

**RESOLUTION OF THE DIRECTORS**

**OF**

**DUCA Credit Union Financial Services Ltd.**

**(“DUCA”)**

**RESOLUTION TO APPROVE DUCA BY-LAW NO. 1, as amended**

BE IT RESOLVED THAT:

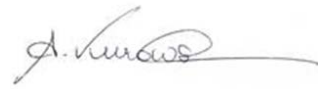
1. Subject to confirmation by the Members, the By-Law attached as Schedule “A” is hereby approved by the Board of directors and shall be enacted upon confirmation by the Members.

THE FOREGOING RESOLUTION is hereby consented to by the majority of the directors of DUCA pursuant to the Credit Union and Caisse Populaires Act, 2020 this 28<sup>th</sup> day of February, 2025.



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Tom Vandelloo  
Chair



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Aleksandra Kurowska  
Corporate Secretary

## **Schedule “A”**

### **BY-LAW NO. 1**

**A by-law relating generally to the conduct of the affairs of**

**DUCA Financial Services Credit Union Ltd.**

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**BE IT ENACTED AND IT IS HEREBY ENACTED** as a by-law of DUCA Financial Services Credit Union Ltd. (hereinafter called the “Credit Union”) as follows:

## **ARTICLE ONE**

### **INTERPRETATION**

#### **Definitions**

**1.01** In the By-laws of the Credit Union, unless the context otherwise requires:

- (1) “Act” means the *Credit Unions and Caisses Populaires Act, 2020* and the regulations made pursuant to it, as from time to time amended, and every statute that may be substituted for it and, in the case of such substitution, any reference in the By-laws (as hereinafter defined) of the Credit Union to provisions of the Act shall be read as references to the substituted provisions in the new statute or statutes;
- (2) “Articles” means the articles of incorporation or other instrument by which the Credit Union is incorporated;
- (3) “Appoint” includes “elect” and *vice versa*;
- (4) “Authority” means the means the Financial Services Regulatory Authority of Ontario continued under subsection 2(1) of the *Financial Services Regulatory Authority of Ontario Act, 2016*;
- (5) “Authority rule” means a rule made under subsection 285(1) of the Act or under subsection 21(2) of the *Financial Services Regulatory Authority of Ontario Act, 2016*;
- (6) “Board” means the board of directors of the Credit Union;
- (7) “By-laws” means this by-law and all other by-laws of the Credit Union from time to time in force and effect;
- (8) “Chief Executive Officer” means the Chief Executive Officer appointed under subsection 10(2) of the *Financial Services Regulatory Authority of Ontario Act, 2016*;
- (9) “In Good Standing” means that, with respect to the financial services received by a Member Connection (as hereinafter defined) from the Credit Union:
  - a. each person who is a part of the Member Connection is in full compliance with the minimum membership shareholding requirements of section 2.03 of these by-laws;

- b. cheques are not habitually issued without sufficient funds on deposit or an approved line of credit facility in place to cover the face amounts of such cheques;
  - c. chequing accounts are not habitually overdrawn in material amounts;
  - d. all required mortgage and loan payments are paid on time, unless an extension has been granted;
  - e. all conditions for financing prescribed by the Credit Union have been satisfied; and
  - f. the Member Connection, or any part of it, is not asserting an unresolved claim against the Credit Union;
- (10) “Member Connection” means a member, together with that member’s “connected persons”, within the meaning of that term in the Act, and any corporation of which the member is a director or officer, who are also members of the Credit Union;
- (11) “Non-Business Day” means Saturday, Sunday and any other day that is a holiday as defined in the *Legislation Act, 2006* (Ontario);
- (12) “Recorded Address” means, in the case of a member or shareholder, their address as recorded in the members or securities register; and, in the case of joint members or shareholders, the address appearing in the members or securities register in respect of such joint holding, or the first address so appearing if there is more than one; and, in the case of a director, officer, auditor or member of a committee of the Board, their latest address as recorded in the records of the Credit Union;
- (13) “Shares” means membership shares and any other share issued by the Credit Union, unless a form of Share is specifically excluded in the By-laws or the context otherwise requires;
- (14) “Signing Officer” means, in relation to any instrument, any person authorized to sign the same on behalf of the Credit Union by section 3.03 of these by-laws or by a resolution passed pursuant to them; and
- (15) All terms contained in the By-laws and which are defined in the Act shall have the meanings given to such terms in the Act.

**Gender, Plural, etc.**

**1.02** In these By-laws, the singular shall include the plural and the plural shall include the singular; references to any gender shall be deemed to be references to all genders; and the word “person” shall include individuals, bodies corporate, corporations, cooperatives, companies, partnerships, syndicates, trusts, unincorporated organizations and any number or aggregate of persons.

## **ARTICLE TWO**

### **MEMBERSHIP**

#### **Bond of Association**

**2.01** Subject to the Act, any Authority rule or any applicable law, membership in the Credit Union shall be open to all Persons.

#### **Membership Application**

**2.02** Application for membership shall be made in writing, and the Board may from time to time specify the form of such application. No person shall become a member of the Credit Union until that person’s application for membership has been approved by the Board or by an employee authorized by resolution of the Board to approve such applications on its behalf.

#### **Membership Shares**

**2.03** No person shall become a member of the Credit Union until that person has fully paid for at least one one-dollar (\$1.00) membership Share, and every member shall maintain ownership of at least this minimum number of membership Shares in order to keep their voting rights. Any member of the Credit Union may also hold, in their discretion and if the Credit Union offers such additional Shares for sale, additional membership Shares, provided that the total number of such additional membership Shares held does not exceed 1,000 such shares.

#### **Minors**

**2.04** Individuals under the age of 18 years may become members of the Credit Union, but may not receive any loan from the Credit Union unless a person of the age of 18 years or more is jointly and severally liable for such loan, or unless the loan is guaranteed by the government of Canada, the government of a Canadian province or territory, or the government of a Canadian municipality.

#### **Voting Rights**

**2.05** Each member of the Credit Union who complies fully, as of the record date (as hereinafter

defined) for any membership meeting of the Credit Union, with all requirements of membership outlined in these by-laws, including, without limitation, the minimum membership share requirements contained in section 2.03 of these by-laws, has one vote at that meeting. Notwithstanding the above, no member of the Credit Union who is an individual under the age of 16 years shall be entitled to vote. To be clear, only members of the Credit Union are entitled to vote.

## **Expulsion**

### **2.06**

(a) Where a member:

- (i) commits an act of misconduct in the affairs of the Credit Union;
- (ii) fails to abide by the Bylaws, including, without limitation, failing for any reason to hold the required minimum number of membership Shares of the Credit Union pursuant to section 2.03 of these by-laws; or
- (iii) fails to repay indebtedness to the Credit Union in accordance with the conditions of repayment,

the Board may give 10 days' advance notice to such a member of intent to remove such a member from membership, personally or by prepaid mail addressed to such member at such member's Recorded Address, and, after giving the member an opportunity to be heard and to be represented at the board meeting by a person authorized under the Law Society Act to represent the member, by resolution at a Board meeting, such member may be expelled from membership. The Corporate Secretary shall, within five days after the resolution expelling a member was passed, notify the member of the decision of the Board by registered mail to the member's Recorded Address. Subject to section 54(3) of the Act in respect of Shares, the Credit Union shall forthwith pay to a member so expelled any balance standing to the credit of such person on the books of the Credit Union, after deducting all amounts due from the member of the Credit Union, within 90 days after the day on which the member is expelled.

