

## AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made this 28<sup>th</sup> day of October, 2022.

BETWEEN:

### ACCESS CREDIT UNION LIMITED

A Credit Union under *The Credit Unions and Caisses Populaires Act*

("Access")

– and –

### CARPATHIA CREDIT UNION LIMITED

A Credit Union under *The Credit Unions and Caisses Populaires Act*

("Carpathia")

## RECITALS

### WHEREAS

- A. the respective boards of directors of Access and Carpathia have determined that the amalgamation of those credit unions is in the interest of the credit unions and their respective members;
- B. the respective board of directors of each of Access and Carpathia have authorized and approved the terms and conditions for an agreement under which that amalgamation is to be effected as hereinafter set forth;
- C. it is both necessary and expedient to record the terms and conditions of the agreement under which that amalgamation is to be effective; and
- D. the proposed amalgamation of Access and Carpathia is subject to the receipt of approval by the members of Carpathia.

**THEREFORE** in consideration of the mutual covenants and agreements herein set forth, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), Access and Carpathia hereby agree as follows:

## ARTICLE ONE – INTERPRETATION

### 1.1. Defined Terms

In this Agreement (including the recitals):

"**Access**" means Access Credit Union Limited.

"**Act**" means *The Credit Unions and Caisses Populaires Act*.

"**Affiliate**" has the meaning set out in *The Corporations Act* (Manitoba).

"**Agreement**" means this Amalgamation Agreement and includes all schedules, appendices, and exhibits thereto, including any amendments hereto as may be subsequently agreed to and acknowledged in writing.

"**Amalgamated Credit Union**" means the amalgamated credit union to be created by this Agreement and the Articles of Amalgamation.

"**Articles of Amalgamation**" means the articles of amalgamation of the Amalgamated Credit Union to be filed with the Registrar in order to give effect to the amalgamation contemplated by this Agreement, which articles shall be in the form of the current articles of Access as set forth in Schedule "A" attached to this Agreement.

"**By-laws**" means the by-laws of the Amalgamated Credit Union, as contemplated under the Act, which by-laws shall be in the form of the current by-laws of Access as set forth in Schedule "B" attached to this Agreement.

"**Carpathia**" means Carpathia Credit Union Limited.

"**Confidential Information**" has the meaning ascribed thereto in section 2.20

"**Declining Director**" has the meaning ascribed to it in Section 2.7.

"**Effective Date**" has the meaning ascribed to it in Section 3.2, being the date on which the Amalgamated Credit Union is to be created.

"**Ordinary Course of Business**" means, in respect of a Party and its Affiliates, the ordinary course of business consistent with past custom and practice (including with respect to policy,

procedure, process, quantity, quality and frequency) of the relevant Party and its Affiliates in the industry in which the relevant Party and its Affiliates do business as of the Effective Date.

"**Parties**" means Access and Carpathia, being the parties to this Agreement, and "**Party**" shall mean one of them as the context requires.

"**Privacy Law**" means *The Freedom of Information and Protection of Privacy Act* (Manitoba), the *Personal Information Protection and Electronic Documents Act* (Canada), and any other applicable law or regulation that regulates the use of personal information.

"**Registrar**" means the Registrar appointed pursuant to the Act.

"**Regulations**" means the regulations made pursuant to the Act.

"**Representatives**" has the meaning ascribed thereto in section 2.20.

"**Special Resolution**" has the meaning ascribed thereto in the Act.

## 1.2. Preamble

The preamble hereof is incorporated herein as an integral part hereof.

## 1.3. Schedules

- (a) Schedule "A", the proposed form of Articles of Amalgamation of the Amalgamated Credit Union; and
- (b) Schedule "B", the proposed form of By-Laws of the Amalgamated Credit Union,

are the only schedules to, and are incorporated in, this Agreement and deemed to be an integral part hereof.

# ARTICLE TWO – THE AMALGAMATION

## 2.1 Amalgamation

Subject to the terms and conditions of this Agreement, the Parties agree to amalgamate pursuant to Part IX of the Act and to continue as one credit union, being the Amalgamated Credit Union.

## 2.2 Name

The name of the Amalgamated Credit Union shall be Access Credit Union Limited.

## 2.3 Registered Office

The registered office of the Amalgamated Credit Union shall be at Unit #2 - 23111 PTH #14 STANLEY, MB R6P 0B1 in the Rural Municipality of Stanley in the Province of Manitoba.

## 2.4 Board of Directors

The minimum number of directors of the Amalgamated Credit Union shall be six (6) and the maximum number of directors shall be sixteen (16).

## 2.5 Directors

Upon the approval of the amalgamation pursuant to section 4.1, the existing directors of each of the Parties shall be removed from their respective office and the name and address of each member of the board of directors of the Amalgamated Credit Union shall be as follows:

	<b>Name</b>	<b>Credit Union</b>	<b>Address</b>	<b>Term Expiry</b>
1	Kevin Charles Beresford	Access	9 Spruce Lane, Box 3033 Stonewall, MB R0C 2Z0	2023
2	Kenneth David Braun	Access	601 Saddleridge Lane East St. Paul, MB R2E 0N7	2024
3	Catherine Ann Rosalie Burns	Access	221 Browning Blvd. Winnipeg, MB R3K 0L2	2023
4	Paul David Cuthbert	Access	82 Mercury Drive, Box 1661 Gimli, MB R0C 1B0	2025
5	Justin James Evenden	Access	614 Oak Street Winnipeg, MB R3M 3R6	2025
6	Curtis Eugene Letkeman	Access	32 Lynnwood Bay Altona, MB R0G 0B1	2023
7	Lesli Lea Malegus	Access	693 McPhillips Road Lockport, MB R1A 3H3	2024

	Name	Credit Union	Address	Term Expiry
8	Jamison Allen Masse	Access	7007 Road 50 NW Starbuck, MB R0G 2P0	2024
9	Marlene Susan Michno	Access	SE 15-25-7W, Box 477 Ashern, MB R0C 0E0	2023
10	James Bruce Neufeld	Access	147 10 <sup>th</sup> St. Winkler, MB R6W 1X5	2025
11	Randy Gerson Schartner	Access	2936 Henderson Hwy East St. Paul, MB R2E 0C6	2025
12	Sherry Ann Woods	Access	111 Maple St. Box 106 Elm Creek, MB R0G 0N0	2024
13.	Marie Strong <sup>1</sup>	Appointed	NE 12-18-10W RM of Alonsa Box 35, Amaranth, MB R0H 0B0	2024 <sup>2</sup>
14.	Robert Riddell <sup>3</sup>	Appointed	193 Woodside Crescent Winnipeg, MB R3W 1B7	2025 <sup>4</sup>
15.	Dr. Taras Roy Babick <sup>5</sup>	Appointed	108 Attache Drive Winnipeg, MB R2V 3L5	2026 <sup>6</sup>

## 2.6 Term of Office of Directors

The term of office of the members of the board of directors of the Amalgamated Credit Union shall be as set forth in Section 2.5. The subsequent members of the board of directors of the Amalgamated Credit Union shall be elected in accordance with the By-laws.

Each of the directors of the Amalgamated Credit Union will have their service start date reset to the Effective Date for consideration in any maximum service term lengths that may be established from time to time.

