

Shell Employees' Credit Union Bylaw Changes

Existing Bylaw: Interpretation

1.10 In these by-laws and all other by-laws of the credit union, unless the context otherwise specifies or requires:

- (a) "act" means The Credit Union Act, as from time to time amended, and every statute that may be substituted therefore and, in the case of such substitution, any reference in the by-laws of the credit union to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute or statutes;
- (b) "by-law" means any by-law of the credit union, including any special by-law, from time to time in force and effect;
- (c) "regulation" means the Credit Union Act Regulations as amended from time to time in force and effect;
- (d) all terms contained in the by-laws and which are defined in the Act shall have the meanings given to such terms in the Act, and
- (e) the singular shall include the plural and the plural shall include the singular; the masculine shall include the feminine and the feminine shall include the masculine and the neuter gender includes bodies corporate and politic.

Proposed Change to Bylaw: Interpretation

1.10 In these by-laws and all other by-laws of the credit union, unless the context otherwise specifies or requires:

- (a) "act" means The Credit Union Act, as from time to time amended, and every statute that may be substituted therefore and, in the case of such substitution, any reference in the by-laws of the credit union to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute or statutes;
- (b) "by-law" means any by-law of the credit union, including any special by-law, from time to time in force and effect;
- (c) "credit union" means Shell Employees' Credit Union Limited and its successors;
- (d) "regulations" means the Credit Union Act regulations as amended from time to time in force and effect;
- (e) all terms contained in the by-laws and which are defined in the Act shall have the meanings given to such terms in the Act; and
- (f) the singular shall include the plural and the plural shall include the singular;

Explanation of change proposed

Add line (c) to include “credit union”, which in this instance is defined as Shell Employees’ Credit Union. This addition creates succeeding changes the items c, d and e to d, e and f. Also correcting (d) to display regulations in the correct context.

Existing Bylaw: Membership

2.10 Membership in the credit union shall be open to any persons with the focus on providing services to the following target membership groups:

- (a) Employees of Shell Canada Limited and its affiliates, and Royal Dutch Shell plc (RDS) and any of its affiliates operating in Canada;
- (b) Employees of the credit union;
- (c) Persons who have been formerly employed or who have retired from employment referred to in subsections (a) or (b);
- (d) Family members of persons referred to in subsections (a), (b) and (c);
- (e) Person referred by a current member;
- (f) Other persons as approved by the Board of Directors for membership.

Proposed Change to Bylaw: Membership

2.10 Membership in the credit union shall be open to any persons with the focus on providing services to the following target membership groups:

- (a) Employees of Shell Canada Limited and its affiliates, and Royal Dutch Shell plc (RDS) and any of its affiliates operating in Canada;
- (b) Employees of the credit union;
- (c) Persons who have been formerly employed or who have retired from employment referred to in subsections (a) or (b);
- (d) Family members of persons referred to in subsections (a), (b) and (c);
- (e) Other persons as approved by the Board of Directors for membership.

Explanation of change proposed

Amend to reflect Shell Employees’ Credit Union’s target membership group as outlined in SECU’s Articles of Incorporation. SECU’s model of accepting referral from existing members is still in effect; this amendment will simply reconcile wording inconsistencies between the SECU’s bylaws and Articles of Incorporation.

Existing Bylaw: Membership

2.30 To be eligible for membership a person is required to purchase 25 common shares issued by the credit union;

Proposed Change to Bylaw: Membership

2.30 To be eligible for membership a person is required to purchase 25 common shares issued by the credit union.

Explanation of change proposed

Amend to change punctuation.

Existing Bylaw: Shareholding

3.20 Where a person holding common shares wishes to request the credit union redeem all, or a portion, of their shares they shall make such a request in writing to the credit union. On approval by a resolution of the Board of Directors and subject to Section 110 of the Act and the credit union's by-laws the credit union shall, after deduction of all amounts due from the person to the credit union, remit to them the balance due in respect of the shares redeemed.

Proposed Change to Bylaw: Shareholding

3.20 Where a person holding common shares wishes to request the credit union redeem all, or a portion, of their shares they shall make such a request in writing to the credit union. On approval by a resolution of the Board of Directors and subject to Section 111 of the Credit Union Act and the credit union's by-laws the credit union shall, after deduction of all amounts due from the person to the credit union, remit to them the balance due in respect of the shares redeemed.

Explanation of change proposed

Amend to reflect the correct section in the Credit Union Act.

Existing Bylaw: Shareholding

3.30 Where a person holding common shares wishes to transfer shares in the credit union they shall make their request to transfer in writing to the credit union. On approval by a resolution of the Board of Directors and subject to Section 109 of the Act and the credit union's by-laws the credit union shall, after payment of all amounts due from the person to the credit union, transfer the balance of their shares.

Proposed Change to Bylaw: Shareholding

3.30 Where a person holding common shares wishes to transfer shares in the credit union they shall make their request to transfer in writing to the credit union. On approval by a resolution of the Board of Directors and subject to Section 110 of the Credit Union Act and the credit union's by-laws the credit union shall, after payment of all amounts due from the person to the credit union, transfer the balance of their shares.

