



Alterna Savings

**ALTERNA SAVINGS AND
CREDIT UNION LIMITED
BY-LAW**

April 1, 2005

Amended
April 2006
April 2007
April 2008
April 2009
April 2010
April 2012
April 2013
June 2014
April 2016
April 2019

Table of Contents

ARTICLE ONE – INTERPRETATION	1
1.01 Definitions.....	1
1.02 Gender, Plural, etc.	2
1.03 Act Governs	2
ARTICLE TWO – MEMBERSHIP	2
2.01 Bond of Association.....	2
2.02 Membership Application.....	2
2.03 Membership Shares	2
2.04 Minors	3
2.05 Voting Rights.....	3
2.06 Expulsion	3
2.07 Withdrawal.....	3
ARTICLE THREE – BUSINESS OF ALTERNA SAVINGS	3
3.01 Corporate Seal.....	3
3.02 Financial Year	3
3.03 Execution of Instruments	3
3.04 Banking Arrangements	4
3.05 Borrowing.....	4
3.06 Language of Business.....	4
ARTICLE FOUR – DIRECTORS	4
4.01 Number of Directors and Quorum.....	4
4.02 Qualifications.....	4
4.03 Director Term of Office.....	5
4.04 Manner of Election	5
4.05 Vacation of Office	5
4.06 Vacancies	5
4.07 Action by the Board	5
4.08 Telephone and Electronic Meetings	5
4.09 Place of Meeting	6
4.10 Calling of Meetings	6
4.11 Notice of Meeting	6
4.12 First Meeting of New Board.....	6
4.13 Adjourned Meeting.....	6
4.14 Regular Meetings	6
4.15 Votes to Govern.....	6
4.16 Conflict of Interest	6
4.17 Remuneration and Expenses.....	6
4.18 Training Requirements for Directors	6
ARTICLE FIVE – COMMITTEES.....	6
5.01 Committee of Directors	6
5.02 Transaction of Business.....	6
5.03 Audit Committee	6
5.04 Nominating Committee	7
5.05 Procedure.....	7
ARTICLE SIX – OFFICERS	7
6.01 Appointment.....	7
6.02 Chair of the Board	7
6.03 Vice-Chair.....	7

6.04	President and Chief Executive Officer.....	7
6.05	Corporate Secretary	7
6.06	Powers and Duties of Officers.....	7
6.07	Variation of Powers and Duties	7
6.08	Term of Office	7
6.09	Remuneration	8
6.10	Conflict of Interest	8
6.11	Agents and Attorneys	8
6.12	Fidelity Bonds.....	8
ARTICLE SEVEN – MEETINGS OF MEMBERS		8
7.01	Meetings	8
7.02	Business at a Membership Meeting.....	8
7.03	Notice of Meeting	8
7.04	Record Date	8
7.05	Accidental Omission	9
7.06	Members Meetings.....	9
7.07	Quorum.....	9
7.08	Nominations.....	9
7.09	No Nominations from the Floor	9
7.10	Where a Special Meeting is Required	9
7.11	Voting in Person at the Meeting	9
7.12	Show of Hands.....	9
7.13	Joint Members.....	9
7.14	Proxies	9
7.15	In-Branch, Mail and Electronic Voting on Elections and Special Resolutions	10
7.16	New Business	11
7.17	Proposals and Requisitions	11
7.18	Adjournment	11
7.19	Default Rules of Order	12
ARTICLE EIGHT – PROTECTION OF DIRECTORS, OFFICERS AND OTHERS		12
8.01	Indemnity.....	12
8.02	Insurance	12
ARTICLE NINE – SHARES		12
9.01	Allotment	12
9.02	Commissions.....	12
9.03	Registration of Transfers	12
9.04	Transfer Agents and Registrars	12
9.05	Lien for Indebtedness	12
9.06	Non-recognition of Trusts	12
9.07	Share Certificates and Written Acknowledgements.....	13
9.08	Replacement of Share Certificates or Written Acknowledgements.....	13
9.09	Joint Shareholders	13
9.10	Deceased Shareholders	13
ARTICLE TEN – DIVIDENDS AND RIGHTS		13
10.01	Dividends	13
10.02	Dividend Payments	13
10.03	Non-receipt of Cheques	14
10.04	Record Date for Dividends and Rights	14
10.05	Unclaimed Dividends	14

ARTICLE ELEVEN – MEETINGS OF SHAREHOLDERS	14
11.01 Meetings	14
11.02 Special Meetings.....	14
11.03 Place of Meetings.....	14
11.04 Notice of Meetings.....	14
11.05 List of Shareholders Entitled to Notice.....	14
11.06 Record Date for Notice	14
11.07 Chair, Corporate Secretary and Scrutineers	14
11.08 Persons Entitled to be Present	15
11.09 Quorum.....	15
11.10 Right to Vote.....	15
11.11 Proxies	15
11.12 Time for Deposit of Proxies.....	15
11.13 Joint Shareholders	15
11.14 Votes to Govern.....	16
11.15 Show of Hands.....	16
11.16 Ballots.....	16
11.17 Adjournment	16
11.18 Requisitions	16
11.19 Default Rules of Order	16
ARTICLE TWELVE – LENDING	16
12.01 Lending	16
ARTICLE THIRTEEN – INFORMATION AVAILABLE TO MEMBERS AND SHAREHOLDERS	16
13.01 Financial Statements.....	16
13.02 Information Available to Members and Shareholders.....	16
13.03 Directors’ Determination	16
13.04 Fee for Copy of the By-law.....	16
ARTICLE FOURTEEN – NOTICES	17
14.01 Method of Giving Notices.....	17
14.02 Signature to Notices	17
14.03 Proof of Service	17
14.04 Notice to Joint Shareholders.....	17
14.05 Computation of Time.....	17
14.06 Undelivered Notices	17
14.07 Omissions and Errors	17
14.08 Deceased Members or Shareholders	17
14.09 Persons Entitled by Death or Operation of Law.....	17
14.10 Waiver of Notice.....	18
ARTICLE FIFTEEN - EFFECTIVE DATE.....	18
15.01 Effective Date	18
15.02 Repeal.....	18

ALTERNA SAVINGS AND CREDIT UNION LIMITED
BY-LAW NO. 1

A By-law relating generally to the conduct of the affairs of
Alterna Savings and Credit Union Limited

BE IT ENACTED AND IT IS HEREBY ENACTED as a By-law of
Alterna Savings and Credit Union Limited (hereinafter called "Alterna Savings") as follows:

ARTICLE ONE – INTERPRETATION

1.01 Definitions

All terms contained in the By-law and which are defined in the Act shall have the meanings given to such terms in the Act.

In the By-law of Alterna Savings, unless the context otherwise requires:

