

The paragraphs between the conclusion of section 5.04(b) and the commencement of Section 5.05 in By-Law No. 1 of the Credit Union, which should have been numbered as section 5.05 thereof, be hereby deleted, the following be inserted in its place as section 5.05 thereof, and the remaining sections of Article 5 be renumbered accordingly. Changes as outlined below:

**BY-LAW NO.1**  
**A By-law relating generally to the conduct of the affairs of**  
**Sudbury Credit Union Limited**

**ARTICLE FIVE**

**COMMITTEES**

**Committees of Directors**

**5.01** To the extent permitted by an applicable Authority rule, the Board may appoint a committee of directors, however designated, and delegate to such committee any of the powers of the Board except those which pertain to items which, under the Act, a committee of directors has no authority to exercise. In the absence of an applicable Authority rule, the Board may presume that the establishment and delegation of authority to the committees specified in this Article are permitted.

**Transaction of Business**

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

**Audit Committee**

**Appointment**

**5.03** (a) The Board shall elect annually from among its number an audit committee to be composed of at least three (3) directors. The audit committee shall have the powers prescribed by the Act and these By-laws.

**Chair and Meetings**

(b) The audit committee shall elect a Chair, and meetings of the audit committee shall be at the call of the Chair, the Credit Union's auditor or a Director, provided that the audit committee shall meet at least quarterly.

**Duties**

(c) The audit committee shall perform such duties as are set out in the Act and these By-laws.

**Nominating Committee**

**Appointment and Number**

**5.04** (a) In each year, following the annual general meeting of Members, the Board shall appoint a nominating committee of three (3) directors whose terms of office do not expire until an annual general meeting that follows the immediately upcoming scheduled annual general meeting.

**Mandate**

(b) The nominating committee shall supervise the election of directors to be held at or prior to the next annual general meeting, in compliance with the terms and conditions of the director election procedure passed by the Board, as amended from time to time.

**Director Election Procedure**

**5.05** The Board shall pass and maintain in force at all times a Director Election Procedure that complies with the Act and these By-laws, prescribes the Credit Union's nomination process, and contains Director eligibility standards that supplement the qualifications and disqualifications prescribed in the Act.

At a minimum, the Director Election Procedure shall:

- i. prohibit the nominating committee from naming a Nominee who:
  - a. is not a Member In Good Standing; and
  - b. has completed a period of eighteen (18) consecutive years of service if the potential candidate is a Director as of the date this bylaw amendment is confirmed by the membership, and otherwise a period of twelve (12) consecutive years of service (the "Term Limit"), as a Director less than one year before the meeting at which the person will be a candidate for election as a Director;
- ii. deem, for the purposes of paragraph i.b. above, a Director who resigns in the final year of the Director's current term as if the Director had completed that term;
- iii. prescribe the form and content of the applications to be submitted by Members seeking nominations; and
- iv. prescribe the process by which submitted applications will be reviewed by the nominating committee.

### **Advisory Committee**

**5.06** The Board may from time to time appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

### **Procedure**

**5.07** 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.