<sup>1</sup> Appointed by the board of directors of Access pursuant to Section 7.09 of the By-Laws of Access (subject to Amaranth Credit Union Limited membership approval of its amalgamation with Access)

<sup>2</sup> Subject to Amaranth Credit Union Limited membership approval of its amalgamation with Access, the term of the appointment is from January 1, 2023 to the Annual General Meeting of the Amalgamated Credit Union in 2024

<sup>3</sup> Appointed by the board of directors of Access pursuant to Section 7.09 of the By-Laws of Access (subject to Casera Credit Union Limited membership approval of the amalgamation)

<sup>4</sup> Subject to Casera Credit Union Limited membership approval of the amalgamation, the term of the appointment is from July 1, 2023 to the Annual General Meeting of the Amalgamated Credit Union in 2025

<sup>5</sup> Appointed by the board of directors of Access pursuant to Section 7.09 of the By-Laws of Access (subject to Carpathia membership approval of the amalgamation)

<sup>6</sup> Subject to Carpathia membership approval of the amalgamation, the term of the appointment is from July 1, 2023 to the Annual General Meeting of the Amalgamated Credit Union in 2026

## **2.7 Declining Director**

In the event that any of the individuals named in section 2.5 shall resign or otherwise become unable to be a director of the Amalgamated Credit Union or should any such individuals fail to be elected or re-elected at an annual meeting of one of the Parties between the date of this Agreement and the Effective Date (a "**Declining Director**"), the Party of which that individual is currently a director shall be entitled by notice in writing to the other Parties, to designate a replacement for that individual and such replacement shall hold office as a director until the close of the annual meeting of the Amalgamated Credit Union taking place in the year set forth opposite the Declining Director's name in section 2.5.

## **2.8 Senior Management**

Following Amalgamation, the following individual will hold the following position with the Amalgamated Credit Union:

- President and Chief Executive Officer – Larry Davey

## **2.9 Members**

The members and associates of each of those Parties that form part of the Amalgamated Credit Union immediately prior to the Effective Date shall become the members and associates of the Amalgamated Credit Union upon the Effective Date. In the event that a member or associate of one of the Parties is also a member of one or both of the other Parties, such members and associates shall be entitled to only one vote at any meeting of the members of the Amalgamated Credit Union.

## **2.10 Authorized Capital**

The classes of shares that the Amalgamated Credit Union is authorized to issue, along with the attendant rights, privileges, restrictions and conditions, shall be as set out in the Articles of Amalgamation.

## **2.11 Transfer Restrictions**

The right to transfer any shares of the Amalgamated Credit Union shall be subject to the restrictions set out in the Articles of Amalgamation.

## **2.12 Other Provisions**

The Amalgamated Credit Union shall be subject to all other provisions set forth in the Articles of Amalgamation.

## **2.13 No Restrictions on Business**

There shall be no restrictions on the business which the Amalgamated Credit Union is authorized to carry on save those prescribed under the Act and Regulations.

## **2.14 Redemption or Issue of Additional Surplus Shares**

The Parties agree that between the date hereof and the Effective Date, any Party may redeem shares or issue additional shares, in the Ordinary Course of Business, as provided in their respective articles and by-laws.

## **2.15 Conversion of Shares**

Upon the Effective Date, the issued and outstanding shares in the capital stock of each Party shall be converted into issued and outstanding shares in the capital of the Amalgamated Credit Union in accordance with the following formula:

- (a) every one (1) issued and outstanding common share of each Party shall be converted into one (1) issued and outstanding common share of the Amalgamated Credit Union; and
- (b) every one (1) issued and outstanding surplus share of each Party, if any, shall be converted into one (1) issued and outstanding surplus share of the Amalgamated Credit Union.

## **2.16 Branches and Employees**

It is intended that, following amalgamation, until determined otherwise by the directors of the Amalgamated Credit Union:

- (a) all existing branches shall remain open as branches of the Amalgamated Credit Union; and

- (b) all employees of the Parties shall be offered employment as an employee of the Amalgamated Credit Union.

#### **2.17 By-laws**

The By-laws as set out in Schedule B of this Agreement shall be the by-laws of the Amalgamated Credit Union until repealed or amended.

#### **2.18 Auditors**

The auditors of the Amalgamated Credit Union shall be MNP LLP, until determined otherwise.

#### **2.19 Contribution of Property and Assumption of Liabilities**

Each Party shall contribute to the Amalgamated Credit Union all of its respective property and assets, subject to all of its respective liabilities. All obligations and liabilities of each Party shall continue to be the obligations and liabilities of the Amalgamated Credit Union.

#### **2.20 Consent**

Each of the Parties will provide to the other its registers of members, associates and shareholders together with such financial information as may be reasonably required by the other Parties for the purpose of the proposed amalgamation (the "**Confidential Information**"). Each Party shall use the Confidential Information solely for the purpose of evaluating the amalgamation contemplated by this Agreement, shall keep the Confidential Information confidential and shall comply with the requirements of Privacy Law. Provided, however, that a Party may make disclosure of information contained in the Confidential Information solely to its authorized agents, employees, consultants, or affiliates (collectively, the "**Representatives**") who have a need to know such information and who are bound to maintain such information in confidence and are informed of their obligation to do so. Each Party shall be responsible for any breach of this Agreement by any of its Representatives.

If the amalgamation does not proceed, the Parties shall forthwith return to the others upon request, all Confidential Information and all copies thereof made and/or distributed, including all documentation, notes, summaries, analyses and other similar information derived therefrom and shall destroy any digital copies or copies in other media. Upon request, a Party shall provide a



certificate from an authorized officer certifying that the provisions of this section have been complied with.

### **ARTICLE THREE – REPRESENTATIONS AND WARRANTIES**

#### **3.1 Representations and Warranties**

Each of the Parties hereby represents and warrants, and acknowledges that the other Party in entering into this Agreement has relied upon such representations and warranties, that:

- (a) it is a credit union duly incorporated or amalgamated, validly existing and in good standing under the Act and has all requisite power and authority to own its property and to carry on the business and undertakings now being carried on by it;
- (b) it has the power, capacity and authority, subject to any approval required pursuant to section 4.1, to enter into and execute this Agreement and to carry out and perform its obligations under this Agreement;
- (c) its financial statements, which have been furnished to the other Party, present fairly its financial position;
- (d) except for such claims, debts or liabilities as are reflected in the financial statements referred to in the preceding subsection, it has no outstanding indebtedness and is not subject to any claims or liabilities and that without the prior written consent of the other Party, it will not incur, prior to the Effective Date, any additional indebtedness or incur any liabilities other than in the ordinary course of its business;
- (e) it has:
  - (i) duly and timely filed its requisite reports and tax returns with the appropriate provincial and federal governmental authorities as prescribed by such governmental authorities;
  - (ii) duly, completely and correctly reported all information and income and all other amounts required to be reported thereon; and

- (iii) has duly and timely paid all taxes, including any required installments, that are due and payable by it and has established reserves that are adequate for the payment by it of all taxes that are not yet due and payable;
- (f) it has good and marketable title to all of its real, personal and intangible property;
- (g) it is not subject to any order, judgment or decree with respect to its business or the condition of any of its assets or property, or to any provision in its articles or by-laws, mortgage, lease, agreement, instrument, order, judgment or decree which would prevent the consummation of the transactions contemplated under this Agreement, or compliance by it with the terms, conditions, and provisions of this Agreement;
- (h) it has maintained its books of account in the usual, regular and ordinary manner in accordance with generally accepted accounting principles applied on a consistent basis;
- (i) as at December 31, 2021, the authorized and issued capital of Access consists of the following share categories:

Category	Share Value (CAD)	Number of Shares Issued	Total Value (CAD)	Authorized Limit
Common	\$5.00	90,652	\$453,260	Unlimited
Surplus	\$1.00	17,095,118	\$17,095,118	Unlimited
Class "A" Preference	\$10.00	Nil	\$0.00	\$100,000,000

- (j) as at December 31, 2021, the authorized and issued capital of Carpathia consists of the following share categories:

Category	Share Value (CAD)	Number of Shares Issued	Total Value (CAD)	Authorized Limit
Common	\$5.00	72,133	\$360,663	Unlimited
Surplus	\$1.00	122,900	\$122,900	Unlimited
Class "A" Preference	\$10.00	Nil	\$0.00	\$1,000,000

### 3.2 Effective Date

The amalgamation shall be effective on July 1, 2023 (the "**Effective Date**") provided that if any required approval pursuant to Section 4.2 is not obtained on or before the Effective Date, the Effective Date shall be such later date following receipt of any required approval pursuant to Section 4.2 on which a Certificate of Amalgamation under the Act is issued.

