

FINANCIAL INSTITUTIONS REGULATION BRANCH
Direction de la réglementation des institutions financières

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CASERA CREDIT UNION LIMITED

By-Laws

As adopted at the Annual General Meeting of the Members on September 16, 2020



CASERA CREDIT UNION LIMITED BY-LAWS

Section One INTERPRETATION

Definitions

1.01 In the by-laws of the credit union, unless the context otherwise requires:

(a) "Act" means *The Credit Unions and Caisses Populaires Act*;

"appoint" includes "elect";

"articles" means the Articles of Incorporation of the credit union, as last amended or restated;

"branch office" means a permanent location, other than the registered office of the credit union, which is owned, leased or occupied by the credit union or its agent and from which business is transacted or services offered by the credit union or its agent on behalf of the credit union that are not of a temporary, occasional or special nature;

"credit union" means Casera Credit Union Limited;

"directors" means the board of directors of the credit union as a body;

"meeting of members" means an annual meeting of members or a special meeting of members;

"regulation" means *The Credit Unions and Caisses Populaires Regulation*;

(b) words and expressions defined in the Act have the same meanings;

(c) words importing the singular number include the plural and vice versa.

Section Two OFFICES AND RECORDS

Branch offices

2.01 The credit union may establish, relocate or close a branch office in accordance with the Act and regulation.

Fiscal year end

2.02 The fiscal year of the credit union shall end on the last day of December.

Information available to members

2.03 Subject to the Act and the regulation, no member shall be entitled to any information respecting any details or conduct of the credit union's business which, in the opinion of the directors, could be potentially against the interests of the members or the credit union to communicate to the public.

Section Three SHARES

Shares held by a member

- 3.01 A member of the credit union shall purchase and hold one or more common shares of the share capital of the credit union as may be determined by resolution of the directors.

Purchase and sale of shares

- 3.02 Subject to the Act and the articles, the terms and conditions that apply to the purchase and sale of the share capital of the credit union by a member shall be established by resolution of the board of directors.

Payment of dividends

- 3.03 Subject to the Act and the articles, the credit union may declare and pay dividends upon its outstanding common, surplus or preference shares as may be established by resolution the board of directors.

Patronage refund

- 3.04 After providing for all known liabilities, allowing for doubtful accounts, making such other provisions as required by the Act and the regulation, and providing for payment of dividends, if any, on all classes of shares, the board of directors may allocate some or all of any surplus arising from the credit union's operations in a fiscal year as a patronage refund among its members. Each member shall be entitled to a share of a patronage refund allocated to members proportionate to the business he or she does with or through the credit union in the fiscal year, as computed by the directors at a rate they fix by resolution. The directors may determine to pay any patronage refund by the issue of surplus shares, by cash or by a combination of surplus shares and cash.

Small patronage refund not credited

- 3.05 Where a patronage refund that would otherwise be payable to a member in respect of the operations of a fiscal year is less than such amount as set forth in the articles, no patronage refund shall be credited to that member for that fiscal year, but shall be the property of the credit union to be used as the directors may decide.

No share certificates

- 3.06 The credit union is not required to issue share certificates, but shall, if requested in writing by a member, provide a statement to the member showing the interest of the member in the credit union.

Section Four MEMBERSHIP

Approval of memberships

- 4.01 Subject to the articles, no person shall become a member of the credit union unless that person
- (a) submits an application for membership which is approved by the directors or by an employee or employees authorized by the directors to approve memberships; and
 - (b) has fully paid for the share or number of shares of the credit union a person is required to purchase to become a member.

Termination of membership

- 4.02 The directors may, by resolution passed by a majority of not less than 3/4 of the directors at a meeting called to consider the resolution, delegate the termination of memberships to management. A member with respect to whom a decision to terminate membership has been made shall have those rights of appeal as set out in the Act.

Joint memberships

- 4.03 Joint memberships in the credit union shall not be permitted.

Rights of members

- 4.04 The members of the credit union shall have the right to:
- (a) make, amend and repeal the by-laws of the credit union; and
 - (b) hold a referendum on any matter of general concern to the members.

Associate Members

- 4.05 The credit union may admit associate members, whom shall have all the rights, privileges, and obligations of a member of the credit union, except that:
- (a) at no time shall the number of associates exceed 25% of the number of members of the credit union;
 - (b) an associate shall not vote at any meeting of members, nor become an officer or a director of the credit union.