Explanation of change proposed

Amend to reflect the correct section in the Credit Union Act.

Existing Bylaw: Shareholding

3.40 A transfer or redemption of common shares will be permitted only under any one of the following conditions:

- (a) membership has been terminated;
- (b) a portion of the common shares is transferred to an associate account; ~~or~~
- (c) the member will continue to hold 1,000 common shares after the redemption.
- (d) registered common shares may be redeemed on termination or transfer of the registered contract.

The priority for redemption or transfer will be the date of application for redemption. If the limit of withdrawals (10% credit union equity in any one year) has been exceeded in the current year as per the Credit Union Act Section 111(3) (b), then the applications will be given first priority in the following year.

Proposed Change to Bylaw: Shareholding

3.40 A transfer or redemption of common shares will be permitted only under any one of the following conditions:

- (a) a member's membership has been terminated;
- (b) all or a portion of the common shares are transferred to an associate account;
- (c) the member will continue to hold 1,000 common shares after the redemption or transfer; or
- (d) registered common shares may be redeemed on termination or transfer of the registered contract.

The priority for redemption or transfer will be the date of application for redemption. If the limit of withdrawals (10% credit union prior year end share balance in any one year) has been exceeded in the current year as per the Credit Union Act Section 111(3) (b), then the applications will be given first priority in the following year.

Explanation of change proposed

Amend to correct grammar and to outline the specific conditions under which common share transfers and redemptions are allowed. In addition, amend wording on the common share withdrawal limit to reflect actual wording in the Credit Union Act.

Existing Bylaw: Membership Meetings

4.10 Notice of a general meeting of the credit union shall be made by:

- (a) sending the notice by ordinary mail or otherwise delivered to the last known address of the member as shown on the records of the credit union;
- (b) posting a notice in each office of the credit union.

Proposed Change to Bylaw: Membership Meetings

4.10 Notice of a general meeting of the credit union shall be made by:

- (a) sending the notice by ordinary mail or otherwise delivered to the last known address of the member as shown on the records of the credit union; or
- (b) posting a notice in each office of the credit union and social media

Explanation of change proposed

Amend to add "or" as a connector.

Existing Bylaw: Membership Meetings

- 4.53 A member's vote by ballot will be considered spoiled wherein:
- (a) more than the permitted number of candidates for an election has been selected on the ballot;
 - (b) the ballot is irregular by way of being a forgery of an official ballot;
 - (c) a name(s) other than a duly nominated candidate has been written onto the ballot;
 - (d) the choice marked is unclear or illegible or subject to reasonable doubt, by reason of erasures, misplaced marks, etc.

Proposed Change to Bylaw: Membership Meetings

- 4.53 A member's vote by ballot will be considered spoiled wherein:
- (a) more than the permitted number of candidates for an election has been selected on the ballot;
 - (b) the ballot is irregular by way of being a forgery of an official ballot;
 - (c) a name(s) other than a duly nominated candidate has been written onto the ballot; **or**
 - (d) the choice marked is unclear or illegible or subject to reasonable doubt, **including, but not limited to,** by reason of erasures **or** misplaced marks.

Explanation of change proposed

Amend to improve clarity as to what constitutes as a spoiled ballot.

Existing Bylaw: Voting by Mail

- 5.45 A ballot will be considered spoiled when:
- (a) more than one ballot is included in a ballot envelope;
 - (b) the ballot return form does not contain sufficient information to permit voter verification;
 - (c) more than the permitted number of candidates for an election has been selected on the ballot;
 - (d) the ballot is irregular by way of being a forgery of an official ballot;
 - (e) a name(s) other than a duly nominated candidate has been written onto the

ballot;

(f) the choice marked is unclear or illegible or subject to reasonable doubt, by reason of erasures, misplaced marks, etc.

Proposed Change to Bylaw: Voting by Mail

5.45 A ballot will be considered spoiled when:

- (a) more than one ballot is included in a ballot envelope;
- (b) the ballot return form does not contain sufficient information to permit voter verification;
- (c) more than the permitted number of candidates for an election has been selected on the ballot;
- (d) the ballot is irregular by way of being a forgery of an official ballot;
- (e) a name(s) other than a duly nominated candidate has been written onto the ballot; **or**
- (f) the choice marked is unclear or illegible or subject to reasonable doubt, **including, but not limited to,** by reason of erasures **or** misplaced marks.

Explanation of change proposed

Amend to allow for a broader definition of what types of votes are acceptable, and to improve clarity as to what constitutes as a spoiled ballot.

Existing Bylaw: Board of Directors

6.10 A director, in addition to the qualifications under Section 65 of the Act, must meet the following qualifications:

- (a) shall be bondable and have a positive credit history;
- (b) shall not have served as a director more than three consecutive terms;
- (c) shall not be employed by or hold a directorship in a competing financial institution.
- (d) shall not be in breach of their oath of office as a director, including but not limited to confidentiality of credit union or member information;
- (e) shall not be in violation of the credit union's policies or bylaws.
- (f) shall not be an employee of the credit union.

