

# **Bylaws of Servus Credit Union Ltd.**

**MAY 1, 2024**

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# 1. GENERAL

## 1.1 Definitions

In these Bylaws, unless the context otherwise specifies or requires:

- (a) “Act” means the *Credit Union Act* (Alberta), as from time to time amended, and every statute that may be substituted therefore and, in the case of such substitution, any reference in these Bylaws to provisions of the “Act” shall be read as references to the substituted provisions therefore in such substituted statute(s);
- (b) “Board” means the board of directors of the Credit Union, as further described in Article 8;
- (c) “Business Member” means a Member that is a corporation, partnership or other unincorporated association;
- (d) “Bylaw” means any Bylaw of the Credit Union, including any special Bylaw, from time to time in force and effect;
- (e) “Committee” means any committee of the Board as further described herein and formed in accordance with the Act;
- (f) “Credit Union” means Servus Credit Union Ltd.;
- (g) “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;
- (h) “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;
- (i) “Director” means a member of the Board from time to time;
- (j) “Immediate Relative” means when an Individual is related to another such as married spouse, common-law spouse, adult interdependent partner, child, parent, parent in-law, grandparent, grandparent in-law, brother, brother in-law, sister or sister in-law, or any other relationship which may be perceived as creating a conflict of interest;
- (k) “Member” means a member of the Credit Union in accordance with the Act and these Bylaws; and
- (l) “Regulations” means the regulations made under the Act, as amended, from time to time in force and effect.

## **1.2 Principals of Interpretation**

- (a) Each term defined in the Act and used in these Bylaws without definition shall have the meaning assigned to such term in the Act or Regulations, as the context requires.
- (b) In these Bylaws, the singular shall include the plural and the plural shall include the singular; the masculine shall include the feminine and the feminine shall include the masculine and the neutral gender includes bodies corporate and politic.
- (c) Section and subsection headings in these Bylaws are included herein for convenience of reference only and shall not constitute a part of these Bylaws for any other purpose or be given any substantive effect.

## **1.3 Paramountcy**

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.

# **2. MEMBERSHIP**

## **2.1 Qualifications and Application**

A person shall be qualified for membership in the Credit Union if such person:

- (a) completes an application for membership;
- (b) meets the requirements established by the Credit Union for holding an account with the Credit Union; and
- (c) subscribes and fully pays for a minimum of one (1) common share of the Credit Union.

## **2.2 Joint Membership**

Two or more persons may apply for joint membership in the Credit Union and each person shall constitute a Member. Each Member participating in the joint account/membership must have fully subscribed and paid for a minimum of one (1) common share.

## **2.3 Termination of Membership**

- (a) The Board, or its designate, may, for good and sufficient cause, as may determined by the Board from time to time, terminate the membership of a Member.
- (b) Any person whose membership has been terminated shall have the right to appeal, in writing, the decision to the Board, or its designate, within thirty (30) days of the date on which notice of termination of membership was served on such person.

- (c) A person whose membership has been terminated in accordance with these Bylaws shall not, failing a successful appeal, again be admitted to the membership of the Credit Union except by resolution of the Board.

## **2.4 Access to List of Members**

Neither Members nor their agents shall have the right to examine the membership list of the Credit Union.

# **3. SHAREHOLDINGS**

## **3.1 Limit on Common Shares**

The maximum number of common shares of the Credit Union that a Member may hold is limited to 200,000 common shares, provided that Members holding in excess of 200,000 common share of the Credit Union prior to May 1, 2024 will be permitted to continue to hold such excess number of common shares held by such Members immediately prior to May 1, 2024.

## **3.2 Establishment of Investment Shares**

The Credit Union shall have a class of special shares, to be known as “investment shares” in accordance with the Act and Regulations. Subject to any restrictions set out under the Act and Regulations, the number of investment shares that may be issued by the Credit Union is unlimited.

## **3.3 Issuance of Investment Shares**

Investment shares may be issued by resolution of the Board in one or more series and each series of investment shares shall have the rights, privileges, restrictions and conditions provided for under the Act, the Regulations, these Bylaws and the authorizing instrument for such series of investment shares.

## **3.4 Transfers of Shares**

Where a Member holding shares of the Credit Union wishes to transfer such shares in a manner permitted under the Act and Regulations, the Member shall make a request in writing to the Credit Union detailing the particulars of such requested transfer. The Board, or its designate, will consider the request and: (a) if approved by the Board, or its designate; and (b) after payment of any amounts due and owing by the Member to the Credit Union, authorize the transfer of such shares.