Withdrawal of membership

- 4.06 A member may withdraw from the credit union by giving to the credit union ninety (90) days' notice of intention to withdraw. The directors may, by resolution, accept any application to withdraw on shorter notice. The death of a member shall have the same effect as a notice of withdrawal.

Section Five
MEETINGS OF MEMBERS AND VOTING

Annual meeting

5.01 The credit union shall hold its annual meeting in accordance with the Act.

Special meeting and referendum

5.02 The following provisions shall apply to special meetings and to the holding of referendums:

- (a) The directors may at any time call a special meeting of members or hold a referendum on any matter of general concern to the members;
- (b) Five (5%) per cent of the total membership or 500 members, whichever is less, who have the right to vote may by written requisition require the directors to call a meeting of members for the purposes stated in the requisition.
- (c) Five (5%) per cent of the total membership or 500 members, whichever is less, who have the right to vote may by written requisition require the directors to hold a referendum for the purposes stated in the requisition.

Notice and adjournment

5.03 The following provisions shall apply to notice and adjournment of meetings:

- (a) Notice of meetings shall be in accordance with the Act, and shall not be given less than fourteen (14) days and not more than forty (40) days before the meeting.
- (b) Where a meeting of members is adjourned for more than seven (7) days' notice of the adjourned meeting shall be given in the same way as for an original meeting.

Business

5.04 Business transacted at meetings of the credit union shall be carried out in accordance with the Act and regulation.

Location

5.05 All members' meetings shall take place in Manitoba.

Quorum

5.06 A quorum for the transaction of business at any meeting of members shall be the number of members who are entitled to vote at that meeting, being the number of members that is twenty-five (25) plus the number of directors of the credit union.

Persons entitled to be present

5.07 The only persons entitled to be present at a meeting of members shall be those entitled to vote thereat, the auditors of the credit union and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on invitation of the chairperson of the meeting or with the consent of the meeting.

Method of Voting

5.08 Voting by members shall be carried out as prescribed below:

- (a) The directors may, in their discretion, determine that any question or matter on which the members are entitled to vote be decided by:
 - (i) voting at a meeting of the members;
 - (ii) voting by mail ballot;
 - (iii) voting by electronic ballot;
 - (iv) electronic or on-line voting;
 - (v) in-branch voting;
 - (vi) voting by ATM;
 - (vii) a combination of any of the above; or
 - (viii) any other method as permitted by the Act or regulation.
- (b) Voting at a meeting of members shall be by show of hands or by ballot. If voting is by show of hands, a member entitled to vote at the meeting may demand the vote be by ballot.
- (c) For the purposes of conducting a vote by any of the methods described herein, the directors may, to the extent allowed by the Act and regulation, adopt policies and procedures for conducting such vote, including methods of delivery (whether by electronic, digital or other means) and the processes for verifying and keeping track of votes received.
- (d) The directors may appoint a returning officer, from time to time, whose duties shall be to develop procedures to conduct the vote by members and to oversee compliance with the policies and procedures established by the directors with respect to such a vote. The returning officer shall, without limiting the generality of the foregoing, develop and communicate to the members policies and procedures for:
 - (i) providing information and instructions in sufficient detail to permit the members to register their votes;
 - (ii) determining the format of ballots for votes;
 - (iii) appointing independent scrutineers to ascertain the results of the vote;
 - (iv) providing for the safe, secure and confidential receipt of votes; and
 - (v) verifying and keeping records necessary to determine the validity of votes.

Chairperson, recording secretary and scrutineers

5.09 The chairperson, the vice-chairperson, or some other person appointed by resolution of the persons present shall preside over all meetings of the members. If the recording secretary of the credit union is absent, the chairperson shall appoint by resolution some person to act as recording secretary of the meeting. Scrutineers may be appointed by a resolution or by the chairperson with consent of the meeting.

Scrutineers entitled to information

5.10 Scrutineers appointed at a meeting of the members for the purpose of ascertaining the results of a ballot shall be entitled to any information and may examine relevant records of the credit union necessary to determine the validity of any ballots.