### 3.3 Ordinary Course

Between the date hereof and the Effective Date, Carpathia shall:

- (a) conduct its business in the Ordinary Course of Business and shall endeavour to maintain and preserve its assets and the level of its financial performance;
- (b) not incur any liability or obligation whatsoever, secured or unsecured, other than current liabilities in the Ordinary Course of Business that would bind or become the obligation of the Amalgamated Credit Union;
- (c) not enter into any contracts or agreements of any nature or kind whatsoever that would bind or become the obligation of the Amalgamated Credit Union for any amount in excess of \$50,000 during the term of such contract or agreement or in excess of \$25,000 per year during any year of such contract or agreement unless Access has been made aware of the proposed contract or agreement and has consented to it in writing;
- (d) not make or commit to make any capital expenditures in excess of an aggregate of \$25,000 unless Access has been made aware of the proposed capital expenditure and has consented to it in writing;
- (e) except in the Ordinary Course of Business or pursuant to existing employment, collective bargaining, pension, supplemental pension, termination or compensation arrangements, policies or contracts (copies of which have been provided to Access on or prior to the Effective Date), not grant to any executive officer or director an increase in compensation in any material form (including retention bonuses), grant to any other employee any increase in compensation in any form, or make any interest free loan to any officer or director; and

- (f) not adopt or amend or make any material contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, retention, incentive compensation, other compensation or other similar plan, contract, trust, fund or arrangement for the benefit of employees, except as is necessary to comply with applicable law or non-discretionary requirements of pre-existing plans.

Carpathia shall provide to Access reasonably timely written notice of any new contracts or agreements that are not in the Ordinary Course of Business that are being contemplated to be entered into between the date hereof and the Effective Date or that have been entered into prior to the date hereof.

### **3.4 Community Support**

The Amalgamated Credit Union shall continue to support community initiatives in each of the communities served by the Amalgamated Credit Union in accordance with policies adopted by the directors from time to time.

## **ARTICLE FOUR – CONDITIONS PRECEDENT**

### **4.1 Approvals**

The amalgamation contemplated by this Agreement is conditional upon the approval, by Special Resolution, of the members of Carpathia at a members meeting held for the purpose of considering the amalgamation.

### **4.2 Termination**

Notwithstanding the provisions of section 4.1:

- (a) if there is any dissent pursuant to section 127 of the Act and such dissent results in the imposition by the Registrar of conditions which neither of the Parties in their sole discretion accept; or
- (b) if either Party is in breach of any of its covenants or obligations under this Agreement, or if any representation or statement of a Party hereto is false;

then unless either of the Parties otherwise agree in writing, this Agreement shall terminate and the Parties shall equally bear any costs incurred to the date of termination.

### **4.3 Competition Bureau**

Prior to the Effective Date, the Parties will determine if the amalgamation contemplated hereby is a transaction that requires pre-notification to the Competition Commissioner pursuant to the *Competition Act* of Canada. The Parties agree to do all things and provide all such information as is reasonably required to ensure the proposed amalgamation fully accords with the reporting obligations prescribed by, and any approvals required under, the *Competition Act* of Canada.

## **ARTICLE FIVE – PROVISIONS OF GENERAL APPLICATION**

### **5.1 Severability**

Each and every term, condition and provision in this Agreement is and shall be severable one from the other, and in the event that any term, condition or provision hereof is at any time declared by a tribunal of competent jurisdiction to be void, invalid or unenforceable, the same shall not extend to invalidate, make void or make unenforceable any other term, condition or provision of this Agreement.

### **5.2 Headings**

The insertion of headings and the division of this Agreement into Articles, Sections and Sub-Sections are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

### **5.3 Further Assurances**

The Parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the amalgamation contemplated by this Agreement, and each Party shall without delay provide such further documents or instruments required by the other Party, or pursuant to the Act or the *Competition Act*, as may be reasonably necessary or desirable to effect the amalgamation contemplated by this Agreement and to carry out its provisions, whether before or after the Effective Date. To the extent necessary, the boards of directors of each of the Parties shall have the authority to implement this Agreement.

#### **5.4 Exclusive Dealing**

During the period between the date of this Agreement and the Effective Date, the Parties shall not merge, sell assets to, or amalgamate with, any other credit union or caisse populaire without the prior written consent of the other Parties.

#### **5.5 Enurement**

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

#### **5.6 Confidentiality**

Regardless of the outcome of the member approval pursuant to Section 4.1, the Parties to this Agreement agree to treat as confidential all information disclosed by each Party in pursuance of the amalgamation except where disclosure is required by law and provided that the Parties may disclose such information to their respective agents, employees, advisors and consultants who reasonably need such disclosure and who are bound to maintain such information in confidence and are informed of their obligation to do so. Such obligation shall continue for an indefinite period.

#### **5.7 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to the transactions herein contemplated and supersedes any prior understandings, agreements, negotiations and discussions, written or oral, between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements or understandings, express or implied, between the Parties with respect to the transactions contemplated herein, except as specifically set forth in this Agreement.

#### **5.8 Counterparts**

This Agreement may be executed in counterparts and when each Party has executed a counterpart, each of such counterparts shall be deemed to be an original and all of such counterparts, when taken together, shall constitute one and the same agreement. Each Party agrees that the electronic signatures, whether digital or encrypted, of the Parties if included in this Agreement are intended to authenticate this writing and to have the same force and effect as

manual signatures. Delivery of an executed copy of this Agreement by an electronic mail, .pdf or other electronic transmission method, and in counterparts as hereinbefore provided in this section 5.8, shall be equally as effective as delivery of an original executed counterpart of this Agreement which, upon execution and delivery to the other, shall constitute a binding agreement of purchase and sale between the parties.

**IN WITNESS WHEREOF THIS AGREEMENT** has been executed by the Parties' respective officers, duly authorized, as follows.

**ACCESS CREDIT UNION LIMITED**

Per: 

Name: Kevin Beresford  
Office: Board Chair

Per: 

Name: Randy Schartner  
Office: Board Vice Chair

**CARPATHIA CREDIT UNION LIMITED**

Per: 

Name: Don Cilinsky  
Office: Board Chair

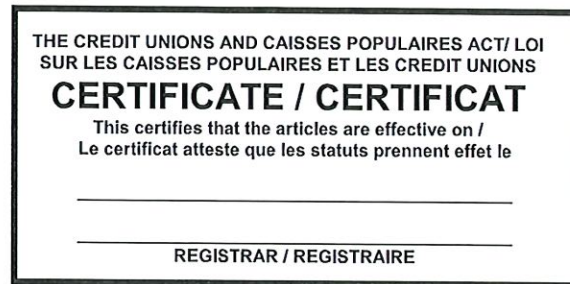
Per: 

Name: Nicholas Chubenko  
Office: Board Vice Chair

**Schedule "A"**

**Articles of Amalgamation**





THE CREDIT UNIONS AND CAISSES POPULAIRES ACT/  
LOI SUR LES CAISSES POPULAIRES ET LES CREDIT UNIONS

ARTICLES OF AMALGAMATION/  
STATUTS DE FUSION

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1. Name of amalgamated credit union/*Dénomination sociale de la caisse populaire issue de la fusion*

Access Credit Union Limited

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2. Location of registered office/*Emplacement du siège social*

23111 PTH 14, Rural Municipality of Stanley, Province of Manitoba

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3. Bond of association/*Lien d'association*

Not Applicable

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4. Associate status/*Statut d'associé*

Subject to compliance with any and all conditions contained in the Act relating to admission of persons as associates of credit unions, the credit union may admit associates on such terms as are set out in its bylaws.

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5. The credit union may issue an unlimited number of common shares at an issue price of \$ 5.00 each/*La caisse populaire peut émettre un nombre illimité de parts sociales ordinaires dont le prix d'émission est de*                    \$.

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6. Other class(es) of shares, the maximum number of shares that the credit union is authorized to issue in each class and the total consideration to be paid for each class of shares/*Autres catégories de parts sociales que la caisse populaire peut émettre, nombre maximal de parts sociales de chaque catégorie qu'elle peut émettre et contrepartie totale pour chacune des catégories.*

Surplus Shares

6.01 The credit union may issue an unlimited number of surplus shares at an issue price of \$1.00 each.

Class "A" Preference Shares

6.02 The credit union may issue up to ten million (10,000,000) shares of a class designated Class "A" preference shares at an issue price of \$10.00 each. No Class "A" preference shares shall be issued except to the members of the credit union.