- (a) **"Act"** means the *Credit Unions and Caisses Populaires Act, 1994* and the regulations and guidelines made pursuant thereto, as from time to time amended, and every statute that may be substituted therefor and, in the case of such substitution, any reference in the By-law to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
- (b) **"Articles"** means the articles of amalgamation of Alterna Savings dated as of the date of Alterna Savings' certificate of amalgamation, and any amendments thereto from time to time;
- (c) **"Appoint"** includes "elect" and *vice versa*;
- (d) **"Board"** means the Board of directors of Alterna Savings;
- (e) **"Board Special Resolution"** means a resolution passed by two-thirds or more of the votes cast by the directors who voted in respect of that resolution;
- (f) **"Business Day"** means a day other than a Saturday, a Sunday or any other day that is a statutory holiday in Ontario;
- (g) **"By-law"** means this By-law and all other By-laws of Alterna Savings from time to time in force and effect;
- (h) **"Chief Returning Officer"** has the meaning given in section 7.14 hereof;
- (i) **"In Good Standing"** means that, with respect to the financial services received by a Member Connection (as hereinafter defined) from Alterna Savings:
 - (i) each person who is a part of the Member Connection is in full compliance with the minimum membership shareholding requirements of section 2.03 hereof;
 - (ii) cheques are not habitually issued without sufficient funds on deposit or an approved line of credit facility in place to cover the face amounts of such cheques;
 - (iii) chequing accounts are not habitually overdrawn;
 - (iv) all required mortgage and loan payments are paid on time, unless an extension has been granted;
 - (v) all conditions for financing prescribed by Alterna Savings have been satisfied; and
 - (vi) the Member Connection, or any part thereof, is not asserting an unresolved claim against Alterna Savings;
- (j) **"Member Connection"** means a member, together with that member's "connected persons", within the meaning of that term in the Act, who are also members of Alterna Savings;
- (k) **"Non-Business Day"** means a day which is not a Business Day;
- (l) **"Recorded Address"** means, in the case of a member or shareholder, such member's or shareholder's address as recorded in the members or securities register; and, in the case of joint members or shareholders, the address appearing in the members or securities register in respect of such joint holding, or the first address so appearing if there is more than one; and, in the case of a director, officer, auditor or member of a committee of the Board, such director's, officer's, auditor's or member of a committee's latest address as recorded in the records of Alterna Savings;
- (m) **"Shares"** means membership shares and any other share issued by Alterna Savings, unless a form of share is specifically excluded in the By-law or the context otherwise requires;
- (n) **"Signing Officer"** means, in relation to any instrument, any person authorized to sign the same on behalf of Alterna Savings by paragraph 3.03 or by a resolution passed pursuant thereto;
- (o) **"Spouse"** means, regarding an individual, that individual's spouse as defined for the purposes of Part III of the *Family Law Act* (Ontario); and

- (p) “**Superintendent**” means the Superintendent of Financial Services appointed from time to time under the Act.

1.02 Gender, Plural, etc.

In this By-law, the singular shall include the plural and the plural shall include the singular; the use of pronouns indicating one gender shall include any and all genders; any reference to the Queen shall be deemed to include the King; and the word “person” shall include individuals, bodies corporate, corporations, cooperatives, companies, partnerships, syndicates, trusts, unincorporated organizations and any number or aggregate of persons.

1.03 Act Governs

This By-law is in all respects subordinate to the Act and shall not be interpreted as permitting any action that is prohibited by the Act. Whenever this By-law is more restrictive than the requirements of the Act, the restrictions of this By-law shall bind Alterna Savings.

ARTICLE TWO – MEMBERSHIP

2.01 Bond of Association

Membership in Alterna Savings shall be limited to:

- (a) (i) persons who reside or who work in the Province of Ontario;
- (ii) persons employed under the *Public Service Employment Act* (Canada) or employed in the public service of Canada otherwise than under that Act;
- (iii) persons whose salaries are paid out of the Consolidated Revenue Fund of Canada and who are appointees to or employed in any agency, commission, corporation or other organization, established by or under the authority of the Government of Canada or an Act of the Parliament of Canada, that is designated by the Board;
- (iv) judges and officers and employees of courts and tribunals who are appointed under the *Constitution Act, 1867* or any Act of the Parliament of Canada;
- (v) senators and their employees, and members of the House of Commons and their employees, and employees of the Senate and House of Commons;
- (vi) persons employed by the Department of National Defence (whether in the Armed Forces or as civilian employees), the militia or the Royal Canadian Mounted Police;
- (vii) a person who was, at any time, a person described in any of paragraphs (ii) through (vi), inclusive, who is, at the time of application for membership in Alterna Savings, entitled by reason of his or her employment, appointment, membership or office referred to in such paragraph, to

- receive continuing payments in the nature of superannuation or disability payments;
- (viii) veterans, spouses of veterans and widows or widowers of veterans in receipt of an allowance under the *War Veterans Allowance Act* (or any successor legislation of the Government of Canada);
- (ix) the spouse, parent, widow, or widower or other relative of a member; and
- (b) for greater certainty, and without limiting the generality of the foregoing, employees of Alterna Savings;
- (c) Her Majesty the Queen in right of Ontario or in right of Canada; corporations, including municipalities as defined in the *Municipal Affairs Act*; unincorporated associations; or partnerships registered under the *Business Names Act* or a predecessor thereof, subject to any conditions that may be imposed by the Act;
- (d) persons or entities not otherwise qualifying for membership under Alterna Savings’ bond of association, as long as the aggregate number of such members does not exceed 3% of the number of members of Alterna Savings, where the admission of such persons or entities has been approved by the Board, and the names of such persons or entities admitted to membership on this basis are identified as such in the records of Alterna Savings; and
- (e) a person or entity who originally qualified for and became a member under clauses (a) or (b) above but who no longer qualifies under clauses (a) or (b) above.

2.02 Membership Application

Application for membership shall be made in writing, and the Board may from time to time specify the form of such application. No person shall become a member of Alterna Savings until that person’s application for membership has been approved by the Board or an employee authorized by resolution of the Board to approve such application.

2.03 Membership Shares

- (a) No individual of the age of eighteen years or older (except as permitted by paragraph (b) hereof), and no entity, shall become a member of Alterna Savings until such person has fully paid for fifteen (15) membership shares of Alterna Savings. Any member of Alterna Savings may also hold one thousand (1,000) additional membership shares.
- (b) No individual of the age of eighteen years or older whose only business with Alterna Savings consists of participation in his or her employer’s group RRSP program at Alterna Savings shall become a member of Alterna Savings until such person has fully paid for five (5) membership shares of Alterna Savings. Forthwith upon utilizing any other product or service offered by Alterna Savings, each

such individual shall comply with section 2.03(a) hereof rather than this section 2.03(b) hereof.

- (c) No individual younger than eighteen years of age shall become a member of Alterna Savings until such individual has fully paid for one (1) membership share of Alterna Savings. Forthwith upon attaining the age of eighteen years, each such individual shall comply with section 2.03(a) hereof rather than this section 2.03(c) hereof.
- (d) The price of each membership share of Alterna Savings shall be one dollar (\$1.00).

2.04 Minors

Individuals under the age of eighteen years may become members of the Credit Union, but may not receive any loan from the Credit Union unless a person of the age of eighteen years or more is jointly and severally liable for such loan, or unless the loan is guaranteed by the Government of Canada, the government of a Canadian province or territory, or the government of a Canadian municipality.

2.05 Voting Rights

Each member of Alterna Savings who complies fully, as of the record date (as hereinafter defined) for any membership meeting of Alterna Savings, with all requirements of membership outlined herein, including, without limitation, the minimum membership share requirements contained in section 2.03 hereof, has one vote at that meeting and in accordance with section 7.15 hereof. Notwithstanding the above, no member of Alterna Savings who is an individual under the age of 18 years shall be entitled to vote.

2.06 Expulsion

- (a) Where a member:
 - (i) commits an act of misconduct in the affairs of Alterna Savings;
 - (ii) fails to abide by the By-law, including, without limitation, failing for any reason to hold the required number of membership shares of Alterna Savings pursuant to section 2.03 hereof; or
 - (iii) fails to repay indebtedness to Alterna Savings in accordance with the conditions of repayment,

the Board may give 10 days' advance notice to such member of intent to remove such member from membership, personally or by prepaid mail addressed to such member at such member's Recorded Address, and, after giving the member an opportunity to be heard and to be represented at the Board meeting by a person authorized under *the Law Society Act* to represent the member, by resolution at a Board meeting, such member may be expelled from membership. The Corporate Secretary shall, within five (5) days after the resolution expelling a member was passed, notify the member of the decision of the Board by registered mail to the member's Recorded Address. Subject to

section 62(3) of the Act in respect of Shares, Alterna Savings shall forthwith pay to anyone so removed from membership any balance standing to the credit of such person on the books of Alterna Savings, after deducting all amounts due from the member to Alterna Savings, within ninety days after the day on which the member is expelled.

- (b) An expelled member may appeal the decision of the Board at the next annual or general meeting of Alterna Savings by giving the Board notice of his or her intention to appeal the expulsion within twenty-one (21) days after receiving the notice of expulsion. If written representations of not longer than two thousand (2,000) words from an expelled member appealing his or her expulsion are received by Alterna Savings at least seven (7) days before the mailing or publication of the notice of the general meeting, the Board shall, at the expense of Alterna Savings, include with the notice of meeting a notice that those representations are available for inspection by members at the head office and branches of Alterna Savings. The members of Alterna Savings, at that general meeting, by resolution passed by a majority of the votes cast at the meeting, may confirm, vary or set aside the Board's decision to expel the member.