Votes to govern

5.11 At any meeting of members, every question shall, unless otherwise required by the Act, articles or the by-laws, be determined by the majority of the votes cast on the question. In case of an equality of votes, the motion shall be lost.

Proxy appointment

5.12 The members shall not have any right to appoint proxies to represent them at meetings of the credit union.

Electronic Meetings

5.13 A meeting of the Board or the members of the Credit Union, including attendance or voting at a Board or members' meeting, may be arranged by means of telephonic, electronic or other communication facilities ("electronic meetings"), provided the means permit all persons participating in the meeting, including all members who are entitled to vote, to communicate adequately with each other during the meeting.

- (a) A person who participates in, or attends or votes, at an electronic meeting is deemed to be present at the meeting for all purposes, including determining quorum.
- (b) If voting is to take place at or before an electronic meeting, the board of directors must take reasonable measures to ensure that (i) the identity of each person who votes is verified; and (ii) each person who votes does so only in their own right consistent with the Act.

Section Six DIRECTORS, COMMITTEES AND OFFICERS

Number of directors

6.01 The credit union shall have a minimum of seven (7) and a maximum of eleven (11) directors.

Authority of directors

6.02 The directors shall exercise the powers of the credit union and shall direct the management and affairs of the credit union as provided by the Act. Such authority shall include the ability to approve, by resolution, board policies regarding prescribed capital and liquidity requirements.

Qualifications of directors

6.03 The qualifications to be a director of the credit union are as set out in the Act and, in addition, a director shall have the following additional qualifications:

- (a) A candidate must have the minimum competencies as specified in the credit union's governance policy, which shall be available to members, including the requisite skills, experience, training and expertise;
- (b) A candidate must have been a member in good standing of the credit union and not in default of any contractual obligations for at least 180 days;
- (c) A candidate must not have been an employee of the credit union at any time within the last two (2) years;
- (d) A candidate cannot be the spouse or common law partner of an employee of the credit union;
- (e) A candidate must not be a director or an employee of another credit union, or of a business organization providing or selling competitive products or services;
- (f) A candidate must have signed a written undertaking, in the form approved from time to

time by the board, to act in the best interests of the credit union and in accordance with these by-laws, the legislation governing the credit union and any approved policies of the board, if elected as a director; and

- (g) In order to remain qualified as a director once elected, each director must, unless he or she has a valid reason for non-compliance and is excused by the board, comply fully with all of the credit union's policies, as adopted by the board of directors from time to time, including those regarding training, confidentiality and conflict of interest. Failure to comply with such policies may result in the removal of the director by resolution passed by a majority of not less than 3/4 of the remaining board members.

Election and Term

6.04 Directors shall be elected in accordance with the following provisions:

- (a) the term of office for directors shall be (three) 3 years except, for the purpose of staggering terms, directors may be elected for a shorter term. A director's term of office expires at the close of the annual meeting of members in the year which coincides with the expiration of the director's term;
- (b) the election of directors shall be by secret ballot. In the event that the vote for two or more directors results in a tie, a further vote shall be undertaken to decide which of those two or more individuals is to be elected to fill that vacancy. If a further vote is not practical, the directors who have already been elected in the election and any directors whose terms of office do not end after the election is held shall determine which of the two or more individuals is to be elected.

Nomination Process

6.05 The following conditions shall apply to the nomination, selection and campaign of directors seeking election or re-election to the board of directors:

- (a) A current director who is proposing to seek re-election to the board cannot be a member of the nominating committee in the year in which they will be required to be re-elected.
- (b) Candidate directors seeking election or re-election to the board of directors must at all times abide by the credit union's campaign policy guidelines, as established and amended by the board from time to time.
- (c) Prior to the deadline set by the nominating committee for receiving nominations, persons seeking election, including any eligible directors whose terms are coming to an end, shall submit their names and other personal information to the committee for consideration in the manner as prescribed by the committee.
- (d) In advance of the member vote, the nominating committee shall provide adequate notice to members regarding those persons selected, from among the nominations received by the committee, to stand for election.
- (e) The nominating committee shall endeavour, where possible, to put forward at least one additional candidate in excess of the number of director positions available for election or re-election.
- (f) The board may, on the recommendation of the governance committee or by its own design, enact rules and policies to govern the nominations and electoral process for candidates. Each candidate shall abide by all such rules and policies, failing which the board may remove the candidate from the list of candidates eligible for election to the board.

