

BYLAWSINNOVATION CREDIT UNION**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) “Credit Union” means Innovation Credit Union;
- (d) “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;
- (e) “Business Area” means and is determined with reference to the geographical area primarily serviced by the District and/or the residences of the members whose accounts are located at that District;
- (f) “Primary Account” means and is determined with reference to the quantity and value of services and deposits handled in that account;
- (g) “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;
- (h) “Proposal” means a proposal as defined by Section 85 of *The Credit Union Act, 1998*;
- (i) “Regulations” means the Regulations to *The Credit Union Act, 1998* as amended from time to time;
- (j) “Fundamental Change” means a fundamental change as defined by the Regulations;
- (k) “Voting Period” means the period for voting for election of directors or voting on a Fundamental Change as set by the Regulations;
- (l) “Key Management Person” means and includes an individual who is employed in an executive management position in the Credit Union or is a Director of the Credit Union.

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.

Headings

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

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 1 membership share.

Assignment

- 4.1 Shares and other similar interest(s) may only be assigned or transferred with the approval of the Board of Directors.

Directors

5.1 Number of Directors

Subject to the Articles, the number of Directors shall be a minimum of Five (5) and a maximum of Fifteen (15).

5.2 Election of Directors by District

(a) District Elections

Directors shall be elected by District.

(b) Determination of Districts

Districts will be defined as the following geographic areas:

District 1: shall encompass the communities of North Battleford, Battleford, Glaslyn, Hafford, Leoville, Medstead, Meota, Shell Lake, Wilkie, Meadow Lake, Buffalo Narrows, Cut Knife, Goodsoil, Pierceland and the Business Areas historically or traditionally served by the branches in that District.

District 2: shall encompass the communities of Swift Current, Hazlet, Hodgeville, Pennant, Ponteix, Gravelbourg, Coderre, Shamrock, Cabri, Gull Lake, Frontier, Climax, Lancer, Sceptre, Mankota, Eastend and the Business Areas historically or traditionally served by the branches in that District.

(c) Procedure for Election by District

- Members of District 1 will elect 7 Directors.

- Members of District 2 will elect 5 Directors.

Members shall vote in the District where they maintain their Primary Account.

Members may vote only in one District and only once in any election. In the case of a member who could vote at more than one District, the Returning Officer may specify the location at which the member shall vote.

5.3 Qualifications of Directors

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

Each Nominee and Director shall:

- (a) Have been a member of the Credit Union for a minimum of one (1) year as at the Closing Date for Nominations;
- (b) Must not have loans or credit in arrears with a Credit Union or other financial organization, and must not be named as a judgment debtor in any legal action for debt;
- (c) Must not be or have been involved in any legal proceedings against the Credit Union or in dealings with any Credit Union that has caused a financial loss, either as an individual or in an ownership capacity with any group or organization;
- (d) Not be a spouse of a person involved in legal proceedings against the Credit Union or any of its affiliates or subsidiaries;
- (e) Must not be a board member or employee of a business selling competitive products and/or services except as a representative of Innovation Credit Union;
- (f) Must be prepared to use the Credit Union as his/her Primary Financial Institution;
- (g) Not be a spouse of a Key Management Person of the Credit Union.
- (h) Must reside in a Business Area primarily served by the Credit Union.

5.4 Nomination of Directors

- (a) The Board of Directors will advertise the opening and closing date for the nomination of directors which shall be set at least 60 days prior to the Annual Meeting.
- (b) Nominations will close at least 14 days before the Voting Period.
- (c) Nominations will not be accepted after the closing date.
- (d) Nominees shall be elected to the District in which they maintain their Primary Account.
- (e) No person is eligible to be elected as a director unless such person is nominated in writing by at least 5 members within the District.
- (f) A nominee must sign a nomination paper confirming the nominee meets the

eligibility requirements of *The Credit Union Act*, 1998 and the Credit Union's bylaws.

5.5 Conduct of Elections

- (a) Election of Directors will take place during the Voting Period.
- (b) The Voting Period shall be set annually by the Board of Directors and shall be not less than 7 calendar days or more than 21 calendar days in length and shall begin not more than 28 days or end less than 7 days prior to the Annual Meeting.
- (c) Voting for the directors 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, in-branch voting, mail-in or electronic ballots or by all such methods. If the board of directors authorizes electronic voting for directors a member may vote at a polling station within a credit union branch;
- (d) Nominees will be listed in alphabetical order on the ballots made available to the members for voting.
- (e) If required, the Returning Officer shall have the authority to appoint poll clerks, who shall be members in good standing with the Credit Union and whom may be paid for their services. Members of the staff of the Credit Union, as well as directors, nominees and their spouses are not eligible to act as poll clerks.
- (f) Each member casting their vote shall be recorded. Members shall be entitled to cast their ballot in any manner authorized by the board as described in Bylaw 5.5(c), but may vote only once.
- (g) The counting of ballots cast in an election shall occur only once, except in the case of a required recount. In the event of a tie candidates will draw lots to determine the elected director.
- (h) Where a member votes for more than the number of directors to be elected on the ballot, that ballot will not be counted.
- (i) If a meeting is scheduled at which business is to be conducted during the Voting Period for election of directors, and the Credit Union is permitting electronic voting, a member or shareholder shall be allowed to participate in such meeting by means of telephonic, electronic or other communication facility and vote in person if participating in the meeting in person.