2.07 Withdrawal

Where a member wishes to withdraw from Alterna Savings, such member shall give notice in writing of such member's intention to withdraw to the Board. Subject to section 62(3) of the Act, and to the Articles, in respect of membership shares only, Alterna Savings shall, after deduction of all amounts due from the member to Alterna Savings, remit the balance of the said member's membership shares and deposits to such member within ninety days of such member giving notice of such member's intention to withdraw.

ARTICLE THREE – BUSINESS OF ALTERNA SAVINGS

3.01 Corporate Seal

Alterna Savings may have a corporate seal, which shall be adopted and may be changed by resolution of the Board.

3.02 Financial Year

The financial year of Alterna Savings shall end on December 31 of each year.

3.03 Execution of Instruments

Contracts, documents or instruments in writing requiring the signature of Alterna Savings may be signed on behalf of Alterna Savings by any two officers or directors, and instruments in writing so signed shall be binding upon Alterna Savings without any further authorization or formality. The Board shall have power from time to time by resolution to appoint any officer or officers, or any person or persons, on behalf of

Alterna Savings, either to sign contracts, documents and instruments in writing generally, or to sign specific contracts, documents or instruments in writing. If the Board, by such a resolution, appoints the President and Chief Executive Officer to execute documents on behalf of Alterna Savings, it may also authorize the President and Chief Executive Officer to further delegate such signing authority to other employees of Alterna Savings, subject to such terms, conditions and limitations as the Board may prescribe.

The seal of Alterna Savings may, when required, be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, or person or persons, appointed pursuant to the terms hereof.

The term “contracts, documents or instruments in writing” as used in this By-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, movable or immovable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures, notes or other securities and all paper writings.

The signature or signatures of the Chair of the Board, the President and Chief Executive Officer, a Vice-Chair, the Corporate Secretary, any director of Alterna Savings or any other officer or officers, or person or persons, appointed as aforesaid by resolution of the Board may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise affixed to instruments in writing or bonds, debentures, notes or other securities of Alterna Savings executed or issued by or on behalf of Alterna Savings, and all contracts, documents or instruments in writing, or bonds, debentures, notes or other securities of Alterna Savings on which the signature or signatures of any of the foregoing officers or directors or persons authorized as aforesaid shall be so reproduced pursuant to special authorization by resolution of the Board, shall be deemed to have been manually signed by such officers or directors or persons whose signature or signatures is or are so reproduced, and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers or directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures, notes or other securities of Alterna Savings.

3.04 Banking Arrangements

Subject to section 3.05 and the Act, the banking business of Alterna Savings, or any part thereof, including, without limitation, the borrowing of money and, subject to the Act, the giving of security therefor, shall be transacted with such financial institutions or

other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of power as the Board may from time to time by resolution prescribe or authorize.

3.05 Borrowing

Alterna Savings shall be authorized to borrow money on the credit of Alterna Savings, at such rates of interest and on such conditions as Alterna Savings may determine, provided that Alterna Savings shall not borrow in the aggregate an amount exceeding fifty per cent (50%) of its regulatory capital and deposits.

3.06 Language of Business

Alterna Savings may carry on business in both the English and French languages.

ARTICLE FOUR – DIRECTORS

4.01 Number of Directors and Quorum

- (a) *Number* – The Board shall consist of nine (9) directors, provided that the Board may from time to time by way of a Board Special Resolution increase the number of directors to ten (10) until the next annual general meeting, at which time the number of directors shall again be nine (9).
- (b) *Quorum* – The quorum for the transaction of business at any meeting of the Board shall be a majority of the Board.

4.02 Qualifications

- (a) *General*: No person shall be qualified for election as a director unless he or she, as of the date of the close of nominations:
 - (i) is a natural person;
 - (ii) is at least eighteen (18) years of age;
 - (iii) is a Canadian citizen or a person lawfully admitted to Canada for permanent residency who is ordinarily resident in Canada;
 - (iv) is qualified under the Act for election as a director;
 - (v) is not currently, or was not within the twelve-month period immediately preceding that date, an employee of Alterna Savings or Alterna Bank;
 - (vi) is not currently, or was not within the twelve-month period immediately preceding that date, a plaintiff or an applicant in an action or application naming Alterna Savings or Alterna Bank as a defendant or respondent, in which action or application there has been no final disposition which can no longer be appealed;
 - (vii) is a member of Alterna Savings In Good Standing, who has maintained that status for a period of one year, or is a member of

another credit union: (a) with which Alterna Savings has amalgamated; (b) of which Alterna Savings has acquired or assumed all or substantially all of the assets and/or liabilities;

- (viii) is in full compliance with any policy adopted by the Board at that time regarding training requirements and qualifications for directors;
 - (ix) is able to obtain a bond of an insurer licensed under the *Insurance Act* to write surety and fidelity insurance;
 - (x) is not a listed person within the meaning of the United Nations Suppression of Terrorism Regulations under *United Nations Act (Canada)*;
 - (xi) is not a professional advisor who provides services to Alterna Savings in his or her professional capacity or who has provided such services in the three years preceding the date on which he or she may be elected as a director; and
 - (xii) has disclosed to the Board, in a timely fashion before the date of the close of nominations in which the natural person is a candidate, everything he or she is required by the Act to disclose as a candidate for director of a credit union.
- (b) *Term Limit:* To encourage Board renewal, no person shall be qualified for election as a director if such person has, at the date of his or her election as director, served as a director of Alterna Savings for an aggregate of twelve (12) years or more. For greater clarity, in determining the number of years a person has served as a director of Alterna Savings: (a) any time served as a director of a predecessor credit union shall not be counted; and (b) for sitting directors immediately prior to the 2019 Annual General Meeting, the 12 year limit will be calculated by adding: (i) the consecutive time served by such director immediately prior to the 2019 Annual General Meeting; and (ii) any time served thereafter.

4.03 Director Term of Office

- (a) Subject to the Act, a member elected as a director shall take office at the close of the annual general meeting at which he or she is declared to have been elected.
- (b) Except where an election is held to fill the unexpired portion of a director's term or as otherwise specifically provided in this section, directors shall be elected or acclaimed for terms of three (3) years, or until their successor in office is elected or appointed.
- (c) If, in an election, terms of office of varying lengths are to be filled, the nominees obtaining the greater number of votes shall be declared to be elected to the longer terms of office available.
- (d) If, in the case of an acclamation of all nominees, terms of office of varying lengths are to be filled,

the terms shall be assigned by voluntary agreement among the nominees or, failing that, by chance in a manner determined by the Chair of the Board in his or her sole and absolute discretion.

4.04 Manner of Election

At every annual general meeting of Alterna Savings, an election shall be held to fill the places of members of the Board whose terms of office have expired.

4.05 Vacation of Office

A director ceases to hold office when such director dies, resigns, becomes disqualified pursuant to the Act, is removed from office by the Board, the members or the Superintendent in accordance with the Act, or such director's term expires, except that a death, resignation, disqualification or removal which occurs on or after the date on which notice is given of elections pursuant to section 7.15(b) hereof shall be deemed to cause the position of the affected director not to be considered vacant until the day after the date of the membership meeting at which the results of said elections are announced.

4.06 Vacancies

Subject to the Act, a quorum of the Board may fill a vacancy in the Board by appointing a qualified individual to serve until the next annual general meeting of the Credit Union, when the members shall elect a qualified person to fill the unexpired term of the director who vacated his or her office. In the absence of a quorum of the Board, the directors then in office shall forthwith call a special meeting of members to fill the vacancy. If the directors then in office fail to call such meeting or if there are no directors then in office, any member may call the meeting.

4.07 Action by the Board

The Board shall supervise the management of the business and affairs of Alterna Savings. The Board, its committees and individual directors shall not directly manage, or be involved in, the day to day activities of Alterna Savings. Subject to section 4.08, the powers of the Board may be exercised at a meeting at which a quorum is present. Where there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum of the Board remains in office.

