

BYLAWS OF AFFINITY CREDIT UNION

SECTION 1 – MEANING OF TERMS

1.1 Defined Terms

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

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

1.2 Other Terms

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

SECTION 2 - HEADINGS

2.1 Convenience Only

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

SECTION 3 - MEMBERSHIP

3.1 Qualification

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

3.2 Minimum Membership Shares

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

SECTION 4 - ASSIGNMENT OF SHARES

4.1 Approval Required

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

SECTION 5 - DETERMINATION OF DISTRICTS

5.1 Determination of Districts

- a) Districts will be defined as follows:
 - (i) District 1 – shall encompass the Business Area historically or traditionally served by branches in the communities of Aberdeen, Bellevue, Laird, Hague, Osler, and Rosthern.
 - (ii) District 2 - shall encompass the Business Area historically or traditionally served by the St. Mary's and City Centre branches in the City of Saskatoon.
 - (iii) District 3 - shall encompass the Business Area historically or traditionally served by the Main, 8th Street, Broadway, Fairhaven, Westview, and River Heights branches in the City of Saskatoon and the branch in the community of Warman.
 - (iv) District 4 - shall encompass the Business Area historically or traditionally served by branches in the communities of Kenaston, Simpson, Watrous, Strasbourg, Semans, Wecan/Bulyea, Davidson, Tugaske, and Nokomis.
 - (v) District 5 - shall encompass the Business Area historically or traditionally served by branches in the communities of Regina, Sedley, and Milestone.

- (vi) District 6 - shall encompass the Business Area historically or traditionally served by branches in the communities of Lintlaw, Kamsack, Norquay, Pelly, and Togo.
- (vii) District 7 - shall encompass the Business Area historically or traditionally served by branches in the communities of Borden, Dalmeny, Hepburn, Langham, Martensville and Waldheim.
- (viii) District 8 - shall encompass the Business Area historically or traditionally served by branches in the communities of Shellbrook, Canwood, Leask and Marcelin.
- (ix) District 9 – shall encompass the Business Area historically or traditionally served by the band office of each of the Wahpeton Dakota Nation Reserve, Cowesses First Nation Reserve, Thunderchild First Nation Reserve, Little Pine First Nation Reserve, Lucky Man First Nation Reserve, Mosquito First Nation Reserve, Poundmaker First Nation Reserve, and Beardy's and Okemasis First Nation Reserve, respectively.

One Business Area may overlap another Business Area. From time to time, but no more often than annually, the Board of Directors, by resolution, may alter or expand the definition and description of any District to reflect business areas or expansion or retraction of membership traditionally or conventionally served by and within the District.

SECTION 6 - DISTRICT COUNCIL

6.1 Establishment of District Council

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

6.2 Election of Delegates

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

6.3 Powers and Duties of District Council Delegates

(a) Powers and Authority

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

(b) *Duties of Delegates*

Delegates for each District shall, inter alia:

- (i) Maintain a current working knowledge of trends, activities, and developments in their respective District and communicate this to the elected Board of Directors as required.
- (ii) Provide input to Executive Management during the selection process for a District Manager.
- (iii) Make recommendations to the Board of Directors on policy and/or procedures that allow for the optimization of regionalized member service.
- (iv) Provide input to management during the development of annual marketing and business development plans.
- (v) Provide input for planning processes based on their proximity to the Districts and their regional knowledge.
- (vi) Identify and/or review requests for opportunities for Credit Union support in the District and decide on funding amounts for initiatives within the annual community support budget.
- (vii) Make recommendations for support of large scale community development initiatives that are outside of the scope of the annual community support budget.
- (viii) Review and approve potential merger opportunities provided any such merger shall be submitted to the membership for approval in accordance with the Act.

6.4 Number of District Council Delegates

Subject to Section 6.5:

(a) *Delegates:*

- (i) Members from District 1 will elect 7 Delegates;
- (ii) Members from District 2 will elect 9 Delegates;
- (iii) Members from District 3 will elect 9 Delegates;
- (iv) Members from District 4 will elect 9 Delegates;
- (v) Members from District 5 will elect 7 Delegates;
- (vi) Members from District 6 will elect 7 Delegates;
- (vii) Members from District 7 will elect 10 Delegates;
- (viii) Members from District 8 will elect 9 Delegates; and
- (ix) Members from District 9 will elect 8 Delegates.

6.5 Voting for District Council Delegates

The Returning Officer(s) will keep lists of members eligible to vote in each District. Unless agreed to by the Returning Officer(s), a member shall vote in the District where the member's Primary Account is located as determined by the records of the Credit Union. Where the member's Primary Account and principal residence are located in different Districts, a member may vote in the District where the member's principal residence is located upon obtaining the approval of the Returning Officer(s) for that District. A member shall obtain the approval of the Returning Officer(s) to vote where the member's principal residence is located at

least 48 hours prior to voting in any Voting Period or at any meeting. The approval shall state whether it is for one election or whether it is for an indefinite period of time. Members may vote only in one District and only once in any election or meeting.