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7. The rights, privileges, restrictions and conditions attaching to the shares of each class/*Droits, privilèges, restrictions et conditions afférentes aux parts sociales de chaque catégorie.*

## GENERAL

### Voting

7.01 Except as set out herein and except in the case of a class vote specifically required by the Act, holders of any class of shares of the credit union are not entitled to any vote at any meeting of the members. In the case of a class vote, holders of shares of such class will be entitled to one vote for each such share held.

### Limitation on purchase or redemption of shares

7.02 If there are reasonable grounds for believing that the level of capital of the credit union is, or would by a purchase or redemption of a share be, less than the level of capital as prescribed by the Act and the Regulation:

(a) the total number of shares, other than common shares, purchased or redeemed by the credit union in a fiscal year shall be not greater than 10% of the number of shares of such class issued and outstanding as at the last fiscal year end of the credit union; and

(b) the total number of common shares purchased or redeemed by the credit union in a fiscal year shall not exceed the total number of common shares issued in that year.

### Patronage refunds and dividends applied to shares

7.03 Subject to other provisions of the articles, the whole of any patronage refund and of any share dividend credited to a member or shareholder in each fiscal year of the credit union may, at the discretion of the directors, be applied to purchase, on behalf of the member or shareholder, surplus shares of the credit union at the issue price up to the highest number of shares which can be fully paid by the patronage refund and share dividend and the balance shall be the property of the credit union to be used as the directors may decide.

### Consideration for a surplus share

7.04 A surplus share shall only be issued when the consideration for the share is fully paid in patronage refunds or share dividends allocated and credited to a member from the surplus arising from the operations of the credit union.

### Small dividend not credited

7.05 Where a dividend, that otherwise would be payable to a member in respect of the operations of the credit union in a fiscal year is less than \$1.00, no dividend shall be credited to that member in respect of the operations of that fiscal year, but shall be the property of the credit union, to be used as the directors may decide.

## COMMON AND SURPLUS SHARES

### Limitation on holding of shares

7.06 No person shall hold more than 10% of the total number of issued shares of any class of the capital stock the credit union.

### Dividends on surplus and common shares

7.07 Subject to the Act and the Articles, the credit union may declare and pay dividends upon its outstanding common or surplus shares as may be established by the board of directors from time to time.

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7. The rights, privileges, restrictions and conditions attaching to the shares of each class/*Droits, privilèges, restrictions et conditions afférentes aux parts sociales de chaque catégorie.*

Patronage refunds and share dividends paid out

7.08 Any patronage refund or share dividend credited to the holder of a common or surplus share shall, subject to the Act, be paid to the member or shareholder where the member or shareholder holds the maximum number of common or surplus shares of the credit union to be held by a member or shareholder as specified in the articles. In addition, any patronage refund or share dividend declared by the directors may, at the discretion of the directors, be paid out, in whole or in part, to the members or shareholders in cash.

Redemption of common and surplus shares

7.09 Subject to the Act and the articles, the credit union

- (a) may, at the option of the board of directors, purchase any of its shares that are offered for sale: or
- (b) may, at the option of the board of directors, by written notice to a shareholder, require the shareholder to sell to the credit union any of its shares held by the shareholder;

and shall, within 90 days of the date the shares are sold to the credit union, pay in cash for the shares and any accrued and unpaid dividends thereon.

Purchase price

7.10 The amount to be paid by the credit union for a share purchased or redeemed shall not exceed the aggregate of the issue price of the share and any dividends accrued and unpaid thereon.

Liquidation, dissolution or winding-up

7.11 Upon the liquidation, dissolution or winding-up of the credit union, whether voluntary or involuntary, and after the payment to the holders of any other shares of the amount which they are entitled to receive in priority to the holders of the surplus shares and common shares on the liquidation, dissolution or winding-up of the credit union:

- (a) the holders of the surplus shares shall be entitled to receive, in priority to the rights of the holders of common shares, the amount or price at which the shares were issued to the holders; and
- (b) the holders of surplus shares and common shares shall be entitled to share equally, share for share, without preference or distinction, in all property or assets of the credit union remaining after the amounts outstanding on all classes of shares and any unpaid dividends have been paid in full.

**CLASS "A" PREFERENCE SHARES**

Voting

7.12 Holders of Class "A" preference shares are entitled to vote separately as a class upon a proposal to amend the articles, as expressly provided in the Act. In the case of such a class vote, holders of Class "A" preference shares will be entitled to one vote for each such share held.

Exception

7.13 Notwithstanding section 7.12 of the articles, holders of Class "A" preference shares shall not be entitled to vote separately as a class upon a proposal to amend the articles to effect a cancellation of all or part of the shares of that class if, as a result of the proposal, each holder of Class "A" preference shares so cancelled receives the amount paid for the shares together with any unpaid dividends thereon.

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7. The rights, privileges, restrictions and conditions attaching to the shares of each class/*Droits, privilèges, restrictions et conditions afférentes aux parts sociales de chaque catégorie.*

Limitation on holding of shares

7.14 No person shall hold more than 1,000,000 Class "A" preference shares.

Dividends on Class "A" Preference Shares

7.15 Subject to the Act and to the limitation in section 7.17 of the articles, each holder of Class "A" preference shares shall be entitled to receive, when and as declared by the board of directors thereon, cumulative preferential dividends at a rate per annum as determined from time to time by the board of directors when declaring such dividends. The holders of Class "A" preference shares shall not be entitled to any dividends other than or in excess of the dividends provided for in this section.

Dividend Rate

7.16 The annual dividend rate on the Class "A" preference shares shall not be less than the Prime lending rate of the credit union in effect from time to time less 2% (but in any event the dividend rate so determined shall not be less than 0%) (the "Dividend Rate") at the date such dividend is declared. If the board of directors declare dividends more frequently than annually, the dividend rates shall be adjusted to ensure that the cumulative dividend rate for all dividends declared and paid in a year shall not be less than the Dividend Rate at the date the last such dividend for that year is declared.

Limitation

7.17 Notwithstanding section 7.16 of the articles, the total of the undeclared and/or unpaid cumulative preferential dividends referred to in section 7.16 of the articles in respect of any Class "A" preference share shall not at any time exceed an amount calculated in respect of the share based on the minimum rate set out in section 7.16 of the articles for two years from the date of issue of the shares or the date a dividend was last paid on the share, whichever is later.

Dividend Priority

7.18 The holders of Class "A" preference shares shall be entitled to receive their cumulative dividends as provided for herein, in preference and priority to any payment of dividends on the common shares, surplus shares or any other class of shares the credit union is authorized to issue. No dividend shall at any time be declared or paid or a sum set apart for payment on the common shares, surplus shares or any other shares of any other class the credit union is authorized to issue for any fiscal year unless the cumulative preferential dividends on all of the issued and outstanding Class "A" preference shares for such year and all prior years have been declared and paid or a sum set apart for payment thereof.

Dividends applied to Class "A" Preference Shares

7.19 If determined by the board of directors, the dividends on the issued and outstanding Class "A" preference shares in any year may be satisfied, in whole or in part, and subject always to the restriction in section 7.14 of the articles, by the issue to holders of Class "A" preference shares of additional Class "A" preference shares.

Liquidation, Dissolution or Winding-up

7.20 Upon the liquidation, dissolution or winding-up of the credit union, whether voluntary or involuntary, the holders of Class "A" preference shares shall be entitled to receive from the assets and property of the credit union the amount respectively paid by them for their Class "A" preference shares together with any accrued and unpaid cumulative preferential dividends thereon before any amount shall be paid or any assets or property of the credit union distributed to holders of any common shares, surplus shares or any other shares of any class the credit union is authorized to issue. After payment to holders of Class "A" preference shares of the amounts so payable to them as provided in this section, they shall not be entitled to share in any further distribution of the assets or property on the liquidation, dissolution or winding-up of the credit union.