4.08 Telephone and Electronic Meetings

If all the directors of Alterna Savings present or participating in the meeting consent, a director may participate in a meeting of the Board or of a committee of the Board by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present at the meeting.

4.09 Place of Meeting

Meetings of the Board may be held at any place within or outside Ontario, provided that, in any financial year of Alterna Savings, a majority of the meetings of the Board shall be held in a place within Ontario.

4.10 Calling of Meetings

Subject to the Act, meetings of the Board shall be held at least quarterly on such day and at such time and at such place as the Board, the Chair of the Board, a Vice-Chair or any two directors may determine, and the Corporate Secretary, when directed by the Board, the Chair of the Board, a Vice-Chair or any two directors, shall convene a meeting of the Board.

4.11 Notice of Meeting

Notice of the date, time and place of each meeting of the Board shall be given in the manner provided in section 14.01 to each director not less than 48 hours (exclusive of any part of a Non-Business Day) before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting, except where the Act requires such purpose or business to be specified. A director may in any manner waive notice of or otherwise consent to a meeting of the Board.

4.12 First Meeting of New Board

Provided a quorum of directors is present, each newly elected Board may, without notice, hold its first meeting immediately following the meeting of members at which such Board is declared to have been elected.

4.13 Adjourned Meeting

Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.14 Regular Meetings

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

4.15 Votes to Govern

(a) Subject to Section 4.15(b), at all meetings of the Board every question shall be decided by a majority of the votes cast on the question. The Chair shall have a vote on every question in the first instance, but, in the case of a tie vote, shall not have a second or deciding vote. In the event of a tie vote on a motion, the motion shall be declared defeated for the lack of a majority.

(b) Any matter to be decided by the Board which requires confirmation, authorization or approval by Special Resolution of members and/or shareholders

pursuant to the Act shall be decided by a Board Special Resolution.

4.16 Conflict of Interest

Subject to Alterna Savings' conflict of interest policy, a director, an officer or an employee who is a party to, or who is a director or an officer of or has a material interest in any person who is a party to, or is a spouse, parent or child of an individual who is a party to, a material contract or transaction or proposed material contract or transaction with Alterna Savings shall disclose in writing to Alterna Savings or request to have entered in the minutes of the meetings of the directors the nature and extent of his or her interest at the time and in the manner provided by the Act. Any such contract or transaction or proposed contract or transaction shall be referred to the Board for approval even if such contract is one that in the ordinary course of Alterna Savings' business would not require approval by the Board, and a director interested in a contract so referred to the Board shall not vote on any resolution to approve the same except as permitted by the Act.

4.17 Remuneration and Expenses

The directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them, subject to any terms, conditions and restrictions, if any, prescribed by the Board from time to time.

4.18 Training Requirements for Directors

The training requirements for directors are as established from time to time by the Board.

ARTICLE FIVE – COMMITTEES

5.01 Committee of Directors

The Board may appoint any number of committees of directors, however designated, and delegate to such committees any of the powers of the Board, except those powers which, under the Act or other applicable legislation, a committee of directors has no authority to exercise.

5.02 Transaction of Business

The powers of a committee of directors may be exercised by a meeting at which a quorum is present.

5.03 Audit Committee

(a) *Election from Board* – The Board shall appoint annually from among its qualified members (as such qualifications are defined by its policies) an Audit Committee, to be composed of a minimum of three (3) directors.

(b) *Chair and Meetings* – The Chair of the Audit Committee (the "Chair") shall be elected by the Board in accordance with procedures established by the Board from time to time, and meetings of the

Audit Committee shall be at the call of the Chair, Alterna Savings' auditor or a director, provided that the Audit Committee shall meet at least once in every three-month period.

- (c) *Duties* – The Audit Committee shall perform such duties as are set out in the Act and the regulations for an audit committee, and such other duties as may be delegated to it by the Board.

5.04 Nominating Committee

The Board shall appoint annually from amongst its members a Nominating Committee of not fewer than three members. Members of the Nominating Committee shall not seek election to the Board of Alterna Savings while on the Nominating Committee. The Nominating Committee shall solicit and receive nominations for election to the Board at the next annual meeting. The Nominating Committee shall, as determined through a fair, open and transparent process, make recommendations to the membership regarding candidates.

5.05 Procedure

Subject to this By-law and unless otherwise determined by the Board, each committee shall have power to fix its quorum at not less than a majority of its members, to elect its Chair and to regulate its procedure.

ARTICLE SIX – OFFICERS

6.01 Appointment

The Board shall appoint a Chair of the Board, a President and Chief Executive Officer and a Corporate Secretary, and may appoint, from time to time, one or more Vice-Chairs (to which title may be added words indicating seniority or function), and such other officers as the Board may determine. The Board may specify the duties of and, in accordance with this By-law and subject to the provisions of the Act, delegate to such officers, powers to manage the business and affairs of Alterna Savings. Subject to paragraphs 6.02 and 6.03, an officer may but need not be a director, and one person may hold more than one office. All officers shall sign such contracts, documents or instruments in writing as require their respective signatures. In the case of the absence or inability or refusal to act of any officer, or for any other reason that the Board may deem sufficient, the Board may delegate all or any of the powers of such officer to any other officer, or to any director for the time being.

6.02 Chair of the Board

The Chair of the Board shall be a director who has not, at the time of appointment, served as Chair of Alterna Savings for five (5) one-year (1-year) terms, and shall, when present, preside at all meetings of the Board. The Chair of the Board shall be vested with and may exercise such powers and shall perform such other duties as may from time to time be assigned to him or her by the Board. During the absence or disability or

refusal to act of the Chair of the Board, the Chair of the Board's duties shall be performed, and such powers of the Chair exercised by the Vice-Chair.

6.03 Vice-Chair

Each Vice-Chair shall be a director and shall have such powers and duties as the Board or the Chair may specify. The Vice-Chair or, if more than one, the Vice-Chair designated from time to time by the Board or by the Chair, shall be vested with all the powers and shall perform all the duties of the Chair in the absence or inability or refusal to act of the Chair.

6.04 President and Chief Executive Officer

The President and Chief Executive Officer shall be charged, subject to the authority of the Board, with the general supervision of the business and affairs of Alterna Savings.

6.05 Corporate Secretary

The Corporate Secretary, who may, but need not, be a director, shall give or cause to be given as and when instructed, all notices to members, shareholders, directors, officers, auditors and members of committees of the Board; the Corporate Secretary shall be the custodian of all books, papers, records, documents and instruments belonging to Alterna Savings, except when some other officer or agent has been appointed for that purpose; the Corporate Secretary shall ensure that the records and the By-law of Alterna Savings and the minutes of meetings of the Board are kept up to date; and the Corporate Secretary shall have such other powers and duties as the Board may specify.

6.06 Powers and Duties of Officers

The powers and duties of all officers shall be such as the terms of their engagement call for or as the Board may specify.

6.07 Variation of Powers and Duties

The Board may, from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

6.08 Term of Office

Each officer appointed by the Board who is not an employee of Alterna Savings, other than the Chair, shall hold office indefinitely until his or her successor is appointed or until the earlier of his or her resignation or death. Every employee appointed as officer shall hold office indefinitely, but the appointment shall automatically terminate upon the officer's termination of employment. Notwithstanding the foregoing, the Board, in its discretion, may remove any officer of Alterna Savings from office with or without cause, without prejudice to such officer's rights under any employment contract.

6.09 Remuneration

The remuneration of an officer appointed by the Board shall be settled by it from time to time. The fact that any officer is a director or shareholder of Alterna Savings shall not disqualify such officer from receiving such remuneration as may be so determined.

6.10 Conflict of Interest

An officer or employee of Alterna Savings shall disclose his or her interest in any material contract or transaction or proposed material contract or transaction with Alterna Savings in accordance with section 4.16.

6.11 Agents and Attorneys

The Board shall have power from time to time to appoint agents or attorneys for Alterna Savings in or outside Canada with such power of management or otherwise (including the powers to sub-delegate) as may be thought fit.

