

# BYLAWS OF AFFINITY CREDIT UNION 2013

## SECTION 1 – MEANING OF TERMS

### 1.1 Defined Terms

As used in these Bylaws, the following terms have the definitions set forth below:

- a) "Act" means *The Credit Union Act, 1998*;
- b) "Annual Meeting" means the Annual Meeting required under *The Credit Union Act, 1998*;
- c) "Basis of business done with or through the Credit Union" means and is determined in the manner set forth in *The Credit Union Act, 1998* as amended from time to time for determining and calculating patronage returns;
- d) "Business Area" means and is determined with reference to the geographical area primarily served by the advice centre, or the band office, as is appropriate and the residences of the members in that District;
- e) "Credit Union" means Affinity Credit Union 2013;
- f) "Delegate(s)" means the Delegates elected in accordance with Section 6 to represent a District;
- g) "District Council" means the elected body of Delegates representing a District;
- h) "Fundamental Change" means a fundamental change as defined by the Regulations;
- i) "Primary Account" means and is determined with reference to the quantity and value of services and deposits handled in that account;
- j) "Primary Financial Institution" means and is determined with reference to the quantity and value of services and deposits handled between accounts at the Credit Union and elsewhere;
- k) "Proposal" means a proposal as defined by Section 85 of *The Credit Union Act, 1998*;
- l) "Regulations" means the Regulations to *The Credit Union Act, 1998*, as amended from time to time;
- m) "Spouse" means a spouse as defined by *The Family Property Act*, as amended from time to time;
- n) "Voting Period" means the period for voting for election of Delegates set annually by the Board of Directors or for voting on a Fundamental Change as set by the Regulations.

### 1.2 Other Terms

Other terms, whenever used in these Bylaws shall have the respective meanings ascribed to each such term in *The Credit Union Act, 1998*, as amended from time to time.

## SECTION 2 – HEADINGS

### 2.1 Convenience Only

The section headings used in these Bylaws are not substantive and are included solely for convenience of reference only.

## **SECTION 3 – MEMBERSHIP**

### **3.1 Qualification**

Subject to the Articles, membership in the Credit Union is open to all persons.

### **3.2 Minimum Membership Shares**

All persons wishing to become a member shall hold a minimum of one (1) membership share.

## **SECTION 4 - ASSIGNMENT OF SHARES**

### **4.1 Approval Required**

Shares may be assigned or transferred only with the approval of the Board of Directors.

## **SECTION 5 - DETERMINATION OF DISTRICTS**

### **5.1 Determination of Districts**

a) Districts will be defined as follows:

- (i) North District - shall encompass the Business Area historically or traditionally served by advice centres in the trading areas of Borden, Hague, Langham, Martensville, Rosthern, Waldheim and Warman.
- (ii) Saskatoon District - shall encompass the Business Area historically or traditionally served by branches in the trading area of Saskatoon.
- (iii) South Central District - shall encompass the Business Area historically or traditionally served by advice centres in the trading areas of Colonsay, Davidson, Kenaston, Nokomis, Semans, Shaunavon, Simpson, Strasbourg and Watrous.
- (iv) South District - shall encompass the Business Area historically or traditionally served by advice centres in the trading areas of Broadview, Milestone, Regina and Sedley.
- (v) East District - shall encompass the Business Area historically or traditionally served by advice centres in the trading areas of Hudson Bay, Kamsack, Lintlaw, Norquay and Porcupine Plain.
- (vi) North West District - shall encompass the Business Area historically or traditionally served by advice centres in the trading areas of Birch Hills, Candle Lake, Canwood, Christopher Lake, Leask, Shellbrook, and Prince Albert.
- (vii) Indigenous District - shall encompass the Business Area historically or traditionally served by trading areas and band offices of each of the Beardy's and Okemasis First Nation, Cowessess First Nation, Kahkewistahaw First Nation, Kinistin Saulteaux Nation, Little Pine First Nation, Lucky Man First Nation, Muskeg Lake Cree Nation, Red Pheasant Cree Nation, The Key First Nation, Wahpeton Dakota Nation and Whitecap Dakota First Nation respectively.
- (viii) North East District - shall encompass the Business Area historically or traditionally served by advice centres in the trading areas of Kinistino, Lake Lenore, Melfort, Muenster, Naicam, St. Brieux and Watson.
- (ix) South East District - shall encompass the Business Area historically or traditionally served by advice centres in the trading areas of Carlyle, Carnduff, Estevan, Lampman, Minton, Oxbow and Redvers.

