since: 2021  
Current Term: 2021-2024

Mr. Watt is a semi-retired trial lawyer with more than 40 years of experience in all areas of criminal law and has twice appeared on behalf of clients in the Supreme Court of Canada. He presented the idea, and worked on the committees, for the approval of the Tournament Capital Centre in Kamloops which he received recognition from the Province of BC. Mr. Watt has also been involved in the Kamloops Art Gallery, Performing Arts Centre in Kamloops and the Kamloops Brain Injury Association.

**Committees**

- Human Resources Committee
- Nominations & Elections Committee

**Other Relevant Board Appointments**

- Kamloops Bar Association (Past President & Member)
- Canadian Bar Association (Past President, Criminal Subsection & Member)
- Kamloops Community Society for Sport Excellence (President)
- Royal Inland Hospital (elected Director)
- Law Society of BC (elected Bencher)



**REG FOOT**  
**Director, Prince George**

Director Since: 2012  
Current Term: 2022-2025

Mr. Foot is a long-time citizen of Prince George and holds 35 years of experience in Sales and Marketing in a multitude of industries. For the past 18 years Reg has worked in the forestry industry in the position of Sales Manager for Carrier Lumber. At the core of Reg's leadership style is collaboration and consensus. He believes clear and respectful communication is what spearheads many important initiatives. Reg has served on the Spruce Credit Board and many of its Committees for the past 9 years. Most recently Reg held the position of Board Chair. He is a graduate of the Credit Union Director Accreditation Program and continues to seek opportunities for new training and conferences that will enhance his knowledge of the credit union system.

**Committees**

- Human Resources Committee Chair
- Audit Committee (Past Chair)
- Governance Committee (Past Director)
- Attended most Spruce committee meetings as Ex-Officio in the 2 years serving as Board Chair

**Other Relevant Board Appointments**

- Spruce Credit Union (Board Chair)
- Interex Forest Products (Board Chair)

**EXECUTIVE MANAGEMENT**

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**KATHY CONWAY**  
**President & Chief Executive Officer**  
**FCPA, FCA**

Accountable to the Interior Savings Credit Union Board of Directors, the President and CEO is responsible for ensuring ongoing success and prosperity for the Credit Union and its shareholders. The President and CEO provides leadership, direction, co-ordination and planning to ensure the strategic goals and objectives of the Credit Union are achieved against all aspects of the Corporate Balanced Scorecard.

Born and raised in the BC interior, Mrs. Conway has worked in the Credit Union system for over 30 years. Recently, she was named by BC Business Magazine as one of BC's most influential women in finance.

In 2002, Mrs. Conway joined Interior Savings as Vice President and Chief Financial Officer and, in 2012, moved into the role of President and CEO. Prior to joining Interior Savings, she spent just over a decade at Vancouver City Savings in the roles of Financial Accounting Manager and then Vice President of Finance.

Mrs. Conway currently serves on the Board of the Southern Interior Innovation Fund and previously served on the Board of the United Way Southern Interior BC.



**TED SCHISLER**  
**Senior Vice-President and Chief Operating Officer**  
**MBA, CPHR, CPA, CMA**

Reporting to the President and CEO, as a member of the Executive Committee, the Senior Vice-President and Chief Operating Officer is accountable for the provision of leadership, direction, co-ordination and planning which ensures attainment of the strategic goals and objectives of the Credit Union. The Senior Vice-President is responsible and accountable for the overall planning, management and control of Operations and Wealth Services.

Mr. Schisler has over 25 years of experience in the credit union industry. He began his career with Interior Savings in 2007 as Vice President of Human Resources before moving into his current role in 2013.

Prior to joining Interior Savings, Mr. Schisler worked at Concentra Financial and Credit Union Central of Saskatchewan where he filled a variety of leadership positions focused on corporate strategic planning and human resources.

Mr. Schisler currently sits on the Board of Trustees, BC Credit Union Employee's Pension and Benefits.



**TREVOR TREMBLAY**  
**Senior Vice-President and Chief Financial and Risk Officer**  
**CPA, CGA, BAccS**

Reporting to the President and CEO and Audit Committee, the Senior Vice-President and Chief Financial and Risk Officer is accountable for the provision of leadership, direction, co-ordination and planning which ensures attainment of the strategic goals and objectives of the Credit Union. The Senior Vice-President is responsible for the overall planning, management and control of financial and planning resources for the organization and oversees Interior's independent risk management group assuring adherence and consistency of strategic initiatives with Board-approved risk appetite framework, risk tolerances, and risk profile. Implements and maintains a sound enterprise-wide integrated risk management governance framework and is accountable for risk management within areas of responsibility.