6.12 Fidelity Bonds

Subject to the Act, the Board shall require directors, officers, employees and agents of Alterna Savings receiving or having charge of money to furnish bonds for the faithful discharge of their powers and duties, provided by an insurer licensed under the *Insurance Act* (Ontario) to write surety and fidelity insurance, and in an amount at least equal to any minimum amount required by the Act or calculated in accordance with the formula specified in the Act, but no director shall be liable for failure to require any such bond, or for the insufficiency of any such bond, or for any loss by reason of the failure of Alterna Savings to receive any indemnity thereby provided.

ARTICLE SEVEN – MEETINGS OF MEMBERS

7.01 Meetings

- (a) *Annual General Meetings:* Unless otherwise authorized by the Superintendent, the annual meeting of the members of Alterna Savings shall be held within 120 days following the fiscal year-end, at such time and at such place within Ontario as the directors may by resolution determine.
- (b) *Special General Meetings:* Unless otherwise specified by the Act, special general meetings of the members of Alterna Savings shall be held at such time and at such place within Ontario as the directors may by resolution determine.
- (c) *Electronic Meetings:* A membership meeting may, if the Board determines by resolution to do so, and pursuant to such conditions, rules and procedures which may be approved by the Board, be held by telephonic or electronic means. A member who, by such means, votes at the meeting or establishes a communications link to the meeting shall be deemed for all purposes, including, without limiting the generality of the foregoing, the calculation of quorum pursuant to section 7.07 hereof, to have been present at the meeting.

7.02 Business at a Membership Meeting

At annual meetings of Alterna Savings, the Board shall place before the members,

- (a) the audited financial statements;
- (b) the report of the Audit Committee;
- (c) the report of the auditor;
- (d) information related to the election of directors; and
- (e) other information respecting the financial position of Alterna Savings and the results of its operations.

The members shall conduct such other business as is required by the Act, identified in the meeting notice or deemed desirable by the meeting, including, but not limited to the appointment of the auditor and any special resolutions.

The order of business at any special meeting of the members of Alterna Savings shall be as determined by the Board.

7.03 Notice of Meeting

Notice of all meetings of Alterna Savings shall be given by the Corporate Secretary, who shall, not later than ten days before the date of the meeting or earlier than fifty days before the date of the meeting, give notice of the meeting to each member of Alterna Savings who is, as of the record date for such meeting determined in accordance with section 7.04 hereof, a member of Alterna Savings in full compliance with the minimum membership share requirements contained in section 2.03 hereof, by posting a notice of the meeting in each office of Alterna Savings, on Alterna Savings' website, and publishing the notice in a newspaper that is circulated in the community in which the head office of Alterna Savings is situated, and in such other communities as the Board may from time to time decide.

The notice shall specify that copies of the audited financial statements and the reports of the Audit Committee and the auditor shall be available at the meeting and at the offices of Alterna Savings ten days before the date of the meeting, and shall set out any matter to be dealt with at the annual meeting in addition to items set out in section 7.02 in sufficient detail to permit members to form a reasonable judgment on the matter.

7.04 Record Date

The Board may fix in advance a date preceding the date of any meeting of members by no more than 50 days and not less than 10 days, as a record date for the determination of the members entitled to notice of the meeting, provided that notice of such record date shall be given not less than seven days before such record date by newspaper advertisement. If no record date is fixed, the record date for determining the members

entitled to notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given.

7.05 Accidental Omission

Where notice of a meeting is received generally by the members of Alterna Savings, the accidental omission to give notice to any member thereof, or the non-receipt of the notice by any member thereof, shall not invalidate any resolution passed or any proceedings taken at the meeting.

7.06 Members Meetings

The Chair of any meeting of members shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: the Chair, or a Vice-Chair who is a director, unless the Board by resolution has designated another person to chair the meeting. If no such person is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be Chair. If the Corporate Secretary of Alterna Savings is absent, the Chair of the meeting shall appoint some person, who need not be a member, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be members, may be appointed by a resolution or by the Chair with the consent of the meeting.

7.07 Quorum

At all meetings of the members of Alterna Savings, fifty (50) 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 seven or more than fifteen days thereafter, and the decision of the adjourned meeting shall be binding upon Alterna Savings regardless of the number of members then present, provided that notice of the adjourned meeting shall be given by the Corporate Secretary, in the manner provided in section 7.03 hereof, at least seven days prior to the date of the adjourned meeting.

7.08 Nominations

Any two members of Alterna Savings may nominate any qualified person (pursuant to the Act and this By-law) for election to the Board. Such nominations must be in writing, signed by the nominators. Each nomination must be accompanied by the nominee's consent to act as a director, if elected, and such other documents as the Board may from time to time determine. The Nominating Committee shall, in whatever manner it, in its sole discretion, considers appropriate, publicize its readiness to accept nominations, and the date and time on which it shall cease accepting nominations (which shall be not later than December 15 but shall otherwise be in the discretion of the Committee) provided that the nomination period be not less than 45 days.

7.09 No Nominations from the Floor

At the annual meeting, the Chair of the Nominating Committee shall place before the meeting only those nominations received in accordance with sections 5.04 and 7.07 hereof, and shall not call for further nominations from the floor of the annual general meeting.

7.10 Where a Special Meeting is Required

Where a director or directors are to be elected or a special resolution is to be considered at a special meeting of the members of Alterna Savings, Alterna Savings shall not be obliged to comply with sections 5.04, 7.07, 7.08 and 7.15 hereof, inclusive, but shall conduct the election in such manner as may be determined by the Board.

7.11 Voting in Person at the Meeting

All voting on the election of directors, and on all special resolutions coming before a meeting of the members, shall take place in accordance with section 7.15. On any business coming before a meeting of members that is not an election or a special resolution, every member who is eligible to vote at the meeting of members in question shall be entitled to one vote thereat.

7.12 Show of Hands

- (a) Subject to section 7.10, every question submitted to any meeting of members (except for an election and unless a poll is demanded or required) shall be decided in the first instance by a show of hands. In the case of an equality of votes, either upon a show of hands or upon a poll, the Chair of the meeting shall not be entitled to a second or casting vote.
- (b) At any meeting, unless a poll is demanded, a declaration by the Chair of the meeting that a resolution has been carried or carried unanimously or by a particular majority, or lost or not carried by a particular majority, shall be conclusive evidence of the fact.

7.13 Joint Members

Where two or more persons hold the same membership share or shares jointly, any one of such persons present at a meeting of members has the right, in the absence of the other or others, to vote in respect of such share or shares, but, if more than one of such persons are present, they shall vote together as one on the share or shares jointly held by them.

7.14 Proxies

A member of Alterna Savings which is Her Majesty the Queen, a corporation, a partnership or an unincorporated association shall only cast its vote as a member through a written proxy produced at the meeting, signed by the president or other head officer or by the vice president or secretary or treasurer of such entity, and appointing one or more persons to vote on its behalf. Any person so appointed need not be a member of Alterna Savings. Any such proxy shall cease to be valid after the adjournment of the meeting for

which it was specifically given, or after the expiration of one year from its date, whichever is earlier.

7.15 In-Branch, Mail and Electronic Voting on Elections and Special Resolutions

(a) *General:* Voting in any election of directors, and on any special resolution, shall take place before the members' meeting at which the result will be announced and, on such election or special resolution, members shall be permitted to choose to cast their ballots using any of the following methods, but each member shall select only one of the following methods and cast only one ballot:

- (i) in-branch voting at any branch or administrative office of Alterna Savings, at the discretion of and in the manner prescribed by the Board;
- (ii) the mail, at the discretion of and in the manner prescribed by the Board;
- (iii) electronic means, at the discretion of and in the manner prescribed by the Board; or
- (iv) voting in person during the registration period prior to the membership meeting, at the discretion of and in the manner prescribed by the Board.

The Board shall determine, prior to giving notice of any meeting, whether and in what manner voting will be permitted pursuant to subparagraphs (i), (ii), (iii) and (iv) above.