## **3.5 Redemption of Shares**

- (a) Subject to any restrictions set out under the Act and Regulations, the Credit Union may at any time acquire shares issued by it.

- (b) Where a Member holding shares of the Credit Union wishes to have any number of shares redeemed by the Credit Union in a manner permitted under the Act and Regulations, the Member shall make a request in writing to the Credit Union detailing the particulars of such requested redemption. The Board, or its designate, will consider the request and: (a) if approved by the Board, or its designate; and (b) after payment of any amounts due and owing by the Member to the Credit Union, authorize the redemption and cancellation of such shares.

### **3.6 Dividends and Patronage Rebates**

The Board shall from time to time determine the amount, manner and form of dividends and patronage rebates to be paid, if any.

## **4. NOTICES TO MEMBERS**

### **4.1 Manner of Service**

Any notice required to be given to Members under the Act or these Bylaws, may be served by the Credit Union in any manner permitted under the Act, including: (a) advertising such notice in prominent display in newspapers circulated in all the territory served by the Credit Union, and (b) posting such notice in places that are prominent and accessible to Members such as in all Credit Union branches, on the Credit Union website and in electronic communications ordinarily sent to Members by the Credit Union.

### **4.2 Deemed Service of Mailed Notice**

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 served after the expiry of five (5) days from the date the notice was delivered to the post office for delivery to the Member.

### **4.3 Notice to Joint Members**

If two or more persons are registered as holders of a joint membership in the Credit Union, notice to one of such persons shall be sufficient notice to each of them.

## **5. MEMBER MEETINGS**

### **5.1 Order of Business**

As far as is practical, the order of business at annual general meetings of Members will be as follows:

- (a) call to order;

- (b) declaration of quorum;
- (c) approval of the meeting rules of order;
- (d) approval of meeting agenda;
- (e) adoption of minutes of the last meeting;
- (f) report of the Chief Executive Officer;
- (g) report of the Board and Committees;
- (h) presentation of the financial results and auditor's report;
- (i) declaration of Director election results;
- (j) destruction of ballots;
- (k) any other business listed on the meeting agenda, if any; and
- (l) adjournment.

## **5.2 No Other Business**

Only the business listed on the agenda in the notice of a general meeting shall be considered at such meeting.

## **5.3 Rules of Order**

Except as provided for in these Bylaws and any special rules adopted at a general meeting, the rules of order for general meetings shall be the then current edition of Robert's Rules of Order.

## **5.4 Amendments to Bylaws**

Amendments to these Bylaws may be introduced by the Board, or as otherwise set forth under the Act.

## **5.5 Permitted Attendees**

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

## **5.6 Chairperson**

The chairperson of any general meeting shall be the Board Chair, or in their absence, the Vice-Chair, or in the absence of both, a person appointed by the Board.



## **5.7 Scrutineers**

Scrutineers may be appointed by the chairperson for general meetings. Scrutineers appointed at a general meeting for the purpose of ascertaining the results of a ballot shall be entitled to any information, and may examine any records of the Credit Union, required to determine validity of ballots.

## **5.8 Quorum**

- (a) Quorum at a general meeting shall be:
  - (i) subject to subsections 5.8(a)(ii) and 5.8(a)(iii) below, one hundred (100) Members;
  - (ii) where a special resolution is to be presented to Members, one hundred and fifty (150) Members; and
  - (iii) where one of the purposes of the meeting is to consider a resolution to effect a Demutualization or Demutualization Amendment, not less than one percent (1%) of Members.
- (b) If no quorum is present, the chairperson shall adjourn the meeting to a date not less than ten (10) or more than fifty (50) days thereafter and no notice shall be required of the new date of the meeting if notice of the date, time and place of the reassembled meeting is given by announcement at the time of the adjournment.

# **6. VOTING AT MEETINGS**

## **6.1 Membership List**

The membership list of the Credit Union shall be closed at a date determined by the Board in accordance with the Act, prior to any general meeting. Only those Members appearing on the list at the close of business on such date shall be entitled to vote on any issues before a meeting or in an election.

## **6.2 Voting**

- (a) Subject to any restrictions in these Bylaws, any Member or designated representative properly registered and attending in person, or by secure electronic means at a general meeting, may vote on any question at a general meeting.
- (b) No Member shall have more than one (1) vote or be counted more than once in the number of Members recorded on the membership list provided.
- (c) Voting at a general meeting may be done by any one, or a combination, of the follow forms, as determined by the Board:

- (i) show of hands;
- (ii) paper ballot; or
- (iii) electronic vote.

### **6.3 Chairperson's Declaration**

At any general meeting, a declaration by the chairperson that a resolution has been carried or defeated shall be conclusive evidence of the fact.

