

COMMUNITY CREDIT UNION OF
CUMBERLAND COLCHESTER
LIMITED

BY-LAWS AMENDMENTS

Experience
The Difference™

COMMUNITY
CREDIT UNION

*For membership approval
at the AGM on April 27, 2021*

To: All members of Community Credit Union of Cumberland Colchester Ltd.
From: Rod Gilroy, Chair of the Board
Date: February 16, 2021
Subject: Notice to members: Proposed amendments to the By-laws

Dear Community Credit Union Members:

Pursuant to changes to the provisions of the Credit Union and amendments to the regulations under the Act, the Board focused on developing a new set of bylaws consistent with best practices that enhance transparency, accountability and engagement between the board, staff and members. As such, the Board hired an independent consultant to provide guidance to best practice regarding governance.

According to Article 4.25 of the current By-laws, the members of the Credit Union may at an annual meeting called for that purpose by special resolution of the members, enact, amend or repeal By-laws in relation to those matters authorized or required by the Act or Regulations to be dealt with the By-law.

As such the Board is recommending the approval of the enclosed proposed by-laws amendments.

A package is hereby included and presented to you for approval of the *Amended By-laws* at Community Credit Union's Annual General Meeting (AGM) on April 27, 2021. These amended by-laws are subject to approval of the Superintendent of Credit Unions, Nova Scotia.

Please note included package consisting of:

- *Appendix I - Supporting Document for By-law Amendments*
- *Appendix II - Members Resolutions*
- *Appendix III - By-laws for approval at the Annual General Meeting*

I encourage you to take the time and carefully review the presented draft Bylaws and should you have any questions you may submit them in advance to management, or at our AGM in April.

Respectfully,



Rod Gilroy,
Chair of the Board

Community Credit Union of Cumberland Colchester Limited

Supporting Document for By-law Amendments

NEW ARTICLE

ARTICLE 1; DEFINITIONS AND APPLICATION

1.01 In these by-laws, unless the subject or context is inconsistent therewith:

- (a) “Credit Union” means Community Credit Union of Cumberland Colchester Limited;
- (b) “The Act” means the *Credit Union Act* of Nova Scotia from time to time enforced and all amendments;
- (c) “Board” means the Board of Directors of the Credit Union;
- (d) “By-laws” means the Charter by-laws of the Credit Union;
- (e) “Central” means Atlantic Central;
- (f) “Chair” means the Chairperson of the Board;
- (g) “competitive business” means a business which offers products and services similar to those offered by the Credit Union;
- (h) “Director” means a director of the Credit Union for the time being;
- (i) “immediate family” means the spouse, child, sibling, parent, grandparent, including those who are steps, of an individual as well as other relatives of an individual who live in the same household as the individual and who are financially dependent on the individual;
- (j) “Regulations” means all regulations now or hereafter in force made pursuant to the Act.

1.02 The meaning of any words or phrases defined in the Act, and, to the extent that it relates to the Credit Union, the Companies Act of Nova Scotia, shall, if not inconsistent with the subject or context, have the same meaning in these By-laws.

1.03 These By-laws must be read and applied in conjunction with the Act, and, to the extent it relates to the Credit Union, the Companies Act of Nova Scotia, and all amendments thereto and regulations made pursuant to the said Acts except where said Acts or Regulations state that these By-laws may otherwise provide, any applicable provision of the Acts or Regulations inconsistent with these By-laws shall prevail.

CURRENT BYLAW dated April 24, 2013

PROPOSED

ARTICLE 1: MEMBERSHIP

ARTICLE 2: MEMBERSHIP

Eligibility

1.04 A person under nineteen years of age may be accepted as a member of the credit union and common and surplus shares may be held and money may be received by the credit union in that person's name or in the name of a trustee for that person if the trustee is a member or is eligible to be a member of the credit union.

Eligibility

2.04 A person under eighteen (18) years of age may be accepted as a member of the Credit Union and common and surplus shares may be held and money may be received by the Credit Union in that person's name or in the name of a trustee for that person if the trustee is a member or is eligible to be a member of the Credit Union.

CURRENT BYLAW dated April 24, 2013	PROPOSED
<p>1.05 Associate status shall be limited to:</p> <p>a. non-individuals and may include any form of company, association, charitable organization, municipality, or other government agency,</p>	<p>2.05 Associate status shall be limited to:</p> <p>a. <i>(To be removed)</i></p>
<p>Termination</p>	<p>Termination</p>
<p>1.09 The Board of Directors of the credit union may terminate the membership or associate status of an individual(s), corporation or association in accordance with Section 59 of the Act.</p>	<p>2.09 The Board may terminate the membership or associate status of an individual(s), corporation or association in accordance with the process established by the Chief Executive Officer where such process has been previously approved by the Board.</p>
<p>1.10 A member whose membership is proposed to be terminated is entitled to appeal the decision of the Board of Directors at the next meeting of members in accordance with section 59 of the Act.</p>	<p><i>(To be removed)</i></p>
<p>Withdrawal</p>	<p>Withdrawal</p>
<p>1.11 The credit union may require up to ninety days notice in writing of a member's or associate's intention to withdraw deposits or to redeem any common or surplus shares. Withdrawal of common or surplus shares and deposits may be restricted subject to payment in full of any outstanding loans, service charges, or other liabilities owed by the withdrawing member or associate of the credit union.</p>	<p>2.10 Unless the Board otherwise determines, a member or associate may, upon giving ninety (90) days written notice to the Credit Union, withdraw from membership in the Credit Union. Withdrawal of common or surplus shares and deposits may be restricted subject to payment in full of any outstanding loans, service charges, or other liabilities owed by the withdrawing member or associate of the Credit Union.</p>
<p><i>(Non-existent)</i></p>	<p>2.12 No provisions in relation to the termination of, or withdrawal from, membership in the Credit Union shall affect the provisions of any contract between a withdrawing member and the Credit Union and, without limiting the generality of the foregoing, no provision shall affect the term for which any person has agreed to place deposits with the Credit Union.</p>

CURRENT BYLAW dated April 24, 2013	PROPOSED
ARTICLE 2: COMMON SHARES	ARTICLE 3: COMMON SHARES
General	General
<p>2.02 Each member of the credit union shall be required to purchase and hold one (1) fully paid common share, with such purchase being made by full payment in money or as otherwise set out in the policies of the credit union.</p>	<p>3.02 Each member, who are at least 18 years of age shall be required to purchase and hold five (5) fully paid common shares, with such purchase being made by full payment in money or as otherwise set out in the policies of the Credit Union.</p>
<p>2.03 Members under the age of nineteen (19) shall be required to purchase one common share. Upon reaching the age of 19, the credit union may allow the member to purchase the remaining share requirement outright or to participate in a subscription plan to fulfil their membership requirement.</p>	<p>3.03 Members under the age of eighteen (18) shall be required to purchase one common share. Upon reaching the age of 18, the Credit Union may allow the member to purchase the remaining share requirement of four (4) shares outright.</p>
Redemption	Redemption
<p>2.04 Subject to Section 34 of the Act, common shares may be redeemed or purchased by the credit union at a price per share not to exceed the issue price. Such redemption is subject to approval by the Board of Directors at such time as the member is no longer eligible for membership in the credit union, or the member withdraws from membership in the credit union, or the member is terminated from membership by the Board of Directors, or the member is deceased.</p>	<p>3.04 Subject to Section 34 of the Act, and subject to approval by the Board, common shares may be redeemed or paid out by the Credit Union at a price per share not to exceed the issue price at such time as the member is no longer eligible for membership in the Credit Union, or the member withdraws from membership in the Credit Union, or the member is terminated from membership by the Board, or the member is deceased.</p>
Dividends	Dividends
<p><i>(Non-existent)</i></p>	<p>3.07 Pursuant to 3.06 the Board will establish, in the resolution, the date on which the dividend will be paid to members of the Credit Union on that date.</p>

<i>CURRENT BYLAW dated April 24, 2013</i>	<i>PROPOSED</i>
ARTICLE 3 - SURPLUS SHARES AND PATRONAGE REFUNDS	ARTICLE 4 - SURPLUS SHARES AND PATRONAGE REFUNDS
Dividends on Surplus Shares	Dividends on Surplus Shares
<i>(Non-existent)</i>	4.04 Pursuant to Article 4.03 the Board shall establish, in the resolution, the date on which the dividend will be paid to members of the Credit Union on that date.
Patronage Refunds	Patronage Refunds
<i>(Non-existent)</i>	4.08 The Directors may allocate, as a patronage refund to members, proportionate to the business done by that member with or through the Credit Union in that fiscal year as computed by the Directors, at a rate approved by the resolution of the Directors.
ARTICLE 4 - MEETINGS	ARTICLE 5 - MEETINGS
Requisition by Members to Call Special Meeting	Requisition by Members to Call Special Meeting
4.11 125 members who have the right to vote at a meeting sought to be held, may, by written requisition, require the Board of Directors to call a special meeting of members for the purposes stated in the requisition.	5.11 The lesser of five percent (5%) and two hundred and fifty (250) members who have the right to vote at a meeting sought to be held, may, by written requisition, require the Board to call a special meeting of members for the purposes stated in the requisition.
The requisition may consist of several documents of like form, each signed by one or more members, and shall be sent to the registered office of the credit union. The members making the requisition shall	5.12 The requisition may consist of several documents of like form, each signed by one or more members, shall state the business to be transacted at the meeting and shall be sent to the registered office of the Credit Union. The members making the requisition shall
<ul style="list-style-type: none"> a. identify themselves by providing to the Board of Directors their names, addresses and signatures, and b. include in the requisition information with sufficient detail as to why the requisition is being made so the Board of Directors and the members may form a reasonable judgement as to the intent of the requisition. 	<ul style="list-style-type: none"> a. identify themselves by providing to the Board their names, addresses and signatures, and b. include in the requisition information with sufficient detail as to why the requisition is being made so the Board and the members may form a reasonable judgement as to the intent of the requisition.