(b) *Notice of Meeting:* The first or initial notice, under section 7.03, of the annual general meeting or special meeting at which an election will occur or at which a special resolution will be presented to the members for approval shall be given not later than forty (40) days before the date of the members' meeting, and shall contain the following:

- (i) a notice of the election of Board, if one will occur at the meeting;
- (ii) a notice of any special resolution(s) requiring the approval of the members;
- (iii) a list of candidates for election to the Board, if applicable;
- (iv) clear and precise instructions for voting, including that the member may vote by only one of the permitted methods;
- (v) notification of the date (or dates) and time(s) during which voting in the election and on the special resolution by mail, electronic, or in-branch means, or in person during the registration period prior to the membership meeting, if applicable, shall take place;
- (vi) notification of the place (or places) at which in-branch polling in the election or on the special resolution shall take place, if applicable, and the manner in which mail or electronic ballots, if applicable, may be cast (or details of alternative methods of voting, if applicable);

(vii) the conditions under which members will be eligible to vote in the election and/or on the special resolution; and

(viii) a notification to members that the special resolution(s) cannot be amended.

(c) *Voting Period:* Voting in the election and on the special resolution, if any, shall take place in Alterna Savings' branches, by mail, and by electronic means, as applicable, in advance of the meeting, during a period of at least ten (10) consecutive business days before the annual general meeting or special meeting at which the election will occur and/or at which the special resolution(s) will be presented to the members. Voting may also take place in person during the registration period prior to said annual general meeting or special meeting, and electronically prior to the time of said meeting, as applicable.

(d) *Idem:* The Board may, by resolution, make additional rules governing the conditions that apply to a ballot cast in any manner other than in person at the membership meeting, provided that these and any other rules governing such votes are made available to the members together with the information required to be made available under subparagraph (b).

(e) *Chief Returning Officer:* The Board may appoint a Chief Returning Officer to oversee the in-person, in-branch, mail and electronic voting process, as applicable, and, if so appointed, the Chief Returning Officer shall be appointed at least thirty (30) days prior to the date on which in-branch, mail and electronic voting, as applicable, is to commence.

(f) *Information on the Question:* The Chief Returning Officer shall make available, in all branches and the head office of Alterna Savings, at least fifteen (15) days before the commencement of the voting period, to all members of Alterna Savings entitled to vote, the text of any proposed special resolution(s), and the Board's reasons for proposing the approval by the members of the special resolution(s).

(g) *Voting Process:* Only a member (other than a member under the age of 18 years) entitled to receive notice of the meeting of members pursuant to section 7.03 hereof is eligible to cast a ballot in the election or on the special resolution. Subject to the Act, in the case of a corporation, partnership or unincorporated association, its vote may be cast on its behalf through a written proxy produced at any branch or the head office, signed by the president or other head officer, the vice-president, secretary or treasurer of the member, appointing one or more persons to vote on its behalf. Any person so appointed need not be a member of Alterna Savings. Any such proxy shall cease to be valid on the day following the meeting of the members of Alterna Savings in question.

- (h) *Administration of the Vote:* The Chief Returning Officer may engage the employees of Alterna Savings and such other resource persons as the Board or the Chief Returning Officer agree are required to conduct the voting in a proper manner and to ensure compliance with the voting process set out in this By-law.
 - (i) *Ballots:* The ballot used for the vote shall refer to any special resolution(s) and contain instructions on how the voter may indicate such voter's vote on the question. If an election to the Board also occurs at the membership meeting in question, the ballot shall also contain:
 - (i) (A) a list of the names of the persons nominated for election to the Board. The order of the names on the ballot shall be determined by a random draw of all candidates. The draw shall be conducted in the presence of Internal Audit;
 - (B) the ballot shall indicate for each candidate whether or not the Nominating Committee is recommending the election of that candidate to the membership;
 - (ii) instructions as to the number of persons for which the member shall vote, and the method by which his or her selection should be signified;
 - (iii) a warning that a failure to vote for the required number of candidates will result in a spoiled ballot, and that the Act does not permit a member to cast more than one vote for one candidate; and
 - (iv) an explanation that, should a candidate for election to the Board become disqualified, withdraw or become ineligible after the start of voting, no vote cast in favour of this candidate shall be counted in the tally of the ballots, but the ballots shall not otherwise be deemed to be void.
 - (j) *Supervision of Election Process:* The Chief Returning Officer shall supervise the voting process and:
 - (i) may require a member to provide proof and particulars of membership;
 - (ii) shall obtain or cause to be obtained all ballots and, after the close of balloting, shall cause a tally to be made of all ballots, such tally to be made in a manner that ensures the secrecy of the balloting; and
 - (iii) shall determine whether a ballot is to be accepted or rejected, and such determination is final and not open to review.
 - (k) *Voting Prior to Membership Meeting:* The ballots cast electronically prior to the time of the meeting (if any), in the branches of Alterna Savings (if any), and by mail (if applicable) shall be counted and reported to the members of Alterna Savings, together with those votes cast in person during the registration period prior to the membership meeting in question, if any.
 - (l) *Accidental Omission:* Where the voting in the election and on the special resolution(s) is conducted substantially in accordance with the provisions of this section, the accidental omission to give notice to any member thereof, or the nonreceipt of the notice by any member thereof, or the accidental failure to include any statement required to be included in any such notice, shall not invalidate the decision reached in the election and on the special resolution(s).
 - (m) *Interpretation:* For the purposes of this section, "Chief Returning Officer" shall mean that person appointed by the Board as the senior official responsible for overseeing the voting process for compliance with all legal, regulatory and By-law requirements, or in the absence of a specific appointment, the Corporate Secretary.
- 7.16 New Business**
At all meetings of the members of Alterna Savings, only the business stated in the notice calling such meeting or in this By-law may be transacted.
- 7.17 Proposals and Requisitions**
(a) *Proposals:* Upon receipt of a proposal from a member to raise an issue at the annual meeting and a request that a statement in relation to that issue be attached to the notice of meeting, the Board shall, within 10 days of its receipt, meet to consider whether or not the proposal is to be included in the notice of meeting and, where the Board refuses to include the proposal in the notice of meeting, the Chair of the Board shall notify the member submitting it of the refusal, and give reasons therefor.
(b) *Requisitions:* Upon the written request of 5% of the members stating the general nature of the business to be presented at the meeting, the Board shall call a general meeting for the transaction of that business not later than 21 days from the date the written request was deposited at the head office, and such meeting shall be held within 60 days from the date of said deposit.
- 7.18 Adjournment**
The Chair at the meeting of members may, with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted by the Act, adjourn the meeting from time to time and from place to place. If a meeting of members is adjourned for less than thirty (30) days, subject to section 7.06, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of members is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original meeting.

7.19 Default Rules of Order

Except as set out in the Act, this By-law and any special rules adopted during any meeting, the conduct of all meetings of the members shall be governed by the rules of order specified by the Board from time to time.

ARTICLE EIGHT – PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

8.01 Indemnity

Subject to the limitations contained in the Act, Alterna Savings shall indemnify a director, officer, or committee member, a former director or officer or committee member, or a person who acts or acted at Alterna Savings' request as a director or officer of a body corporate of which Alterna Savings is or was a direct or indirect shareholder or creditor, and such person's heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which such a director, officer, or committee member, or former director or officer or committee member, or any such person who acts or acted at Alterna Savings' request as a director or officer of a body corporate of which Alterna Savings is or was a shareholder or creditor, or such person's heir and legal representative, who is made a party by reason of such person being or having been a director or officer of Alterna Savings or such body corporate, if:

- (a) such person acted honestly and in good faith with a view to the best interest of Alterna Savings; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person had reasonable grounds for believing that such person's conduct was lawful. Alterna Savings shall also indemnify such person in such other circumstances as the Act permits or requires.

8.02 Insurance

Subject to the Act, Alterna Savings may purchase and maintain insurance for the benefit of any person referred to in paragraph 8.01 against such liabilities and in such amounts as the Board may from time to time determine.