### **6.4 Demutualization Decisions**

Notwithstanding any lesser majority prescribed by the Act, a Demutualization or Demutualization Amendment requires approval by special resolution of the Members.

### **6.5 Spoiled Ballots**

In any general meeting, or an election, a vote by ballot will be considered spoiled when:

- (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 or otherwise; or
- (e) the ballot is marked in a manner by which the voter can be identified.

### **6.6 Joint Membership**

In the case of joint membership, voting privileges at a general meeting will be allowed to a maximum of two (2) persons, provided such persons do not hold individual memberships and jointly hold at least two (2) common shares.

### **6.7 Business Members**

- (a) Each Business Member shall authorize, in accordance with Section 6.7(b) below, a designated representative to represent such Business Member's membership interests in the Credit Union. Only a designated representative of a Business Member shall be entitled to cast the vote of such Business Member on any matter on which such Business Member is entitled to vote.
- (b) The Credit Union shall not recognize an individual as a designated representative of a Business Member until such Business Member delivers to the Credit Union a resolution,

or other form of written authorization required by the Credit Union, appointing such individual as the designated representative of such Business Member. A Business Member may change its designated representative at any time by resolution, or other form of written authorization required by the Credit Union.

- (c) The Credit Union shall be entitled to rely on written authorization supplied by a Business Member for the purpose of authorizing a designated representative and the Business Member is prevented from denying that it is bound by such written authorization as a result of any defects in its form or in the process by which such written authorization was obtained or delivered to the Credit Union.
- (d) Following the authorization by a Business Member of an individual as the designated representative of such Business Member in accordance with these Bylaws, such designated representative shall be entitled, for and on behalf of such Business Member, to attend and participate (including voting) at general meetings in the same manner as other Members.

## **6.8 Voting by Minors**

No voting privileges shall be allowed to a Member who has not reached the age of majority.

# **7. BOARD OF DIRECTORS**

## **7.1 Number of Directors**

The Board shall be comprised of no less than nine (9) Directors and no more than fifteen (15) Directors.

## **7.2 Director Criteria**

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

- (a) does not satisfy the qualifications set forth under the Act;
- (b) does not meet the criteria specified in the Board governing policies published on the Credit Union's website;
- (c) has not been a Member for at least six (6) months and is bondable;
- (d) reaches the service limit under Section 7.6 hereof;
- (e) is employed in a position, not within the Credit Union, that could reasonably be construed as a potential conflict of interest situation, as determined by the Board;

- (f) is, or has been in the past three (3) years, in violation of the Credit Union's policies, the Director's Code of Conduct or Bylaws, as determined by the Board;
- (g) is an Immediate Relative of a Director or employee of the Credit Union;
- (h) has been an employee of the Credit Union in the past five (5) years;
- (i) is, or has been, in litigation as a party adverse in interest to the Credit Union, as determined by the Board; or
- (j) is in a real or perceived conflict of interest with the Credit Union through personal, business or other relationships, as determined by the Board.

### **7.3 Director Ceases to Hold Office**

A Director shall cease to hold office when the Director:

- (a) no longer satisfies the qualifications set forth under the Act;
- (b) no longer meets the criteria specified in the Board governing policies published on the Credit Union's website;
- (c) resigns or dies;
- (d) is removed by ordinary resolution of the Members or pursuant to the terms of an amalgamation agreement approved by special resolution of the Members;
- (e) becomes disqualified in accordance with Section 7.4 hereof;
- (f) the Director's term expires;
- (g) who is an appointed Director, is removed by a resolution of the Board;
- (h) reaches the service limit under Section 7.6 hereof; or
- (i) without the approval of the Board Chair: (i) fails to attend two (2) consecutive regularly scheduled Board or Committee meetings within twelve (12) months; or (ii) fails to attend a minimum of 75% of all Board and applicable Committee meetings within twelve (12) months, in each case calculated on a rolling basis.

### **7.4 Director Disqualification**

Where a Director is no longer eligible to hold office as a Director pursuant to the terms of these Bylaws, such Director shall immediately submit their resignation to the Board. If the Director fails to resign, the Board may remove the Director by special resolution of the Board. Where the Board, by passing a special resolution, determines that additional time is needed to assess whether a Director is no longer eligible to hold office as a Director, the Board may suspend the determination

of such matter for a period of up ninety (90) days. The Board's decision in respect of this Section 7.4 shall be considered final.

## **7.5 Term of Office**

- (a) Commencing from the 2024 annual general meeting, a Director duly elected by the Members shall hold a term of office which shall not exceed the third annual general meeting following the annual general meeting at which they are elected.
- (b) A Director appointed in accordance with Section 8.5 of these Bylaws shall hold a term of office which shall not exceed the next annual general meeting following their appointment.