Appendix I

<i>CURRENT BYLAW dated April 24, 2013</i>	<i>PROPOSED</i>
<i>(Non-existent)</i>	5.13 On receiving the requisition in the required form and delivered as required, the Board shall call a meeting of members to transact the business stated in the requisition, unless the business of the meeting as stated in the requisition includes a matter described in sections 69(5)(b) to (c) of the Act.
<i>(Non-existent)</i>	5.14 If the Board does not within thirty (30) days after receiving the requisition call a meeting, any member who signed the requisition may call the meeting.
<i>(Non-existent)</i>	5.15 Unless the members otherwise resolve at a meeting called for under Article 5.14, the Credit Union shall reimburse the members for the expenses incurred by them in requisitioning, calling and holding the meeting.
Quorum	Quorum
4.13 A number of members equal to the number of Directors plus five, constitutes a quorum for all meetings of members.	5.17 At all meetings of the membership, no less than twenty-five (25) shall constitute a quorum. For the purposes of this section, “member” means only those in attendance who have met the conditions in Article 2.
Voting	Voting
4.16 Subject to Article 4.07 of these Charter By-laws, a member of the credit union who is nineteen years of age or over may vote at a meeting of members.	5.20 Subject to Article 5.07 of these By-laws, a member of the Credit Union who is eighteen (18) years of age or over may vote at a meeting of members.
<i>(Non-existent)</i>	5.22 Each member desiring to cast a vote on any issue shall, on request, present evidence of age, identity and membership, and a declaration that the member has not previously voted or cast a ballot on the issue then in progress.

CURRENT BYLAW dated April 24, 2013	PROPOSED
<p>4.18 Subject to Section 72 of the Act, a body corporate or association may authorize an individual to represent it and vote on its behalf at meetings of members of the credit union. If the individual representing the body corporate is also a member in their own right, that individual will be limited to one vote only on any question.</p>	<p>5.23 If a body corporate or association is a member of the Credit Union, the Credit Union shall recognize an individual authorized by a resolution of the directors or governing body of that body corporate or association to represent it at meetings of members of the Credit Union.</p>
<p style="text-align: center;"><i>(Non-existent)</i></p>	<p>5.24 An individual authorized under Article 5.23 may exercise on behalf of the body corporate or association the powers the body corporate or association could exercise if it were an individual member.</p>
<p>4.19 Voting by proxy shall not be permitted.</p>	<p>5.26 No member, other than a member that is a body corporate or association, shall vote by proxy at any meeting of members of the Credit Union.</p>
<p>Methods of Voting</p>	<p>Methods of Voting</p>
<p>4.23 Voting at a meeting of members shall be by a show of hands or by voice response except where a ballot is demanded by a member entitled to vote at the meeting with the exception of the election of the Directors.</p>	<p>5.30 Voting at a meeting of members shall be by a show of hands or by voice response except where a ballot is demanded by at least three (3) members entitled to vote at the meeting or as specified by the Chair except that voting for the election of Directors shall be by ballot, either in paper or electronic form.</p>
<p>ARTICLE 6 – BOARD OF DIRECTORS</p>	<p>ARTICLE 6 – BOARD OF DIRECTORS</p>
<p>Number</p>	<p>Number</p>
<p>5.01 The Board of Directors shall consist of no less than nine (9) and no more than twelve (12) members who shall be elected at annual meetings or special meetings where elections are to take place.</p>	<p>6.01 (a) Subject to the provisions of subsection (b), the Board shall consist of nine (9) members who shall be elected at annual meetings or special meetings where elections are to take place.</p>
	<p>6.01 (b) Notwithstanding subsection (a), on approval of these Bylaws, the Board shall consist of twelve (12) Directors, and thereafter, the Board shall consist of the following number of Directors elected by ballot or by acclamation</p>

CURRENT BYLAW dated April 24, 2013	PROPOSED
(Non-existent)	for the following specified years, commencing at the annual meeting of members in the indicated calendar year: <ul style="list-style-type: none"> i. 2022 – eleven (11) Directors ii. 2023 – ten (10) Directors iii. 2024 – nine (9) Directors.
(Non-existent)	6.01 (c) The Board shall be comprised of Directors with membership accounts at any of the Credit Union’s branches but not all Directors to have membership accounts at the same branch.
Power and Duties	Power and Duties
5.02 Subject to the Act, the Regulations and these Charter By-laws, the Board of Directors shall be responsible for the general management of the affairs of the credit union and, without limitation, shall	6.02 Subject to the Act, the Regulations and these By-laws, the Board shall be responsible for the general management of the affairs of the Credit Union and, without limitation, shall
<ul style="list-style-type: none"> a. authorize termination of membership and establish the form and manner in which all applications for membership or associate status are accepted. The Board of Directors may delegate to the General Manager the authority to approve applications for membership or associate status. 	<ul style="list-style-type: none"> a. establish the form and manner in which all applications for membership or associate status are accepted, and delegate to the Chief Executive Officer the authority to approve applications for membership or associate status,
<ul style="list-style-type: none"> b. establish the manner in which interest rates on loans, and deposits are determined, 	<ul style="list-style-type: none"> b. determine the manner in which termination of a membership is to be handled, and authorize such termination after fulfillment of the approved process,
<ul style="list-style-type: none"> e. approve a loan policy for the credit union 	<ul style="list-style-type: none"> e. approve a loan policy for the Credit Union which is then reviewed, updated and approved annually,
	<ul style="list-style-type: none"> g. approve an equity policy, i. establish the CEO’s authority for setting interest rates on loans and deposits,
<ul style="list-style-type: none"> n. hire a General Manager for the credit union, 	<ul style="list-style-type: none"> p. hire a Chief Executive Officer for the Credit Union and who shall be an officer

<i>CURRENT BYLAW dated April 24, 2013</i>	<i>PROPOSED</i>
	of the Credit Union in accordance with Article 6.38 but who shall not be a Director,
Eligibility	Eligibility
<p>5.06 A citizen of Canada who is nineteen years of age, a member of the credit union and satisfies the requirements set out in the Credit Union Act and these Charter By-laws of the credit union may be eligible to hold the position of director except</p>	<p>6.06 Any person who is a member of the Credit Union under Article 2 is eligible to be elected to the Board but the following persons are disqualified from being a Director:</p>
<p>b. a current employee of the credit union, or anyone who, in the past two years, has been a employee of the credit union, Credit Union Central or the Nova Scotia Credit Union Deposit Insurance Corporation,</p>	<p>a. anyone who is not an individual;</p> <p>b. anyone who is less than eighteen (18) years of age;</p> <p>e. a current employee of the Credit Union, or any immediate family member of an employee, or anyone who, in the past two (2) years, has been an employee, or is an immediate family member of a former employee of the Credit Union, Central or the Nova Scotia Credit Union Deposit Insurance Corporation</p> <p>m. a person who is or becomes an employee, director, officer or agent of an organization in a competitive business to the Credit Union; or</p> <p>n. a person, or any immediate family member of such person, who is or becomes an employee, director, officer or agent of (i) another credit union (other than a director of Central) or their wholly-owned subsidiaries; or (ii) an organization which has decision making authority with respect to products and services offered by the Credit Union; or</p> <p>o. a person who is a member of the immediate family of a person who is a</p>

CURRENT BYLAW dated April 24, 2013	PROPOSED
	candidate or is an incumbent Director who would be on the Board at the same time as that person if the person is elected.
5.07 A non-individual shall not be a Director of the credit union.	<i>(To be removed)</i>
<i>(Non-existent)</i>	6.07 A Director may apply for a position as an employee of the Credit Union but is not in any case eligible for such position while he or she is a Director or for a period of two (2) years after having ceased to be a Director. No immediate family member of a Director shall be eligible for employment or any position with the Credit Union during such time as the Director remains a Director.
Term	Term of Office
5.08 Subject to Articles 5.06 and 5.13 of these Charter By-laws, members of the Board of Directors shall be elected for terms of three years.	6.08 A Director shall hold office for such term as shall be specified in the ordinary resolution electing or appointing that Director, provided that Director shall not be elected or appointed for a term exceeding three (3) years.
5.09 Subject to Article 5.06 of these Charter By-laws, a Director is eligible to serve as a Director for three (3) consecutive three (3) year terms with one (1) year off the Board before being eligible for re-election. The motion should be implemented when enacted	6.09 A Director may not hold office for a period greater than the lesser of: (i) three (3) consecutive terms or (ii) an aggregate of nine (9) consecutive years.
<i>(Non-existent)</i>	6.10 Notwithstanding Article 6.09, a person who has served as a Director for the maximum aggregate period permitted by Article 6.09 shall be eligible for re-election or re-appointment to the Board for further terms up to the maximum aggregate period permitted by Article 6.09, provided that such person shall have first ceased to be a Director for a period of not less than two (2) consecutive years prior to being elected or appointed again to the Board.