- (b) An expelled member may appeal the decision of the Board at the next annual or general meeting of the Credit Union by giving the Board notice of their intention to appeal the expulsion within 21 days after receiving the notice of expulsion. If written representations of not longer than 2,000 words from an expelled member appealing their expulsion are received by the Credit Union at least seven days before the mailing or publication of the notice of the general meeting, the Board shall, at the expense of the Credit Union, include with the notice of meeting a notice that those representations are available for inspection by members at the head office and branches of the Credit Union. The members of the Credit Union, at the general meeting, by resolution passed by a majority of the votes cast at the meeting may confirm, vary, or set aside the Board's decision to expel the member.

## **Withdrawal**

**2.07** Where a member wishes to withdraw from the Credit Union, the member shall give notice in writing of the member's intention to withdraw to the Board. Subject to section 54 of the Act and the Articles, the Credit Union shall, after deducting all amounts due from the member to the Credit Union, remit the balance of their Shares and deposits to such member, within 90 days after the member gives notice of intention to withdraw.

## **Language**

**2.08** The Credit Union's language of operation shall be English.

## **Records**

**2.09** Each member is entitled to a statement of account or other record specifying the amount paid upon Shares, deposits and loans by them.

# **ARTICLE THREE**

## **BUSINESS OF THE CREDIT UNION**

### **Corporate Seal**

**3.01** The Credit Union may have a corporate seal, which shall be adopted and may be changed by resolution of the Board.

### **Financial Year**

**3.02** The financial year of the Credit Union shall end on December 31 of each calendar year.

### **Execution of Instruments**

**3.03** Contracts, documents or instruments in writing requiring the signature of the Credit Union may be signed on behalf of the Credit Union by any two officers or directors, and instruments in writing so signed shall be binding upon the Credit Union without any further authorization or formality. The Board shall have power from time to time by resolution to Appoint any officer or officers, or any person or persons, on behalf of the Credit Union, either to sign contracts, documents and instruments in writing generally, or to sign specific contracts, documents or instruments in writing.

The seal of the Credit Union may, when required, be affixed to contracts, documents and instruments in writing signed as aforesaid, or by any officer or officers, or person or persons,

appointed as aforesaid by resolution of the Board.

The term "contracts, documents, or instruments in writing" as used in these By-laws shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, movable or immovable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures, notes or other securities and all paper writings.

The signature or signatures of the Chair of the Board, a Vice-Chair, the Corporate Secretary, the Chief Executive Officer, or any director of the Credit Union, and/or any other officer or officers, or person or persons, appointed as aforesaid by resolution of the Board, may, if specifically authorized by resolution of the Board, be printed, engraved, lithographed or otherwise reproduced upon instruments in writing, or bonds, debentures, notes or other securities of the Credit Union executed or issued by or on behalf of the Credit Union, and all contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Credit Union upon which the signature or signatures of any of the foregoing officers or directors or persons authorized as aforesaid shall be so reproduced pursuant to special authorization by resolution of the Board, shall be deemed to have been manually signed by such officers or directors or persons whose signature or signatures is or are so reproduced, and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers or directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Credit Union.

### **Banking Arrangements**

**3.04** Subject to section 3.05 and the Act or Authority rules, the banking business of the Credit Union, or any part of its business, including, without limitation, the borrowing of money and, subject to the Act or Authority rules, the giving of security, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part of such banking business shall be transacted under such agreements, instructions and delegations of power as the Board may from time to time by resolution prescribe or authorize.

### **Borrowing**

**3.05** The Credit Union shall be authorized to borrow money on the credit of the Credit Union at such rates of interest and on such conditions as the Board may determine, provided that the Credit Union shall not borrow in the aggregate an amount exceeding the amount permitted by the Act, or Authority rules of its regulatory capital and deposits.

### **Cooperative Principles aligned with B-Corp Principles**

The purpose of the Credit Union includes but is not in any way limited to or restricted by the creation of a positive impact on society and the environment, taken as a whole, from the business



and operations of the Credit Union, which impact is material in view of the size and nature of the Credit Union's business.

The Board shall, in accordance with their applicable statutory and regulatory duties and requirements, and in alignment with the co-operative principles of the Credit Union and its purpose, act with a view to the best interests of the Credit Union. In considering the best interests of the Credit Union, the Board shall consider the interests of the Credit Union's members, shareholders, employees, suppliers and creditors, as well as the government, the natural environment, and the community and society in which the Credit Union operates.

## **ARTICLE FOUR**

### **DIRECTORS**

#### **Number of Directors and Quorum**

**4.01** The Board shall consist of a minimum of five (5) directors and a maximum of seventeen (17) directors. The quorum for the transaction of business at any meeting of the Board shall be a majority of the Board, unless the Authority rules provide otherwise.

#### **Qualification**

**4.02** Only an individual who:

- (a) is a member In Good Standing of the Credit Union on or before the last day of the Nomination Period (as defined in these by-laws);
- (b) is at least eighteen (18) years of age;
- (c) is a Canadian citizen or a person lawfully admitted to Canada for permanent residency and ordinarily resident in Canada;
- (d) has then served as a director of the Credit Union for not more than twelve (12) years. Notwithstanding section 4.02(d), the Board at its sole discretion, can in extraordinary circumstances, decide to extend a director's term by up to three years.
- (e) has not been expelled from membership in the Credit Union or any other credit union;
- (f) is not disqualified under the Act;
- (g) if that person is a former employee of the Credit Union, did not leave that employment

involuntarily, and (save and except where the former employee was the Chief Executive Officer of the Credit Union), if they left that employment voluntarily, has not been employed by the Credit Union in the two-year period ending on the last day of the Nomination Period for the election in which they seek nomination as a candidate for election to the Board;

- (h) is not asserting a legal claim against the Credit Union which is not resolved as of the last day of the Nomination Period for the election in which the individual seeks nomination as a candidate for election to the Board;
- (i) is not employed in any capacity by, or is not an officer, director or committee member of, an organization which may compete with the Credit Union, including, without limiting the generality of the foregoing, other financial institutions or entities providing investment or credit products or services; and
- (j) has disclosed to the Board, in a timely fashion before the election in which the natural person is a candidate is held, everything the individual is required by the Act to disclose as a candidate for director of a credit union.

is eligible to be a director of the Credit Union.

Notwithstanding the foregoing, if the Board or senior management of the Credit Union proposes or nominates an individual or individuals to be elected by the Member as a Director or Directors of the Board, then the Board or senior management shall only propose or nominate an individual or individuals who have appropriate skills, education, experience and commitment to discharge their duties and responsibilities effectively, having regard to the nature, size, complexity, operations and risk profile of the credit union.