- 
7. The rights, privileges, restrictions and conditions attaching to the shares of each class/*Droits, privilèges, restrictions et conditions afférentes aux parts sociales de chaque catégorie.*

#### Limitation on Dividends on Other Shares

7.21 No dividends shall be declared or paid or set apart for payment on the common shares, surplus shares or any shares of any other class the credit union is authorized to issue which would have the effect of reducing the property and assets available on a liquidation, dissolution or winding-up of the credit union for distribution to holders of Class "A" preference shares below an amount equivalent to the aggregate amount paid by all of such holders for all issued and outstanding Class "A" preference shares at such time plus all unpaid cumulative preferential dividends thereon.

#### Redemption of Class "A" Preference Shares

7.22 Subject to the provisions of the Act and the restrictions set out in section 7.02 of the articles, the credit union may redeem at any time the whole or from time to time any part of the then outstanding Class "A" preference shares on payment for each share to be redeemed of a sum equal to the price at which such share was issued, together with all accrued and unpaid cumulative preferential dividends thereon. In the case of a redemption of Class "A" preference shares as provided in this section, the credit union shall, at least 90 days before the date specified for redemption, provide to each person who is a registered holder of the Class "A" preference shares to be redeemed notice of the intention of the credit union to redeem such Class "A" preference shares. Such notice shall be given in the manner prescribed by the By-laws of the credit union. Such notice shall set out the redemption price for each Class "A" preference share being redeemed and the date on which the redemption is to take place, and, if only part of the shares held by the person to which it is addressed is to be redeemed, the number thereof so to be redeemed. On or after the date so specified for redemption, the credit union shall pay or cause to be paid to or to the order of the registered holders of the Class "A" preference shares to be redeemed the redemption price for each Class "A" preference share being redeemed, together with all unpaid dividends thereon. From and after the date specified for redemption in any such notice, a holder of Class "A" preference shares called for redemption shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of a shareholder in respect thereof unless payment of the redemption price for such Class "A" preference shares is not made in accordance with the foregoing provisions, in which case the rights of the shareholder shall remain unaffected. The credit union shall have the right, at its option, at any time after the giving of notice of its intention to redeem any Class "A" preference shares as aforesaid to deposit the redemption price for such Class "A" preference shares to any account maintained by the holder at the credit union or alternatively to pay a holder the redemption price for the shares of the holder being redeemed by cheque mailed to the holder at the address of the holder as it appears on the records of the credit union, or to the last known address of such holder.

#### Limited Retraction Rights

7.23 Subject to the provisions of the Act and the restrictions set out in section 7.02 of the articles, the holder of Class "A" preference shares may apply in writing to the credit union to have his or her shares redeemed and in such application shall set out the circumstances relied on by such shareholder to support such application for redemption. Upon receipt of an application for redemption, the credit union may, in its sole and unfettered discretion, agree to redeem all or any part of the Class "A" preference shares that were the subject of such application and in that event, the provisions of section 7.22 of the articles shall apply to the Class "A" preference shares that the credit union has determined to redeem. Nothing in this section shall oblige the credit union to consider any application for redemption favourably and the decision of whether the credit union will redeem any or all of the Class "A" preference shares of a shareholder shall be made at the sole discretion of the credit union.

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8. Restrictions on share transfers/*Limites quant au transfert de parts sociales*

Transfer of shares

8.01 No transfer of a share of any class shall be registered by the credit union except upon:

- (a) approval of the transfer by the board of directors or by a person authorized by the board of directors to approve such a transfer;
  - (b) presentation of a transfer duly executed by the registered holder or by the registered holder's duly appointed representatives together with such reasonable assurance or evidence of signature, identification and authority to transfer as the board of directors may prescribe;
  - (c) payment of any applicable taxes and fees; and
  - (d) satisfaction of any lien which the credit union may have upon the share.
-

9. Restrictions on the business the credit union may carry on/*Limites quant aux activités que la caisse populaire peut exercer*

There shall be no restrictions on the business which the credit union is authorized to carry on except those prescribed under The Credit Unions and Caisse Populaires Act and the regulations thereunder.

10. Other provisions/*Autres dispositions*

None.

11. Directors/ <i>Administrateurs (nom)</i>	Residence address/ <i>adresse personnelle</i>
Kevin Charles Beresford	9 Spruce Lane, Box 3003, Stonewall, MB R0C 2Z0
Kenneth David Braun	601 Saddleridge Lane, East St. Paul, MB R2E 0N7
Catherine Ann Rosalie Burns	221 Browning Blvd., Winnipeg, MB R3K 0L2
Paul David Cuthbert	82 Mercury Drive, Box 1661, Gimli, MB R0C 1B0
Justin James Evenden	614 Oak Street, Winnipeg, MB R3M 3R6
Curtis Eugene Letkeman	32 Lynnwood Bay, Altona, MB R0C 0B1
Lesli Lea Malegus	693 McPhillips Road, Lockport, MB R1A 3H3
Jamison Allen Masse	7007 Road 50 NW, Starbuck, MB R0G 2P0
Marlene Susan Michno	SE 15-25-7W, Box 477, Ashern, MB R0C 0E0
James Bruce Neufeld	147 10th Street, Winkler, MB R6W 1X5
Randy Gerson Schartner	2936 Henderson Hwy., East St. Paul, MB R2E 0C6
Sherry Ann Woods	111 Maple St., Box 106, Elm Creek, MB R0G 0N0

12. The amalgamating credit unions have entered into an agreement with each other in accordance with/*Les caisses populaires fusionnantes ont conclu une convention en application des dispositions suivantes:*

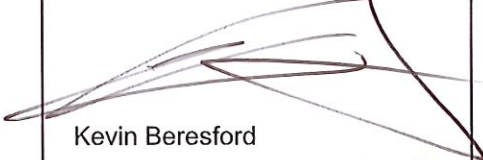

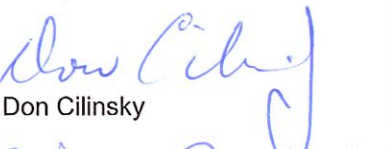

(a) section 121/*article 121*



(b) clause 214(1)(h)/*alinéa 214(1)(h)*





13. Date	Names of Amalgamating credit unions/noms des caisses populaires fusionnantes	Signatures of officers/Signature des dirigeants	Description of Office/Description du poste
October 28, 2022	Access Credit Union Limited	 Kevin Beresford  Randy Schartner	Board Chair  Board Vice-Chair
October 28, 2022	Carpathia Credit Union Limited	 Don Cilinsky  Nicholas Chubenko	Board Chair  Board Vice-Chair

**Instructions:** In paragraph 2, state only the name of the city, town, village or municipality in Manitoba where the registered office is located.

In paragraph 11, state the full names including all given names and full residence addresses including street, number, city, town or municipality and postal code. A post office box number alone is not acceptable.

In paragraph 12, indicate with an "X" the relevant provision under which the amalgamation was approved or ordered.

One certified copy of the charter by-laws of the amalgamated credit union as set out in the amalgamation agreement shall accompany the articles of amalgamation as well as statutory declarations required by subsection 122(2) if it is an amalgamation under section 121 and written consent of the supervisor if an amalgamating credit union is under supervision.

If a credit union is ordered by its supervisor to amalgamate under section 214, a certified copy of the order shall accompany the articles of amalgamation.

Articles are to be executed in duplicate for delivery to the Registrar.

**Directives:** À la rubrique 2, indiquer uniquement le nom de la cité, de la ville, du village ou de la municipalité où se trouve le siège social au Manitoba.

À la rubrique 11, indiquer les noms et prénoms au complet et les adresses personnelles complètes (en précisant la rue et le numéro, la cité, la ville ou la municipalité et le code postal). Un numéro de case postale ne suffit pas.

À la rubrique 12, indiquer par un "X" la disposition aux termes de laquelle la fusion a été approuvée ou ordonnée.