- b) One Business Area may overlap another Business Area.
- c) An additional District may be created by the Board of Directors when the Credit Union enters into an amalgamation agreement with another credit union pursuant to the provisions of Section 305(10) of the Act. The new District will encompass the business area historically or traditionally served by that amalgamating credit union. If no additional District is provided for in the amalgamation agreement, the members of the amalgamating credit union may be added to one of the existing Districts by the Board of Directors.

## **SECTION 6 - DISTRICT COUNCIL**

### **6.1 Establishment of District Council**

A council of Delegates to represent each District shall be established with such powers and authorities as may be prescribed by these Bylaws. Delegates to each District Council shall be elected in accordance with this section.

### **6.2 Election of Delegates**

Members in each District shall elect the Delegates to represent the membership on their District Council.

### **6.3 Powers and Duties of Delegates**

#### **(a) Powers and Authority**

- (i) Delegates elected by the membership represent and exercise the full powers of members in any District Council meeting or in any meeting of Delegates.
- (ii) Delegates shall elect the Director or Directors to represent each District on the Board of Directors.
- (iii) Except as prescribed in these Bylaws, it is not intended that Delegates will exercise the powers of the membership in any Annual or Special Meeting of the Credit Union.

#### **(b) Duties of Delegates**

Delegates for each District shall, inter alia:

- (i) Maintain a current working knowledge of trends, activities, and developments in their respective District and communicate this to the elected Board of Directors as required.
- (ii) Make recommendations to the Board of Directors on policy and/or procedures that allow for the optimization of regionalized member service.
- (iii) Provide input for planning processes based on their proximity to the Districts and their regional knowledge.
- (iv) Identify and/or review requests for opportunities for Credit Union support in the District and decide on funding amounts for initiatives within the annual community development budget.
- (v) Make recommendations for support of large scale community development initiatives that are outside of the scope of the annual community development budget.

- (vi) Review and consider all potential merger opportunities.
- (vii) Sit on such committees to which they may be appointed by the Board of Directors.

#### **6.4 Number of Delegates**

Subject to Section 6.5:

After the Annual Meeting in 2018, there will be 79 Delegates.

- (i) Members from the North District will elect 7 Delegates;
- (ii) Members from the Saskatoon District will elect 13 Delegates;
- (iii) Members from the South Central District will elect 10 Delegates, and of which 3 Delegates shall be from the former District 13;
- (iv) Members from the South District will elect 7 Delegates;
- (v) Members from the East District will elect 10 Delegates, and of which 3 Delegates shall be from the Porcupine Plain Business Area;
- (vi) Members from the North West District will elect 7 Delegates;
- (vii) Members from the Indigenous District will elect 11 Delegates;
- (viii) Members from the North East District will elect 7 Delegates;
- (ix) Members from the South East District will elect 7 Delegates.

After the Annual Meeting in 2021, there will be 73 Delegates.

- (i) Members from the North District will elect 7 Delegates;
- (ii) Members from the Saskatoon District will elect 13 Delegates;
- (iii) Members from the South Central District will elect 7 Delegates;
- (iv) Members from the South District will elect 7 Delegates;
- (v) Members from the East District will elect 7 Delegates;
- (vi) Members from the North West District will elect 7 Delegates;
- (vii) Members from the Indigenous District will elect 11 Delegates;
- (viii) Members from the North East District will elect 7 Delegates;
- (ix) Members from the South East District will elect 7 Delegates.

If a new District has been created as a result of an amalgamation with another credit union, the number of Delegates to be elected for that District shall be specified by the amalgamation agreement.

#### **6.5 Voting for Delegates**

Members shall vote in the District in which they reside or, if they reside in more than one District, in the District in which they maintain their principal residence. If members do not reside in any District, they shall vote in the District where they maintain their Primary Account. Members may vote in only one District. In the case of a member who could vote at more than one District, the returning officer(s) may specify the location at which the member shall vote. The returning officer(s) will keep the lists of members eligible to vote at each location.

#### **6.6 Procedure for Election of Delegates**

Each District will elect their Delegates through an at-large system.