CURRENT BYLAW dated April 24, 2013	PROPOSED
<i>(Non-existent)</i>	6.11 It is not necessary that all Directors elected at a meeting of members hold office for the same term.
<i>(Non-existent)</i>	6.12 A Director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of members following that Director's election or appointment.
<i>(Non-existent)</i>	6.13 Notwithstanding anything in this section to the contrary, if Directors are not elected at a meeting of the members the incumbent Directors continue in office until their successors are elected.
Nomination	Nomination
5.10 The Board of Directors shall appoint, at least ninety (90) days prior to the annual meeting or special meeting where elections are to take place, a Nominations Committee made up of three members.	6.14 The Board shall appoint, at least ninety (90) days prior to the annual meeting or special meeting where elections are to take place, a Nominations Committee consisting of not less than three (3) members where such members of the committee shall be Directors, and provided that no Director whose term of office is expiring at the close of the coming annual general meeting may serve as a member of the Committee unless that Director is departing from the Board due to being ineligible to run for election as a Director.
5.11 Nominations shall be made on an approved form signed by two members in good standing and signed by the nominee confirming that he or she is eligible to serve as a director in accordance with Article 5.06. Such form shall include background information regarding the nominee.	6.16 Nominations shall be made on an approved form signed by two members in good standing and signed by the nominee confirming that he or she is eligible to serve as a Director in accordance with the Act and these By-laws and consenting to his or her nomination as Director. Such form shall include background information regarding the nominee.
Nomination forms shall be submitted to, and received by the Nominations Committee no later than forty (40) days prior to the date of the members' meeting.	6.18 Nomination forms shall be submitted to and received by the Nominations Committee no later than sixty (60) days prior to the date of the members' meeting.

<i>CURRENT BYLAW dated April 24, 2013</i>	<i>PROPOSED</i>
<p>5.13 The method of election shall be by secret ballot through advance polling in the office(s) of the credit union and through one ballot at the members' meeting.</p>	<p>6.21 (a) The method of election shall be one (1) member, one (1) vote to be cast by advance polling using secret balloting. (b) The method of voting shall be determined by the Board and means of voting shall include any of the following or combination of the following means: in person by ballot at a branch or office of the Credit Union, a ballot mailed through Canada Post, a ballot submitted by electronic means. The mail in ballot will use a double envelope method which protects the confidentiality of the vote on the ballot.</p>
<p>Advance polling in the office(s) shall be conducted for at least fifteen (15) business days, ending the business day prior to the date of the members' meeting.</p>	<p>6.22 Advance polling in the branches and office(s) shall be conducted for at least fifteen (15) business days, ending the business day prior to the date of the members' meeting and mail-in ballots and ballots submitted electronically must be received by the Credit Union by the business day prior to the date of the members' meeting.</p>
<p><i>Second paragraph of 5.14</i> Where vacancies still exist, an additional call for further nominations shall be made by the Chair at the members' meeting. If this call results in sufficient nominations to fill the vacant positions such that an election is required, the method of election shall be by one ballot at the members' meeting and the nominee(s) receiving the highest number of votes shall be declared elected.</p>	<p><i>(To be removed)</i></p>
<p>Resignations, Removals and Suspensions</p>	<p>Resignations and Removals</p>
	<p>6.27 A Director ceases to hold office when the Director, a. Dies, or resigns; b. Becomes disqualified under these By-</p>

<i>CURRENT BYLAW dated April 24, 2013</i>	<i>PROPOSED</i>
	<p>laws</p> <p>c. Is removed from the Board as provided under these By-laws.</p>
<p>5.15 A resignation of a Director becomes effective at the time a written resignation is received by the credit union, or at a time specified in the resignation, whichever is later</p>	<p>6.28 A resignation of a Director becomes effective at the time a written resignation is accepted by the Board, or at a time specified in the resignation, whichever is later. A Director who resigns is entitled to submit to the Board of Directors a written statement giving the reasons for the resignation</p>
<p>5.16 The members of the credit union may by ordinary resolution at a special meeting remove any Director from office.</p>	<p>6.29 A person may be removed as a Director by resolution passed by not less than seventy-five percent (75%) of the remaining Directors if that Director:</p> <ul style="list-style-type: none"> (a) has failed to attend three (3) consecutive Board meetings without cause satisfactory to the other Directors or fails to attend at least seventy-five percent (75%) of regular Board meetings including the annual members' meeting and strategic planning session per fiscal year; (b) has breached the Code of Conduct for Directors; (c) has breached the confidentiality of any proceedings, deliberations, or information of the Board; or (d) has failed to fulfill the responsibilities of a Director; <p>as determined by the remaining Directors in accordance with the policies and procedures relating to Director review established by the Board.</p>
<p>5.17 A Director who resigns or who is being removed from office is entitled to submit to the credit union a written statement giving the reasons for the resignation or for opposing any action or resolution proposed for the purposes described in Section 86 of the Act.</p>	<p>6.30 At least seven (7) days prior to the meeting at which the removal of a Director is to be considered, the Secretary will provide such Director with notice of the meeting and the grounds for considering the Director's removal. Such Director is entitled to appear, either personally or with an agent or counsel, to make submissions at the meeting of the Board prior to the Board voting on the Board resolution for the Director's removal.</p>
<p>5.18 The Board of Directors may, by a vote of not less than seventy-five percent,</p>	

CURRENT BYLAW dated April 24, 2013	PROPOSED
<p>suspend another Director if, in their opinion, a breach of policy by the suspended Director does not justify immediate removal. The suspension may be lifted if the voting Directors elect, by a similar majority, that the breach has been resolved.</p>	<p><i>(To be removed)</i></p>
<p>Meetings of the Board</p>	<p>Meetings of the Board</p>
<p>5.21 Regular meetings of the Board of Directors shall be held at least 10 times per year.</p>	<p>6.33 Regular meetings of the Board shall be held at the discretion of the Directors, but at least quarterly.</p>
<p>Election of Officers and Committees</p>	<p>Election of Officers and Committees</p>
<p>5.26 The officers of the credit union shall be the Chair, the Past Chair, the Vice-Chair, the Secretary, and any other officers deemed necessary for the efficient operation of the credit union, which may include second Vice-Chair or officer(s) at large.</p>	<p>6.38 The officers of the Credit Union shall be the Chair, the Vice-Chair, the Secretary, the Chief Executive Officer, and any other officers deemed necessary for the efficient governance of the Credit Union, which may include second Vice-Chair or officer(s) at large.</p>
<p>5.27 The Board of Directors shall meet within (14) fourteen days following the annual or special meeting of members where their election took place and they shall from their number elect a Chair, Vice-Chair, Secretary and other officers as provided in Article 5.26.</p>	<p>6.39 The Board shall meet within fourteen (14) days following the annual or special meeting of members where their election took place and they shall from their number elect or appoint a Chair, Vice-Chair, Secretary and other officers as provided in Article 6.38. The person appointed as Secretary need not be a Director.</p>
<p>5.28 The Board of Directors may appoint a recording Secretary who may or may not be a Director.</p>	<p><i>(To be removed)</i></p>
<p>5.29 The Board of Directors shall appoint a Credit Committee consisting of not less than three members of the credit union, none of whom is an employee, a member of the Audit Committee or the Chair of the Board of Directors and at least one of whom is a director.</p>	<p>6.40 The Board shall appoint a Credit Committee consisting of not less than three (3) Directors, none of whom is a member of the Audit Committee or the Chair of the Board.</p>
<p>5.30 The Board of Directors shall appoint an Audit Committee consisting of not less than three members of the credit union, none of whom is an employee, a member of the Credit Committee or the Chair of the Board of Directors and at</p>	<p>6.41 The Board shall appoint an Audit Committee consisting of not less than three (3) Directors, none of whom is a member of the Credit Committee or the Chair of the Board.</p>

Appendix I

CURRENT BYLAW dated April 24, 2013	PROPOSED
least one of whom is a director.	
<p>5.31 The chair (a) of the Credit Committee shall be a Director, and (b) of the Audit Committee shall be a Director.</p>	<p><i>(To be removed)</i></p>
<p>5.32 The Board of Directors may appoint such other committees as it deems appropriate and may delegate to those committees any of the powers of the Board of Directors.</p>	<p>6.42 The Board may appoint such other committees as it deems appropriate and may delegate to those committees any, but not all, of the powers of the Board.</p>
<p><i>(Non-existent)</i></p>	<p>6.45 Notwithstanding Article 6.44 of these By-laws, the Audit Committee will report to the Board no less than quarterly.</p>
<p>5.35 Notwithstanding Article 5.32 of these Charter By-laws, no committee or officer appointed by the Board of Directors has authority to:</p> <p>a. hire or establish the terms of employment of the General Manager of the credit union,</p>	<p>6.46 Notwithstanding Article 6.42 of these By-laws, no committee or officer appointed by the Board has authority to:</p> <p>a. hire or establish the terms of employment of the Chief Executive Officer of the Credit Union,</p>

Community Credit Union of Cumberland Colchester Limited

MEMBERS RESOLUTION

By-law Amendment – (New) Article 1: Definitions and Application

WHEREAS the current By- Laws of Community Credit Union of Cumberland Colchester Limited (the “By-Laws”) do not provide interpretation for the wording in the By-laws;

AND WHEREAS to provide clarity through definition and application.

