



Servus Credit Union Ltd.

Bylaws

Approved March 8, 2023

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INTERPRETATION

- 1.10. In these bylaws unless the context otherwise specifies or requires,
- a. "Act" means the *Credit Union Act*, as from time to time amended, and every statute that may be substituted therefor and, in the case of such substitution, any reference in the bylaws of the Credit Union to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes and any regulations made pursuant thereto from time to time in force;
 - b. "Credit Union" means Servus Credit Union Ltd.;
 - c. "Demutualization" means an arrangement, voluntary dissolution or liquidation, or other transaction or series of transactions, whether or not specifically characterized as resulting in a demutualization, whereby the Credit Union would cease to be either a credit union or some other form of financial institution operating on a co-operative basis, regulated under Canadian federal or provincial law;
 - d. "Demutualization Amendment" means any change to these bylaws which would have the effect of changing this definition, the definition of Demutualization, or the required quorum or majority required in relation to any general meeting or resolution for the purpose of considering or effecting a Demutualization or Demutualization Amendment;
 - e. "Director" means a director of the Credit Union from time to time;
 - f. all terms contained in the bylaws and which are defined in the Act shall have the meanings given to such terms in the Act; and
 - g. the singular shall include the plural and the plural shall include the singular; the masculine shall include the feminine, the feminine shall include the masculine, and the neuter gender shall include bodies corporate and politic.
- 1.20. These bylaws are in all respects subordinate to the Act, and shall not be interpreted as permitting any action that is prohibited by the Act. Whenever these bylaws are more restrictive than the requirements of the Act, the restrictions of these bylaws shall bind the Credit Union.
- 1.30. Where notice to a member is given by mail to the last known address of the member according to the records of the Credit Union, notice is deemed to have been given after the expiry of five days from the date the notice was delivered to the post office for delivery to the member.

- 1.31. Notice may be provided for any matter, including notice for general meetings, by any combination of the following methods, as determined by the Directors:
- a. any method set out in the Act;
 - b. posting a notice in each branch of the Credit Union;
 - c. electronic mail delivery,
 - d. by electronic posting in a prominent and accessible manner to members through online banking communications, and/or
 - e. electronic posting prominently on the Credit Union website, or
 - f. advertisement in newspapers circulated in the geographic areas in which the Credit Union could reasonably expect to derive its membership.
- 1.32. If two or more persons are registered as holders of joint membership in the Credit Union, notice to one of such persons shall be sufficient notice to each of them.

MEMBERSHIP

- 2.10. Application for membership shall be made in writing or on-line. The Board of Directors, or its designate, shall set policies and approve applications for membership into the Credit Union.
- 2.20. No person shall be eligible for membership in the Credit Union until that person has fully paid for one common share of the Credit Union at a par value of \$1.00 per share.
- 2.30. Membership shall be terminated where deemed necessary by the Board of Directors or its designate.
- 2.40. A person whose membership has been terminated shall have the right to appeal the decision to the Board of Directors within thirty days. A person whose membership has been terminated shall not, failing a successful appeal, again be admitted to membership in the Credit Union except by special resolution of the Directors.

- 2.50. Members and their agents shall not have the right to examine the membership list of the Credit Union.

SHAREHOLDING

- 3.10 The maximum amount of common shares that a member may purchase is limited to **\$40,000** as of April 1, 2021. Members with common share purchases in excess of **\$40,000** prior to this date will be allowed as an exemption to a maximum equal to the amount purchased before April 1, 2021.
- 3.20 The maximum amount of common shares that a member may hold is limited to **\$200,000** based on a combined total of purchases and accumulated dividends as of April 1, 2021. Members with common share holdings in excess of **\$200,000** prior to this date will be allowed as an exemption to a maximum equal to the amount purchased and accumulated before April 1, 2021.
- 3.30. Where a member holding common shares wishes to redeem shares, the member shall make a request in writing to the Credit Union. Upon approval by the Board of Directors, or its designate, and subject to the Act, the Credit Union shall redeem, after payment of all amounts due from the member to the Credit Union, such amount of common shares.
- 3.40. Where a member holding common shares wishes to transfer shares in the Credit Union, the member shall make a request in writing to the Credit Union. Upon approval by the Board of Directors, or its designate, and subject to the Act, the Credit Union shall transfer, after payment of all amounts due from the member to the Credit Union, such amount of common shares.
- 3.50. The Board of Directors is authorized to issue an unlimited number of investment shares in one or more series as may be designated by the Board of Directors from time to time. Each series shall have the rights, privileges, restrictions and conditions as determined by the Board of Directors from time to time.
- 3.60. The Board of Directors shall determine the amount, manner and form of dividends and patronage rebates to be paid, if any.

MEMBERSHIP MEETINGS AND VOTING

4.10. The chairperson of any meeting of members shall be the Chair or, in his absence, the Vice Chair or, in the absence of both of them, some other person appointed by the Board of Directors.