6.6 Procedure for Election of Delegates

Subject to the approval of the Board of Directors, each District shall determine the method or procedure to follow when electing Delegates, provided that it shall be either an at-large system or a system based upon geographic areas within the District.

6.7 Qualifications for District Council Delegates

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

- (a) The nominee shall have been a member of the Credit Union for a minimum of one (1) year, except for any newly created District when any nominee must either be a member or become a member immediately prior to selection as a Delegate.
- (b) The nominee shall use the Credit Union as the nominee's Primary Financial Institution.
- (c) The nominee shall not be involved in legal action against the Credit Union.
- (d) The nominee shall be a resident of the District in which the nominee is seeking election.
- (e) The nominee must not have loans or credit in arrears (in excess of 60 days) with the Credit Union or any other financial institution and must not be named as a judgment debtor in any legal action for debt.
- (f) No nominee shall have been an employee of the Credit Union within 12 months of the time at which nominations for Delegates are opened.
- (g) No Delegate or former Delegate may be eligible for employment with the Credit Union if less than 12 months have elapsed since the end of that person's service as a Delegate.

6.8 Nomination of District Council Delegates

- (a) The Board of Directors will advertise the opening and closing date for the nomination of Delegates, which shall be a minimum of 5 weeks prior to the Voting Period.
- (b) The nomination period shall be 14 calendar days and will close 2 weeks before the Voting Period.
- (c) Nominations will not be accepted after the closing date for nominations.

6.9 Conduct of Elections

- (a) Election of Delegates will take place during the Voting Period.

- (b) The Voting Period will be set annually by the Board of Directors. The Voting Period shall be not less than six (6) days nor more than fourteen (14) days in length and shall end not more than sixty (60) days nor less than thirty (30) days prior to the Annual Meeting.
- (c) Voting for Delegates may occur either by an in-branch voting system, by a mail voting system, by electronic ballot or by a combination of any one or more methods, as determined by the Board of Directors.
- (d) Where a member votes for more or less than the number of Delegates to be selected on the ballot, that ballot is not to be counted.
- (e) In the case of an in-branch voting system, the following procedure shall be adopted:
 - (i) The Board of Directors shall appoint a returning officer and two deputy returning officers for the Credit Union.
 - (ii) A voting register shall be provided at each office of the Credit Union and shall be open during the regular hours of service for the Voting Period.
 - (iii) On signing the voting register at an office, the member shall be provided with a ballot and access to information on all nominees.
 - (iv) The ballot must be sealed.
 - (v) The member may mail the ballot to the returning officer, in which event the postmark shall be no later than the last day of the Voting Period, or, the member may deposit the ballot at the Credit Union office by the close of business no later than on the last day of the Voting period.
 - (vi) The returning officer and the deputy returning officers shall verify that all ballots have been properly cast and that any signatures are correct. After all ballots are verified, the ballots shall be counted.
- (f) In the case of a mail ballot:
 - (i) The Board of Directors shall notify the members as to the specific procedures to be followed.
 - (ii) The Board of Directors shall appoint a returning officer and a minimum of two (2) to a maximum of six (6) deputy returning officers.
 - (iii) The returning officer and the deputy returning officers shall verify the ballots cast.
- (g) In the case of an electronic ballot:
 - (i) The Board of Directors shall notify the members as to the specific procedures to be followed.
 - (ii) The Board of Directors shall appoint a returning officer and two deputy returning officers.

- (iii) The returning officer and the deputy returning officers shall verify the ballots cast.
- (h) A member shall cast only one ballot. Any attempt to cast a subsequent ballot shall be cause for termination of membership by the Board of Directors.
- (i) The ballots shall be counted no more than seven (7) days after the last voting day of the Voting Period. The Credit Union shall notify the nominees and the members as to the successful nominees and they shall be declared elected by the Credit Union.
- (j) The ballot box shall be sealed for a period of five days following the notification to the nominees and the members. If no written protest is made regarding the voting results within the five day period, the ballots and any other record of the voting shall be destroyed. If a recount is required, it shall be made on the sixth day. The results of this count shall be final.
- (k) All other procedures not specified above shall be in accordance with and as provided in *The Credit Union Act, 1998* and/or Regulations, or any successor legislation.

6.10 Term of Office

The term of office of a Delegate shall be for three years, with staggered terms. In the case of those Delegates elected by way of an amalgamation agreement, this shall commence after expiry of their initial terms. A District Council Delegate elected to fill a vacancy shall hold office only for the unexpired term.