### **Elections, Mail Ballots and Term**

**4.03** Prior to every annual meeting of the Credit Union, an election shall be held, in accordance with the provisions of these by-laws, to fill the places of the members of the said Board whose terms of office have expired, and the members so elected shall hold office for three years or until their successors in office have been elected or appointed. The election shall be conducted as follows and in accordance with the Credit Union's operating policies in force at the time of the election:

- (a) In this section 4.03,
  - (1) "Form of ballot" means a written or printed form that, upon completion and execution by a member, becomes a ballot, and, if permitted by resolution of the Board, includes, without limiting the generality of the foregoing, an electronic form which is completed and executed using secure electronic means approved by the Board; and

- (2) "Ballot" means a completed and executed Form of Ballot by means of which a member has indicated their vote on matters properly coming before a meeting of the members.
- (b) Notice of the first day and the last day during which nominations for candidates for election to the Board, which period shall not be shorter than 15 days (hereinafter called the "Nomination Period"), will be received by the Chair of Nominations or their nominee, shall be given by Chair of Nominations, who shall, not later than 45 days before the Credit Union's fiscal year-end, give such notice to each member of the Credit Union who, on the record date for notice, appears on the records of the Credit Union as a member;
  - (1) by posting a copy of the notice in each office of the Credit Union; and
  - (2) by sending the notice by prepaid mail to the latest Recorded Address of the member or by sending the notice by electronic means to the member, if the member has provided the Credit Union with an electronic mail address or a similar method of providing them with electronic communications; and
  - (3) in cases only where the Chair of Nominations has reasonably determined that an interruption of the mail service is in effect or imminent, then by publishing the notice on the Credit Union's website.
- (c) A person is eligible for nomination provided that they, as of the end of the Nomination Period:
  - (1) have complied with the minimum membership share requirements of section 2.03 of these by-laws; and
  - (2) complies with section 4.02 of these by-laws.
- (d) Nominations, to be valid, must be:
  - (1) in the form prescribed by the Chair of Nominations, which form may be obtained at any office of the Credit Union during the Nomination Period;
  - (2) received by the Chair of Nominations during the

Nomination Period;

- (3) accompanied by a current colour photograph and resumé of the nominee, and the nominee's affidavit stating that they are not disqualified from being a director of the Credit Union, either by the Act or by the By-laws. Such affidavit shall be in the form from time to time prescribed by the Chair of Nominations.

(e) Where notice of the Nomination Period is given in accordance with the provisions of these by-laws:

- (1) the accidental omission to send such a notice to any member; or
- (2) the non-receipt of the said notice by any member; or
- (3) the receipt of any nomination by the Chair of Nominations after the end of the Nomination Period; or
- (4) the non-receipt of a nomination by the said Chair of Nominations;

shall not invalidate the election proceeding, and the Chair of Nominations shall declare as validly nominated only those persons nominated in accordance with the provisions of these by-laws during the Nomination Period. The Nominating Committee shall, by majority vote at a meeting of that committee, render a decision on all questionable nominations. The decision of said committee shall be final and shall be subject neither to review nor to appeal.

(f) If the number of nominees accepted by the Chair of Nominations and the Nominating Committee equals the number of vacancies and all vacancies are for positions with the same length of term, the Credit Union is not required to hold an election and may announce the acclamation to office of the candidates at the annual general meeting.

(g) Unless an election is not required pursuant to section 4.03(f) of these by-laws, the Corporate Secretary shall, not later than 75 days following the last date of the Nomination Period, cause to be sent, by regular mail and also, if possible, by electronic means, to each member of the Credit Union who on that date appears on the records of the Credit Union as a voting member:

- (1) the name and address of each person declared by the Chair of Nominations to be nominated for election to the Board; and
  - (2) a Form of Ballot. If the Form of Ballot is in paper rather than electronic form, the Credit Union shall send the Form of Ballot together with a prepaid envelope addressed to the Chair of Nominations at an address designated by the Chair of Nominations.
- (h) The Corporate Secretary shall, in addition to the notice required in paragraph (g) of this section 4.03, cause notice to be published in each office of the Credit Union, such notice to contain:
  - (1) the name of each of the persons declared by the Chair of Nominations to be nominated for election to the Board; and
  - (2) the procedure by which any member may obtain a Form of Ballot which, by accident or otherwise, the member may not have received.
- (i) In cases only where the Chair of Nominations has reasonably determined that an interruption of the mail service is in effect or imminent, then the Corporate Secretary shall not proceed pursuant to paragraph 4.03(g) and paragraph 4.03(h) of these by-laws, but rather the Corporate Secretary shall cause notice to be published in each office of the Credit Union, and on the Credit Union's website, such notice to contain;
  - (1) the name and address of each of the persons declared by the Chair of Nominations to be nominated for election to the Board; and
  - (2) if the member wishes a Form of Ballot in paper rather than in electronic form, the procedure by which a member may obtain in person, at any office of the Credit Union, a Form of Ballot in paper form.
- (j) The date designated by the Chair of Nominations as the last date for the receipt of Ballots shall be at least 30 days following the date referred to in paragraph 4.03(g) of these by-laws and shall end not less than 30 days before the annual general meeting.
- (k) Ballots, to be valid must;

- (1) be on the Form of Ballot designated by the Chair of Nominations; and
- (2) be:
  - (i) submitted electronically at or before 11:59 p.m. on the last date for the receipt of Ballots, as designated by the Chair of Nominations and indicated on the Form of Ballot; or
  - (ii) personally delivered to the Chair of Nominations at any office of the Credit Union at or before its close of business on the last date for the receipt of Ballots, as designated by the Chair of Nominations and indicated on the Form of Ballot; or
  - (iii) postmarked at or before 11:59 p.m. on the last date for the receipt of Ballots, as designated by the Chair of Nominations and indicated on the Form of Ballot, and received not more than three days, excluding Non-Business Days, after that date.

In the case of more than one Ballot being received from a voting member, the first Ballot received by the Chair of Nominations shall be considered the official Ballot, and all others shall be disregarded.

(l) Where an election of the members of the Board is held in accordance with the provisions of these by-laws:

- (1) the accidental omission to send a Form of Ballot to any member; or
- (2) the non-receipt of a Form of Ballot by any member; or
- (3) the receipt of a Ballot by the Chair of Nominations otherwise than as specified in section 4.03(k)(2) of these by-laws; or
- (4) the non-receipt of any Ballot by the Chair of Nominations;

shall not invalidate the election, and the Committee of Nominations shall count only those Ballots validly received by them as required by section 4.03(k)(2) of these by-laws.

(m) Where two or more persons hold the same share or shares jointly, they shall vote together as one on the share or shares jointly held by them, but, in the event that, with respect to the share or shares jointly held, only one Ballot is received by the Chair of Nominations and that Ballot is signed by one or more of the said persons, then the said Ballot shall be valid.

A member of the Credit Union which is His Majesty the King, an unincorporated association, a partnership or a corporation shall deliver to the Chair of Nominations , together with its Ballot, a written proxy signed by the president or other head officer, or by the vice president or secretary or treasurer, of the entity, which proxy shall authorize some one or more persons to execute the Form of Ballot on the entity's behalf, and the person so appointed need not be a member of the Credit Union.

### **Elections at Special Meetings**

In the event that elections of members of the Board are required at a special meeting, those elections shall be conducted in a manner determined by the Board in its sole and absolute discretion, and such elections need not comply with the procedure outlined in section 4.03 of these by-laws.

### **Director Term of Office**

#### **4.05**

- (a) Subject to the Act or Authority rules, a member elected as a director shall take office at the close of the membership meeting at which they are declared to have been elected.
- (b) Except where an election is held to fill the unexpired portion of a director's term or as otherwise specifically provided in this section, directors shall be elected or acclaimed for terms of three years, or until their successors in office are elected or Appointed.
- (c) If, in an election, terms of office of varying lengths are to be filled, the nominees obtaining the greater number of votes shall be declared to be elected to the longer terms of office available.
- (d) If, in an election, a tie needs to be broken to determine which of two or more candidates is elected to the Board and which of candidates is not so elected, or to determine which of two or more candidates is elected to a three-year term and which of those candidates is elected to a term which is shorter than three years, there shall be a run-off election involving only the tied candidates among only the members

present at the meeting. If the run-off election is not successful in breaking the tie, the tie shall be broken by chance in a manner determined by the Chair of the Board in the Chair's sole and absolute discretion.

- (e) If, in the case of an acclamation of all nominees, terms of office of varying lengths are to be filled, the terms shall be assigned by voluntary agreement among the nominees or, failing that, by chance in a manner determined by the Chair of the Board in the Chair's sole and absolute discretion.