Une copie certifiée conforme des règlements constitutifs de la caisse populaire issue de la fusion, tels qu'ils figurent dans la convention de fusion, doit accompagner les statuts de fusion. Par ailleurs, il faut joindre les déclarations solennelles exigées aux termes du paragraphe 122(2) si la fusion est faite en application de l'article 121 et le consentement écrit du superviseur si la caisse populaire fusionnante est placée sous surveillance.

Si le superviseur d'une caisse populaire en ordonne la fusion en application de l'article 214, une copie certifiée conforme de l'ordre accompagne les statuts de fusion.

Les statuts doivent être remplis en deux exemplaires et remis au registraire.



**Schedule "B"**

**By-laws**

**BY-LAWS  
ACCESS CREDIT UNION LIMITED**

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**BY-LAWS  
ACCESS CREDIT UNION LIMITED**

**Section One  
INTERPRETATION**

(a) In the by-laws of the credit union, unless the context otherwise requires.

"**Act**" means *The Credit Unions and Caisses Populaires Act* and includes the regulations;

"**articles**" means the Articles of Amalgamation of the credit union;

"**board**" means the board of directors of the credit union;

"**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;

"**by-laws**" means the by-laws of the credit union in effect from time to time;

"**credit union**" means Access Credit Union Limited;

"**directors**" means the directors of the credit union;

"**districts**" means the districts of the credit union from time to time;

"**district director**" has the meaning ascribed thereto in section 5.01.

"**meeting of members**" means an annual meeting of members, a special meeting of members or a district meeting;

"**member**" means a member of the credit union in accordance with the articles; and

"**regulations**" means all regulations pursuant to the Act.

(b) Words and expressions not otherwise defined herein shall have the meaning ascribed to them in the Act.

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

(d) Words importing gender include the masculine, feminine and neuter genders.

**Section Two  
OFFICES AND RECORDS**

**Branch offices**

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

### **Fiscal year end**

2.02 The fiscal year of the credit union shall end at 11:59.59 p.m. on the last day of December.

### **Information available to members**

2.03 Members of the credit union, their agents and legal representatives may examine the following records of the credit union during the usual business hours of the credit union and may take extracts therefrom upon payment of a reasonable fee established by the credit union from time to time:

- (a) the articles and the by-laws and all amendments thereto;
- (b) the duly executed minutes of member meetings and resolutions of members;
- (c) a register of directors, officers and committee members setting out the names, addresses and other occupations, if any, of all persons who are or have been directors, officers or committee members of the credit union with the several dates on which each became or ceased to be a director, officer or committee member; and.
- (d) such other information as outlined in the Act.

2.04 The credit union is allowed to refuse access to certain information as outlined in the Act.

## **Section Three SHARES**

### **Shares held by a member**

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

### **Patronage refund**

3.02 A credit union's board 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, after:

- (a) providing for all known liabilities;
- (b) allowing for doubtful accounts;
- (c) making such other provisions as are required by the Act; and
- (d) providing for payment of dividends, if any, on all classes of shares.

Each member shall be entitled to a share of a patronage refund allocated to members proportionate to the business such member does with or through the credit union in the fiscal year, as computed by the directors at a rate fixed by resolution of the directors. The directors shall compute the amount of the business done by a member with the credit union in a fiscal year in relation to the services rendered by the credit union on behalf of

or to the member, or by the member on behalf of or to the credit union. In computing the amount of business done by a member, the directors shall make appropriate differences for the different classes, grades or qualities of the services.

#### **Small patronage refund not credited**

- 3.03 Where a patronage refund that would otherwise be payable to a member in respect of the operations of a fiscal year is less than, or is projected to be less than, \$1.00, no patronage refund shall be credited to that member for any scheduled payout period based on that fiscal year, but shall be the property of the credit union to be used as the directors may decide.

#### **Patronage refunds and dividends applied to shares**

- 3.04 Subject to other provisions of the articles, the whole of any patronage refund and of any share dividend credited to a member or shareholder in each fiscal year of the credit union may, at the discretion of the directors, be applied to purchase, on behalf of the member or shareholder, surplus shares of the credit union at the issue price up to the highest number of shares which can be fully paid by the patronage refund and share dividend and the balance shall be the property of the credit union to be used as the directors may decide.

#### **No share certificates**

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

### **Section Four MEMBERSHIP**

#### **Approval of memberships**

- 4.01 No:
- (a) person shall become a member of the credit union unless that person submits an application for membership which is approved by the directors or by a person authorized by the directors to approve memberships, provided that the board may refuse to approve any application for membership where the board is satisfied that it is not in the best interest of the credit union to approve such application; and
  - (b) credit union shall be admitted as a member of the credit union.

#### **Conditions and qualifications for membership**

- 4.02 In addition to other requirements as set by the credit union from time to time, qualification for, and conditions of maintaining membership include that a person must:
- (a) have fully paid for the number of shares of the credit union that a person is required to purchase to become a member;

- (b) have a financial transaction and credit history that is acceptable to the credit union; and
- (c) at all times maintain respect for the employees, directors and the property of the credit union.

### **Termination of membership**

4.03 The directors by resolution passed by a majority of not less than three-quarters (3/4) of the directors at the meeting called to consider the resolution may terminate the membership of a member.

### **Conditions and qualifications for termination of Membership**

4.04 In addition to other requirements as set by the credit union from time to time, the membership status of any member may be considered for termination if:

- (a) any of the items under section 4.02 of these bylaws are breached;
- (b) the member is found to be in contravention of any of the laws of Manitoba or Canada;
- (c) laws and regulations change that preclude the credit union from continuing to offer membership to the person, entity or association;
- (d) the sector of business that the member operates in is no longer in line with the values of the credit union and its membership as determined by the board from time to time; or
- (e) the member becomes a resident of a country other than Canada, and it is determined by the board that offering services is no longer aligned with the credit union's risk tolerance or capabilities .

### **Notice to member**

4.05 The member whose membership is proposed to be terminated by a resolution of the directors under section 4.03 is entitled to at least seven (7) days' notice of the meeting at which the resolution is to be considered, together with a statement of the grounds upon which the membership is proposed to be terminated, and is entitled to appear, either personally, or by or with an agent or counsel, to make submissions at the meeting.

### **Notice of Termination**

4.06 Within seven (7) days after the date on which the resolution referred to in section 4.03 is passed by the requisite majority, the credit union shall, in the same manner as that provided for the giving of notice of a meeting of members, notify the person whose membership was terminated of the resolution.

### **Appeal**

4.07 A member whose membership has been terminated shall have those rights to appeal such termination in accordance with the Act.

### **Rights of members**

- 4.08 The members of the credit union shall have the right at any annual meeting or general meeting called for the purpose and, in accordance with the Act, to:
- (a) enact, amend or repeal the by-laws of the credit union; and
  - (b) hold a referendum on any matter of general concern to the members. The results of the referendum shall be for the directors' information and shall not have effect unless the board or members choose to act thereon in accordance with the Act.

### **Withdrawal of membership**

- 4.09 A member may withdraw from the credit union by giving to the credit union written notice of intention to withdraw. The credit union may, at its discretion, require ninety (90) days' notice. The death of a member shall have the same effect as a notice of withdrawal.

### **Deceased members**

- 4.10 In the event of the death of a member or shareholder the credit union shall not be required to make any entry in the members' or shareholders' register, or make any payments, in respect thereof, except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the credit union.