6.11 Removal of District Council Delegates

- (a) ***Removal by Members*** - Members may remove a Delegate by two-thirds of the votes cast at a special meeting or the Annual Meeting. Members may only remove a District Council Delegate from within their District. A motion to remove a Delegate shall be considered a Proposal under the Act.
- (b) ***Disqualification as a Delegate***- A District Council Delegate who fails to attend a minimum of two-thirds of regularly scheduled District Council meetings in any calendar year without good cause is disqualified from remaining a Delegate. The District Council shall determine good cause.
- (c) ***Disqualification from Committees*** - Any person removed by members or disqualified for failing to attend the minimum number of meetings is also disqualified from any committee or representative body that requires an individual to be a Delegate.

6.12 Vacancies

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

6.13 Chair of District Council

Each District Council shall elect a Chair of the District Council who will preside over all meetings of that District Council.

SECTION 7 - DIRECTORS

7.1 Number of Directors

The number of directors shall be twenty-five (25) for the period from January 1, 2008 until the Annual Meeting to be held in 2009. Thereafter, the number of directors shall be nineteen (19). There shall be a minimum of one (1) director per District.

7.2 Director Allocations

(a) *District Elections*

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

(b) *Initial Number of Directors*

For the period from January 1, 2007 until the Annual Meeting in 2009, the directors to be elected by each District shall be as follows:

- (i) District 1 – 2 directors
- (ii) District 2 – 3 directors
- (iii) District 3 – 7 directors
- (iv) District 4 – 3 directors
- (v) District 5 – 2 directors
- (vi) District 6 – 2 directors
- (vii) District 7 – 2 directors
- (viii) District 8 – 2 directors
- (ix) District 9 – 2 directors

(c) *Post-2009 Number of Directors*

For the period from the Annual Meeting in 2009, the directors to be elected by each District shall be as follows:

- (i) District 1 – 1 directors
- (ii) District 2 – 2 directors
- (iii) District 3 – 7 directors
- (iv) District 4 – 2 directors
- (v) District 5 – 2 directors
- (vi) District 6 – 1 directors
- (vii) District 7 – 1 directors
- (viii) District 8 – 1 directors
- (ix) District 9 – 2 directors

7.3 Qualifications of Directors

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

7.4 Conduct of Elections

- (a) Election of directors will be completed prior to the Annual Meeting at a duly called meeting of each District Council.

- (b) Delegates will vote only for the director candidates for the District which the Delegates represent.
- (c) Delegates may only vote once in any election.
- (d) Voting for Directors will be conducted by secret ballot.
- (e) Where a Delegate votes for more or less than the number of directors to be selected on the ballot, that ballot is not to be counted.
- (f) The members shall be notified of the results of the election of directors no later than the Annual Meeting.

7.5 Term of Office

Upon the filing of Articles of Amalgamation, the directors and their terms shall be as set out in the applicable Amalgamation Agreement. Thereafter, the term of office of a director shall be for three years, commencing at the end of the Annual Meeting following election of the director, except that a director elected to fill a vacancy shall hold office only for the unexpired term.

7.6 Removal of Directors

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

7.7 Vacancies

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

SECTION 8 - MEETINGS

8.1 District Council Meetings

- (a) In addition to the Annual Meeting, the Board of Directors shall arrange meetings of all District Council Delegates at least annually, in addition to the Annual Meeting to discuss matters of interest to the members. The members of the Board

of Directors are entitled to attend all meetings of the District Council Delegates. The Chair for the meeting of all Delegates shall be the President of the Board of Directors or a nominee.

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

8.2 Annual or Special Meetings

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

8.3 Conduct

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

8.4 Voting

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

8.5 Location

Meetings of the Credit Union may be held at more than one location. The Board of Directors will determine the location of the Annual Meeting(s).

8.6 Meetings at More than One Location

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

Where a special resolution is to be voted on by the members, a meeting shall be held in each District.

8.7 Resolutions for Meetings at More than One Location

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

8.8 Notice of Meetings

Notice of meetings may be provided by inserting the notice in one issue of a newspaper in general circulation in each area served by the Credit Union and posting the notice in a place that, in the opinion of the Board of Directors, is prominent and accessible to members. Notice of meetings may also be provided by any other means provided for by the Act or the regulations and approved of by the Board of Directors.

8.9 Other Meetings

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

8.10 Quorum

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

SECTION 9 - COMMITTEES

- 9.1 The Board shall recognize each District Council as a committee of the Board of Directors and delegate powers to the District Council so as to be consistent with the duties of the District Council as prescribed in Section 6.
- 9.2 The Board may appoint members or non-members to committees of the Board of Directors (other than the District Council).

SECTION 10 - MEMBERSHIP CERTIFICATES

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

SECTION 11 - TERMINATION OF MEMBERSHIP

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

SECTION 12 - SERVICES TO NON-MEMBERS

- 12.1 Services may be provided to non-members.

SECTION 13 – PATRONAGE RETURN ACCOUNTS

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