## **7.6 Service Limits**

- (a) Subject to the terms of this Section 7.6, duly elected and appointed Directors are eligible to serve on the Board for a maximum of twelve (12) cumulative years, which includes service on the board of any legacy credit union. Once a Director reaches their service limit, they are ineligible to seek re-election or re-appointment to the Board.
- (b) Directors elected or appointed pursuant to the Amalgamation Agreement dated August 1, 2023 shall be eligible to serve out their remaining term as set out in the Amalgamation Agreement, even if that results in cumulative service exceeding twelve (12) years.
- (c) A Director, having served on the Board for less than twelve (12) cumulative years, shall be eligible to serve on the Board for an additional term even if such term would result in cumulative service exceeding twelve (12) years.

## **7.7 Director Remuneration**

The Board shall receive remuneration in recognition of their time to prepare for and attend meetings in relation to their duties with the Credit Union. The Board shall establish such remuneration, but in no event shall the aggregate amount of remuneration exceed one percent (1.0%) of total Credit Union operating expenses. The amount of remuneration received shall be disclosed annually to the Members.

# **8. DIRECTOR ELECTIONS & APPOINTMENTS**

## **8.1 Elections Procedures**

The Board shall determine the procedures to be followed in the election of qualified director candidates to the Board.

## **8.2 Director Elections**

The Members shall elect Directors at, or before, each annual general meeting of the Members. The Board may determine that elections be conducted by any one, or a combination, of the following forms:

- (a) in-branch voting;
- (b) paper ballot; or
- (c) electronic vote.

### **8.3 Acclamation**

If the number of qualified persons nominated for the office for which a director election is held is equal to, or lesser than, the number of offices to be filled, the persons so nominated will be declared elected.

### **8.4 Tie-breaking**

In the event of a tie vote arising from a director election held prior to an annual general meeting of Members, the Board shall assess and, in its discretion, determine who among the candidates the Board feels best augments the diversity, qualifications, competencies and attributes of the Board. The Board will, by resolution passed by a majority of the Board, approve the candidate so determined and such candidate will be deemed elected to the Board. The Board may, in its discretion, elect to delegate the assessment of the candidates to a Committee of the Board's choosing, which Committee will provide a recommendation to the Board for the purposes of this Section 8.4.

### **8.5 Appointments**

- (a) The Board may establish a process for the appointment of additional Directors to ensure adequate diversity of competencies and attributes are represented on the Board. The appointments may not exceed one-third (1/3) of the number of incumbent elected Directors.
- (b) When a vacancy occurs on the Board, the Board may appoint a replacement within ninety (90) days, except where the period until the next annual general meeting is less than ninety (90) days, to serve until the next annual general meeting of the Credit Union, or leave the position vacant.

### **8.6 Election of Board or Committee Officers**

At the first meeting of the Board, which shall be within thirty (30) days following the annual general meeting of the Credit Union, the Board shall elect or appoint from its own members, a chairperson of the Board, a vice chairperson and other Board or Committee officers as they consider necessary. Elections or appointments for Board or Committee officers shall be conducted in the manner determined by the Board.

## **9. BOARD AND COMMITTEE MEETINGS**

### **9.1 Board Meeting Frequency**

The Board shall meet at least four (4) times per year.

### **9.2 Committee Meeting Frequency**

Committees of the Board shall meet in accordance with the Act, or, their respective terms of reference, as applicable.

### **9.3 Meeting by Alternate Communications**

A Board or Committee meeting may be held by means of electronic or other communication facilities which permit all Individuals participating in the meeting to hear each other. Directors or other persons participating by those means, are deemed, subject to the requirements of the Act, to be present at the meeting.

### **9.4 Notice of Meetings**

Notice of Board or Committee meetings, including the date, time, place and agenda shall be communicated by announcement at the preceding meeting or by telephone, by mail or electronic notification to each Director or Committee member not less than 24-hours in advance of the meeting.

### **9.5 Waiver of Notice**

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

### **9.6 Method of Voting**

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

### **9.7 Quorum**

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

## 10. SUBSIDIARIES

### 10.1 Board Authority

The Board may establish subsidiaries provided the functions of the subsidiary are consistent with the objectives of the Credit Union.

The foregoing Bylaws are hereby approved by the undersigned directors of the Credit Union and effective as of the date first written above.

  
\_\_\_\_\_  
PERRY DOOLEY

  
\_\_\_\_\_  
ANDREW EBERL