

1. DEFINITIONS

- 1.1. "CBCU" Community Based Credit Union
- 1.2. "CEO" Chief Executive Officer, defined as the senior executive leader of a credit union, regardless of their title
- 1.3. "CFC" CBCU Future Committee
- 1.4. "Executive" The CFC Executive Committee as described in 7
- 1.5. "Member" A credit union that is a Member of the CFC
- 1.6. "Senior Executive" A member of the most senior level of a credit union's management who reports to the CEO of that credit union

2. DESCRIPTION AND PURPOSE

- 2.1. The CFC is an unincorporated voluntary association.
- 2.2. The purpose of the CFC is to support the continued viability of CBCUs through practical collaboration and collective advocacy.

3. MEMBERSHIP

- 3.1. Membership of the CFC is open to all Canadian credit unions that meet the following criteria:
 - a. Their strategy is focused on enabling the success of their members and their local communities;
 - b. They are demonstrably dedicated to the Co-Operative Principles, in particular: Democratic Member Control; Education, Training, and Information; Cooperating Among Cooperatives; Concern for Community;¹
 - c. Their total assets are \$900,000,000 or less.
- 3.2. Credit unions with total assets of \$900MM or more may join the CFC as a Friend. A Friend does not have voting rights as described in 5.2, 6, 7.6, and 7.7 and a Friend cannot put forward a candidate for the Executive as described in 7.2.
- 3.3. To become a Member of the CFC or a Friend in good standing, a credit union must notify the Executive of their intention to become a Member or a Friend and pay the annual levy due in the year of joining as specified in 9.1.
- 3.4. The Executive may choose to approve a credit union, a cooperative association, or an affiliate of either type of organization that does not meet the criteria stated in 3.1 as a Member of the CFC. The Executive may only do so if it determines by a simple majority vote of the Executive that granting Membership is in the best interests of the CFC and its Members. The Executive will promptly inform all CFC Members and Friends of any Memberships approved in this manner.
- 3.5. Should the total assets of a credit union who is a Member in good standing grow to exceed \$900,000,000, the CFC Executive may choose to approve by a simple majority vote the continued Membership of that credit union. Any such approvals will be communicated to all CFC Members and Friends in good standing.

¹ "Cooperative identity, values & principles," International Cooperative Alliance, www.ica.coop/en/cooperatives/cooperative-identity

- 3.6. The Executive will ensure that a list of all CFC Members and Friends in good standing is made available to all CFC Members and Friends at least once per quarter.
- 3.7. A Member or a Friend of the CFC may resign from the CFC at any time without notice by informing the CFC Executive in writing or by e-mail.
- 3.8. A Member or a Friend of the CFC may be expelled from the CFC by a resolution passed at an extraordinary general meeting by a two-thirds majority vote of all CFC Members in good standing.

4. MEMBER MEETINGS

- 4.1. General meetings of the CFC shall be held at such time and place as the Executive decides.
- 4.2. Every general meeting, other than an annual general meeting, is an extraordinary general meeting.
- 4.3. An extraordinary general meeting may be called:
 - a. By the Executive, whenever they see fit; or
 - b. At the request of two-thirds of CFC Members in good standing.
- 4.4. Notice of a general meeting shall specify the place, the electronic virtual platform, the day, and the hour of meeting, and, in the case of special business, the general nature of that business. For clarity, a general meeting may be held entirely virtually.
- 4.5. Notice of a general meeting must be given to Members by e-mail at least ten (10) business days prior to the date of the general meeting.
- 4.6. The accidental omission to give notice of a meeting to, or the non-receipt of a notice by, any of the Members entitled to receive notice does not invalidate proceedings at that meeting.
- 4.7. Friends may be invited to meetings and may participate in any related discussions.
- 4.8. The first annual general meeting of the CFC shall be held not more than 18 months after the date of establishment and thereafter an annual general meeting shall be held at least once every calendar year and not more than 15 months after holding the last preceding annual general meeting.

5. PROCEEDINGS AT MEMBER MEETINGS

- 5.1. Special business is all business at an extraordinary general meeting and is all business at an annual general meeting that is not regular business.
- 5.2. Resolutions may be put to a Member vote either by the Executive or by one-third of CFC Members in good standing.
- 5.3. Regular business at the annual general meeting will consist of:
 - a. The adoption of rules of order;
 - b. The consideration of the financial statements;
 - c. The proposed annual levy;
 - d. The report of the Executive;
 - e. The election of the Executive.
- 5.4. General meetings will be chaired by an individual selected by the Executive.
- 5.5. A quorum is one-third of all CFC Members in good standing

6. VOTING

- 6.1. Each CFC Member in good standing will have one vote.
- 6.2. Unless specified otherwise in this Terms of Reference items requiring a Member vote shall be decided by a simple majority of all votes cast.
- 6.3. Voting may be conducted remotely by electronic means or physically by paper ballot or show of hands.