4.20. So far as practical, the order of business at the annual general meeting will be:

- a. Declaration of quorum;
- b. Approval of agenda;
- c. Adoption of minutes of the last meeting;
- d. Report of the Board of Directors;
- e. Report of the President and CEO;
- f. Presentation of the auditor's report;
- g. Committee reports;
- h. Announcement of Election Results;
- i. New business;
- j. Destruction of ballots;
- k. Adjournment

and notice of any new business to be conducted at the annual general meeting must be given in accordance with the terms of the Act.

4.30. Except as provided for in these bylaws and any special rules adopted at the meeting, the rules of order for meetings shall be the current edition of Robert's Rules of Order, Newly Revised.

4.40. The only persons entitled to be present at a meeting of members shall be those entitled to vote thereat, the auditors of the Credit Union, invited persons, and others who, although not entitled to vote, are entitled or required under any provision of the Act to be present at the meeting.

4.50. At all annual or special general meetings of the members of the Credit Union other than a meeting at which the members are asked to give consideration to a resolution to effect a Demutualization or Demutualization Amendment, one hundred members shall constitute a quorum.

- a) Where a vote is to be held on a special resolution the quorum for that vote is 150;
- b) Where one of the purposes of the annual or special general meeting is to consider a resolution to effect a Demutualization or Demutualization Amendment, quorum for the meeting shall consist of not less than 2.5% of the members.

- 4.51. If no quorum is present, the presiding officer of the meeting shall adjourn the meeting to a date not less than ten or more than forty days thereafter and no notice shall be required of the new date of the meeting.

Voting

- 4.60. The membership list of the Credit Union shall be closed at a date determined by the Directors in accordance with the Act prior to any general meeting. Only those members appearing on the list at the close of business on that date shall be entitled to vote on any issues before a meeting or in an election.
- 4.61. Voting at a meeting of members shall be by either or a combination of both show of hands and/or electronically, except where a ballot vote is requested by a member.
- 4.62. At any meeting, unless a poll is called for, a declaration by the chairperson of the meeting that a resolution has been carried by the required majority shall be conclusive evidence of the fact.
- 4.63. Scrutineers may be appointed by the chairperson. Scrutineers appointed at a meeting of the members for the purposes of ascertaining the results of a ballot vote shall be entitled to any information and may examine any records of the Credit Union necessary to determine the validity of any ballots.
- 4.64. Notwithstanding any lesser majority prescribed by the Act, a Demutualization or Demutualization Amendment requires the approval of the members by special resolution.
- 4.70. In an annual or special general meeting or in an election, a vote by ballot will be considered spoiled wherein:
- a. more than the permitted number of candidates or options has been selected on the ballot;
 - b. the ballot is irregular by way of being a forgery of an official ballot;
 - c. a choice other than a duly nominated candidate or option has been written onto the ballot;
 - d. the choice marked is unclear or illegible or is subject to reasonable doubt, by reason of erasures, misplaced marks, etc.; or
 - e. the ballot is marked in a manner by which the voter can be identified.

- 4.80. The Board of Directors, or its designate, shall determine the manner by which a member that is not an individual, shall vote.
- 4.81. In the case of a joint membership, voting privileges will be allowed to each person provided that such persons do not hold individual memberships, have each reached the age of majority and jointly hold at least that number of common shares as there are persons named on the joint membership, but if a lesser amount of common shares is jointly held, only that number of persons that correspond to the number of shares held shall be entitled to vote.
- 4.82. No voting privileges shall be allowed to a member who has not reached the age of majority or personal representatives of deceased members.
- 4.83. The member's right to vote is not transferable or assignable.

BOARD OF DIRECTORS

- 5.10. The Board of Directors shall be comprised of no more than fifteen persons and no less than eight persons.
- 5.11. Except for Directors appointed pursuant to an amalgamation agreement, a Director, duly elected by the members, shall hold a term of office for four years which shall expire at the annual general meeting four years following their election unless such election was to fill an unexpired term of office in which case the Director shall hold office until the expiry date of that term of office.
- 5.20. In addition to the qualifications under Section 65 of the Act and such other qualifications as may be determined by the Board of Directors from time to time a member is not eligible to be nominated for election or appointed, unless the member:
- a. a. is bondable in the amount determined by the Board of Directors;
 - b. b. Is a member for the requisite period of time as set out in Board Policy GP-15;

and is not eligible to be nominated for election, be appointed as a Director, or hold office as a Director, if the member:

- c. is employed in a position that could reasonably be construed as a conflict of interest situation or a potential conflict of interest situation; or
- d. is the spouse or adult interdependent partner of a Director or employee of the Credit Union or is a relative of, or a relative of the spouse or an adult independent partner; or

- e. resides in the same household as a sitting Director or employee; or
- f. is in a real or perceived conflict of interest through personal, business or other relationships.