#### **6.7 Qualifications for Delegates**

In addition to the qualifications set out in the Act for directors, nominees for Delegates shall have the following qualifications:

- (a) The nominee shall have been a member of the Credit Union for a minimum of one (1) year, except for any newly created or altered or expanded District when any nominee must either be a member or become a member immediately prior to selection as a Delegate.
- (b) The nominee shall use the Credit Union as the nominee's Primary Financial Institution.
- (c) The nominee shall be a resident of the District in which the nominee is seeking election. If the nominee does not reside in any District, they may only be nominated in the District where they maintain their Primary Account.
- (d) The nominee, or the nominee's spouse, shall not be involved in active legal proceedings against the Credit Union or any of its affiliates or subsidiaries, in the previous thirty-six (36) months.
- (e) The nominee, or the nominee's spouse, shall not have loans or credit in arrears (in excess of sixty (60) days) with the Credit Union in the previous twelve (12) months or have any Judgement registered against them.
- (f) The nominee shall not be a director or officer of a business selling competitive products or services except as a representative of the Credit Union. The nominee must meet the qualification requirements established by the Bylaws and the requirements of the Credit Union's Conflict of Interest policy.
- (g) The nominee, or nominee's spouse, shall not have been an employee of the Credit Union within twenty four (24) months of the time at which nominations for Delegates are opened.
- (h) The nominee shall provide such evidence of eligibility as the Credit Union may require.

## **6.8 Nomination of Delegates**

- (a) The Board of Directors will advertise the opening and closing date for the nomination of Delegates. The advertising period shall be a minimum of five (5) weeks prior to the Voting Period.
- (b) The nomination period shall be fourteen (14) calendar days and will close not less than two (2) weeks before the Voting Period.
- (c) Nominations will not be accepted after the closing date for nominations.
- (d) The nominee shall sign a nomination paper confirming that the nominee meets the eligibility requirements set out in the Act and in these Bylaws. Nomination papers must be signed by the person nominated for the position of Delegate and endorsed by the signatures of members of the Credit Union who have accounts in the district of nomination.
- (e) The Board shall establish specific policies and procedures in connection with the nominating committee functions including establishing guidelines and criteria for determining suitable candidates based on skill, experience and attributes.

## **6.9 Conduct of Delegate Elections**

- (a) Election of Delegates will take place during the Voting Period.
- (b) The Voting Period will be set annually by the Board of Directors. The Voting Period shall be not less than seven (7) days nor more than fourteen (14) days in length and shall end not more than sixty (60) days nor less than thirty (30) days prior to the Annual Meeting.

- (c) The Board of Directors shall appoint a returning officer and a minimum of two (2) to a maximum of six (6) deputy returning officers for the Credit Union.
- (d) Voting for Delegates will be conducted by secret ballot in the manner which is approved by the Board of Directors. The manner of voting may include but is not limited to voting polls, voting within an advice centre, mail in or electronically or by all such methods. If the Board of Directors authorizes electronic voting for Delegates, a member may vote at a polling station within a credit union advice centre.
- (e) A member shall cast only one ballot.
- (f) The ballots shall be counted no more than seven (7) days after the last voting day of the Voting Period. The Credit Union shall notify the nominees and the members as to the successful nominees and they shall be declared elected by the Credit Union.
- (g) The ballot box shall be sealed for a period of five (5) calendar days following the notification to the nominees and the members. If no written protest is made regarding the voting results within the five (5) day period, the ballots and any other record of the voting shall be destroyed. If a recount is required, it shall be made on the sixth (6<sup>th</sup>) day. The results of this count shall be final.
- (h) All other procedures not specified above shall be in accordance with and as provided in *The Credit Union Act, 1998* and/or Regulations, or any successor legislation.

#### **6.10 Term of Office**

The term of office of a Delegate shall be for three (3) years, with staggered terms. In the case of those Delegates elected by way of an amalgamation agreement, this shall commence after expiry of their initial terms. The term of a Delegate shall commence thirty (30) days prior to the Annual Meeting of the Credit Union occurring after the election of the Delegate. The term shall end thirty (30) days prior to the Annual Meeting of the Credit Union occurring in the year of expiry of the Delegate's term. Any Delegate elected to fill a vacancy shall hold office only for the unexpired term.