BE IT RESOLVED that:

1. Article 1 – Definitions and Application has been introduced to precede the current Article 1 – Membership
2. All articles following Article 1- Definitions and Application have been renumbered to continue numbering.
3. The above amendments to the By-Laws shall come into full force and effect immediately upon approval of the contemplated amendments by the Superintendent of Credit Unions, Nova Scotia.

Community Credit Union of Cumberland Colchester Limited

MEMBERS RESOLUTION

By-law Amendment – Article 1 to Article 2: Membership

ARTICLE 2: MEMBERSHIP

WHEREAS the eligibility age in the Credit Union Act is eighteen (18) years;

AND WHEREAS Article 1.05 section a. currently states that “associate status shall be limited to non-individuals and may include any form of company, association, charitable organization, municipality, or other government agency”;

AND WHEREAS Article 1.09 has been rephrased to provide clarity about the process in which the Board may terminate the membership or associate status of an individual(s), corporation or association;

AND WHEREAS Article 1.10 stated that” A member whose membership is proposed to be terminated is entitled to appeal the decision of the Board of Directors at the next meeting of members in accordance with section 59 of the Act.”;

AND WHEREAS the current Article 1.11 currently states that the credit union may require up to ninety days’ notice in writing of a member's or associate's intention to withdraw deposits or to redeem any common or surplus shares. Withdrawal of common or surplus shares and deposits may be restricted subject to payment in full of any outstanding loans, service charges, or other liabilities owed by the withdrawing member or associate of the credit union.

AND WHEREAS pursuant to Article 2.11 in the Proposed By-laws, the termination of or withdrawal from membership or associate status does not release a person from any liability to the Credit union.

BE IT RESOLVED that:

1. The current Article 1 has been renamed to Article 2: Membership
2. The age requirement in Article 2.04 has been changed from nineteen (19) to eighteen (18) to be consistent with the Credit Union Act;
3. The existing Article 1.05 section a. and Article 1.10 are hereby removed in their entirety;
4. Existing Article 1.11 has been renumbered to Article 2.10 and refined to provide better clarity about membership withdrawal process from the Credit Union;
5. Article 2.12 has been introduced to provide clarity regarding provision in relation to the termination of, or withdrawal from membership in the Credit Union;
6. The above amendments to the By-Laws shall come into full force and effect immediately upon approval of the contemplated amendments by the Superintendent of Credit Unions, Nova Scotia

Community Credit Union of Cumberland Colchester Limited

MEMBERS RESOLUTION

By-law Amendment – Article 2 to Article 3: Common Shares

ARTICLE 3: COMMON SHARES

WHEREAS the age eligibility requirement in Article 2 has been amended from nineteen (19) to eighteen (18) to be consistent with the Credit Union Act;

AND WHEREAS the current Article 2.02 states that each member of the credit union shall be required to purchase and hold one (1) fully paid \$5 common share;

AND WHEREAS pursuant to article 3.06, dividends may be declared and paid on common shares as may be established by a resolution of the Board;

AND WHEREAS common shares are an investment in the credit union and are best suited for long-term investing or retirement portfolios.

BE IT RESOLVED that:

1. The current Article 2 has been renamed to Article 3: Common Shares
2. Article 3.02 and 3.03 have been amended to reflect the age eligibility and the increase of common shares requirements from one (1) to five (5)
3. Article 3.07 has been introduced to provide clarity on the date on which the dividend will be paid to members
4. The above amendments to the By-Laws shall come into full force and effect immediately upon approval of the contemplated amendments by the Superintendent of Credit Unions, Nova Scotia.

Community Credit Union of Cumberland Colchester Limited

MEMBERS RESOLUTION

By-law Amendment – Article 3 to Article 4: Surplus Shares and Patronage Refunds

ARTICLE 4 - SURPLUS SHARES AND PATRONAGE REFUNDS

WHEREAS Article 3.03 of the current By-laws provides that subject to section 36(1) of the Act, dividends may be paid on surplus shares as may be established by a resolution of the Board;

AND WHEREAS Subject to Section 32(1) of the Act and upon the approval by a resolution of the Board, a patronage refund may be declared and paid to the members and associates of the Credit Union.

AND WHEREAS the Credit Union may deposit patronage refunds declared by the Credit Union to each eligible member's or associate's surplus share account where the proceeds shall be used to purchase surplus shares;

AND WHEREAS patronage refund is defined as an amount that is allocated among and credited or paid by a credit union to its members or associates based upon the business done by each of them with or through the credit union;

BE IT RESOLVED that:

1. The current Article 3 has been renamed to Article 4: Surplus Shares and Patronage Refunds.
2. Article 4.04 has been introduced to provide clarity on the date on which the dividend will be paid to members.
3. Article 4.08 has been introduced to provide clarity regarding the method and timeline in which patronage refunds may be allocated.
4. The above amendments to the By-Laws shall come into full force and effect immediately upon approval of the contemplated amendments by the Superintendent of Credit Unions, Nova Scotia.

Community Credit Union of Cumberland Colchester Limited

MEMBERS RESOLUTION

By-law Amendment – Article 4 to Article 5: Meetings

ARTICLE 5-MEETINGS

WHEREAS Article 4.11 of the By-laws currently provides that 125 members who have the right to vote at a meeting sought to be held, may, by written requisition, require the Board of Directors to call a special meeting of members for the purposes stated in the requisition;

AND WHEREAS Article 4.11 also provides specifics regarding the content of the requisition;

AND WHEREAS a number of members equal to the number of Directors plus five, constitutes a quorum for all meetings of members;

AND WHEREAS the eligibility age in the Credit Union Act is eighteen (18);

AND WHEREAS a member of the credit union has only one vote on any question that may be voted on at a meeting of members;

AND WHEREAS the current Article 4.18 states that Subject to Section 72 of the Act, a body corporate or association may authorize an individual to represent it and vote on its behalf at meetings of members of the credit union. If the individual representing the body corporate is also a member in their own right, that individual will be limited to one vote only on any question;

AND WHEREAS voting by proxy shall not be permitted and voting at a meeting of members shall be by a show of hands or by voice response except where a ballot is demanded by a member entitled to vote at the meeting with the exception of the election of the Directors;

BE IT RESOLVED that:

1. The current Article 4 has been renamed to Article 5: Meetings.
2. Article 5.11 will outline that the lesser of five percent (5%) and two hundred and fifty (250) may require the Board to call a special meeting.
3. The second paragraph in Article 4.11 it is now an article by itself (5.12) recognizing that the requisition shall state the business to be transacted at the meeting.
4. Pursuant to Article 5.12, Articles 5.13 5.14. and 5.15 have been introduced be consistent with the Credit Union Act and provide details about requisitioning, calling, and holding the meeting.
5. A quorum shall be constituted by no less than twenty-five (25) at all meeting of the members.
6. Article 5.20 reflects the eligibility age of eighteen (18).
7. Article 5.22 has been introduced to provide clarity about the process for each member desiring to cast a vote.

Community Credit Union of Cumberland Colchester Limited

MEMBERS RESOLUTION

By-law Amendment – Article 4 to Article 5: Meetings

8. Articles 4.18 and 4.19 have been rewritten and Articles 5.24 and 5.25 have been introduced to support and clarify the voting process, and to recognize that an individual authorized under Article 5.23 may exercise on behalf of the body corporate or association the powers the body corporate or association could exercise if it were an individual member.
9. Voting at a meeting of members shall be by a show of hands or by voice response except where a ballot is demanded by at least three (3) members entitled to vote at the meeting or as specified by the Chair except that voting for the election of Directors shall be by ballot, either in paper or electronic form.
10. The above amendments to the By-Laws shall come into full force and effect immediately upon approval of the contemplated amendments by the Superintendent of Credit Unions, Nova Scotia.