ARTICLE NINE – SHARES

9.01 Allotment

The Board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares, other than membership shares, of Alterna Savings, at such times and to such persons and for such consideration as the Board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

9.02 Commissions

Except in respect of membership shares and subject to the Act, the Board may from time to time authorize Alterna Savings to pay a reasonable commission to any person in consideration of such person purchasing or agreeing to purchase shares of Alterna Savings, whether from Alterna Savings or from any other person, or procuring or agreeing to procure purchasers for any such shares.

9.03 Registration of Transfers

Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate or written acknowledgement representing such shares, with an endorsement which complies with the Act made thereon or delivered therewith, duly executed by an appropriate person as provided by the Act, together with such reasonable assurance that the endorsement is genuine and effective as the Board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the Board, upon compliance with such restrictions on transfer as are authorized by the Articles, and upon satisfaction of any lien referred to in paragraph 9.05.

9.04 Transfer Agents and Registrars

The Board may from time to time appoint one or more agents to maintain, in respect of each class of securities of Alterna Savings issued by it in registered form, a securities register and one or more branch securities registers. Such a person may be designated as transfer agent and registrar according to such person's functions, and one person may be designated both registrar and transfer agent. The Board may at any time terminate such appointment.

9.05 Lien for Indebtedness

Alterna Savings shall have a lien on any share registered in the name of a shareholder or such shareholder's legal representatives for a debt of that shareholder to Alterna Savings, provided that, if any shares of Alterna Savings are listed on a stock exchange recognized by the Ontario Securities Commission, Alterna Savings shall not have such lien on such listed shares. Alterna Savings may enforce any lien that it has on shares registered in the name of a shareholder indebted to Alterna Savings by the sale of the shares thereby affected, or by any other action, suit, remedy or proceeding authorized or permitted by law and, pending such enforcement, Alterna Savings may refuse to register a transfer of the whole or any part of such shares.

9.06 Non-recognition of Trusts

Subject to the provisions of the Act, Alterna Savings may treat the person in whose name any share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in Alterna

Savings' records or on the share certificate or written acknowledgement.

9.07 Share Certificates and Written Acknowledgements

- (a) Alterna Savings shall not issue certificates for membership shares, provided that a member shall be entitled to a statement of the number of membership shares held by the member upon request.
- (b) Subject to paragraph (a) hereof, every holder of one or more shares of Alterna Savings shall be entitled, at such holder's option, to a share certificate, or to a written acknowledgement of such shareholder's right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Share certificates and written acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as the Board shall from time to time approve. Any share certificate or written acknowledgement shall be signed in accordance with paragraph 3.03 and need not be under the corporate seal; provided that, unless the Board otherwise determines, certificates or written acknowledgements representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of share certificates or written acknowledgements which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon share certificates or written acknowledgements, and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon Alterna Savings. A share certificate or written acknowledgement executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate or written acknowledgement.

9.08 Replacement of Share Certificates or Written Acknowledgements

The Board, or any officer or agent designated by the Board, may, in its or such officer's or agent's discretion, direct the issue of a new share certificate or written acknowledgement in lieu of and upon cancellation of a share certificate or written acknowledgement that has been mutilated, or in substitution for a share certificate or written acknowledgement claimed to have been lost, destroyed or wrongfully taken, on payment of such fee, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board, or the officer or agent designated by the Board, may

from time to time prescribe, whether generally or in any particular case.

9.09 Joint Shareholders

If two or more persons are registered as joint holders of any share, Alterna Savings shall not be bound to issue more than one certificate or written acknowledgement in respect thereof, and delivery of such certificate or written acknowledgement to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate or written acknowledgement issued in respect thereof, or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such shares.

9.10 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, Alterna Savings shall not be required to make any entry in the securities register in respect thereof, or to make payment of any dividends thereon, except upon production of all such documents as may be required by law, and upon compliance with the reasonable requirements of Alterna Savings and its transfer agents.

ARTICLE TEN – DIVIDENDS AND RIGHTS

10.01 Dividends

Subject to the provisions of the Act, the Board may from time to time declare dividends, rebates of interest on loans or bonus interest on deposits payable to members and shareholders according to their respective rights and interest in Alterna Savings. Dividends, rebates or bonuses may be paid in money or property, or by issuing fully paid shares, except for membership shares, of Alterna Savings.

10.02 Dividend Payments

Subject to the terms and conditions of the relevant class and series of shares, a dividend payable in cash shall be credited to the member's or shareholder's account with Alterna Savings, unless such member or holder has no such account. If the member or shareholder has no account at Alterna Savings, it shall be paid by cheque drawn on Alterna Savings' bankers, or one of them, to the order of each registered holder of shares of the class or series in respect of which it has been declared, and mailed by prepaid ordinary mail to such registered holder at such registered shareholder's Recorded Address.

In the case of joint holders, the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders, and mailed to them at their Recorded Address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented

thereby, plus the amount of any tax which Alterna Savings is required to and does withhold.

10.03 Non-receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, Alterna Savings shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case.

10.04 Record Date for Dividends and Rights

The Board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of Alterna Savings, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of Alterna Savings shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the Board.

10.05 Unclaimed Dividends

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to Alterna Savings.

ARTICLE ELEVEN – MEETINGS OF SHAREHOLDERS

11.01 Meetings

Subject to the Act, meetings of shareholders (other than holders of membership shares, meetings of the members of Alterna Savings being governed by Article Seven hereof) shall be held at such time as the Board may from time to time determine, for the purpose of transacting any business required by the Act to be placed before the shareholders and for the transaction of such other business as may properly be brought before the meeting.

11.02 Special Meetings

The Board shall have power to call a special meeting of shareholders at any time.

11.03 Place of Meetings

At the discretion of the Board, meetings of shareholders shall be held at such location within Ontario as the Board shall determine.

11.04 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in paragraph 14.01 not less than 10 days nor more than 50 days before the date of the meeting, to each director, to the auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders shall state or be accompanied by a statement of the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and the text of any special resolution to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

11.05 List of Shareholders Entitled to Notice

For every meeting of shareholders, Alterna Savings shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to paragraph 11.06, the shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held.

11.06 Record Date for Notice

The Board may fix in advance a date, preceding the date of any meeting of shareholders by not more than fifty (50) days and not less than twenty-one (21) days, as a record date for the determination of the shareholders entitled to notice of the meeting, provided that notice of any such record date shall be given not less than seven days before such record date by newspaper advertisement in the manner provided in the Act and, if any shares of Alterna Savings are listed for trading on a stock exchange in Canada, by written notice to each such stock exchange. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given.

11.07 Chair, Corporate Secretary and Scrutineers

The Chair of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: the Chair or a Vice-Chair who is a director, unless the Board by resolution has designated another person to chair the meeting. If no such person is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be Chair. If the Corporate Secretary of Alterna Savings is absent, the Chair of the meeting shall

appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers (who need not be shareholders) may be appointed by a resolution or by the Chair with the consent of the meeting.

11.08 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors, the officers and the auditor of Alterna Savings and others who, although not entitled to vote, are entitled or required under any provision of the Act or the Articles or the By-law to be present at the meeting. Any other person may be admitted only on the invitation of the Chair of the meeting or with the consent of the meeting.

11.09 Quorum

Subject to paragraph 11.10, regarding any class of special shares issued by Alterna Savings or its predecessors and offered for sale pursuant to an offering statement, two persons present in person, each being a shareholder entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting, shall be a quorum at any meeting of the shareholders for the choice of a Chair of the meeting and the adjournment of the meeting; for all other purposes a quorum at any meeting of shareholders, unless a greater number is required to be present or a greater number of shares are required to be represented at the meeting by the Act or by the Articles or any other By-law, shall be persons present in person, each being a shareholder entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting, not being less than two in number and holding or representing by proxy not less than 20% of the total number of the issued shares of Alterna Savings for the time being enjoying voting rights at such meeting.

Subject to paragraph 11.10, regarding any class of special shares issued by Alterna Savings or its predecessors but not offered for sale pursuant to an offering statement, fifty (50) persons present in person, each being a shareholder entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting, shall be a quorum at any meeting of the shareholders.