Mr. Tremblay has been employed with Interior Savings since 1995 where he has held various roles within the Finance and Accounting group. Prior to joining Interior Savings, he worked at Western Star Trucks as a financial accountant where he was responsible for the daily cash management of the US trucks division.

Passionate about helping to build a strong community, Mr. Tremblay currently serves as a director on the boards of Do Some Good, Evangel Church, and Harambee Cultural Society.



**KAREN HAWES**  
**Senior Vice-President, Culture and Technology**  
*BComm, CIS, CMP*

Reporting to the President and CEO, the Senior Vice-President Culture and Technology is accountable for the provision of leadership, direction, co-ordination and planning which ensures attainment of the strategic goals and objectives of the Credit Union. The Senior Vice-President is responsible and accountable for the overall planning, management and control of human resources, communications, information systems, privacy, processes, policies and procedures, and risk management within areas of responsibility.

Mrs. Hawes has been with Interior Savings since 1995. In addition to her current focus on human resources, communication and technology, she has also held a variety of operational roles including teller, lender, and regional manager.

Over the years, Mrs. Hawes has served on a number of non-profit and professional boards including the BC Chamber of Commerce, the Canadian Chamber of Commerce, Accelerate Okanagan and Do Some Good.

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**GENE CREELMAN**  
**Senior Vice-President, Member and Community Engagement**  
*BComm, FCUIC, P.CRM, CSE, CCD, GPC.D*

Reporting to the President and CEO, the Senior Vice-President, Member and Community Engagement supports Interior's vision of sales & service excellence by providing leadership, direction, coordination, planning and delivery of corporate communication services including corporate marketing, public and member information, community engagement, facilities management, corporate governance and media relations.

Mr. Creelman has worked in the credit union industry for over 30 years. He joined Interior Savings as Vice President of Marketing in 2007. Before that, Mr. Creelman lead the marketing teams at Prospera Credit Union and Envision Credit Union in addition to helping lead research and product development at Credit Union Central of BC.

Currently, Mr. Creelman sits on the Board of Trustees for the Credit Union Foundation of BC as well as the Central Province-Wide Marketing Committee.



**CLIFF EHNES**  
**Vice-President, Commercial Services**  
*CFA, CPA, CGA, B. Comm.*

Reporting to the President and CEO, the Vice-President, Commercial Services is accountable for the provision of leadership, direction, co-ordination and planning which ensures attainment of the strategic goals and objectives of the Credit Union. The Vice-President is responsible and accountable for the planning and management of commercial products and services and leads the Credit Union's Business Process Improvement team.

Mr. Ehnes has been employed with Interior Savings since 2015 when he joined to assume the role of VP, Commercial Services. Prior to joining Interior Savings, he held progressively more senior roles at a Canadian Schedule I chartered bank.

Currently, Mr. Ehnes sits on the Steering Committee of CUBOS, a national collaboration of credit unions that work to advance the profile and success of participating credit unions' business offerings.



**RYAN TOMBS**  
**Vice-President, Digital Solutions**

Reporting to the Senior Vice-President, Culture and Technology, the Vice President of Digital Solutions is responsible for the long-term planning as well as the ongoing security and operations of Interior Savings' Information Technology infrastructure and systems.

Born and raised in Winnipeg Manitoba, Mr. Tombs spent the balance of his career in San Francisco Bay Area. Mr. Tombs has over 20 years' experience in the information technology domain which has taken him around the globe, including a 2-year stop in Kabul Afghanistan where he assisted the Afghanistan National Army and Police with their technology needs. Mr. Tombs' experience spans the fields of Financial Services, Automation, Logistics and Distribution, Energy (Oil and Gas), Environmental Engineering, Asset Management and Geographic Information Systems (GIS). Mr. Tombs has collaborated with multiple military, commercial, federal and financial services entities to road map, conceptualize and implement innovative solutions and strategies.

**THE WAY**  
**forward**

[movingforwardtogether.ca](http://movingforwardtogether.ca)

 **SPRUCE CREDIT UNION**

*Interior*  *Savings*