Community Credit Union of Cumberland Colchester Limited

MEMBERS RESOLUTION

By-law Amendment – Article 5 to Article 6: Board of Directors

ARTICLE 6 – BOARD OF DIRECTORS

WHEREAS Article 5.01 provides that the Board of Directors shall consist of no less than nine (9) and no more than twelve (12) members who shall be elected at annual meetings or special meetings where elections are to take place;

AND WHEREAS Provision 80(1) of the Act states that “A credit union may, ...establish a fixed number or a minimum and maximum number of directors ...”;

AND WHEREAS a range in the number of Directors creates confusion on whether vacancies exist or not;

AND WHEREAS as per Article 5.02 section a) the Board of Directors authorize termination of membership and establish the form and manner in which all applications for membership or associate status are accepted and may delegate to the General Manager the authority to approve applications for membership or associate status;

AND WHEREAS the Board needs to determine if certain items have been taken care of and the CEO needs to attend to certain items;

AND WHEREAS to ensure the requirements of the eligibility criteria for being elected as a Board member are followed as per the Credit Union Act;

AND WHEREAS as per Article 5.07 a non-individual shall not be a Director of the credit union;

AND WHEREAS subject to Articles 5.06 and 5.13 of the current By-laws, members of the Board of Directors shall be elected for terms of three years;

AND WHEREAS a Director is eligible to serve as a Director for three (3) consecutive three (3) year terms with one (1) year off the Board before being eligible for re-election;

AND WHEREAS Directors could be elected into or appointed into a term of less than 3 years where they are filling the vacated position of a previous Director;

AND WHEREAS the Board of Directors shall appoint, at least ninety (90) days prior to the annual meeting or special meeting where elections are to take place, a Nominations Committee made up of three member and the names of Committee members shall be posted in the office(s) of the credit union;

AND WHEREAS nomination forms shall be submitted to, and received by the Nominations Committee no later than forty (40) days prior to the date of the members' meeting;

AND WHEREAS the method of election shall be by secret ballot through advance polling in the office(s) of the credit union and through one ballot at the members' meeting;

Community Credit Union of Cumberland Colchester Limited

MEMBERS RESOLUTION

By-law Amendment – Article 5 to Article 6: Board of Directors

AND WHEREAS advance polling shall be conducted at the members' meetings and for at least fifteen (15) business days, ending the business day prior to the date of the members' meeting;

AND WHEREAS where vacancies still exist, an additional call for further nominations shall be made by the Chair at the members' meeting;

AND WHEREAS there is no opportunity to vet and confirm eligibility for a candidate nominated at the members' meeting;

AND WHEREAS Article 5.15 provides that a resignation of a Director becomes effective at the time a written resignation is received by the credit union, or at a time specified in the resignation, whichever is later;

AND WHEREAS Article 5.16 provides that the members of the credit union may by ordinary resolution at a special meeting remove any Director from office;

AND WHEREAS changes to the Act permits the Board to remove a Director without having to involve all members;

AND WHEREAS the Board of Directors may, by a vote of not less than seventy-five percent, suspend another Director if, in their opinion, a breach of policy by the suspended Director does not justify immediate removal;

AND WHEREAS if a situation occurs the Board should evaluate the situation immediately and make a ruling;

AND WHEREAS Article 5.21 provides that regular meetings of the Board of Directors shall be held at least 10 times per year;

AND WHEREAS stating the number of Board meetings at 10 would provide a higher risk for the Board to breach the By-laws should an unpredictable situation occur;

AND WHEREAS the officers of the credit union shall be the Chair, the Past Chair, the Vice- Chair, the Secretary, and any other officers deemed necessary for the efficient operation of the credit union, which may include second Vice-Chair or officer(s) at large.

AND WHEREAS Past Chair may have reached their limit of years serving;

AND WHEREAS the Board of Directors shall meet within (14) fourteen days following the annual or special meeting of members where their election took place and they shall from their number elect a Chair, Vice-Chair, Secretary and other officers as provided in Article 5.26.

AND WHEREAS as per provision 81(2) of the Act the "Secretary" need not be a Director:

AND WHEREAS Article 5.28 provides that the Board of Directors may appoint a recording Secretary who may or may not be a Director:

AND WHEREAS "Recording Secretary" is an administrative task;

Community Credit Union of Cumberland Colchester Limited

MEMBERS RESOLUTION

By-law Amendment – Article 5 to Article 6: Board of Directors

AND WHEREAS the Board of Directors shall appoint a Credit Committee and an Audit Committee consisting of not less than three members of the credit union, none of whom is an employee, a member of the Credit Committee or the Chair of the Board of Directors and at least one of whom is a director;

AND WHEREAS provision 5.31 currently states that the Chair of the Audit Committee and Credit Committee shall be a Director;

AND WHEREAS the Board of Directors may appoint such other committees as it deems appropriate and may delegate to those committees any of the powers of the Board of Directors;

AND WHEREAS to ensure the Board does not hand over all responsibility to Committee;

AND WHEREAS a committee appointed by the Board of Directors shall keep minutes of its proceedings and the Chair of that committee shall submit to the Board of Directors at each meeting of the Board of Directors the minutes of the committee's proceedings during the period since the last meeting of the Board of Directors.

AND WHEREAS due to the amended regulations of the Credit Union Act the Audit Committee must report to the Board of Directors at least quarterly;

BE IT RESOLVED that:

1. The current Article 5 has been renamed to Article 6: Board of Directors.
2. Article 6.01 has amended rule to provide for 9 Directors, that will take place over the specified number of years and includes requirement that the Board have Directors that have membership accounts at any branch but not all to be at one branch.
3. Article 6.02 section a) and p) have been rewritten to provide clarity that CEO is an officer of the Credit Union but not a Director; termination of membership has been separated from applications for membership and moved to section b); section e) outlines the need to review and update the credit policy annually per recent changes to the Act;; the equity policy has been added given recent changes to the Act as section g) and items have been reordered for better flow.
4. Article 6.06 has been rewritten and additional disqualifications for integrity and protection of reputation have been inserted.
5. Article 6.07 has been replaced with a new provision outlining the limitation to Directors taking on an employee position.
6. Articles 6.08, 6.09 have been reworded and 6.10 has been introduced to reflect that the cooling off period changed to two years and moved to a separate article
7. Articles 6.11, 6.12 and 6.13 have been introduced to provide additional clarifications around terms of office.

Community Credit Union of Cumberland Colchester Limited

MEMBERS RESOLUTION

By-law Amendment – Article 5 to Article 6: Board of Directors

8. Article 6.14 clarifies that incumbent Directors will be appointed to the Nominations Committee and includes provision so that Directors who are up for election at the upcoming meeting cannot be on the Committee.
9. Second paragraph of Article 5.10 has been numbered 6.15 to be consistent with style and wording has been changed to reflect that the Director position description is specific to Community Credit Union.
10. The number of days for submitting a nomination form in Article 6.18 has changed to 60 rather than 40 to provide sufficient time for Committee to complete tasks especially since provision 6.19 states that information must be posted no later than 30 days before member's meeting.
11. Call for nominations and voting at the Annual General Meeting (AGM) has been eliminated and all voting is to be completed and tallied prior to the AGM.
12. Article 6.27 has been introduced to identify when someone is no longer a Director.
13. Articles 6.29 and 6.30 identify the key elements that can lead to a Director's dismissal and outlines that it requires 75% of the Board to agree to the resolution for removal.
14. Article 5.18 has been removed to eliminate the concept of a "suspended" Director.
15. Article 6.33 outlines that regular meetings of the Board shall be held at the discretion of the Directors, but at least quarterly.
16. Past Chair has been removed as an Officer position and Article 6.38 now outlines that CEO is an officer.
17. Article 6.39 reflects that the Secretary need not to be a Director to be consistent with the Act.
18. Article 5.38 has been removed in its entirety.
19. Provision 6.40 and 6.41 provide that members of the Audit and Credit Committee must be Directors.
20. Article 5.31 has been removed in its entirety, pursuant to limiting members of Credit Committee and Audit Committee to Directors.
21. Article 6.42 has been reworded to outline that not all responsibilities shall be delegated to committees.
22. Article 6.45 has been inserted to reflect requirement for the Audit Committee to report at least quarterly to the Board.
23. The above amendments to the By-Laws shall come into full force and effect immediately upon approval of the contemplated amendments by the Superintendent of Credit Unions, Nova Scotia.

*COMMUNITY CREDIT UNION OF
CUMBERLAND COLCHESTER LIMITED*

Proposed By-Laws

*for approval at
AGM on April 27, 2021*

Contents

ARTICLE 1: DEFINITIONS AND APPLICATION.....	1
ARTICLE 2: MEMBERSHIP.....	1
Eligibility.....	1
Termination.....	2
Withdrawal	2
ARTICLE 3: COMMON SHARES.....	2
General.....	2
Requirements.....	3
Redemption	3
Ranking.....	3
Dividends.....	3
ARTICLE 4 - SURPLUS SHARES AND PATRONAGE REFUNDS	3
Surplus Shares.....	3
Redemption of Surplus Shares.....	3
Dividends on Surplus Shares.....	4
Patronage Refunds.....	4
ARTICLE 5 - MEETINGS	4
Place.....	4
Rules of Order	4
Fiscal Year End	4
Annual Meeting.....	4
Notice of Meetings.....	5
Record Date	5
Special Meetings.....	5
Requisition by Members to Call Special Meeting	5
General.....	6
Quorum.....	6
Voting.....	6
Methods of Voting.....	7
Enacting, Amending, or Repealing By-law	7

