

## SCHEDULE II

### **BYLAWS** **PRAIRIE CENTRE CREDIT UNION (2006) LTD.**

#### **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) “At Large” means the director positions which are elected by the members for District 8, and not limited to any of Districts 1 through 7;
- c) “Credit Union” means Prairie Centre Credit Union (2006) Ltd.;
- 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 branch and/or the residences of the members whose accounts are located at that branch;
- f) “Board” means the Board of Directors of the Credit Union;
- g) “Bylaws” means the bylaws of the Credit Union duly passed by it and in force from time to time;
- h) “Fundamental Change” means a fundamental change as defined by the Regulations;
- i) “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;
- j) “Primary Account” means and is determined with reference to the quantity and value of services and deposits handled in that account;
- 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 or enacted from time to time;
- m) “Voting Period” means the period for voting for election of directors or 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 - MEMBERSHIP**

##### 2.1 Qualification

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

##### 2.2 Minimum Membership Shares

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

### **SECTION 3 – ASSIGNMENT**

#### **3.1 Assignment**

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

### **SECTION 4 – DIRECTORS**

#### **4.1 Number of Directors**

The minimum number of Directors shall be five (5) and, subject to the Articles, the maximum will be fifteen (15).

#### **4.2 Election of Directors**

a) Eligibility – In addition to the qualifications set out in the Act, nominees and directors shall have the following qualifications:

- i. must have been a member of the Credit Union for at least one year.
- ii. must be bondable and must agree to treat all business of the Credit Union in the strictest confidence.
- iii. must not be involved in any legal action or dispute with the Credit Union.
- iv. must not be a Board member of any other financial institution except as a representative of the Credit Union.
- v. must not be an employee of the Credit Union or its predecessor within 24 months of the Closing Date for nominations.
- vi. must not be a spouse of a Key Management Person of the Credit Union.
- vii. In the last five years, must not have held substantial investment, as defined by *The Credit Union Act, 1998*, in a business, or had personal loans, which caused losses to the Credit Union, whether as a result of a write-off of an uncollectible loan balance, collection costs or legal costs, unless those amounts have been subsequently paid to the Credit Union.

b) Determination of Districts

- i. Directors shall be elected by district. Districts will be defined as the following geographical areas:
  1. District 1 – the trading area surrounding Eatonia and Eston
  2. District 2 – the trading area surrounding Delisle, Harris, and Rosetown
  3. District 3 – the trading area surrounding Beechy, Dinsmore, Elrose, and Kyle
  4. District 4 – the trading area surrounding Elbow, Loreburn, and Outlook
  5. District 5 – the trading area surrounding Herbert and Morse
  6. District 6 – the trading area surrounding Spiritwood
  7. District 7 – the trading area surrounding LeRoy
  8. District 8 – the area encompassing all of Districts 1 through 7

c) Nominations

- i. To represent a geographic district, a nominee must have his or her Primary Account at a service outlet situated within the geographic district. Any member may represent District 8.
- ii. No person may be a nominee in more than one geographic region.
- iii. No person is eligible to be elected as a director of the Credit Union unless such person is nominated for the position from a District and the nomination is in accordance with these Bylaws.
- iv. A nominee must sign a nomination paper confirming that he or she consents to their nomination and qualifies under the eligibility requirements stipulated in the Act and Bylaws.
- v. Nomination papers must be signed by the person nominated for the position of director (nominee) and be endorsed by the signatures of at least five members of the Credit Union who have accounts at a service outlet situated within the nominee's District.
- vi. The Credit Union shall advertise for nominations for position of director for a period of two weeks beginning ~~six~~ seven weeks prior to the week of the Annual Meeting.
- vii. Names of the nominees for position of director shall be placed with a Nominating Committee by noon on Monday of the week ~~two~~ three weeks preceding the Voting Period.
- viii. Where the number of nominations exceeds vacancies, the names of the nominees will be published in local newspapers or posted online during the ~~three~~ two weeks preceding the Voting Period.
- ix. 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.

