

# SPARK THE ENERGY CREDIT UNION LIMITED

## BY-LAWS

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**Note:** The following global changes have been made to the by-laws and will not be specified individually for brevity's sake:

- (1) All reference to "Shell Employees' Credit Union" has been replaced with **SPARK The Energy Credit Union** per approval at the membership Special Meeting of the Credit Union held on June 13, 2018;
- (2) All reference to the "board" or the "board of directors" has been replaced with the **Board** or the **Board of Directors**;
- (3) All reference to "he" has been replaced with "**the member**";
- (4) All reference to "president" and "chairperson" has been replaced with **Chair** or **Board Chair**; "vice president" to "**Vice Chair**", except where specifically stated;
- (5) All reference to the "credit union" has been replaced with the **Credit Union**; and
- (6) All reference to "The Credit Union Act", other than that first described under "Interpretation" below, has been replaced with the **Act**.

### Existing By-law: 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;

### Proposed By-law: 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;

### *Explanation of changes proposed:*

*"Act" is capitalized based on materiality and "The Credit Union Act" is hyperlinked to the Service Alberta website to provide members with The Credit Union Act in its entirety.*

### Existing By-law: Membership

**2.20** Application for membership shall be made in writing, and the Board of Directors may from time to time specify the form of such applications.

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

**2.40** The Board of Directors may, at its' discretion, authorize the manager of the credit union or any other officer of the credit union to approve applications for membership in the credit union.

#### **Proposed By-law: Membership**

**2.20** Application for membership shall be made in writing **or online**, and the Board of Directors may from time to time specify the form of such applications.

**2.30** To be eligible for membership a person is required to purchase 25 common shares issued by the credit union **with a par value of CAD \$1.00 per share**.

**2.40** The Board of Directors may, at its discretion, authorize the **executive management** of the credit union or any other officer of the credit union to approve applications for membership in the credit union.

#### ***Explanation of changes proposed:***

*Method of application expanded to include "online"; value of common shares defined with a stated par value per share; and authorization for application approval further defined as "executive management".*

#### **Existing By-law: 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.

**4.20** The chairperson of any meeting of members shall be the president, or in their absence, the vice president, or in the absence of both of them, some other person appointed by the Board of Directors. If the secretary of the credit union is absent, the chairperson shall appoint some person to act as secretary of the meeting.

**4.40** At all annual or special general meetings of the members of the credit union 50 members or 10% of the members, whichever is less, but in no event less than 10 members shall constitute a quorum but if no quorum is present, the presiding officer of the meeting shall adjourn the meeting to a date not less than 10 days or more than 30 days thereafter.

## Proposed By-law: Membership Meetings

**4.10** Notice of a general meeting of the credit union, in accordance with Sections 58 and 62 of the Act, 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; or
- (c) an electronic notice.

**4.20** The chairperson of any meeting of members shall be the Chair, or in their absence, the Vice Chair, or in the absence of both of them, an alternate person appointed by the Board of Directors. If the secretary of the credit union is absent, the Chair shall appoint an alternate person to act as secretary of the meeting.

**4.40** At all annual general meetings of the members of the credit union, quorum shall be, as per Section 59 of the Act, 50 members if the credit union has assets of less than \$500,000,000. For special general meetings, the quorum shall be 75 members when the credit union has assets of less than \$500,000,000. If no quorum is present, the presiding officer of the meeting shall adjourn the meeting to a date not less than 10 days or more than 30 days thereafter.

### *Explanation of changes proposed:*

*Reference to specific sections of the Act have been noted; an additional option to notify members of a general meeting has been defined; where the Chair or Vice Chair are unable to preside over a meeting, the requirement has been better defined; and quorum has been redefined based on a specified section of the Act.*

## Existing By-law: Voting Rights

**5.20** Any member of the credit union may vote on any question before the members but, subject to the by-laws and the Credit Union Act Section 60, has only one vote on any question.

## Proposed By-law: Voting Rights

**5.20** Any member of the credit union may vote on any question before the members but, subject to the by-laws and Section 60(3) of the Act, has only one vote on any question.

### *Explanation of change proposed:*

*Reference to a specific section of the Act has been noted.*

### Existing By-law: Voting by Mail

**5.40** Ballots for elections must be distributed to all members eligible to vote by any one or combination of the following methods:

- (a) in branch ballots;
- (b) mail-ballots; and
- (c) any secure electronic means.

### Proposed By-law: Voting Options

**5.40** Ballots for elections must be distributed to all members eligible to vote by any one or combination of the following methods:

- (a) in branch ballots; and
- (b) any secure electronic means.

### *Explanation of changes proposed:*

*Removal of reference to "mail-ballots" as an option for voting and subsequent change to by-law heading.*

### Existing By-law: Board of Directors

**6.11** Where a director no longer meets the qualifications of a director under 6.10 they shall submit their resignation to the Board of Directors and if they fail to do so, the Board of Directors shall remove the director if it becomes aware of a defect in their qualifications and shall record its action in the minutes. In the event the facts surrounding the defect in qualifications are unclear or the situation can be corrected, a director may be suspended by a special resolution of the board until the matter of their qualification is resolved or for a specified period of time not to exceed 60 days.

**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.

**6.60** A director is required to attend a minimum of 75% of Board Meetings per year. If a director fails to attend the required number of meetings in a year or misses three consecutive meetings without good cause their office may be declared vacant by the Board of Directors and the vacancy shall be filled as provided for in 6.42.

### Proposed By-law: Board of Directors

**6.11** Where a director no longer meets the qualifications of a director under **Section 6.10 of the by-laws**, they shall submit their resignation to the Board of Directors and if they fail to do so, the Board of Directors shall remove the director if it becomes aware of a defect in their qualifications and shall record its action in the minutes. In the event the facts surrounding the defect in qualifications are unclear or the situation can be corrected, a director may be suspended by a special resolution of the Board until the matter of their qualification is resolved or for a specified period of time not to exceed 60 days.

**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 **Section 6.11 of the by-laws**.

**6.60** A director is required to attend a minimum of 75% of Board Meetings per year. If a director fails to attend the required number of meetings in a year or misses three consecutive meetings without good cause their office may be declared vacant by the Board of Directors and the vacancy shall be filled as provided for in **Section 6.42 of the by-laws**.

#### *Explanation of changes proposed:*

*Addition of "Section" and a reference to the "by-laws" for increased clarity.*

### Existing By-laws: Board of Directors and Committee Meetings

**9.30** A Board of Directors meeting or Committee Meeting may be held by means of telephone or other communication facilities which permit all persons participating in the meeting to hear each other, and, for the purposes of the Act, the directors participating by those means are deemed, subject to the requirements of the Act as the Board Meetings, to be present at the meeting.

### Proposed By-laws: Board of Directors and Committee Meetings

**9.30** A Board of Directors meeting or Committee Meeting may be held by means of telephone or other communication facilities which permit all persons participating in the meeting to hear each other, and, for the purposes of **Section 66 of the Act**, the directors participating by those means are deemed, subject to the requirements of the Act as the Board Meetings, to be present at the meeting.

#### *Explanation of change proposed:*

*Reference to a specific "Section" of the Act has been noted.*

## Existing By-law: 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.

## Proposed By-law: 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 **Section 51(1) of the Act**; 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:*

*Reference to a specific "Section" of the Act has been noted.*