### **Vacation of Office**

**4.06** A director ceases to hold office when they die, resign, become disqualified pursuant to the Act or Authority rules, or pursuant to section 4.02 of these by-laws, are removed from office by the members or the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario or in accordance with the Act or Authority rules, or their term expires, except that a death, registration or a removal which occurs, or a disqualification which is first discovered, after the Nomination Period has commenced regarding a particular annual general meeting, but before the conclusion of that annual general meeting, shall result in a vacation of office on the day following that annual general meeting.

### **Vacancies**

**4.07** Subject to the Act or Authority rules, a quorum of the Board may fill a vacancy in the Board by appointing a qualified person to serve as a member of the Board until the next annual general meeting of the Credit Union, when the members will elect a qualified person to fill the unexpired term of the director who vacated their office. In the absence of a quorum of the Board, the directors then in office shall immediately call a general meeting of members to fill the vacancy. If the directors then in office fail to call such meeting or if there are no directors then in office, any member may call the meeting.

### **Action by the Board**

**4.08** The Board shall manage or supervise the management of the business and affairs of the Credit Union, but shall not directly manage, or be involved in, the day-to-day activities of the Credit Union. Subject to section 4.09, the powers of the Board may be exercised at a meeting at which a quorum is present. Where there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum of the Board remains in office.

### **Meeting by Telephone or by Remote Video Teleconference**

**4.09** If all the directors of the Credit Union present or participating in the meeting consent, a director may participate in a meeting of the Board or of a committee of the Board by means of such telephone, remote video teleconference, electronic (including voting by e-mail, in



accordance with the policy related to voting by e-mail) or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present at the meeting.

### **Place of Meeting**

**4.10** Meetings of the Board may be held at any place within Ontario, if such meetings are held in person.

### **Calling of Meetings**

**4.11** Subject to the Act or Authority rules, meetings of the Board shall be held from time to time on such day and at such time and at such place as the Board, the Chair of the Board, a Vice-Chair or any two directors may determine, and the Corporate Secretary, when directed by the Board, the Chair of the Board, a Vice-Chair or any two directors, shall convene a meeting of the Board. The Board shall meet at least quarterly in each fiscal year of the Credit Union.

### **Notice of Meeting**

**4.12** Notice of the date, time and place of each meeting of the Board shall be given in the manner provided in paragraph 14.01 to each director not less than 48 hours (exclusive of any part of a Non-Business Day) before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting, except where the Act or Authority rules requires such purpose or business to be specified.

A director may in any manner waive notice of or otherwise consent to a meeting of the Board.

### **First Meeting of New Board**

**4.13** Provided a quorum of directors is present, each newly elected Board may without notice hold its first meeting immediately following the meeting of members at which such Board is declared elected.

### **Adjourned Meeting**

**4.14** Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

### **Regular Meetings**

**4.15** The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each director as soon as possible after

being passed, but no other notice shall be required for any such regular meeting except where the Act or Authority rules requires the purpose of the regular meeting or the business to be transacted during the regular meeting to be specified.

### **Votes to Govern**

**4.16** At all meetings of the Board every question shall be decided by a majority of the votes cast on the question. The Chair of the meeting shall have a vote on every question in the first instance, and, in the case of an equality of votes, shall have a second or casting vote.

### **Conflict of Interest**

Subject to the Credit Union's conflict of interest policy, a director, officer, committee member or employee of the Credit Union who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, or is a spouse, parent or child of an individual who is a party to, a material contract or transaction or proposed material contract or transaction with the Credit Union, shall disclose in writing to the Credit Union or request to have entered in the minutes of the meetings of the directors the nature and extent of their interest at the time and in the manner provided by the Act or Authority rules. Any such contract or transaction or proposed contract or transaction shall be referred to the Board for approval, even if such contract is one that in the ordinary course of the Credit Union's business would not require approval by the Board, and a director interested in a contract that ought to be referred to the Board shall not vote on or be present at the consideration of any resolution to approve the same except as permitted by the Act or Authority rules.

### **Remuneration and Expenses**

**4.17** The directors shall be paid such remuneration for their services as the Board may from time to time determine and at all times in accordance with the Authority rules.

## **ARTICLE FIVE**

### **COMMITTEES**

#### **Committee of Directors**

**5.01** The Board may appoint a committee of directors in accordance with the Authority rules, however designated, and delegate to such committee any of the powers as set out by the Board except those which pertain to items which, under the Act or Authority rules, a committee of directors has no authority to exercise.

#### **Transaction of Business**

**5.02** The powers of a committee of directors may be exercised by a meeting at which a quorum is present.

### **Audit Committee**

#### **Appointment**

**5.03** (a) The Board shall elect annually, from among its members, an audit committee, to be composed of at least three directors. The audit committee shall have the powers and duties provided in the Act or Authority rules.

#### **Chair and Meetings**

(b) The audit committee shall elect a Chair, and meetings of the audit committee shall be at the call of the Chair of the audit committee, the Credit Union's auditor or a director, provided that the audit committee shall meet at least quarterly.

#### **Duties**

(c) The audit committee shall perform such duties as are set out in the Act or Authority rules and shall monitor the Board's conflict of interest policy.

### **Advisory Committee**

**5.04** The Board may from time to time Appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

#### **Procedure**

**5.05** Subject to these by-laws and unless otherwise determined by the Board, each committee shall have power to fix its quorum at not less than a majority of its members. With the exception of the Audit Committee, the Board elects each Committee's chair and regulates its procedure.

## **ARTICLE SIX**

### **OFFICERS**

#### **Appointment**

**6.01** The Board shall Appoint a Chair of the Board, a Corporate Secretary, and a Chief Executive Officer of the Credit Union, and may Appoint, from time to time, one or more Vice-Chairs (to which title may be added words indicating seniority or function) and such other officers as the Board may determine and including one or more assistants to any of the officers so appointed. The Board may specify the duties of and, in accordance with these By-laws and

subject to the provisions of the Act and Authority rules, delegate to such officers powers to manage the business and affairs of the Credit Union. The Chair and the Vice-Chair must be directors. The Chief Executive Officer of the Credit Union must be an employee, but any other officer may but need not be a director, and one person may hold more than one office. All officers shall sign such contracts, documents, or instruments in writing as require their respective signatures. In the case of the absence or inability or refusal to act of any officer or for any other reason that the Board may deem sufficient, the Board may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

### **Chair of the Board**

**6.02** The Chair of the Board shall be a director who has not, at the time of election or appointment, served as Chair of the Credit Union for longer than nine consecutive one-year terms, and shall, when present, preside at all meetings of the Board and the Governance Committee. The Chair of the Board shall be vested with and may exercise such powers and shall perform such other duties as may from time to time be assigned to them by the Board. During the absence or disability or refusal to act of the Chair of the Board, the Chair's duties shall be performed, and the Chair's powers exercised by a Vice-Chair.

### **Vice-Chair**

**6.03** Each Vice-Chair shall be a director and shall have such powers and duties as the Board or the Chair may specify. The Vice-Chair or, if more than one, the Vice-Chair designated from time to time by the Board or by the Chair, shall be vested with all the powers and shall perform all the duties of the Chair in the absence or inability or refusal to act of the Chair.

### **Corporate Secretary**

**6.04** The Corporate Secretary may but need not be a director, and shall give or cause to be given as and when instructed, all notices to members, shareholders, directors, officers, auditors and members of committees of the Board; they shall be the custodian of all books, papers, records, documents and instruments belonging to the Credit Union, except when some other officer or agent has been appointed for that purpose; they shall ensure that the records of the By-laws of the Credit Union and the minutes of meetings of the Board, the members, and the shareholders are kept up to date; and they shall have such other powers and duties as the Board may specify.

