

## UPDATING AND SIMPLIFYING KINDRED CREDIT UNION'S GENERAL BY-LAW

We're proposing some changes to Kindred's General By-Law and we will be holding a vote on these revisions at our 2021 Annual General Meeting on Tuesday, April 13. These changes were approved by Kindred's Board of Directors on Thursday, February 25.

A description of the changes and the revised by-law text are included below for your reference.

### WHAT IS BEING UPDATED?

Maintenance to the sections on Number of Directors and Qualification (term limits) and Committees of Directors.

These updates follow current best practices as they relate to the number of directors required and their term limits, and the names of Board Committees.

#### *Number of Directors*

The Board aims to be composed of 12 directors; however, we propose introducing a minimum and maximum number of directors. The Board may be permitted to operate with fewer directors, for a limited time period. This would ensure both continuity of governance and flexibility, should there be an unexpected departure from the Board.

#### *Director Term Limits (Qualification)*

A market trend in credit union Board governance is a 12-year limit for directors, rather than the current nine that our General By-Law allows. We propose that the maximum term length for directors change to four consecutive three-year terms. This would provide directors sufficient time to become fully conversant in credit union governance and develop the essential knowledge to chair committees and/or the Board, as well as contribute at the required level for strategy and risk management.

#### *Committees of Directors*

We proposed clarifying and simplifying the language of this sub-section while also providing the Board latitude to establish the appropriate number of committees of the Board as required to most effectively govern Kindred.

#### *Governance Committee*

To reflect an emerging standard of good governance and the currently assigned responsibilities, we propose changing the name of the Executive Committee to the Governance Committee. This update would also provide the Board freedom in appointing Officer or non-Officer Directors for membership on the committee.

#### *B Corp Certification*

As a Certified B Corp, Kindred is part of a global community striving to create shared prosperity for all, and our commitment to B Corp standards is an important part of who we are and what we stand for. While we always consider the community, our staff members, and the environment before making decisions, embedding our commitment to serve our community and further our purpose can only strengthen our impact.

In order to retain our B Corp certification, we must maintain and prove adherence to rigorous standards of social and environmental performance, accountability, and transparency. We thank the Canadian Credit Union Association for consulting with B Lab to help credit unions comply with certification guidelines in a manner that fits within our governance structure. →

## THE GENERAL BY-LAW TEXT (with new / revised words in coloured font)

### Number of Directors and Quorum

**4.01** The Board shall be comprised of the fixed number of directors as determined from time to time by ordinary resolution or, if the ordinary resolution empowers the Board to determine the number, by resolution of the Board; provided that the number of directors may not be fewer than ten (10) and may not be more than fifteen (15). The quorum for the transaction of business at any meeting of the Board shall be a majority of the Board.

**4.02 (d)** has served as a director of the Credit Union for less than four (4) consecutive three-year (3-year) terms;

### Committees of Directors

**5.01** The Board may appoint any number of committees of Directors, however designated, and delegate to such committee any of the powers of the Board except those powers which the Board cannot delegate pursuant to the Act. Unless otherwise provided in the By-laws, the term of office of a member of a committee of Directors shall be determined by the Board in its discretion.

### Governance Committee

**5.03** The Board shall elect annually from among its members a Governance Committee composed of such number of directors as determined by the Board in its discretion. Subject to the Act, the Board may delegate any of its powers to the Governance Committee.

## CERTIFIED B CORPORATION

### Purpose

**15.01** The purpose of the Credit Union includes, but is not in any way limited to or restricted by, the creation of a positive impact on society and the environment, taken as a whole, from the business and operations of the Credit Union, which impact is material in view of the size and nature of the Credit Union's business.

### Director Considerations

**15.02** The directors shall, in accordance with their applicable statutory and regulatory duties and requirements and in alignment with the co-operative principles of the Credit Union and its purpose, act with a view to the best interests of the Credit Union. In considering the best interests of the Credit Union, the directors shall consider the interests of the Credit Union's members, shareholders, employees, suppliers and creditors, as well as the government, the natural environment, and the community and society in which the Credit Union operates (collectively, the "Stakeholders") and the short-term and long-term interests of the Credit Union, to inform their decisions. In discharging their duty to act with a view to the best interests of the Credit Union, the directors shall consider the interests of all of the Credit Union's Stakeholders and shall not be required to consider the interests of any particular Stakeholder as determinative, in exercising their judgment.

## MAKE YOUR VOICE COUNT!

Join our 57th Annual General Meeting online on Tuesday, April 13, 2021 to vote on these proposed changes to our credit union's General By-Law.