Regarding any meeting of the shareholders of Alterna Savings, if there is no quorum, then the meeting shall be adjourned to such date, not being less than 10 days later, and to such time and place as may be announced by the Chair at the meeting, and, subject to paragraph 11.17, it shall not be necessary to give notice of the adjourned meeting.

At such adjourned meeting, the persons present at such meeting, provided that there are at least two such persons present in person, each being a shareholder

entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting, shall be a quorum for the transaction of the business for which the meeting was originally called.

11.10 Right to Vote

Subject to the provisions of the Act as to authorized representatives of any other body corporate or association, at any meeting of shareholders for which Alterna Savings has prepared the list referred to in paragraph 11.05, every person who is named in such list shall be entitled to vote the shares shown opposite such shareholder's name, except to the extent that such person has transferred any of such shareholder's shares after the record date determined in accordance with paragraph 11.06 and the transferee, having produced properly endorsed certificates evidencing such shares or having otherwise established that such person owns such shares, has demanded not later than ten (10) days before the meeting that such shareholder's name be included in such list. In any such case the transferee shall be entitled to vote the transferred shares at the meeting. At any meeting of shareholders for which Alterna Savings has not prepared the list referred to in paragraph 11.05, every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

11.11 Proxies

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or a shareholder's attorney authorized in writing, and shall conform with the requirements of the Act.

11.12 Time for Deposit of Proxies

The Board may by resolution specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting or an adjournment thereof by not more than forty-eight (48) hours, exclusive of any part of a Non-Business Day, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with Alterna Savings or an agent thereof specified in such notice or, if no such time is specified in such notice, only if it has been received by the Corporate Secretary of Alterna Savings or by the Chair of the meeting or any adjournment thereof prior to the time of voting.

11.13 Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those

persons are present in person or represented by proxy and vote, they shall vote as one the shares jointly held by them.

11.14 Votes to Govern

At any meeting of shareholders every question shall, unless otherwise required by the Articles or the By-law, be determined by a majority of the votes cast on the question. In case of an equality of votes, either upon a show of hands or upon a poll, the Chair of the meeting shall not be entitled to a second or casting vote.

11.15 Show of Hands

Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the Chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried, and an entry to that effect in the minutes of the meeting, shall be *prima facie* evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

11.16 Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a vote by show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot at any time prior to the introduction of the next question on the agenda by the Chair. A ballot so required or demanded shall be taken in such manner as the Chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken, each person present shall be entitled, in respect of the shares which such person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the Articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

11.17 Adjournment

The Chair at the meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted by the Act, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty

(30) days or more, notice of the adjourned meeting shall be given as for an original meeting.

11.18 Requisitions

Two or more shareholders who together hold not less than five per cent (5%) of the issued and outstanding shares of a class of shares may require that the Board call a meeting of the shareholders of that class.

11.19 Default Rules of Order

Except as set out in the Act, this By-law and any special rules adopted during any meeting, the conduct of all meetings of the shareholders shall be governed by the rules of order specified by the Board from time to time.

ARTICLE TWELVE – LENDING

12.01 Lending

The Credit Union may make loans in accordance with the Act and its lending policies as adopted by the Board from time to time.

ARTICLE THIRTEEN – INFORMATION AVAILABLE TO MEMBERS AND SHAREHOLDERS

13.01 Financial Statements

Every member or shareholder applying in writing therefor shall be entitled to receive a copy of Alterna Savings' last audited financial statement. Copies of the last audited financial statement of any subsidiaries of Alterna Savings shall be open to inspection by the members and shareholders, and to the making of extracts thereof, during normal business hours free of charge.

13.02 Information Available to Members and Shareholders

Except as provided by the Act, no member or shareholder shall be entitled to discovery of any information respecting any details or conduct of Alterna Savings' business which in the opinion of the directors it would not be in the interests of Alterna Savings to communicate to the public.

13.03 Directors' Determination

The directors may, from time to time, subject to the rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of Alterna Savings or any of them shall be open to the inspection of shareholders, and no shareholder shall have any right to inspect any document or book or register or accounting record of Alterna Savings except as conferred by statute or authorized by the Board or by a resolution of the shareholders in general meeting.

13.04 Fee for Copy of the By-law

A copy of the By-law of Alterna Savings shall be delivered by Alterna Savings to a member on demand

on payment of a fee of twenty-five dollars (\$25.00), or such lesser amount as may be prescribed by the Act from time to time.

ARTICLE FOURTEEN – NOTICES

14.01 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the Articles, the By-law or otherwise to a member, shareholder, director, officer, auditor or member of a committee of the Board (hereinafter, collectively, a “Recipient”) shall be sufficiently given if given in a manner authorized by the Act or if delivered personally to the proposed Recipient, or if delivered to the Recipient’s Recorded Address, or if mailed to the Recipient’s Recorded Address by prepaid mail or if sent to the Recipient at the Recipient’s Recorded Address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the Recorded Address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box and shall be deemed to have been received on the fifth day after so depositing; and a notice so sent by any means of transmitted or recorded communication including without limitation electronic mail and facsimile shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Corporate Secretary may change or cause to be changed the Recorded Address of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by the Corporate Secretary to be reliable.

14.02 Signature to Notices

The signature of any director or officer of Alterna Savings to any notice or document to be given by Alterna Savings may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

14.03 Proof of Service

A certificate of the Chair, a Vice-Chair, the President and Chief Executive Officer, the Corporate Secretary or of any other officer of Alterna Savings in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of Alterna Savings as to the facts in relation to the mailing or delivery of any notice or other document to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of Alterna Savings as the case may be.

14.04 Notice to Joint Shareholders

All notices with respect to shares registered in more than one name shall, if more than one address appears on the records of Alterna Savings in respect of such joint holdings, be given to all of such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to the holders of such shares.

14.05 Computation of Time

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 both the date of giving the notice and the date of the meeting or other event shall be excluded.

14.06 Undelivered Notices

If any notice given to a member or shareholder pursuant to paragraph 14.01 is returned on three consecutive occasions because such member or shareholder cannot be found, Alterna Savings shall not be required to give any further notices to such member or shareholder until such member or shareholder informs Alterna Savings in writing of such member or shareholder’s new address.

14.07 Omissions and Errors

The accidental omission to give any notice to any member, shareholder, director, officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person 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 or otherwise founded thereon.

14.08 Deceased Members or Shareholders

Any notice or other document delivered or sent by post or left at the Recorded Address of any member or shareholder shall, notwithstanding that such member or shareholder be then deceased, and whether or not Alterna Savings has notice of such member or shareholder’s decease, be deemed to have been duly served in respect of the shares held by such member or shareholder (whether held solely or with any person or persons) until some other person be entered in such member of shareholder’s stead in the records of Alterna Savings as the holder or one of the holders thereof, and such service shall for all purposes be deemed a sufficient service of such notice or document on such member’s or shareholder’s heirs, executors or administrators and on all persons, if any, interested with such member or shareholder in such shares.

14.09 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death or a member or shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom such person derives title to such share prior to such person’s name and address being entered on the securities register (whether such notice was given

before or after the happening of the event upon which such person became so entitled) and prior to such person furnishing to Alterna Savings the proof of authority or evidence of such person's entitlement prescribed by the Act.

14.10 Waiver of Notice

Any member or shareholder (or such member or shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the Articles, the By-law or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing, except a waiver of notice of a meeting of members or shareholders or of the Board or of a committee of the Board, which may be given in any manner.

ARTICLE FIFTEEN - EFFECTIVE DATE


15.01 Effective Date

Subject to the Act, this By-law shall come into force upon being passed by the Board and confirmed by a special resolution of the members.

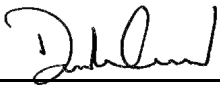
15.02 Repeal

All By-laws previously enacted are revoked upon the coming into force of this By-law.

MADE by the Board on the 8th day of March, 2019.




José Gallant
SVP & Chief Administrative Officer




Duncan de Chastelain
VP, Legal & Corporate Secretary

CONFIRMED by the members on the 18th day of April, 2019.



José Gallant
SVP & Chief Administrative Officer



Duncan de Chastelain
VP, Legal & Corporate Secretary