### **President and Chief Executive Officer**

**6.05** The President & Chief Executive Officer of the Credit Union shall be charged, subject to the authority of the Board, with the general supervision of the business and affairs of the Credit Union. The President & Chief Executive Officer of the Credit Union shall perform all duties incident to the President & Chief Executive Officer's office and shall have such other powers and

duties as may from time to time be assigned to the President & Chief Executive Officer by the Board.

### **Powers and Duties of Other Officers**

**6.06** The powers and duties of all other officers shall be such as the terms of their engagement call for or as the Board may specify.

### **Variation of Powers and Duties**

**6.07** The Board may from time to time and subject to the provisions of the Act and Authority rules, vary, add to or limit the powers and duties of any officer.

### **Term of Office**

Each officer other than the President and Chief Executive Officer of the Credit Union shall be Appointed to serve for terms of one (1) year or until their successor in office is Appointed. Every employee Appointed as officer shall hold office indefinitely, but the Appointment shall automatically terminate upon the officer's termination of employment or transfer to another position within the Credit Union. Notwithstanding the foregoing, the Board, in its discretion, may remove any officer of the Credit Union from their office with or without cause, without prejudice to such officer's rights under any employment contract.

### **Terms of Appointment and Remuneration**

**6.08** The terms of appointment and the remuneration of an officer Appointed by the Board shall be settled by it from time to time. The fact that any officer is a shareholder of the Credit Union shall not disqualify them from receiving such remuneration as may be so determined.

### **Agents and Attorneys**

**6.10** The Board shall have power from time to time to Appoint agents or attorneys for the Credit Union in or outside Canada with such power of management or otherwise (including the powers to sub-delegate) as may be thought fit.

### **Fidelity Bonds**

**6.11** Subject to the Act and Authority rules, the Board shall require directors, officers, employees and agents of the Credit Union receiving or having charge of money to furnish bonds for the faithful discharge of their powers and duties, provided by an insurer licensed under the *Insurance Act* (Ontario) to write surety and fidelity insurance, and in an amount at least equal to any minimum amount required by the Act and Authority rules or calculated in accordance with the formula specified in the Act or Authority rules, but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the

failure of the Credit Union to receive any indemnity thereby provided.

## **ARTICLE SEVEN**

### **MEETINGS OF MEMBERS**

#### **Annual Meeting**

**7.01** Unless otherwise authorized by the Chief Executive Officer, Financial Services Regulatory Authority of Ontario, the annual meeting of the Credit Union shall be held within 120 days following the fiscal year-end. Subject to the above-noted restriction, meetings of the members of the Credit Union shall be held on such date, at such time, and at such place within the geographic bond of association of the Credit Union, as the Board may by resolution determine.

#### **Electronic Meetings**

**7.02** A membership meeting may, if the Board determines by resolution to do so, and pursuant to such conditions, rules and procedures which may be approved by the Board, be held by telephonic or electronic means. A member who, by such means, votes at the meeting or establishes a communications link to the meeting shall be deemed for all purposes, including, without limiting the generality of the foregoing, the calculation of quorum pursuant to section 7.07 of these by-laws, to have been present at the meeting.

#### **Order of Business at Membership Meetings**

**7.03** At an annual meeting, the Board shall place before the members:

- (a) the audited financial statements of the credit union;
- (b) the report of the auditor;
- (c) the report of the audit committee; and
- (d) such further information respecting the financial position of the credit union and the results of its operations as the Board determines should be presented to the members.

The order of business at any special meeting of the members of the Credit Union shall be as determined by the Board.

#### **Notice of Meeting**

**7.04** Notice of all meetings of the Credit Union shall be given by the Corporate Secretary, in a form which meets the requirements set out in the Authority rules and which shall clearly and transparently identify the democratic rights of the members, including but not limited to the rights of members to be notified of, participate in and, if applicable, vote at meetings of the members, who shall,

not later than 10 days before the date of the meeting or earlier than fifty (50) days before the date of the meeting, give notice of the meeting to each member of the Credit Union who is, as of the record date for such meeting determined in accordance with section 7.05 of these by-laws, a member of the Credit Union in full compliance with the minimum membership share requirements contained in section 2.03 of these by-laws, by posting a notice of the meeting in each office of the Credit Union, and either

- (a) sending the notice by prepaid mail to the Recorded Address of the member, or, if the member has authorized the Credit Union to communicate with them electronically and provided the Credit Union with an electronic mail address to which to send such communications, sending the notice to the member by electronic mail;
- (b) posting the notice on the Credit Union's website; or
- (c) publishing the notice on the Credit Union's website.

Notice of a meeting at which a special resolution is to be considered, including, without limitation, a special resolution to amend the Credit Union's by-laws, shall include a summary of the special resolution.

The notice shall specify that copies of the financial statements and the reports of the audit committee and the auditor will be available for inspection at the meeting and at the offices of the Credit Union ten days before the date of the meeting, and shall set out any matters to be dealt with at the meeting, other than the audited financial statements and the reports of the auditor and of the audit committee, in sufficient detail to permit members to form a reasonable judgment on the matter.

### **Record Date**

**7.05** The Board may fix in advance a date preceding the date of any meeting of members by no more than 50 days and not less than 10 days, as a record date for the determination of the members entitled to notice of the meeting, provided that notice of such record date shall be given not less than seven days before such record date on the Credit Union's website . If no record date is fixed, the record date for determining the members entitled to notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given.

### **Accidental Omission**

**7.06** Where notice of a meeting is received generally by the members of the Credit Union entitled to receive such notice pursuant to section 7.04 of this by-law, the accidental omission to give notice to any member entitled to receive such notice, or the non-receipt of the notice by any member entitled to receive such notice, shall not invalidate any resolution passed or any proceedings taken at the meeting.

## **Quorum**

**7.07** At all meetings of the members of the Credit Union twenty (20) members shall constitute a quorum, but, if no quorum is present, the presiding officer of the meeting shall adjourn the meeting to a date not less than seven or more than 15 days thereafter, and the decision of the adjourned meeting shall be binding upon the Credit Union regardless of the number of members then present, provided that notice of the adjourned meeting shall be given by the Corporate Secretary in the manner provided in these by-laws, at least seven days prior to the date of the adjourned meeting.

## **New Business**

**7.08** At all meetings of the members of the Credit Union, only the business stated in the notice calling such meeting may be transacted.

## **Elections**

**7.09** Every member who is entitled to receive notice of the meeting of members pursuant to section 7.04 of these by-laws shall be entitled to one vote on each matter considered at such meeting of the members. Elections shall be by ballot, and, if a poll is demanded on any question, it too shall be taken by ballot. A demand for a poll may be withdrawn.

## **Show of Hands**

**7.10** Every question submitted to any meeting of members, unless a poll is demanded or required, shall be decided in the first instance by a show of hands. In the case of an equality of votes, the chair of the meeting shall, both on a show of hands and at a poll, have a second or casting vote in addition to the vote or votes to which they may be entitled as a member.

At any meeting, unless a poll is demanded, a declaration by the chair of the meeting that a resolution has been carried or carried unanimously or by a particular majority, or lost or not carried by a particular majority, shall be conclusive evidence of the fact.

## **Mail, Electronic and Branch Balloting**

**7.11** Members may, if the Board determines by resolution to do so, and pursuant to such conditions, rules and procedures which may be approved by the Board, vote at meetings of members by mail, or by in-branch, telephonic or electronic means. A member who, by such means, casts a vote shall be deemed for all purposes, including, without limiting the generality of the foregoing, the calculations of quorum pursuant to section 7.07 of these by-laws, to have been present at the meeting.