ARTICLE 6 - BOARD OF DIRECTORS7

 Number 7

 Powers and Duties 8

 Vacancy 9

 Eligibility..... 9

 Term of Office 10

 Nomination 10

 Elections..... 11

 Resignations, and Removals and Suspensions..... 12

 Meetings of the Board 12

 Remuneration of Directors and Committee Members..... 13

 Election of Officers and Committees 13

 Indemnification..... 14

ARTICLE 1: DEFINITIONS AND APPLICATION

- 1.01** In these by-laws, unless the subject or context is inconsistent therewith:
- a. **“Credit Union”** means Community Credit Union of Cumberland Colchester Limited;
 - b. **“The Act”** means the Credit Union Act of Nova Scotia from time to time enforced and all amendments;
 - c. **“Board”** means the Board of Directors of the Credit Union;
 - d. **“By-laws”** means the Charter by-laws of the Credit Union;
 - e. **“Central”** means Atlantic Central;
 - f. **“Chair”** means the Chairperson of the Board;
 - g. **“competitive business”** means a business which offers products and services similar to those offered by the Credit Union;
 - h. **“Director”** means a director of the Credit Union for the time being;
 - i. **“immediate family”** means the spouse, child, sibling, parent, grandparent, including those who are steps, of an individual as well as other relatives of an individual who live in the same household as the individual and who are financially dependent on the individual;
 - j. **“Regulations”** means all regulations now or hereafter in force made pursuant to the Act.
- 1.02** The meaning of any words or phrases defined in the Act, and, to the extent that it relates to the Credit Union, the Companies Act of Nova Scotia, shall, if not inconsistent with the subject or context, have the same meaning in these By-laws.
- 1.03** These By-laws must be read and applied in conjunction with the Act, and, to the extent it relates to the Credit Union, the Companies Act of Nova Scotia, and all amendments thereto and regulations made pursuant to the said Acts except where said Acts or Regulations state that these By-laws may otherwise provide, any applicable provision of the Acts or Regulations inconsistent with these By-laws shall prevail.

ARTICLE 2: MEMBERSHIP

Eligibility

- 2.01** Applications for membership or for associate status shall be on an accepted form and shall be approved by the Board or approved in the manner authorized by the Board.
- 2.02** The Board may refuse to accept any application for membership if they are satisfied that it is not in the interest of the Credit Union to accept the application.
- 2.03** Any person applying for membership must satisfy the common share purchase requirements as set out in Articles 3.02 and 3.03 of these By-laws.
- 2.04** A person under eighteen (18) years of age may be accepted as a member of the Credit Union and common and surplus shares may be held and money may be received by the Credit Union in that person's name or in the name of a trustee for that person if the trustee is a member or is eligible to be a member of the Credit Union.
- 2.05** Associate status shall be limited to:

- a. individuals who are not full-time residents of the area serviced by the Credit Union, and
 - b. individuals acting as trustees. Beneficiaries under a trust agreement do not need to be members or associates of the Credit Union.
- 2.06** At no time shall the number of associates exceed ten percent (10%) of the number of members of the Credit Union.
- 2.07** Subject to the Act an associate of the Credit Union shall have all the rights and privileges and is subject to all of the obligations of a member of the Credit Union, except that an associate shall not:
- a. vote at any meeting of members, or
 - b. become an officer or a Director of the Credit Union.
- 2.08** Two or more individuals may jointly hold a membership in the Credit Union, and that membership may vote in accordance with Articles 5.27 and 5.28 of these By-laws.

Termination

- 2.09** The Board may terminate the membership or associate status of an individual(s), corporation or association in accordance with the process established by the Chief Executive Officer where such process has been previously approved by the Board.

Withdrawal

- 2.10** Unless the Board otherwise determines, a member or associate may, upon giving ninety (90) days written notice to the Credit Union, withdraw from membership in the Credit Union. Withdrawal of common or surplus shares and deposits may be restricted subject to payment in full of any outstanding loans, service charges, or other liabilities owed by the withdrawing member or associate of the Credit Union.
- 2.11** The termination of or withdrawal from membership or associate status does not release a person from any liability to the Credit Union.
- 2.12** No provisions in relation to the termination of, or withdrawal from, membership in the Credit Union shall affect the provisions of any contract between a withdrawing member and the Credit Union and, without limiting the generality of the foregoing, no provision shall affect the term for which any person has agreed to place deposits with the Credit Union.

ARTICLE 3: COMMON SHARES

General

- 3.01** Common shares shall have an issue price of five dollars (\$5.00) per share.

Requirements

- 3.02** Each member, who are at least 18 years of age shall be required to purchase and hold five (5) fully paid common shares, with such purchase being made by full payment in money or as otherwise set out in the policies of the Credit Union.
- 3.03** Members under the age of eighteen (18) shall be required to purchase one common share. Upon reaching the age of 18, the Credit Union may allow the member to purchase the remaining share requirement of four (4) shares outright.

Redemption

- 3.04** Subject to Section 34 of the Act, and subject to approval by the Board, common shares may be redeemed or paid out by the Credit Union at a price per share not to exceed the issue price at such time as the member is no longer eligible for membership in the Credit Union, or the member withdraws from membership in the Credit Union, or the member is terminated from membership by the Board, or the member is deceased.

Ranking

- 3.05** Common shares shall rank behind all other classes of shares issued by the Credit Union and holders of common shares shall not, upon winding up or liquidation of the Credit Union, be entitled to redeem, in whole or in part, any common shares until the amounts outstanding on all other classes of shares have been paid in full.

Dividends

- 3.06** Subject to Section 36(1) of the Act, dividends may be declared and paid on common shares as may be established by a resolution of the Board. Dividends declared by the Credit Union on common shares may be deposited to each eligible member's surplus share account where the proceeds shall be used to purchase surplus shares.
- 3.07** Pursuant to 3.06 the Board will establish, in the resolution, the date on which the dividend will be paid to members of the Credit Union on that date.

ARTICLE 4 - SURPLUS SHARES AND PATRONAGE REFUNDS

Surplus Shares

- 4.01** Surplus shares shall have an issue price of one dollar (\$1.00) per share.

Redemption of Surplus Shares

- 4.02** Surplus shares shall be redeemed or purchased by the Credit Union at a price per share not to exceed the issue price. Such redemption or purchase is subject to compliance with the Act and to approval by the Board at such time as the member or associate is no longer eligible for membership or associate status in the Credit Union, or the member or associate withdraws from

membership or associate status in the Credit Union, or the member or associate is terminated from membership or associate status by the Board, or the member or associate is deceased.

Dividends on Surplus Shares

- 4.03** Subject to Section 36(1) of the Act, dividends may be declared and paid on surplus shares as may be established by a resolution of the Board.
- 4.04** Pursuant to Article 4.03 the Board shall establish, in the resolution, the date on which the dividend will be paid to members of the Credit Union on that date.

Patronage Refunds

- 4.05** Subject to Section 32(1) of the Act and upon the approval by a resolution of the Board, a patronage refund may be declared and paid to the members and associates of the Credit Union.
- 4.06** The Credit Union may deposit patronage refunds declared by the Credit Union to each eligible member's or associate's surplus share account where the proceeds shall be used to purchase surplus shares.
- 4.07** Patronage refund is defined as an amount that is allocated among and credited or paid by the Credit Union to its members or associates based upon the business conducted by each of them with or through the Credit Union. The Board shall have the authority to determine the manner in which patronage refunds shall be calculated.
- 4.08** The Directors may allocate, as a patronage refund to members, proportionate to the business done by that member with or through the Credit Union in that fiscal year as computed by the Directors, at a rate approved by the resolution of the Directors.

ARTICLE 5 - MEETINGS

Place

- 5.01** The meetings of the members of the Credit Union shall be held at such a place within the Province of Nova Scotia as may be determined by the Board from time to time.

Rules of Order

- 5.02** The rules of order for all meetings of members and the Board shall be based upon Robert's Rules of Order.

Fiscal Year End

- 5.03** The fiscal year end of the Credit Union shall be December 31.

Annual Meeting

- 5.04** The Board shall call an annual meeting of the members to be held within four (4) months after the end of the fiscal year of the Credit Union for the following purposes:

- i. to consider the annual report of the Board, the financial statements of the Credit Union and the auditor's report,
- ii. to appoint the auditor,
- iii. to elect Directors, and
- iv. to deal with such other matters as may properly come before the meeting.

Notice of Meetings

- 5.05** Notice of the time and place of any meeting of members shall be given to all members and the auditor of the Credit Union in a manner that is accessible to all members, but at a minimum shall be posted in the offices and branches of the Credit Union and a notice in a local newspaper or on the Credit Union's website not less than fourteen (14) clear days and not more than thirty (30) clear days before the meeting.
- 5.06** Where a meeting of the members is adjourned by one or more adjournments for more than seven (7) days, notice of the adjourned meeting shall be given in the same manner as for an original meeting.

Record Date

- 5.07** The record date for determining which members are entitled to receive notice of a meeting of members and entitled to vote at that meeting shall be at the close of business on the day immediately preceding the day on which the notice is given.

Special Meetings

- 5.08** The Board may at any time call a special general meeting of members.
- 5.09** All business transacted
- a. At a special meeting of members, or
 - b. At an annual meeting of members, except considerations of the annual report of the Board, the financial statements of the Credit Union and the auditor's report, election of Directors, and appointment of the auditor, and any other business authorized by these By-laws to be transacted at any annual meeting, is deemed to be special business.
- 5.10** Notice of a meeting of members at which special business is to be transacted shall be given in accordance with Sections 67(5) and 67(6) of the Act.

