

Annual General Meeting

Tuesday, March 7, 2017

Travelodge LaSalle • 2360 Princess St. • Kingston • Registration 6:30pm • Meeting 7:00 pm

KINGSTON COMMUNITY CREDIT UNION LIMITED NOTICE OF ANNUAL MEETING OF MEMBERS

Notice is hereby given that the 2016 Annual General Meeting of Kingston Community Credit Union Limited will be held on March 7, 2017.

The meeting will be held for the purpose of:

- (a) approving the minutes of the 2015 Annual General Meeting of Members of the Credit Union;
- (b) receiving the reports of the Chair of the Board; and the Chair of the Audit Committee;
- (c) considering and approving the financial statements for the fiscal year ended December 31, 2016, with the auditors' report thereon;
- (d) appointing the auditors for the fiscal year ending December 31, 2017;
- (e) electing Directors;
- (f) considering passing a Special Resolution to amend the Articles of Incorporation of the Credit Union to incorporate provisions that would permit the Credit Union to issue special shares of two classes (Investment Shares and Dividend Shares) to members, and set out the rights and privileges of holders of Membership shares and the special shares;
- (g) considering passing a Special Resolution which, if approved, would authorize and direct the Credit Union to make an application to the Superintendent of Financial Services to approve a Stated Capital reduction for Membership Shares which, if approved, would have the effect of reducing the minimum membership share capital requirement for adult individuals and entities from 30 \$5.00 shares (\$150.00) to 5 \$5.00 shares (\$25.00), and permit the Credit Union to return the difference to existing such Members in the form of credits to deposit accounts or cash;

(h) considering passing a Special Resolution which, if approved, would have the effect of deleting all existing By-laws of the Credit Union, and replacing them with a new comprehensive By-law that incorporates improvements typically found in the current by-laws of other Ontario credit unions similar to the Credit Union in terms of size and complexity, including, but not limited to, the kinds of improvements more particularly summarized below; and

(g) considering such other matters as may properly be brought before the meeting.

For the purposes of this meeting, the Record date is February 19th, 2017.

Summary of the Proposed By-law Amendments

The proposed replacement By-law was drafted with the assistance and advice of the Credit Union's lawyers, and passed by the Board of Directors. The Board of Directors recommends that the Members confirm the proposed By-law by way of a Special Resolution. In the opinion of the Board of Directors, the replacement By-law:

- (a) has form and content that is more consistent with that of the current by-laws of other credit unions in Ontario of a size and complexity similar to that of the Credit Union;
- (b) uses language that better matches the language used in the Credit Union's governing statute and regulations;
- (c) excludes provisions from the replaced by-laws that are deemed no longer necessary;
- (d) excludes provisions from the replaced by-laws that were discovered not to be fully compliant with the Credit Union's governing statute and regulations;

(e) improves the clarity of a number of provisions;

(f) revises the term limits of Directors to five (5) consecutive terms, and "builds-in" transitional provisions for long-term current Directors; and

(g) clarifies and puts all of the eligibility requirements for directors in one place.

Member Proposals

No Member has submitted to the Credit Union notice of a proposal for consideration at the Annual General Meeting, as permitted by s. 215 of the Credit Unions and Caisses Populaires Act of Ontario.

Documents Available for Review

Copies of the 2016 Annual Report, including the audited financial statements, and the Report of the Auditor, will be made available at the Annual meeting. These documents will also be made available by request at the branches of the Credit Union or by email request to kccu@kccu.ca by February 24, 2017. The full text of the proposed Special Resolutions and the Board's reasons for proposing their approval by the Members of the Credit Union will be available at all Branches and the Head Office of the Credit Union effective February 18th, 2017.

Dated at Kingston, Ontario this 11th day of February, 2017.

On behalf of the Board of Directors,

Lisa DiRocco
Corporate Secretary