## **Joint Members**



**7.12** (a) Where two or more persons hold the same Share or Shares jointly, any one of such persons present at a meeting of members has the right, in the absence of the other or others, to vote in respect of such Share or Shares, but, if more than one of such persons are present, they shall vote together as one on the Share or Shares jointly held by them.

(b) Two or more persons jointly holding enough membership Shares to entitle each of them to be a member in their own right are all considered as separate members.

### **Proxies**

**7.13** A member of the Credit Union which is His Majesty the King, a corporation, a partnership or an unincorporated association shall only cast its vote as a member through a written proxy, signed by the president or other head officer or by the vice-president or secretary or treasurer of such entity, and appointing some one or more persons to vote on its behalf. Any person so appointed need not be a member of the Credit Union. Unless expressly stated otherwise in this By-law, any such proxy shall cease to be valid after the expiration of one year from its date or the end of any meeting for which it was expressly granted, whichever is earlier.

### **Adjournment**

The chair of a meeting of members may, with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted under the provisions of the Act or Authority rules, adjourn the meeting from time to time and from place to place. If a meeting of members is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting which is adjourned. If a meeting of members is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

### **Proposals**

**7.14** Upon receipt of a proposal from a member to raise an issue at the annual meeting and a request that a statement in relation to that issue be attached to the notice of meeting, the Board shall, within 10 days of its receipt, meet to consider whether or not the proposal is to be included in the notice of meeting and, where the Board refuses to include the proposal in the notice of meeting, the Chair of the Board shall notify the member submitting it of the refusal, and give reasons for the refusal.

### **Requisitions**

**7.15** Upon the written request of at least five per cent of the members of the Credit Union, signed by each such member, stating the general nature of the business to be presented at the meeting, and deposited at the head office of the Credit Union, the Board shall call, as nearly as possible in the same manner as a membership meeting is called pursuant to these By-laws, a general meeting of the Credit Union for the transaction of that business, not later than 21 days

from the date the written request was deposited at the head office, and such meeting shall be held within 60 days from the date of the deposit of the requisition. Requisitions may be made in counterpart.

## **ARTICLE EIGHT**

### **PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

#### **Submission of Contracts or Transactions to Shareholders for Approval**

**8.01** The Board in its discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the members or shareholders called for the purpose of considering the same, and any contract, act or transaction that shall be approved, ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act, Authority rules or by the Credit Union's Articles or any other By-law) shall be as valid and as binding upon the Credit Union and upon all the members and shareholders as though it had been approved, ratified or confirmed by every member or shareholder of the Credit Union.

#### **Indemnity**

**8.02** Subject to the limitations contained in the Act or Authority rules, the Credit Union shall indemnify a director, officer, or committee member, a former director or officer or committee member, or a person who acts or acted at the Credit Union's request as a director or officer of a body corporate of which the Credit Union is or was a member, shareholder or creditor, and their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by them in respect of any civil, criminal or administrative action or proceeding to which they are made a party by reason of being or having been a director or officer of the Credit Union or such body corporate, if

- (a) they acted honestly and in good faith with a view to the best interest of the Credit Union; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful.

The Credit Union shall also indemnify such person in such other circumstances as the Act or Authority rules permits or requires.

#### **Insurance**

**8.03** Subject to the Act or Authority rules, the Credit Union shall purchase and maintain

insurance for the benefit of any person referred to in section 8.02 against such liabilities and in such amounts as the Board may from time to time determine.

## **ARTICLE NINE**

### **SHARES**

#### **Allotment**

**9.01** The Board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued Shares of the Credit Union, at such times and to such persons and for such consideration as the Board shall determine, provided that no Share shall be issued until it is fully paid as provided by the Act or Authority rules.

#### **Commissions**

**9.02** Except in respect of membership Shares and subject to the Act or Authority rules the Board may from time to time authorize the Credit Union to pay a reasonable commission to any person in consideration of their purchasing or agreeing to purchase Shares of the Credit Union, whether from the Credit Union or from any other person or procuring or agreeing to procure purchasers for any such Shares.

#### **Registration of Transfers**

**9.03** Subject to the provisions of the Act or Authority rules no transfer of Shares shall be registered in a securities register except upon presentation of the certificate representing such Shares with an endorsement which complies with the Act or Authority rules, duly executed by an appropriate person as provided by the Act or Authority rules together with such reasonable assurance that the endorsement is genuine and effective as the Board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the Board, upon compliance with such restrictions on transfer as are authorized by the Articles and upon satisfaction of any lien referred to in section 9.05.

#### **Transfer Agents and Registrars**

**9.04** The Board may from time to time Appoint one or more agents to maintain, in respect of each class of securities of the Credit Union issued by it in registered form, a securities register and one or more branch securities registers. Such a person may be designated as transfer agent and registrar according to their functions, and one person may be designated both registrar and transfer agent. The Board may at any time terminate such appointment.

#### **Lien for Indebtedness**

**9.05** The Credit Union shall have a lien on any membership Share registered in the name of a

member or their legal representatives for any liability of that member to the Credit Union. The Credit Union may enforce any lien that it has on membership Shares registered in the name of a member who has a liability to the Credit Union by any action, suit, remedy or proceeding authorized or permitted by law and, pending such enforcement, the Credit Union may refuse to redeem the whole or any part of such Shares. Notwithstanding the above, the Credit Union may not apply any service charges or other deductions against a member's membership Share account except upon the termination of the member's membership.

### **Non-recognition of Trusts**

**9.06** Subject to the provisions of the Act or Authority rules the Credit Union may treat the person in whose name the Share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Credit Union's records or on the Share certificate.

### **Share Certificates**

**9.07** (a) The Credit Union shall not issue certificates for membership Shares, provided that a member shall be entitled to a statement of the number of membership Shares held by the member upon request.

(b) Subject to paragraph (a) of this section 9.07, every holder of one or more Shares of the Credit Union shall be entitled, at their option, to a Share certificate, or to a non-transferable written acknowledgment of their right to obtain a Share certificate, stating the number and class or series of Shares held by them as shown on the securities register. Share certificates and acknowledgments of a shareholder's right to a Share certificate, respectively, shall be in such form as the Board shall from time to time approve. Any Share certificate shall be signed in accordance with section 3.03 and need not be under the corporate seal; provided that, unless the Board otherwise determines, certificates representing Shares in respect of which a transfer agent and/or registrar has been Appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the Signing Officers or, in the case of Share certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both Signing Officers, may be printed or mechanically reproduced in facsimile upon Share certificates, and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Credit Union. A Share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears on the share certificate no longer holds office at the date of issue of the certificate.

### **Replacement of Share Certificates**

**9.08** The Board or any officer or agent designated by the Board may in their discretion direct the issue of a new Share certificate in lieu of and upon cancellation of a Share certificate that has

been mutilated, or in substitution for a Share certificate claimed to have been lost, destroyed or wrongfully taken, on payment of such fee, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

### **Joint Shareholders**

**9.09** If two or more persons registered as joint holders of any Share, the Credit Union shall not be bound to issue more than one certificate in respect of such Share, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect of such Share or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such Shares.

### **Deceased Shareholders**

**9.10** In the event of the death of a holder, or of one of the joint holders, of any Share, the Credit Union shall not be required to make any entry in the securities register in respect of the death of the holder, or one of the joint holders, of any Share, or to make payment of any dividends related to said Share, except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Credit Union and its transfer agents.