#### **6.11 Removal of Delegates**

- (a) **Removal by Members** - Members may remove a Delegate by two-thirds of the votes cast at a special meeting or the Annual Meeting. Members may only remove a Delegate from within their District. A motion to remove a Delegate shall be considered a Proposal under the Act.
- (b) **Disqualification as a Delegate** - A Delegate who is no longer qualified pursuant to Section 6.7 is disqualified from remaining a delegate. A Delegate who fails to attend a minimum of two-thirds of regularly scheduled District Council meetings in any calendar year without good cause is disqualified from remaining a Delegate. The District Council shall determine good cause.
- (c) **Disqualification from Committees** - Any person removed by members or disqualified for failing to attend the minimum number of meetings is also disqualified from any committee or representative body that requires an individual to be a Delegate.

#### **6.12 Vacancies**

The District Council affected may fill a vacancy on the District Council until the next Voting Period.

### **6.13 Chair of District Council**

Each District Council shall elect a Chair and a Vice-Chair of the District Council. The Chair, or in the absence of the Chair, the Vice-Chair will preside over all meetings of that District Council.

## **SECTION 7 – DIRECTORS**

### **7.1 Number of Directors**

The number of Directors shall be a minimum of nine (9) and a maximum of twenty-nine (29). There shall be a minimum of one (1) Director per District.

### **7.2 Director Allocations**

#### **(a) District Elections**

Directors for each District shall be elected by the Delegates of that District.

#### **(b) Number of Directors**

- |                              |                |
|------------------------------|----------------|
| (i) North District           | - 1 Director;  |
| (ii) Saskatoon District      | - 4 Directors; |
| (iii) South Central District | - 1 Director;  |
| (iv) South District          | - 1 Director;  |
| (v) East District            | - 1 Director;  |
| (vi) North West District     | - 1 Director;  |
| (vii) Indigenous District    | - 1 Director;  |
| (viii) North East District   | - 1 Director;  |
| (ix) South East District     | - 1 Director.  |

If a new District has been created as a result of an amalgamation with another credit union pursuant to Section 305(10) of the Act, the number of Directors may be increased by a maximum of twenty (20%) per cent of the then current total number of Directors. The number of Directors shall be specified in the amalgamation agreement.

### **7.3 Qualifications of Directors**

In addition to the qualifications set out in the Act, a Director must be a Delegate of the District Council for the District.

### **7.4 Conduct of Elections**

- (a) Election of Directors will be completed prior to the Annual Meeting at a duly called meeting of each District Council.
- (b) Delegates may only vote once in any election.
- (c) Voting for Directors will be conducted by secret ballot.
- (d) The members shall be notified of the results of the election of Directors no later than the Annual Meeting.

### **7.5 Term of Office**

At the initial meeting electing Directors, the terms of office of the Directors shall be specified, not to exceed three (3) years. Thereafter, the term of office of a Director shall be three (3) years, commencing at the end of the Annual Meeting following election of the Director, except that a Director elected to fill a vacancy shall hold office only for the unexpired term and a Director elected for a lesser term shall hold office only for the

unexpired portion of the lesser term. The term of office of a Director shall conclude at the end of the Annual Meeting occurring during the year of expiry of the Director's term. The term of office of a Director appointed under Section 7.2 as a result of an amalgamation shall be specified in the amalgamation agreement.

## **7.6 Removal of Directors**

- (a) **Disqualification from Board** - A Director who fails to attend a minimum of two-thirds of regularly scheduled board meetings in any calendar year without good cause is disqualified from remaining a Director. The Board of Directors shall determine good cause.
- (b) **Disqualification from Committees** - Any Director removed by members or disqualified for failing to attend the minimum number of meetings is also disqualified from any committee or representative body that requires an individual to be a Director.
- (c) **Disqualification by District** - A Director is immediately disqualified if disqualified from the District Council or removed from the District Council by its members. If a Director is not re-elected to the District Council, the Director's term expires at the end of the next Annual Meeting.

## **7.7 Vacancies**

The Board of Directors may request the District Council to fill a vacancy on the Board from the District Council in which the vacancy occurred, for the remainder of the term of the vacancy.

# **SECTION 8 – MEETINGS**

## **8.1 District Council Meetings**

- (a) In addition to the Annual Meeting, the Board of Directors shall arrange meetings of all Delegates at least annually, to discuss matters of interest to the members. The Chair for the meeting of all Delegates shall be the Chair of the Board of Directors or a nominee.
- (b) Each District shall meet a minimum of three (3) times annually in connection with the duties of the District Council. Each District Council shall also be entitled to meet at the call of the Chair of the District Council for that District or, at the request of three (3) Delegates from that District, to discuss matters of interest or importance to that District.
- (c) A District Council meeting is not considered a Special Meeting of the members.
- (d) The quorum for a District Council Meeting shall be not less than fifty percent (50%) of the Delegates of that District.