(d) Elections

- i. Members holding their primary account in the following districts will elect directors as follows:
  1. District 1 members will elect one director
  2. District 2 members will elect ~~two~~ one directors
  3. District 3 members will elect ~~two~~ one directors
  4. District 4 members will elect one director
  5. District 5 members will elect one director
  6. District 6 members will elect one director
  7. District 7 members will elect one director
  8. District 8 members will elect ~~two~~ four At Large directors
- ii. Credit Union members will only be entitled to vote for directors to represent (a) the District which includes the service outlet at which they have their Primary Account; and, (b) District 8.
- iii. The Returning Officer will keep the lists of members eligible to vote in each District. Members shall vote in the location where they maintain their Primary Account. In the case where a member holds accounts in more than one location, the Returning Officer(s) may specify the location at which the member shall vote.
- iv. Voting for directors will be conducted by secret ballot in the manner which is approved by the Board. The manner of voting may include but is not limited to voting polls, in branch voting, mail in ballot, electronic ballot or by any combination of or all such methods. If the Board authorizes electronic voting for directors a member may vote at a polling station within a credit union branch.

- v. Secret ballots may be cast at any service outlet of the Credit Union which is situated within the District for which the election is taking place.
- vi. Election of Directors will take place during the Voting Period.
- vii. The Voting period will be not less than 7 days or more than 21 days in length and shall begin not more than 28 days and end not less than 7 days prior to the Annual Meeting.
- viii. A photograph and a brief biography of the candidates may be posted in the offices of the Credit Union during the Voting Period.
- ix. A Returning Officer shall be appointed at each Annual Meeting who will be responsible for organizing the election if one is necessary.
- x. The Returning Officer shall have the authority to appoint deputies as poll clerks, who shall be members of the Credit Union and who may be paid for their services.
- xi. Ballots shall be counted by the Returning Officer prior to the Annual Meeting and successful candidates will be announced at the Annual Meeting.
- xii. 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.

#### 4.3 Term of Office

- a) After expiry of the initial term, all directors shall be elected for a term of 3 years; unless a director is elected to fill a vacancy for an unexpired term.
- b) Where candidates are to be elected for varying terms, the candidates receiving the highest number of votes cast are to be declared elected for the longest or the longer term, as the case may be. Where two directors are elected by acclamation, lots will be drawn to determine the director to receive the longer term.
- c) A director who has served four consecutive three year terms, shall not be eligible for re-election until one year has lapsed.

#### 4.4 Removal of Directors

- a) Any director who, during his or her term of office, does not meet all the eligibility requirements as outlined in Section 4.2 (a) of these Bylaws ceases to be a director.
- b) A director who fails to attend a minimum number of three consecutive meetings without good cause is disqualified to remain a director. The Board shall determine good cause.
- c) Any person removed from directorship by a 2/3 majority vote ~~of the members~~ cast at a meeting of 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.

#### 4.5 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 or for performing official Director or Committee functions 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.

### **SECTION 5 - VACANCIES**

- 5.1 The Board may fill a vacancy on the Board until the next Annual Meeting, provided there is a quorum.

## SECTION 6 – MEETINGS OF MEMBERS

### 6.1 Conduct

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

### 6.2 Voting

Voting at a meeting conducted using telephone, electronic or other communication facilities shall be by 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 meeting through electronic, video, telephonic 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 should attend meetings and vote at the location where they have their Primary Account. Members may only vote once on any question. The returning officer will keep lists of members who are registered to vote at each location and may deny registration to any member who previously registered at another location.

### 6.5 Resolution 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 Act 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. 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.
- (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 within three (3) business days of 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.

**SECTION 7 – COMMITTEES**

- 7.1 The Board may appoint to a committee a person who is not a member of the Credit Union or the Board.

**SECTION 8 – MEMBERSHIP CERTIFICATE**

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

## **SECTION 9 – SERVICES TO NON-MEMBERS**

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

## **SECTION 10 – TERMINATION OF MEMBERS**

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

## **SECTION 11 – REDEMPTION OF MEMBERSHIP SHARES**

- 11.1 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.
- 11.2 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.

## **SECTION 12 – ALLOCATION OF SURPLUS**

- 12.1 The Board shall determine annually the percentage of the 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 number of 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.

## **SECTION 13 – BUSINESS WITH THE CREDIT UNION**

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

## **SECTION 14 – 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 and may apply such shares or monies standing to the credit of the members towards payment of such debt.

## **SECTION 15 – HEADINGS**

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