## **ARTICLE TEN**

### **DIVIDENDS, PATRONAGE REBATES AND RIGHTS**

#### **Dividends and Patronage Rebates**

**10.01** Subject to the provisions of the Act or Authority rules, the Board may, from time to time, declare dividends, payable to members and Shareholders according to their respective rights and interest in the Credit Union, and may, on such terms as it deems fit from time to time declare a patronage return to its members in proportion to the business done by each member with or through the Credit Union. Dividends and patronage rebates may be paid in accordance with the Act or Authority rules.

#### **Dividend and Patronage Rebate Cheques**

**10.02** A dividend or patronage rebate payable in cash may be paid by cheque drawn on the Credit Union's bankers or one of them to the order of each member or registered holder of Shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such member or registered holder at their Recorded Address or credited to the member's or shareholder's account with the Credit Union, unless such member or registered holder

otherwise directs. In the case of joint members or registered holders the cheque shall, unless such joint members or registered holders otherwise direct, be made payable to the order of all of such joint members or registered holders and mailed to them at their Recorded Address. The mailing of such cheque in accordance with the above, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend or patronage rebate to the extent of the sum represented on such cheque plus the amount of any tax which the Credit Union is required to and does withhold.

### **Non-receipt of Cheques**

**10.03** In the event of non-receipt of any dividend or patronage rebate cheque by the person to whom it is sent as aforesaid, the Credit Union shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case.

### **Record Date for Dividends and Rights**

**10.04** The Board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Credit Union, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before such record date in the manner provided by the Act or Authority rules. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Credit Union shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the Board.

### **Unclaimed Dividends or Patronage Rebates**

**10.05** Any dividend or patronage rebate unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Credit Union.

## **ARTICLE ELEVEN**

### **MEETINGS OF SHAREHOLDERS**

#### **Not to Govern Certain Meetings**

**11.01** This Article Eleven is not to govern members' meetings, which are governed by Article Seven of these by-laws.

## **Meetings**

**11.02** Subject to the Act or Authority rules, meetings of shareholders shall be held at such time as the Board or the Chair of the Board may from time to time determine, for the purpose of transacting any business required by the Act or Authority rules to be placed before the shareholders and for the transaction of such other business as may properly be brought before the meeting.

A shareholders meeting may and pursuant to such conditions, rules and procedures which may be approved by the Board, be held by telephonic or electronic means. A shareholder who, by such means, votes at the meeting or establishes a communications link to the meeting shall be deemed for all purposes, including, without limiting the generality of the foregoing, the calculation of quorum pursuant to section 11.10 of these by-laws, to have been present at the meeting.

## **Special Meetings**

**11.03** The Board or the Chair of the Board shall have power to call a special meeting of shareholders at any time.

## **Place of Meetings**

**11.04** Meetings of shareholders shall be held at the registered office of the Credit Union or at such place within the geographic bond of association of the Credit Union as the directors may by resolution determine.

## **Notice of Meetings**

**11.05** Notice of the time and place of each meeting of shareholders shall be given in the manner provided in section 14.01 not less than ten (10) days nor more than fifty (50) days before the date of the meeting to each director, to the auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more Shares carrying the right to vote at the meeting. Notice of a meeting of shareholders shall state or be accompanied by a statement of the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

## **List of Shareholders Entitled to Notice**

**11.06** For every meeting of shareholders, the Credit Union shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of Shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting

is fixed pursuant to section 11.07, the shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Credit Union or at the place where the central securities register is maintained and at the meeting for which the list was prepared.

### **Record Date for Notice**

**11.07** The Board may fix in advance a date, preceding the date of any meeting of shareholders by not more than 50 days and not less than 21 days, as a record date for the determination of the shareholders entitled to notice of the meeting, provided that notice of any such record date shall be given not less than seven days before such record date on the Credit Union's website in the manner provided in the Act or Authority rules and, if any Shares of the Credit Union are listed for trading on a stock exchange in Canada, by written notice to each such stock exchange. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

### **Chair, Secretary and Scrutineers**

**11.08** The chair of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: the Chair, or a Vice-Chair. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. If the Corporate Secretary of the Credit Union is absent, the chair shall Appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chair with the consent of the meeting.

### **Persons Entitled to be Present**

**11.09** The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote at such meeting of the shareholders, the directors and the auditor of the Credit Union and others who, although not entitled to vote, are entitled or required under any provision of the Act, Authority rules or the Articles or the By- laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

### **Quorum**

**11.10** Subject to paragraph 11.11, regarding Class B Shares of the Credit Union ("Investment Shares"), two persons present in person, each being a holder of Investment Shares entitled to



vote at the meeting, or a duly appointed proxyholder for an absent holder of Investment Shares entitled to vote at the meeting, shall be a quorum at any meeting of the holders of Investment Shares for the choice of a chair of the meeting and the adjournment of the meeting; for all other purposes, a quorum at any meeting of the holders of Investment Shares, unless a greater number is required to be present, or a greater number of Investment Shares are required to be represented, at the meeting by the Act, Authority rules or by the Articles or any other By-law, shall be persons present in person, each being a holder of Investment Shares entitled to vote at the meeting, or a duly appointed proxyholder for an absent holder of Investment Shares entitled to vote at the meeting, not being less than two in number, and holding or representing by proxy not less than fifty-one percent (51%) of the total number of the issued Investment Shares of the Credit Union for the time being enjoying voting rights at such meeting.

Subject to paragraph 11.11, regarding Class A Shares of the Credit Union, twenty (20) persons present in person, each being a Shareholder entitled to vote at the meeting, or a duly appointed proxyholder for an absent Shareholder entitled to vote at the meeting, shall be a quorum at any meeting of the Shareholders.

Regarding any meeting of the Shareholders of the Credit Union, if there is no quorum, then the meeting shall be adjourned to such date, not being less than 10 days later, and to such time and place as may be announced by the Chair at the meeting, and, subject to paragraph 11.18, it shall not be necessary to give notice of the adjourned meeting.

At such adjourned meeting, the persons present at such meeting, provided that there are at least two such persons present in person, each being a Shareholder entitled to vote at the meeting, or a duly appointed proxyholder for an absent Shareholder entitled to vote at the meeting, shall be a quorum for the transaction of the business for which the meeting was originally called.

### **Right to Vote**

Subject to the provisions of the Act or Authority rules as to authorized representatives of any other body corporate or association, at any meeting of shareholders for which the Credit Union has prepared the list referred to in section 11.06, every person who is named in such list shall be entitled to vote the Shares shown opposite their name except to the extent that such person has transferred any of their Shares after the record date determined in accordance with section 11.07 and the transferee, having produced properly endorsed certificates evidencing such Shares or having otherwise established that they own such Shares, has demanded not later than 10 days before the meeting that their name be included in such list. In any such case the transferee shall be entitled to vote the transferred Shares at the meeting. At any meeting of shareholders for which the Credit Union has not prepared the list referred to in section 11.06, every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more Shares carrying the right to vote at such meeting.

## **Proxies**

**11.11** Every shareholder entitled to vote at a meeting of shareholders may Appoint a proxy holder, or one or more alternate proxy holders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing, executed by the shareholder or their attorney authorized in writing, and shall conform with the requirements of the Act and Authority rules.

## **Time for Deposit of Proxies**

**11.12** The Board may by resolution specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting or an adjournment of such meeting by not more than 48 hours, exclusive of any part of a Non-Business Day, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Credit Union or an agent of the Credit Union specified in such notice or, if no such time is specified in such notice, only if it has been received by the Corporate Secretary of the Credit Union or by the chair of the meeting or any adjournment of the meeting prior to the time of voting.