Proposed Change to Bylaw: Board of Directors

6.10 A director, in addition to the qualifications under Section 65 of the Act, must meet the following qualifications:

- (a) shall be bondable and have a positive credit history;
- (b) shall not have served as a director more than three consecutive terms;
- (c) shall not be employed by or hold a directorship in a competing financial institution;
- (d) shall not be in breach of their oath of office as a director, including but not limited to confidentiality of credit union or member information;
- (e) shall not be in violation of the credit union’s policies or bylaws; and
- (f) shall not be an employee of the credit union.

Explanation of change proposed

Amend to add “and” as a connector.

Existing Bylaw: Board of Directors

6.12 A director ceases to hold office when the director:

- (a) dies or resigns;
- (b) is removed from office by ordinary resolution of the members at a General Meeting; or
- (c) becomes disqualified unless a resolution to suspend is passed pursuant to 6.11.

Proposed Change to Bylaw: Board of Directors

6.12 A director ceases to hold office when the director:

- (a) dies or resigns;
- (b) is removed from office by ordinary resolution of the members at a general meeting; or
- (c) becomes disqualified unless a resolution to suspend is passed pursuant to 6.11.

Explanation of change proposed

Amend to remove unnecessary capitalization.

Existing Bylaw: Designation and Powers of Officers

7.21 The president shall have the following powers and duties:

- (1) shall be an ex-officio member of all committees;
- (2) shall preside at all meetings of the Board of Directors unless they are unable to do so;
- (3) shall be one of the signing officers of the credit union;
- (4) shall ensure that a delegate attends Alberta Central’s Annual General Meeting and ensure representatives of the credit union participate in Credit Union System meetings;
- (5) shall perform such other duties and functions as the Board of Directors may prescribe.

Proposed Change to Bylaw: Designation and Powers of Officers

7.21 The president shall have the following powers and duties:

- (1) shall be an ex-officio member of all committees;
- (2) shall preside at all meetings of the Board of Directors unless they are unable to do so;
- (3) shall be one of the signing officers of the credit union;
- (4) shall ensure that a delegate attends Alberta Central’s Annual General Meeting and ensure representatives of the credit union participate in Credit Union System meetings; **and**
- (5) shall perform such other duties and functions as the Board of Directors may prescribe.

Explanation of change proposed

Amend to add “and” as a connector.

Existing Bylaw: Board of Directors and Committee Meetings

9.20 Committees of the Board of Directors shall meet according to the following minimum schedules:

Audit Finance Committee – shall meet accordingly to the Credit Union Act and SECU Policy will define the exact number of meetings.

Credit Committee – shall meet accordingly to the Credit Union Act and SECU Policy will define the exact number of meetings.

Proposed Change to Bylaw: Board of Directors and Committee Meetings

9.20 Committees of the Board of Directors shall meet according to the following minimum schedules:

Audit Finance Committee – shall meet accordingly to the Credit Union Act and the credit union's policy will define the exact number of meetings.

Credit Committee – shall meet accordingly to the Credit Union Act and the credit union's policy will define the exact number of meetings.

Explanation of change proposed

Amend to reconcile inconsistencies in the bylaw document.

Existing Bylaw: Board of Directors and Committee Meetings

9.50 A quorum of the Board of Directors shall be not less than 6.

A quorum of a Committee of the Board of Directors shall be not less than:

- (a) Audit Finance Committee – 3 Directors
- (b) Credit Committee – 2 Directors.

Proposed Change to Bylaw: Board of Directors and Committee Meetings

9.50 A quorum of the Board of Directors shall be not less than 6.

A quorum of a Committee of the Board of Directors shall be not less than:

- (a) Audit Finance Committee – 3 Directors
- (b) Credit Committee – 3 Directors.

Explanation of change proposed

Amend to conform to the Credit Union Act Section 81 (4).

Existing Bylaw: Related Party Transactions

11.10 The credit union may, with the approval of the Board of Directors:

- (a) enter into a contract of employment with a related party who is not a director, officer or prospective officer of the credit union;
- (b) enter into a transaction with a related party which involves minor general expenditures by that corporation which do not exceed the amounts prescribed by the Credit Union Act Regulations;
- (c) enter into a transaction with a related party for the sale of goods or the provision of services at fair market rate

Proposed Change to Bylaw: Related Party Transactions

11.10 The credit union may, with the approval of the Board of Directors:

- (a) enter into a contract of employment with a related party who is not a director, officer or prospective officer of the credit union;
- (b) enter into a transaction with a related party which involves minor general expenditures by that corporation which do not exceed the amounts prescribed by the Credit Union Act Regulations; and
- (c) enter into a transaction with a related party for the sale of goods or the provision of services at fair market rate.

Explanation of change proposed

Amend to add "and" as a connector.