7. EXECUTIVE COMMITTEE

- 7.1. The Executive will consist of no less than four and no more than eight CEOs, Senior Executives, or board members from CFC Members in good standing.
- 7.2. Each CFC Member in good standing can only put forward one candidate for the Executive.
- 7.3. Good faith efforts will be made to ensure that the Executive accurately reflects the geographic makeup of the CFC Membership.
- 7.4. Each person on the Executive is elected at an annual general meeting for a term of two years that ends at the second annual general meeting after their election with no limits on the number of terms served.
- 7.5. If eight or fewer candidates stand for election to the Executive, then an election will not be held and all candidates will be appointed to the Executive by acclamation.
- 7.6. If more than eight candidates stand for election to the Executive then the eight candidates who receive the most votes cast by CFC Members in good standing shall be appointed to the Executive.
- 7.7. If an election is held for the Executive then each CFC Member in good standing can vote for up to eight candidates.
- 7.8. If an election is held then the Executive will appoint an individual who is not on the Executive to conduct the election.
- 7.9. If at any point there are fewer than eight individuals elected or acclaimed to the CFC Executive, the CFC Executive may appoint additional individuals to the Executive provided the total number of individuals on the CFC Executive does not exceed eight.
 - a. An appointee to the Executive must meet the criteria stated in 7.1.
 - b. An appointee must be approved by a simple majority vote of the CFC Executive.
 - c. An appointee to the Executive will serve on the Executive until the next Annual General Meeting.
 - d. The CFC Executive must immediately inform Members and Friends of any appointments made to the CFC Executive.

8. PROCEEDINGS AND DUTIES OF THE EXECUTIVE

- 8.1. The Executive will choose one of its members as Chair either by acclamation or by simple majority vote.
- 8.2. The Executive will meet at least once every two calendar months.
- 8.3. The Executive may establish procedures for conducting business as they see fit provided that nothing the Executive does contradicts any part of this Terms of Reference.
- 8.4. The Executive is responsible for conducting and overseeing activities aimed at fulfilling the CFC's purpose as articulated in 2.2.
- 8.5. The Executive must establish and maintain procedures for the safekeeping and administration of CFC funds that a reasonable and prudent person would apply.
- 8.6. The Executive may use CFC funds to pay for services in support of any activities permitted in 8.3.
- 8.7. The Executive will report on CFC activities and financial position to CFC Members and Friends in good standing at least once every three months.
- 8.8. Should a member of the Executive fail to attend at least two-thirds of the Executive meetings scheduled in any given twelve-month period, or fail to attend three consecutive Executive meetings, that member will be deemed to have resigned from the Executive.
 - a. An Executive member may request the Executive to disregard a failure or failures to attend an Executive Meeting on the grounds of extenuating circumstances, defined as personal circumstances or exceptional business circumstances beyond the Executive member's control.
 - b. All failures to attend that the Executive chooses to disregard shall be excluded from determining an Executive member's attendance record as specified in 8.8.

- 8.9. An Executive member who has a Conflict of Interest or potential Conflict of Interest shall immediately disclose it to the rest of the Executive, who will decide whether a Conflict of Interest or potential Conflict of Interest exists.
 - a. A Conflict of Interest is situation where an Executive member's duty to act solely in the best interests of the CFC and to their fiduciary duties is compromised or impeded by any other interest, relationship or duty of the Executive Member.
 - b. An Executive member with a Conflict of Interest will not be present during the discussion or vote in respect of the matter in which they have a Conflict of Interest and shall not attempt in any way to influence the voting.

9. THE CHAIR OF THE EXECUTIVE

- 9.1. The Chair of the Executive will be selected as detailed in 8.1.
- 9.2. The Chair will serve for a term of one year.
- 9.3. The Chair is accountable for the efficient and effective functioning of the Executive.
- 9.4. The Chair is the default representative and spokesperson of the CFC in its dealings with external parties.

10. FUNDING AND FINANCES

- 10.1. Every year the Executive will calculate the annual levy payable by each CFC Member and Friend and submit it for approval to all CFC Members in good standing at the annual general meeting.
- 10.2. The Executive may propose a special levy in addition to the annual levy and submit it for approval to all CFC Members in good standing at an extraordinary general meeting.
- 10.3. The annual levy and any special levies become due and payable when they are approved by CFC Members in good standing.
- 10.4. A Member or a Friend who resigns from the CFC six or fewer months after an annual general meeting may request a refund of up to half of any annual levy that they have paid subsequent to that annual general meeting. A Member or a Friend who resigns from the CFC more than six months after an annual general meeting is not entitled to any refund of any annual levy that they have paid subsequent to that annual general meeting.

11. CHANGES AND AMENDMENTS

- 11.1. Any changes or amendments to these Terms of Reference must be approved by a vote of all Members in good standing.