### **Associates**

- 4.11 Subject to the Act and the articles, the credit union may have associates on the following terms and conditions:
- (a) no person shall become an associate of the credit union unless that person submits an application for associate status which is approved by the directors or by a person authorized by the directors to approve such application, provided that the board may refuse to approve an application for associate status where it is satisfied that it is not in the interest of the credit union to approve such application.
  - (b) no credit union shall be admitted as an associate of the credit union;
  - (c) at no time shall the number of associates of the credit union exceed a number that is equal to twenty-five (25%) per cent of the number of members of the credit union;
  - (d) the provisions of section 4.02 shall apply, as applicable, to the termination of an associate;
  - (e) any associate may withdraw from the credit union at any time upon giving to the credit union written notice of intention to withdraw. The credit union may, at its discretion, require ninety (90) days' notice. The death of an associate shall have the same effect as a notice of withdrawal;
  - (f) all amounts paid in on deposits of a terminated or withdrawing associate, with any interest accrued thereto, to the date of termination or withdrawal, as funds become



available and subject to the Act, shall be paid to such terminated or withdrawing associate, subject to such associate making satisfactory arrangements with the credit union in respect of any amounts owing to the credit union or guaranteed by such associate;

- (g) an associate who withdraws or is terminated shall have no further rights in the credit union, but such associate shall not, by the withdrawal or the termination, be released from any remaining liability to the credit union;
- (h) associates of the credit union shall have no right to vote;
- (i) no associate may be an elected director or officer of the credit union at any time; and
- (j) in the event of the death of an associate or one of the joint associates, the credit union shall not be required to make any entry in the associates' register, or make any payments, in respect thereof, except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the credit union.

## **Section Five DIRECTOR DISTRICT STRUCTURE**

### **Establishment of Districts**

- 5.01 Each district as described in section 5.02 shall be represented by an equal number of directors (a "**district director**"). In the event new districts are created, or the number of directors on the board is reduced or expanded, and there is not equal representation of directors possible based on the then current number of directors, the larger districts (by number of members) will be assigned the extra director(s).

### **Current Structure**

- 5.02 The credit union shall be comprised of districts based upon the branches of the credit union and its predecessors as set out on Appendix "I" attached hereto.

### **Periodic District Review**

- 5.03 Subject to section 5.04, the number of districts may be increased or decreased, provided that such changes include provisions for the required transitional changes relating to the term of office of existing directors, the total number of directors, the timing of the election of new district directors by the members, and other transitional issues arising out of such recommendations.

### **Implementation**

- 5.04 Any change in the number of districts and transitional provisions shall be subject to the approval of the members of the credit union at a meeting called to consider such matter, and shall take effect immediately following such approval.

## **Alterations to Existing Districts**

- 5.05 The board may change the assignment of members within the existing district structure. The board shall have the power to make such alterations in the assignment of members within the existing district structure by approval of a motion passed at a board meeting of the credit union whereupon it shall be effective immediately following that board meeting.

## **Section Six MEETINGS OF MEMBERS AND VOTING**

### **Annual meeting**

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

### **Special meeting and referendum**

- 6.02 The following provisions shall apply to special meetings and to the holding of a referendum:
- (a) the directors may at any time call a special meeting of members or hold a referendum on any matter that in the opinion of the board is of general concern to the members;
  - (b) five (5%) per cent of the total membership or 2,500 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, provided that of the requisitioning members not less than twenty-five (25%) percent are from each district, and
  - (c) five (5%) per cent of the total membership or 2,500 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, provided that of the requisitioning members not less than twenty-five (25%) percent are from each district.

### **Notice and adjournment**

- 6.03 The following provisions shall apply to notice and adjournment of meetings:
- (a) notice of meetings shall be provided in accordance with the Act. Such notice shall be given not less than fourteen (14) days and not more than fifty (50) days before the meeting; and
  - (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**

- 6.04 Business transacted at meetings of the credit union shall be carried out in accordance with the Act.

## **Location**

- 6.05 A meeting of the members shall be held at a place or places in Manitoba as determined by the board as follows:
- (a) one location;
  - (b) simultaneous meetings at more than one location;
  - (c) by video-conference or other electronic means; or
  - (d) a combination of any of the above methods.

Where a meeting of the members of the credit union is held simultaneously in more than one place each such place and all such places in the aggregate shall constitute for all purposes a single meeting. In the event that the board determines that a meeting of the members shall be held simultaneously at more than one place in Manitoba the meeting shall only be held in places where electronic communication technology facilities permit, by such means, all persons participating in the meeting at other places to communicate with each other in real time at a level that is a reasonable facsimile of the level of participation that a member would have enjoyed if present at a meeting held in a single location. A member participating in such a meeting by such means is deemed to be present at the meeting and shall be entitled to vote if required through any means as prescribed for the purpose by the directors as outlined in section 6.08 of these bylaws at the place where the member participates in the meeting. Subject to compliance with the Act pertaining to distance participation in meetings by digital or electronic means, a members' meeting may be held wholly or in part by means of video-conferencing.

## **Quorum**

- 6.06 A quorum for the transaction of business at any meeting of members shall be the number of members that is fifty (50) more than the number of directors of the credit union. In the event that such meeting of members is simultaneously constituted at multiple places or wholly or in part by means of video-conferencing, a quorum for the transaction of business at such meeting shall be the aggregate number of the members at all places and by all means who are entitled to vote thereat in the same manner as if the meeting was held in a single place. If a quorum is not present at the opening of a meeting of members, the members present may adjourn the meeting to a fixed time and place but may not transact any other business.

## **Persons entitled to be present**

- 6.07 The only persons entitled to participate 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 participate in 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**

- 6.08 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) electronic or on-line voting;
  - (iv) in-branch voting;
  - (v) voting by ATM;
  - (vi) a combination of any of the above; or
  - (vii) any other method as determined by the directors and permitted by the Act;
- (b) subject to clause (c), 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, prior to the vote being held, that 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, 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. All votes cast by any such method must be received before the close of voting on the matter at the meeting;
- (d) the directors may appoint a returning officer, from time to time, whose duties shall be to:
  - (i) ensure fair voting and every member's opportunity to participate;
  - (ii) arrange for the appointment of scrutineers independent of the board to ascertain the results of the vote;
  - (iii) provide for the safe, secure and confidential receipt of votes;
  - (iv) provide for proper verification and keeping records necessary to determine the validity of votes;
  - (v) arrange for the appropriate electronic communication technology and other facilities, where the board has determined to hold a members' meeting by holding simultaneous meetings at two or more locations or in whole or part by video-conferencing, to ensure that:
    - I. the electronic communication technology used at simultaneous meetings gives each member a reasonable facsimile of the level of communication and participation in the proceedings as a member would have had if he or she had been present at a conventional members' meeting held in a single location;

- II. all information presented to the members is presented simultaneously at each meeting location in a reasonably equivalent manner;
  - III. each meeting location has adequate physical, human and technological resources to ensure that members are able to exercise their rights fully and in an informed manner, the members at different meeting locations have reasonably equivalent amenities and facilities and that proceedings at all locations and at the meeting as a whole are not unduly delayed;
- (vi) examine or verify and keep records necessary to determine the validity of the ballots; and
  - (vii) ensure delivery of the ballots to the scrutineers for tabulation and determination of the result of the ballot;
- (e) 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; and
  - (ii) determining the format of ballots for votes; and
- (f) a mail ballot shall:
- (i) be valid only for the meeting of the members for which it is designated;
  - (ii) be delivered unopened or otherwise communicated by the returning officer to the scrutineers appointed by the returning officer; and
  - (iii) be invalid if the member is present at a meeting at which the question is to be considered and votes again on the same question.

### **Chairperson, secretary and scrutineers**

6.09 The chairperson, the vice-chairperson, or another director appointed by the majority of board members present at such meeting shall preside over all meetings of the members. If the secretary of the credit union is absent, the chairperson shall appoint some person to act as secretary of the meeting. Scrutineers may be appointed by a resolution or by the chairperson with consent of the meeting. In the event that such meeting of members is simultaneously constituted at multiple places, scrutineers may be appointed for each such place by resolution or by the chairperson with the consent of the meeting.

### **Scrutineers entitled to information**

6.10 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**

- 6.11 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**

- 6.12 Except for a member that is a body corporate or an association who authorize a representative by formal resolution under the instructions provided by the credit union, the members shall not have any right to appoint proxies to represent them at any meeting of the credit union.

## **Section Seven DIRECTORS, COMMITTEES AND OFFICERS**

### **Number of directors**

- 7.01 The credit union shall have a minimum of six (6) and a maximum of sixteen (16) directors to direct the management of the business and affairs of the credit union.