Requisition by Members to Call Special Meeting

- 5.11** The lesser of five percent (5%) and two hundred and fifty (250) members who have the right to vote at a meeting sought to be held, may, by written requisition, require the Board to call a special meeting of members for the purposes stated in the requisition.
- 5.12** The requisition may consist of several documents of like form, each signed by one or more members, shall state the business to be transacted at the meeting and shall be sent to the registered office of the Credit Union. The members making the requisition shall

- a. identify themselves by providing to the Board their names, addresses and signatures, and
- b. include in the requisition information with sufficient detail as to why the requisition is being made so the Board and the members may form a reasonable judgement as to the intent of the requisition.

5.13 On receiving the requisition in the required form and delivered as required, the Board shall call a meeting of members to transact the business stated in the requisition, unless the business of the meeting as stated in the requisition includes a matter described in sections 69(5)(b) to (c) of the Act.

5.14 If the Board does not within thirty (30) days after receiving the requisition call a meeting, any member who signed the requisition may call the meeting.

5.15 Unless the members otherwise resolve at a meeting called for under Article 5.14, the Credit Union shall reimburse the members for the expenses incurred by them in requisitioning, calling and holding the meeting.

General

5.16 A member entitled to vote at a meeting of members may submit a proposal to be presented at the annual meeting of the members, subject to those conditions and methods described in Section 69 of the Act

Quorum

5.17 At all meetings of the membership, no less than twenty-five (25) shall constitute a quorum. For the purposes of this section, “member” means only those in attendance who have met the conditions in Article 2.

5.18 Where a quorum is present at the opening of a meeting of the members, the members present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.

5.19 Where a quorum is not present at the opening of a meeting of the members, the members present may adjourn the meeting to a fixed time and place but may not transact any other business.

Voting

5.20 Subject to Article 5.07 of these By-laws, a member of the Credit Union who is eighteen (18) years of age or over may vote at a meeting of members.

5.21 A member of the Credit Union has only one vote on any question that may be voted on at a meeting of members.

5.22 Each member desiring to cast a vote on any issue shall, on request, present evidence of age, identity and membership, and a declaration that the member has not previously voted or cast a ballot on the issue then in progress.

- 5.23** If a body corporate or association is a member of the Credit Union, the Credit Union shall recognize an individual authorized by a resolution of the directors or governing body of that body corporate or association to represent it at meetings of members of the Credit Union.
- 5.24** An individual authorized under Article 5.23 may exercise on behalf of the body corporate or association the powers the body corporate or association could exercise if it were an individual member.
- 5.25** An individual recognized under Article 5.23, if a member in their own right, may vote on their own behalf as well as for the member which they represent.
- 5.26** No member, other than a member that is a body corporate or association, shall vote by proxy at any meeting of members of the Credit Union.
- 5.27** Subject to Article 5.28, where two or more individuals jointly hold a membership in the Credit Union that membership is entitled to only one vote.
- 5.28** The individuals making up a joint membership are entitled to one vote each, where, if the joint membership was divided up equally among joint holders, each individual within the joint membership would meet the requirements of Article 3.02 of these By-laws.
- 5.29** An executor or administrator holding a membership in the Credit Union in the capacity of executor or administrator may represent the estate of the member at meetings of the Credit Union and may vote as a member. If the executor or administrator is also a member in their own right, that individual may vote as the individual.

Methods of Voting

- 5.30** Voting at a meeting of members shall be by a show of hands or by voice response except where a ballot is demanded by at least three (3) members entitled to vote at the meeting or as specified by the Chair except that voting for the election of Directors shall be by ballot, either in paper or electronic form.
- 5.31** The members in Article 5.30 may demand a ballot, either before or after a vote, by a show of hands and the result of the ballot shall be the decision of the members.

Enacting, Amending, or Repealing By-law

- 5.32** Subject to the Act and the Articles of the Credit Union, the members of the Credit Union may, at an annual meeting or special meeting called for that purpose by special resolution of the members, enact, amend, or repeal By-laws in relation to those matters authorized or required by the Act or Regulations to be dealt with by By-law.

ARTICLE 6 - BOARD OF DIRECTORS

Number

- 6.01(a)** Subject to the provisions of subsection (b), the Board shall consist of nine (9) members who shall be elected at annual meetings or special meetings where elections are to take place.

6.01(b) Notwithstanding subsection (a), on approval of these Bylaws, the Board shall consist of twelve (12) Directors, and thereafter, the Board shall consist of the following number of Directors elected by ballot or by acclamation for the following specified years, commencing at the annual meeting of members in the indicated calendar year:

- i. 2022 – eleven (11) Directors
- ii. 2023 – ten (10) Directors
- iii. 2024 – nine (9) Directors.

6.01(c) The Board shall be comprised of Directors with membership accounts at any of the Credit Union’s branches but not all Directors to have membership accounts at the same branch.

Powers and Duties

6.02 Subject to the Act, the Regulations and these By-laws, the Board shall be responsible for the general management of the affairs of the Credit Union and, without limitation, shall

- a. establish the form and manner in which all applications for membership or associate status are accepted, and delegate to the Chief Executive Officer the authority to approve applications for membership or associate status,
- b. determine the manner in which termination of a membership is to be handled, and authorize such termination after fulfillment of the approved process,
- c. declare such dividends and patronage refunds as these By-laws may authorize,
- d. appoint a credit committee and an audit committee and any other committees it deems necessary and delegate appropriate levels of authority to these committees,
- e. approve a loan policy for the Credit Union which is then reviewed, updated and approved annually,
- f. approve an investment policy and authorize investments on behalf of the Credit Union,
- g. approve an equity policy,
- h. approve all other policies deemed necessary for the effective operation of the Credit Union,
- i. establish the CEO’s authority for setting interest rates on loans and deposits,
- j. determine that effective internal control processes are in place for the Credit Union,
- k. oversee the risk management program of the Credit Union,
- l. determine that the Credit Union maintains adequate insurance and bonding coverage,
- m. authorize the write-off of uncollectible loans,
- n. appoint signing authorities for the Credit Union,
- o. elect or appoint officers of the Credit Union,
- p. hire a Chief Executive Officer for the Credit Union and who shall be an officer of the Credit Union in accordance with Article 6.38 but who shall not be a Director,
- q. appoint delegates and alternate delegates as required by Central's By-laws and the policies of the Credit Union, and
- r. perform such other duties as may be required by the Act and Regulations, these By-laws, and to provide for the effective and efficient management of the Credit Union.

Vacancy

- 6.03** A vacancy among the Board shall be filled by a vote of the members at a meeting of the members. Casual vacancies that occur throughout the year may be filled by the Board as specified in Article 6.05 of these By-laws.
- 6.04** Where a meeting of members fails, for any reason, to elect the fixed number of Directors, the Directors elected at that meeting may exercise all the powers of the Board if the number of Directors so elected constitutes a quorum.
- 6.05** A quorum of Directors may fill a casual vacancy among the Board except a vacancy resulting from an increase in, or the members' failure to elect the fixed number of Directors. The term of the Director appointed to fill the vacancy shall expire as of the next scheduled annual meeting of members.

Eligibility

- 6.06** Any person who is a member of the Credit Union under Article 2 is eligible to be elected to the Board but the following persons are disqualified from being a Director:
- a. anyone who is not an individual;
 - b. anyone who is less than eighteen (18) years of age;
 - c. a person who has the status of an undischarged bankrupt;
 - d. anyone who is not a permanent resident of Canada;
 - e. a current employee of the Credit Union, or any immediate family member of an employee, or anyone who, in the past two (2) years, has been an employee, or is an immediate family member of a former employee of the Credit Union, Central or the Nova Scotia Credit Union Deposit Insurance Corporation,
 - f. an auditor of the Credit Union, or a partner or employee of the auditor's firm,
 - g. a solicitor of the Credit Union, or a partner or employee in the solicitors' firm,
 - h. a person employed in the Civil Service whose official duties are concerned with the affairs of the Credit Union,
 - i. a member who is in arrears for more than 90 days under a debt obligation to the Credit Union,
 - j. a person who is in breach of any policy of the Credit Union,
 - k. a person who has not completed the director training requirements as set out in section 82(3) of the Act;
 - l. a person who fails to attend three consecutive Board meetings, without cause satisfactory to the other members of the Board, or fails to attend at least seventy-five percent (75%) of regular Board meetings plus the Annual General Meeting and Strategic Planning Session;
 - m. a person who is or becomes an employee, director, officer, or agent of an organization in a competitive business to the Credit Union; or
 - n. a person, or any immediate family member of such person, who is or becomes an employee, director, officer or agent of (i) another credit union (other than a director of Central) or their wholly-owned subsidiaries; or (ii) an organization which has decision making authority with respect to products and services offered by the Credit Union; or

- o. a person who is a member of the immediate family of a person who is a candidate or is an incumbent Director who would be on the Board at the same time as that person if the person is elected.