## **Joint Shareholders**

**11.13** If two or more persons hold Shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the Shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one the Shares jointly held by them.

## **Votes to Govern**

**11.14** At any meeting of shareholders every question shall, unless otherwise required by the Articles or By-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes, either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote.

## **Show of Hands**

**11.15** Subject to the provisions of the Act or Authority rules, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot is so required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried, and an entry to that effect in the minutes of the meeting, shall be *prima facie* evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

## **Ballots**

**11.16** On any question proposed for consideration at a meeting of shareholders, and whether or not a vote by show of hands has been taken on the question, any shareholder or proxy holder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the Shares which they are entitled to vote at the meeting upon the question, to that number of votes provided by the Act, Authority rules or the Articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

## **Adjournment**

**11.17** The chair at the meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted under the provisions of the Act or Authority rules, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

## **ARTICLE TWELVE**

### **LENDING**

## **Lending**

**12.01** The Credit Union may make loans in accordance with the Act, the Authority rules, and its lending policies as adopted by the Board from time to time. For clarity, the Credit Union may make loans to both members and non-members.

## **ARTICLE THIRTEEN**

### **INFORMATION AVAILABLE TO MEMBERS AND SHAREHOLDERS**

## **Annual Statements**

**13.01** Every member or shareholder applying in writing for a copy of the Credit Union's last consolidated annual financial statements, or the last annual financial statements of the Credit

Union's subsidiaries shall be entitled to receive a copy of the Credit Union's last consolidated annual financial statement or the last annual financial statement of the Credit Union's subsidiaries. Copies of the last consolidated annual financial statements of the Credit Union, or the last annual financial statements of its subsidiaries, shall be open to inspection by the members and shareholders during normal business hours free of charge.

### **Members and Shareholders Registers**

**13.02** A member or shareholder shall be entitled to have access to or to review an extract from the members or shareholders register, containing only the names of the members or shareholders, at the head office of the Credit Union during normal business hours on not less than 3 full business days' written notice to the Credit Union by such member or shareholder.

### **Information Available to Members, Shareholders and Others and Manner of Disclosure**

**13.03** Except as provided by the Act or Authority rules, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Credit Union's business which in the opinion of the directors it would be inexpedient in the interests of the Credit Union to communicate to the public.

**13.04** The Board will report annually on the gender diversity of the Board and will make such reports public on the website of the Credit Union and shall comply with such requirements regarding such reports as may be prescribed by the Act and Authority rules.

### **Directors' Determination**

**13.05** The directors may from time to time, subject to the rights conferred by the Act and Authority rules, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Credit Union or any of them shall be open to the inspection of shareholders, and no shareholder shall have any right to inspect any document or book or register or accounting record of the Credit Union except as conferred by statute or authorized by the Board or by a resolution of the shareholders in general meeting.

### **Fee**

**13.06** A member of the Credit Union shall be entitled to a copy of the By-laws upon payment of a fee of twenty-five dollars (\$25.00), or such lesser amount as the Board may from time to time establish.

## **ARTICLE FOURTEEN**

### **NOTICES**

## **Method of Giving Notices**

**14.01** Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, Authority rules, the Articles, the By-laws or otherwise to a member, shareholder (except for a holder of the Credit Union's Class A Shares where the Credit Union has obtained an order of the Chief Executive Officer, Financial Services Regulatory Authority of Ontario, exempting it from the requirement that it send a management information circular and proxy form to each such shareholder, where notice may be given to such shareholders in accordance with section 7.04 of these by-laws), director, officer, auditor or member of a committee of the Board, shall be sufficiently given if delivered personally to the person to whom it is to be given, or if delivered to their Recorded Address, or if mailed to them at their Recorded Address by prepaid mail, or if sent to them at their Recorded Address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the Recorded Address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box, and shall be deemed to have been received on the fifth day after so depositing; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Corporate Secretary may change or cause to be changed the Recorded Address of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information they believe to be reliable.

## **Signature to Notices**

**14.02** The signature of any director or officer of the Credit Union to any notice or document to be given by the Credit Union may be written, stamped, typewritten or printed, or partly written, stamped, typewritten or printed.

## **Proof of Service**

**14.03** A certificate of the Chair, a Vice-Chair, the Corporate Secretary or the Chief Executive Officer or of any other officer of the Credit Union in office at the time of the making of the certificate, or of a transfer officer of any transfer agent or branch transfer agent or Shares of any class of the Credit Union, as to the facts in relation to the mailing or delivery of any notice or other document to any shareholder, director, officer or auditor, or publication of any notice or other document, shall be conclusive evidence of delivery of any such notice or document, and shall be binding on every shareholder, director, officer or auditor of the Credit Union as the case may be.

## **Computation of Time**

**14.04** In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, both the date of giving the notice and the date of the meeting or other event shall be excluded.

## **Undelivered Notices**

**14.05** If any notice given to a member or shareholder pursuant to section 14.01 is returned on three consecutive occasions because they cannot be found, the Credit Union shall not be required to give any further notices to such member or shareholder until they inform the Credit Union in writing of their new address.

## **Omissions and Errors**

**14.06** The accidental omission to give any notice to any member, shareholder, director, officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance of such notice shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded upon such notice.

## **Deceased Members or Shareholders**

**14.07** Any notice or other document delivered or sent by post or left at the Recorded Address of any member or shareholder shall, notwithstanding that such member or shareholder be then deceased, and whether or not the Credit Union has notice of their decease, be deemed to have been duly served in respect of the Shares held by such member or shareholder (whether held solely or with any person or persons) until some other person be entered in their stead in the records of the Credit Union as the holder or one of the holders of such Share(s), and such service shall for all purposes be deemed a sufficient service of such notice or document on their heirs, executors or administrators and on all persons, if any, interested with them in such Share(s).

## **Persons Entitled by Death or Operation of Law**

**14.08** Every person who, by operation of law, transfer, death of a member or shareholder or any other means whatsoever, shall become entitled to any Share, shall be bound by every notice in respect of such Share which shall have been duly given to the shareholder from whom they derive their title to such Share prior to their name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which they became so entitled) and prior to their furnishing to the Credit Union the proof of authority or evidence of their entitlement as prescribed by the Act or Authority rules.

## **Waiver of Notice**

**14.09** Any member or shareholder (or their duly appointed proxy holder), director, officer, auditor or member of a committee of the Board or advisory committee may at any time waive any notice, or waive or abridge the time for any notice, required to be given to them under any provision of the Act, the Authority rules, the Articles, the By-laws or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing, except for a waiver of notice of a

meeting of members or shareholders or of the Board or of a committee of the Board, which may be given in any manner.

## **ARTICLE FIFTEEN**

### **EFFECTIVE DATE**

#### **Effective Date**

**15.01** Subject to the Act or Authority rules, these By-laws shall come into force upon being passed by the Board and confirmed by a special resolution of the members.

#### **Repeal**

**15.02** All By-laws previously enacted are revoked upon the coming into force of these By-laws.

**PASSED** by the Board of Directors of DUCA Financial Services Credit Union Ltd. at a meeting duly held at Toronto, Ontario on February 28, 2025.

**WITNESS** the corporate seal of DUCA Financial Services Credit Union Ltd.

**CONFIRMED** by two thirds of the votes cast at a general meeting of the members of DUCA Financial Services Credit Union Ltd. duly called for the purpose and held at Toronto, Ontario, this 29<sup>th</sup> day of April, 2025.

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Tom Vandelloo  
Chair

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Aleksandra Kurowska  
Corporate Secretary