### **Qualifications of directors**

- 7.02 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 director must have been a member of the credit union for a minimum of one year prior to nomination or election;
  - (b) a director must have been a member in good standing of the credit union for at least one year immediately prior to the time of nomination or election, and must remain a member in good standing while a director of the credit union;
  - (c) a director must not have a derogatory credit history and/or outstanding claims against them registered in the Manitoba Court Registry;
  - (d) a director must not have been an employee of any of the parties that formed the credit union at any time within the last five (5) years prior to the nomination or election;
  - (e) a director must not be an officer, director or an employee of another credit union or a business organization selling competitive products and/or services;
  - (f) a director must not be an immediate relative of a current officer, employee or director of the credit union or a business organization selling competitive products and/or services, with "immediate relative", for the purposes of this clause, being defined as any one or more of a spouse, father, mother, sister, brother, daughter, son, grandfather, grandmother, daughter in-law, son-in-law, mother-in-law and father-in-law; and

- (g) a director must sign 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.

### **Election and term**

7.03 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) a director whose term of office has expired, if qualified, shall be eligible for re-election; and
- (c) the election of directors shall be by 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. If a further vote is not practical, but subject to section 7.05, 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**

7.04 For an initial period of three (3) years after July 1, 2022, the following provisions shall apply to the nomination of and election of directors:

- (a) a nominee must have been a member within the applicable district as of July 1, 2022 and for at least twelve (12) months prior to July 1, 2022. The nominee will not have been a member doing the bulk of his or her business with a branch within any of the other districts as of July 1, 2022 or during the twelve (12) months prior to July 1, 2022; and
- (b) if a nominee is a new member after July 1, 2022, they must not have been a member doing the bulk of his or her business with a branch within any of the other districts as of July 1, 2022 or during the twelve (12) months prior to July 1, 2022.

In addition:

- (c) 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 that director is seeking to be re-elected;
- (d) 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 nominating committee;

- (e) in advance of the member vote, the board shall provide adequate notice to members regarding those persons selected, from among the nominations received by the nominating committee, to stand for election;
- (f) the board may enact rules and policies to govern the nominations, voting and electoral process for candidates within the districts. 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; and
- (g) notwithstanding the foregoing, nominations for election of a director who complies with the requirements of, and in respect of whom evidence of compliance with, the Act, the articles and the by-laws has been provided may be made at a meeting of members.

### **Filling vacancy**

7.05 A quorum of directors may fill any vacancy among the directors, except a vacancy resulting from an increase in, or the members' failure to elect, the minimum number of directors. If there is a failure to elect the minimum number of directors at a meeting of members, the directors then in office shall forthwith call a meeting of members to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any member.

If a vacancy among the directors is filled pursuant to this section 7.05, the appointment shall be ratified at the next meeting of members.

### **Ceasing to Hold Office**

7.06 A director of a credit union ceases to hold office when they:

- (a) die or resign; or
- (b) are removed from office in accordance with 7.07; or
- (c) cease to meet the qualifications set out in section 7.02 or in the Act for being a director.

### **Removal of a Director**

7.07 A director of the credit union may be removed from the board under the following circumstances:

- (a) the members of a credit union may, by ordinary resolution, at a special meeting remove any director from office; or
- (b) a director ceases to meet the qualifications set out in section 7.02 or in the Act for being a director.

In order to remain qualified as a director once elected, each director must, unless they have 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, but not limited to, those regarding attendance, training, confidentiality and conflict of interest.

### **Ratification**

- 7.08 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.

### **Appointment of Directors**

- 7.09 The board may appoint additional directors subject to the following:
- (a) the number of directors appointed shall not be more than one quarter (1/4) of the total number of directors then elected;
  - (b) the directors shall be appointed for a maximum term of three (3) years;
  - (c) an appointed director shall, where as a result of the death, resignation or removal of an elected director the number of appointed directors would be more than one quarter (1/4) of the total number of elected directors immediately prior to such death, resignation or removal of an elected director, remain in office for the remainder of that appointed director's term;
  - (d) an appointed director shall remain in office until a successor is appointed or the appointment is revoked by the board; and
  - (e) the board shall in appointing a director have regard to the range of knowledge and experience it requires to discharge its responsibilities effectively.

### **Time and place of meetings**

- 7.10 Meetings of directors shall be held at such time and place as determined by a majority of the directors, or failing determination by the directors, the chairperson or any two directors may so determine.

### **Notice of directors meeting**

- 7.11 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 section.

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 made available 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.

## **Quorum**

- 7.12 A majority of the directors constitutes a quorum at any meeting of directors and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors.

## **Exercise of authority**

- 7.13 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.

## **Meetings by telephone or electronic means**

- 7.14 A director may participate in a meeting of directors by means of telephone or other electronic communications facilities as long as it permits all persons participating in the meeting to hear each other, and a director participating in such meeting is deemed to be present.

## **Committees**

- 7.15 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.

## **Officers**

- 7.16 The directors may designate as officers of the credit union persons of full capacity who may or may not be directors. 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**

- 7.17 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**

- 7.18 The directors may at any time and without notice 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**

- 7.19 The directors shall be paid such remuneration for their services as the directors may by resolution determine. 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.

## **Dissent**

- 7.20 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 Eight NOTICES**

### **Method of giving notices**

- 8.01 With respect to any notice to be given by the credit union pursuant to the Act, the articles, by-laws or otherwise to a member:
- (a) such notice shall be sufficiently given if:
    - (i) delivered personally to the person to whom it is to be given; or
    - (ii) delivered to the person's recorded address as per the credit union's records; or
    - (iii) mailed to the person at the person's recorded address; or
    - (iv) provided by electronic communication (and without limiting by facsimile transmission, e- mail, text transmission, secure online portal or the like) to the person's electronic addresses or coordinates previously provided to or by the credit union; or
    - (v) 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 or by posting the notice on the credit union's website; and
  - (b) such notice so delivered shall be deemed to have been given:
    - (i) when it is posted to the credit union's website; or
    - (ii) when delivered personally or to the recorded address as aforesaid; and
  - (c) a notice so mailed shall be deemed to have been given on the 3rd day after it is deposited in a post office or public letter box, and
  - (d) a notice so sent by any means of transmitted or electronic communication shall be deemed to have been given when dispatched or delivered to or sent through the appropriate communication channel, company or agency or its representative for dispatch, and
  - (e) a notice so published in a newspaper or other publication shall be deemed to have been given at the time the publication containing the notice is distributed in the ordinary course.

### **Computation of time**

- 8.02 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.

### **Undelivered notices**

- 8.03 If any notice given to a person pursuant to this section is returned on two (2) consecutive occasions because the person cannot be found, the credit union shall not be required to send any further notices or documents to such person until the credit union is informed, in writing, of the person's new address.

### **Omissions and errors**

- 8.04 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.

## APPENDIX "I"

### DIRECTOR DISTRICTS

#### Access Branch Director District:

Altona	Miami
Carman	Morden
Dominion City	Morris
Emerson	Plum Coulee
Gretna	Sanford
Grunthal	Sprague
Lowe Farm	Vita
Manitou	Winkler

#### Crosstown Civic Branch Director District

Winnipeg - 1200 Henderson Hwy	Winnipeg - 2800 Pembina Hwy
Winnipeg - 1250 Portage Avenue	Winnipeg - 3161 Portage Avenue
Winnipeg - 1450 McPhillips Street	Winnipeg - 50-360 Main Street
Winnipeg - 1536 Regent Avenue West	Winnipeg - 515 St Anne's Rd
Winnipeg - 171 Donald Street	

#### Noventis Branch Director District

Arborg	Lundar
Ashern	Moosehorn
Eriksdale	Riverton
Fisher Branch	Selkirk - 1-1012 Manitoba Street
Gimli	Starbuck
Headingley - 5240 Portage Avenue	Winnipeg Beach

#### Sunova Branch Director District

Beausejour	Selkirk - 233 Main Street
Birds Hill	Stonewall
Dugald	Teulon
Lac du Bonnet	Whitemouth
Oakbank	Winnipeg - 1033 St. Mary's Road
Pinawa	Winnipeg - Unit 2 - 2526 Main Street
Pine Falls	Winnipeg - Unit 2 - 803 Leila Avenue