## **8.2 Annual or Special Meetings**

The Board of Directors shall call an Annual Meeting to be held in accordance with *The Credit Union Act, 1998*. All members are entitled to attend the Annual Meeting or any Special Meeting of members and participate and vote on all matters, with the exception of election of Directors.

## **8.3 Conduct**

If approved by the Board of Directors, meetings of members may be held using telephone, electronic or other communication facilities.

#### **8.4 Voting**

With the approval of the Board of Directors, voting at a meeting conducted using telephone, electronic or other communication facilities shall be by any means that will identify the voter and vote cast to the returning officer appointed for such location.

#### **8.5 Voting on a Fundamental Change**

- (a) Voting on a resolution respecting a Fundamental Change will be conducted by secret ballot in the manner which is approved by the Board of Directors. The manner of voting may include but is not limited to in person, electronic voting, by mail or by any other approved voting method during a Voting Period established by the Board of Directors.
- (b) If the Board of Directors authorizes electronic voting on a resolution to approve a Fundamental Change, a member or a shareholder may vote at a polling station within a Credit Union advice centre.
- (c) If the Credit Union authorizes electronic voting on a Fundamental Change during a Voting Period, a member or a shareholder shall be allowed to participate in the meeting at which the resolution is presented and vote by means of telephone, electronic or other communication facility or vote in person if participating in the meeting in person.
- (d) Each member is entitled to one vote. Where a separate class or series vote is to be held, each shareholder is entitled to one vote per investment share. All votes must be received during the Voting Period. The returning officer shall announce the results of the voting on the resolution to approve the Fundamental Change within 3 business days after the close of the Voting Period.
- (e) The meeting at which the resolution to approve a Fundamental Change is presented and considered is not concluded until after expiry of the Voting Period and the counting of all votes cast by the voting methods authorized by the Board of Directors.

#### **8.6 Location**

Meetings of the Credit Union may be held at more than one location. The Board of Directors will determine the location of the Annual Meeting(s). Where arrangements are made for members to participate in the meeting through electronic, video, telephonic or other communication such meeting is considered to be a meeting in one (1) location.

#### **8.7 Meetings at More than One Location**

For meetings at more than one location, members should attend meetings and vote at the meeting for their District. Members may only vote once on any question.

#### **8.8 Resolutions for Meetings at More than One Location**

- (a) At meetings conducted at more than one location, resolutions must be submitted at least sixty (60) days prior to the first meeting. Resolutions from the floor are not permitted.
- (b) Votes on resolutions will be held at each meeting and the resolution will only pass if the aggregate of the votes cast in all meetings is sufficient to pass the resolution.
- (c) All Proposals must be submitted in the time and manner prescribed by *The Credit Union Act, 1998*.

### **8.9 Notice of Meetings**

Notice of meetings may be provided by any means provided for by the Act or the Regulations and approved of by the Board of Directors.

### **8.10 Other Meetings**

The Credit Union may hold semi-annual or other periodic meetings of the members.

### **8.11 Quorum**

The quorum at an Annual or Special Meeting of members is fifteen (15) members entitled to vote, or where the meeting is held at more than one location, is not less than ten (10) members who are entitled to vote at each location.

## **SECTION 9 - COMMITTEES**

**9.1** The Board may appoint members or non-members to committees of the Board of Directors.

## **SECTION 10 - MEMBERSHIP CERTIFICATES**

**10.1** Membership share certificates need not be issued to members.

## **SECTION 11 - TERMINATION OF MEMBERSHIP**

**11.1** On any appeal from termination of membership, a vote to rescind the decision of the Board of Directors must be passed by seventy five percent (75%) of the members present at the membership meeting.

## **SECTION 12 - SERVICES TO NON-MEMBERS**

**12.1** Services may be provided to non-members.

## **SECTION 13 – PATRONAGE RETURN ACCOUNTS**

**13.1** The Board of Directors may require that the whole, or any part, of the patronage returns to which members are entitled shall be deposited into separate "patronage return accounts" for each member. The patronage return accounts shall be lent to the Credit Union on such terms and at a rate of interest as determined by the Board of Directors provided that it shall not exceed the prime rate of the Credit Union.