Filling vacancy

6.06 A vacancy among the directors may be filled by a quorum of directors, except a vacancy resulting from the members' failure to elect the minimum number of directors.

Ratification

6.07 If a vacancy among the directors is filled by the directors, the appointment shall be submitted for ratification at the next meeting of the members. Any director whose appointment has been ratified shall serve for the remainder of the term left by the vacancy.

Time and place of meetings

- 6.08 Meetings of directors shall be held at such time and place as the majority of the directors, or failing determination by the directors, the chairperson may determine.

Notice of Meeting

- 6.09 Adequate notice of the time and place of each meeting of directors shall be provided in advance of each meeting. A director may waive notice of a meeting of directors, and attendance at such meeting by the director shall be considered waiver of such notice. The directors may fix, by resolution, the content, form and method of providing notice under this subsection.

Quorum

- 6.10 Notwithstanding any vacancy among the directors, a majority of the number of directors in office constitutes a quorum at any meeting of directors, and such quorum of directors may exercise all the powers of the directors.

Exercise of authority

- 6.11 Except as otherwise provided by the by-laws, the powers of the directors or a committee of directors may be exercised by resolution passed at a meeting at which a quorum is present and every question shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the chairperson of the meeting shall not be entitled to a second or casting vote.

Regular Meetings

- 6.12 The directors may appoint a day in any month for regular meetings of directors at a place and hour to be named. A copy of any resolution of the directors fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose or business to be specified.

Meetings by telephone

- 6.13 Provided no director objects, a director may participate in a meeting of directors by means of telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such meeting is deemed to be present.

Committees

- 6.14 The directors may appoint committees, and delegate to such committees' powers, duties and responsibilities except those, which under the Act, a committee has no authority to exercise.

Committee chairs

- 6.15 Unless deemed otherwise by resolution of the board of directors, the chairperson of each committee shall be appointed by the governance committee.

Officers

6.16 The directors may designate as officers of the credit union persons of full capacity who may or may not be directors, provided that the president and vice-president are directors of the board. Individuals selected by the board to act as secretary or treasurer may be directors of the board; however, these positions may be filled by credit union staff. The directors shall specify the duties of the officers and delegate to them powers to manage the business and affairs of the credit union except those powers, which under the Act, the directors may not delegate.

Variation of powers and duties

6.17 The directors may, subject to the provisions of the Act, vary, add to, or limit the powers, duties and responsibilities of any committee or officer.

Term of office

6.18 The directors may remove any committee member or officer appointed by them. Otherwise, each committee member or officer appointed by the directors shall hold office until he or she resigns, or a successor is appointed.

Remuneration and expenses

6.19 The directors shall be paid remuneration for their services as the directors may by resolution determine. The total amount of such remuneration shall be referenced each year in the credit union's annual report. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending to the business of the credit union. The remuneration and reimbursement of expenses of officers shall be settled by the directors.

Dissent

6.20 Directors are deemed to have consented to any resolution passed or action taken at a meeting of directors or a committee of directors unless they record their dissent within the time and in the manner provided by the Act.

Section Seven NOTICES

Method of giving notices

7.01 This section applies notice given by the credit union pursuant to the Act, the regulation, the articles, by-laws or otherwise to a member.

- (a) Notice shall be deemed sufficient if given by insertion of the notice in a newspaper or other publication distributed in the community or area in which the credit union conducts its business;
- (b) In addition to sub-section (a), the credit union may employ one or more of the following methods of delivering notice:
 - (i) mailed to the person's recorded address;
 - (ii) delivered personally to the person to whom it is to be given;
 - (iii) delivered via electronic means, including via email or facsimile, directly to the intended recipient;
 - (iv) posted in-branch, on the credit union's website, or via social media.

- (c) Notice mailed to the person's recorded address shall be deemed to have been given on the 3rd day after it is deposited in a post box; a notice published in a newspaper or other publication shall be deemed to have been given on the actual date of publication. All other notices referenced in this section shall be deemed to have been given when dispatched, delivered or posted.

Computation of time

- 7.02 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, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

Omissions and errors

- 7.03 The accidental omission to give notice to a person entitled to receive notice, or the non-receipt of such notice, or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice.