

Proposed By-Law Amendment

1. Introduction

This document outlines the proposed amendments to the By-Laws of Pathwise Credit Union ("the Credit Union"). These amendments are being presented to the Membership for review and approval at the Annual General Meeting (AGM).

The purpose of these amendments is to ensure alignment with current regulatory expectations, enhance governance practices, and support operational efficiency.

2. Detailed Amendment

Section 4.01- Number of Directors

The amendment updates the wording of Section 4.01 as follows:

Current Wording:

"The number of directors of the Credit Union shall be a specified number of directors within a range prescribed by an applicable Authority rule, from time to time. Subject to any further restrictions in the Articles, the specified number for the time being, until amended by any amending By-law, shall be nine (9)."

Proposed Wording:

"The number of directors of the Credit Union shall be a specified number within a range prescribed by applicable Authority rule, from time to time. Subject to any further restrictions in the Articles, the permitted range of directors shall not be fewer than eight (8) and not more than ten (10). The specific number of directors within this range shall be determined by the Board and approved by the Members in accordance with these By-Laws."

Summary of Change:

- Eliminates the fixed Board size requirement of nine (9) directors
- Establishes a governance-aligned range of 8 to 10 directors, consistent with regulatory expectations
- Enables the Board, with Member approval, to determine the appropriate Board size within the approved range based on operational needs, succession planning, and effective oversight

3. Rationale for Amendments

These amendments are intended to:

- Support sound governance practices and Board effectiveness



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- Provide flexibility to adjust Board composition in response to evolving organizational needs
- Reduce the need for future By-Law amendments related to Board size

4. Member Approval

The proposed By-Law amendments will be presented to Members at the AGM for approval by Special Resolution.

Members will have the opportunity to:

- Review the proposed changes
- Ask questions
- Vote on the adoption of the amendments

5. Effective Date

Subject to Member approval, the amended By-Laws will take effect immediately upon approval.