5.6 Term of Office

After expiry of the initial term, all Directors will be elected for a term of 3 years.

5.7 Removal of Directors

(a) Removal by Members

Members may remove a director by two thirds of the votes cast at a meeting.

(b) Disqualification

A Director who fails to attend a minimum 66.6% or three consecutive meetings of the regularly called Board of Directors Meetings in any one year without good cause is disqualified to remain a Director. The Board of Directors shall determine good cause.

Any person 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.

5.8 Vacancies

The Board of Directors may fill a vacancy on the board until the next Annual Meeting provided there is a quorum.

5.9 Remuneration

Directors shall be reimbursed for expenses incurred in connection with Director duties. Directors may be paid a per diem for attending Board or Committee meetings at rates established by the Board of Directors from time to time. The Board of Directors may also establish and pay reasonable annual or monthly retainer fees in addition to or in lieu of per diems.

5.10 Officers

The officers of the Credit Union shall include: Chief Executive Officer(s), a President and 1st and 2nd Vice Presidents and Secretary and such other officers as may be designated by the Board of Directors from time to time.

Meetings of Members

6.1 Conduct

If approved by the Board, meetings of members may be held using telephone, electronic or other communication facilities. Unless a chair is otherwise appointed, the President or any other officer designated by the Board of Directors shall preside over all meetings of the Credit Union and the Board.

6.2 Voting

If approved by the Board, voting at a meeting conducted using telephone, electronic or other communication facilities shall be by show of hands or secret ballot or by any other

means that will identify the voter and vote cast to the returning officer appointed for such location.

6.3 Location

Meetings of the Credit Union may be held at more than one location. If approved by the Board, meetings may be held separately or simultaneously at more than one location. Where arrangements are made for members to participate in the meeting through electronic, video, telephone or other communication such meeting is considered to be a meeting in one location.

6.4 Meetings at More than One Location

For meetings at more than one location, members may attend and vote at the location of their choice. Members may only vote once on any question. The returning officer will keep lists of members who registered to vote at each location and may deny registration to any member who previously registered at another location.

6.5 Resolutions for Meetings at More than One Location

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. Resolutions from the floor are not permitted.

6.6 Proposals

All Proposals must be submitted in the time and manner prescribed by *The Credit Union Act, 1998*. Resolutions that have not been presented in the time and manner required for Proposals may, at the discretion of the Chair, be presented and debated at an Annual Meeting. Any such resolution is non-binding and will be received by the Board for informational purposes only.

6.7 Annual Meeting Agenda

The Annual Meeting agenda may include the following items of business in addition to those specified by the Regulations.

- (a) Announcement of successful candidates from the conduct of elections;
- (b) Other business including presentment and debate of non-binding resolutions;
- (c) Other specific agenda items (e.g. Amendment to Bylaws).

6.8 Notice of Meetings

Notice of Meetings may be provided by all methods authorized or permitted under *The Credit Union Act, 1998* or Regulations.

6.9 Other Meetings

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

6.10 Quorum

The quorum at an annual or special meeting of members:

- (a) is 15 members entitled to vote; and
- (b) where the meeting is held at more than one location, is not less than 10 members who are entitled to vote at each location.

6.11 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 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 authorizes electronic voting on a resolution to approve a Fundamental Change a member may vote at a polling station within a credit union branch.
- (c) If the credit union authorizes electronic voting on a Fundamental Change during a Voting Period a member shall be allowed to participate in the meeting at which the resolution is presented and vote by means of telephonic, electronic or other communication facility and vote in person if participating in the meeting in person.
- (d) Each member is entitled to one vote. 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 on the next business day 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.

Committees

- 7.1 The Board may appoint any person to a committee.

Redemption of Membership Shares

- 8.1 When a member withdraws or is terminated from the Credit Union for whatever reason, all shares and other interests in the Credit Union shall be paid to the member not later

than one (1) year after the effective date of withdrawal or termination; provided the Credit Union is solvent or that such withdrawal will not cause insolvency.

- 8.2 Where a member has a loan with the Credit Union, all shares and other interests shall be firstly applied to the repayment of the loan with any balance remaining to be paid to the member.
- 8.3 Any closed or terminated account will not qualify for any dividend or patronage returns declared by the Board at a subsequent date.

Termination of Membership

- 9.1 On any appeal from termination of membership, a vote to rescind the decision of the Board of Directors must be passed by 75% of the members present at the membership meeting.

Membership Certificate

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

Services to Non-Members

- 11.1 The Board may determine from time to time what services may not be provided to non-members.

Allocation of Surplus

- 12.1 The Board shall determine periodically the appropriate patronage return allocated for members in any given financial year to be applied to the purchase of membership shares of the Credit Union.
- 12.2 Members shall be informed in writing of the membership shares purchased or to be purchased.
- 12.3 Issuance of shares shall be with the approval of the Board or in a manner approved by the Board.
- 12.4 The credit union may allocate a portion of surplus arising from the operation of the credit union to non-members.
- 12.5 Any closed or terminated account will not qualify for any dividend or patronage returns declared by the Board at a subsequent date.

Business With The Credit Union

- 13.1 Members may do business with the credit union at any branch or District of the credit union and nothing in these Bylaws is intended to or shall be interpreted to restrict the member from conducting business at any branch or District.

Charge and Setoff

- 14.1 The Credit Union has a charge on all membership shares including any joint membership share for a debt of the member or any of them and may apply such shares or monies standing to the credit of the member towards payment of such debt.