5.21. Where a Director no longer meets the qualifications of a Director under bylaw 5.20:

- a. he shall submit his resignation to the Board of Directors and if he fails to do so, the Directors shall remove the Director if they become aware of a defect in his qualifications and shall record their action in the minutes. In the event the facts surrounding the defect in qualifications are unclear or the situation can be corrected, a Director may be suspended by a special resolution of the Directors until the matter of his qualification is resolved or for a specified period of time, not to exceed ninety days.
- b. he shall submit resignations from any organizations the director has been appointed to by the Credit Union.

5.22. A Director ceases to hold office when the Director:

- a. resigns or dies;
- b. becomes disqualified unless a resolution to suspend is passed pursuant to bylaw s. 5.21;
- c. fails to attend the minimum number of meetings as set out in Board Policy(GP-11 Board Code of Conduct); or
- d. In the case of an appointed Director, is provided one day notice by the Board of Directors that their appointment will terminate;
- e. In the case of an appointed Director, has completed a total of 3 terms of one year as an appointed Director;
- f. Who has been duly elected reaches their service limit as follows:
 - i. For Directors elected for their first term at the 2023 AGM or thereafter, a cumulative total of 12 years;
 - ii. For directors that are elected and serving on the Board at the time of the 2023 AGM ("Incumbent Directors"):
 - a. Those whose first election term began at or prior to the 2012 AGM, shall be eligible to be nominated for one additional consecutive election, not to exceed 5 cumulative elections; and
 - b. Those whose first election term began at or after the 2013 AGM, shall be eligible to

be nominated for a fourth consecutive election, not to exceed 4 cumulative elections.

- 5.30. In the event that a vacancy occurs on the Board of Directors prior to the completion of a regular term, the Board of Directors may appoint a replacement to serve until the next Annual General Meeting, such term to not exceed one year.
- 5.40. The Board of Directors may set the remuneration for Directors from time to time which aggregate amount of remuneration shall be annually reported to the members.

DIRECTOR ELECTIONS & APPOINTMENTS

- 6.10. The Board of Directors, or its designate, shall determine the procedures to be followed in the election of qualified nominees to the Board of Directors.
- 6.20. The Directors may determine that elections be conducted by any one or any combination of the following methods:
- a. balloting at all branches of the Credit Union;
 - b. mail-ballot; or
 - c. any secure electronic means.
- 6.21. All voting for nominees to the position of Director shall be by secret ballot.
- 6.22. Where the election results in a tie for the final available Director position, the Nominating Committee of the Board of Directors shall assess, vote and recommend to the Board of Directors, for approval, the candidate who best fills diversity of competencies and attributes based on the Competencies and Attributes Matrix.
- 6.23. The Board of Directors, in accordance with the Act section 64 (1.1) may, upon the vote and recommendation of the Nominating Committee, appoint a number of additional Directors to ensure adequate diversity of competencies and attributes on the Board. of Directors. The appointments may not exceed 1/3 of the number of incumbent elected Directors (excluding Directors appointed under this subsection) as at the end of the previous annual general meeting Annual General Meeting, for a term not extending beyond the Annual General Meeting next following the appointment.

BYLAW AMENDMENTS

7.10. Amendments to these bylaws may be introduced in one of the following ways:

- a. by the Board of Directors;
- b. by a member.

7.11. Amendments introduced pursuant to bylaw 7.10(b) must be delivered to the Chair no later than sixty days prior to the general meeting at which it is intended to be considered.

BOARD OF DIRECTORS AND COMMITTEE MEETINGS

8.10. The Board of Directors shall meet not less than four times per year, and more often if the business of the Credit Union warrants.

8.11. Committees of the Board of Directors shall meet in accordance with the requirements of the Act or its terms of reference, as applicable.

8.20. A Board of Directors meeting or Committee meeting may be held by means of telephonic or other communication facilities which permit all persons participating in the meeting to hear each other, and, for the purposes of the Act, the Directors or members participating by those means are deemed, subject to the requirements of the Act as to Board Meetings, to be present at the meeting.

8.30. Notice of Board of Directors or Committee meetings, including the date, time, place and agenda shall be communicated by announcement at the preceding meeting or by telephone, email or by mail to each Director or Committee member not less than twenty-four hours in advance of the meeting.

8.31. Notice may be waived by the Board of Directors or Committee upon a poll of the applicable Board or Committee members with simple majority agreement, for the purpose of holding an emergency meeting of the Board of Directors or Committee.

8.32. The Board of Directors shall receive a minimum of thirty days' written notice when a special resolution is to be voted upon at a Board Meeting.

8.40. Voting by the Directors or Committees shall be by a show of hands, unless otherwise required by the Board of Directors or Committee.

- 8.50. A majority of Directors or members of a Committee, as the case may be, shall constitute a quorum.

SUBSIDIARIES

- 9.10. The Board of Directors may establish one or more subsidiaries provided that the functions of the subsidiary are consistent with the objectives of the Credit Union.