6.07 A Director may apply for a position as an employee of the Credit Union but is not in any case eligible for such position while he or she is a Director or for a period of two (2) years after having ceased to be a Director. No immediate family member of a Director shall be eligible for employment or any position with the Credit Union during such time as the Director remains a Director.

Term of Office

6.08 A Director shall hold office for such term as shall be specified in the ordinary resolution electing or appointing that Director, provided that Director shall not be elected or appointed for a term exceeding three (3) years.

6.09 A Director may not hold office for a period greater than the lesser of: (i) three (3) consecutive terms or (ii) an aggregate of nine (9) consecutive years.

6.10 Notwithstanding Article 6.09, a person who has served as a Director for the maximum aggregate period permitted by Article 6.09 shall be eligible for re-election or re-appointment to the Board for further terms up to the maximum aggregate period permitted by Article 6.09, provided that such person shall have first ceased to be a Director for a period of not less than two (2) consecutive years prior to being elected or appointed again to the Board.

6.11 It is not necessary that all Directors elected at a meeting of members hold office for the same term.

6.12 A Director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of members following that Director's election or appointment.

6.13 Notwithstanding anything in this section to the contrary, if Directors are not elected at a meeting of the members the incumbent Directors continue in office until their successors are elected.

Nomination

6.14 The Board shall appoint, at least ninety (90) days prior to the annual meeting or special meeting where elections are to take place, a Nominations Committee consisting of not less than three (3) members where such members of the committee shall be Directors, and provided that no Director whose term of office is expiring at the close of the coming annual general meeting may serve as a member of the Committee unless that Director is departing from the Board due to being ineligible to run for election as a Director.

6.15 The names of Committee members shall be posted in the branches and office(s) of the Credit Union along with an invitation for nominations to the position of Director. Included with the invitation for nominations shall be the position description for a Director of the Credit Union. The invitation shall be posted for a period of four weeks prior to the close of nominations.

- 6.16** Nominations shall be made on an approved form signed by two members in good standing and signed by the nominee confirming that he or she is eligible to serve as a Director in accordance with the Act and these By-laws and consenting to his or her nomination as Director. Such form shall include background information regarding the nominee.
- 6.17** Directors whose terms have expired and who wish to be re-elected shall follow the nomination procedures in Article 6.16.
- 6.18** Nomination forms shall be submitted to and received by the Nominations Committee no later than sixty (60) days prior to the date of the members' meeting.
- 6.19** The names and a brief biography of each of the nominees shall be posted in the branches and office(s) of the Credit Union no later than thirty (30) days prior to the date of the members' meeting. A photograph of each nominee may be attached to the biography.

Elections

- 6.20** The Nominations Committee shall appoint a Returning Officer who shall oversee the balloting procedures, appoint poll captains from staff to assist in the advance polling in the branches and office(s) and oversee the distribution, collection and tally of all ballots and provide for appropriate confidentiality of the votes.
- 6.21(a)** The method of election shall be one (1) member, one (1) vote to be cast by advance polling using secret balloting.
- 6.21(b)** The method of voting shall be determined by the Board and means of voting shall include any of the following or combination of the following means: in person by ballot at a branch or office of the Credit Union, a ballot mailed through Canada Post, a ballot submitted by electronic means. The mail in ballot will use a double envelope method which protects the confidentiality of the vote on the ballot.
- 6.22** Advance polling in the branches and office(s) shall be conducted for at least fifteen (15) business days, ending the business day prior to the date of the members' meeting and mail-in ballots and ballots submitted electronically must be received by the Credit Union by the business day prior to the date of the members' meeting.
- 6.23** The Returning Officer shall oversee the tally of the votes taken in the advance polling and shall announce the results of the election.
- 6.24** The nominees receiving the highest number of votes shall be declared elected. Where a vacancy exists due to an unexpired term of a director, that position shall be filled for the remainder of the term vacated. Where the nominees are to be elected for various terms with one ballot, the nominee(s) receiving the highest number of votes shall be declared elected for the longest term(s).
- 6.25** If the position(s) of Directors cannot be filled because two or more nominees receive an equal number of votes, the meeting may, by resolution carried by a clear majority of those present, provide that a ballot at the members' meeting may be cast. Only those nominees so tied for the position(s) shall be entered on the ballot. In the event a tie remains, the Returning Officer shall

write the names of the nominees separately on blank sheets of paper of equal size and of the same colour and texture, and after folding them in a uniform manner so that the names are concealed, deposit them in a receptacle and direct some person to pick one of the sheets. The nominee(s) whose name(s) appears on the sheet(s) picked will become the director(s).

- 6.26** Where the number of nominees equals the number of vacancies available, or where there are insufficient nominees to fill the vacant positions of Director, those duly nominated shall be declared elected by acclamation.

Resignations, and Removals and Suspensions

- 6.27** A Director ceases to hold office when the Director,

- a. Dies, or resigns;
- b. Becomes disqualified under these By-laws
- c. Is removed from the Board as provided under these By-laws.

- 6.28** A resignation of a Director becomes effective at the time a written resignation is accepted by the Board, or at a time specified in the resignation, whichever is later. A Director who resigns is entitled to submit to the Board of Directors a written statement giving the reasons for the resignation

- 6.29** A person may be removed as a Director by resolution passed by not less than seventy-five percent (75%) of the remaining Directors if that Director:

- a. has failed to attend three (3) consecutive Board meetings without cause satisfactory to the other Directors or fails to attend at least seventy-five percent (75%) of regular Board meetings including the annual members' meeting and strategic planning session per fiscal year;
- b. has breached the Code of Conduct for Directors;
- c. has breached the confidentiality of any proceedings, deliberations, or information of the Board;
or
- d. has failed to fulfill the responsibilities of a Director;

as determined by the remaining Directors in accordance with the policies and procedures relating to Director review established by the Board.

- 6.30** At least seven (7) days prior to the meeting at which the removal of a Director is to be considered, the Secretary will provide such Director with notice of the meeting and the grounds for considering the Director's removal. Such Director is entitled to appear, either personally or with an agent or counsel, to make submissions at the meeting of the Board prior to the Board voting on the Board resolution for the Director's removal.

Meetings of the Board

- 6.31** The Board may meet at such place and on such notice as the Board may determine.

- 6.32** A majority of the Directors constitutes a quorum at any meeting of the Board and, notwithstanding any vacancy among the Board, a quorum of Directors may exercise all the powers of the Board.

- 6.33** Regular meetings of the Board shall be held at the discretion of the Directors, but at least quarterly.
- 6.34** Special meetings of the Board may be called by the Chair at any time and shall be called upon the written request of at least three Directors.
- 6.35** Where all the Directors participating in the meeting consent, a Director may participate in a meeting of the Board or of a committee of Directors, with prior notice, by means of telephone or other such communications facilities, at members expense, as permits all persons participating in the meeting to hear each other, and a Director participating in the meeting is deemed for the purposes of the Act to be present at that meeting
- 6.36** The Board shall report to the annual meeting of members the number of Board and committee meetings attended by each Director.

Remuneration of Directors and Committee Members

- 6.37** The Directors and committee members shall be paid such remuneration and shall be reimbursed for such reasonable expenses incurred in the performance of their duties as may be approved by the Board so long as all reporting requirements are met as specified in the Act and in the policies of the Credit Union.

Election of Officers and Committees

- 6.38** The officers of the Credit Union shall be the Chair, the Vice-Chair, the Secretary, the Chief Executive Officer, and any other officers deemed necessary for the efficient governance of the Credit Union, which may include second Vice-Chair or officer(s) at large.
- 6.39** The Board shall meet within fourteen (14) days following the annual or special meeting of members where their election took place and they shall from their number elect or appoint a Chair, Vice-Chair, Secretary and other officers as provided in Article 6.38. The person appointed as Secretary need not be a Director.
- 6.40** The Board shall appoint a Credit Committee consisting of not less than three (3) Directors, none of whom is a member of the Audit Committee or the Chair of the Board.
- 6.41** The Board shall appoint an Audit Committee consisting of not less than three (3) Directors, none of whom is a member of the Credit Committee or the Chair of the Board.
- 6.42** The Board may appoint such other committees as it deems appropriate and may delegate to those committees any, but not all, of the powers of the Board.
- 6.43** The members of other committees appointed by the Board shall be members of the Credit Union and the Chair shall be a Director.
- 6.44** A committee appointed by the Board shall keep minutes of its proceedings and the Chair of that committee shall submit to the Board at meetings of the Board the minutes of the committee's proceedings during the period since the last meeting of the Board.

Appendix III

- 6.45** Notwithstanding Article 6.44 of these By-laws, the Audit Committee will report to the Board no less than quarterly.
- 6.46** Notwithstanding Article 6.42 of these By-laws, no committee or officer appointed by the Board has authority to:
- a. hire or establish the terms of employment of the Chief Executive Officer of the Credit Union,
 - b. submit to the members any question or matter requiring approval of the members,
 - c. fill a vacancy among the Board,
 - d. issue or redeem shares, except in the manner and on the terms authorized by the Board, or
 - e. approve the fiscal year-end financial statements.

Indemnification

- 6.47** Subject to Section 102 of the Act, the Credit Union may indemnify a Director or officer of the Credit Union or a person who acts or acted at the Credit Union's request.