

Corporate Office:
400-57 King Street
Saint John, NB E2L 1G5

Bayview Credit Union Limited By-laws

As approved by
the Superintendent
May 21, 2021

BAYVIEW CREDIT UNION LIMITED

BY-LAWS

1. NAME

- 1.1 The name of the Credit Union shall be Bayview Credit Union Limited and shall hereinafter be called "the Credit Union".

2. MEMBERSHIP & SHARES

ELIGIBILITY

- 2.1 The membership of the Credit Union shall consist of the incorporators and those persons whose applications for membership are accepted by the Board of Directors of the Credit Union.
- 2.2 (a) Every application for membership in the Credit Union shall be made on a form supplied by the Credit Union to the applicant and requires the applicant to purchase at least one fully paid Membership Share at a price of five dollars (\$5.00).
- (b) The Board of Directors of the Credit Union may refuse to accept any application for membership if they are satisfied that it is not in the interest of the Credit Union to accept the application.
- 2.3 A person under nineteen years of age may be accepted as a member of a Credit Union and shares may be held and money may be received by the Credit Union in that person's name or in the name of a trustee for that person if the trustee is a member or is eligible to be a member of the Credit Union.

MEMBERSHIP SHARES

- 2.4 Membership Shares shall have an issue price of five (\$5.00) each. Each member is required to purchase a minimum of one Membership Share. Members may purchase as many Membership Shares as they wish up to a maximum of \$2,000.00.
- 2.5 These funds are considered to be the member's investment in the Credit Union and part of the Credit Union's equity so they are not covered by deposit insurance.
- 2.6 (a) Subject to Subsections 41(4), 44(1) and 60(1) of the *Credit Unions Act*, Membership Shares shall be redeemed at a price not to exceed the issue price at such time as the member has:
- (i) not been accepted for membership by the Board of Directors,
 - (ii) been terminated from membership by the Board of Directors,
 - (iii) closed all accounts in the Credit Union.
- (b) Subject to Section 40(3) of the *Credit Unions Act*, the Chief Executive Officer can approve partial withdrawals from Membership Shares providing a form is signed, stating the reasons.
- (c) Membership Shares shall rank behind all other classes of shares issued by the Credit Union and holders of Membership Shares shall not, upon winding up or liquidation of the Credit Union, be entitled to redeem, in whole or in part, any Membership Shares until the amounts outstanding on all other classes of shares have been paid in full.
- 2.7 Subject to Section 48 of the *Credit Unions Act*, dividends shall be paid on Membership Shares when approved by the membership.

OTHER SHARES

- 2.8 Class A shares shall have an issue price of One Hundred Dollars (\$100) per share and may be offered for sale, from time to time, at the discretion of the Board of Directors.
- (a) Only members of the Credit Union shall be eligible to purchase Class A shares. A purchaser of Class A shares may purchase a minimum of Ten (10) fully paid Class A shares, with such purchase being made by full payment in money or as otherwise set out in the policies of the Credit Union.
- 2.9 Class A shares may only be redeemed subject to Section 44 of the *Act*, approval of the CEO and/or Board of Directors and subject to terms and conditions as approved by the CEO and/or Board of Directors.
- (a) These terms and conditions may include being callable by Bayview Credit Union, after two years from initial issue, with 60 days written notification to member.
- (b) Class A shares shall rank ahead of all other classes of shares issued by the Credit Union with respect to any winding up or liquidation of the Credit Union.

2.10 Subject to Section 46 of the *Credit Unions Act*, dividends may be declared and paid on the Class A shares at such rate and in such manner as set by the Board of Directors from time to time.

Other Terms and Conditions

2.11 The Class A preferred shares may be designated into different series and shall have such other terms and conditions as are set by the Board of Directors from time to time, including;
(a) the maximum number of Class A shares a member can purchase
(b) the total consideration to be paid for each Class A share
(c) the rights, privileges, restrictions, and conditions attached to each Class A share issued

SURPLUS SHARES

2.12 The membership at an Annual General Meeting may declare a patronage refund to be paid to the members in the form of Surplus Shares.

- (a) The credit union is authorized to issue an unlimited number of surplus shares for an unlimited amount of dollars. The credit union may issue a fraction of surplus shares.
- (b) The whole of any patronage refund or dividend on shares to be paid or credited to a member shall be applied to purchase, on behalf of the member, surplus shares.

2.13(a) Surplus Shares shall have an issue price of one (\$1.00) dollar each.

- (b) There will be no right to vote attached to the surplus shares.
- (c) A surplus share may not be converted to any other types of shares currently outstanding or that may be issued by the credit union.
- (d) In the event of a liquidation, insolvency or dissolution of the credit union, a surplus share ranks behind all rights of reimbursement of a depositor, behind other creditors, and stabilization board preferred shares, but will rank before the reimbursement of membership shares.

2.14 Patronage payment is defined as an amount calculated as a percentage of the interest paid, the interest earned and/or Board designated service fees earned by the Credit Union during its fiscal year, which is to be returned to the member in proportion to the amount of interest paid, interest received and/or Board designated services fees paid by the member through business done with the Credit Union.

2.15 Dividends shall not be paid on Surplus Shares accounts.

2.16 Surplus Shares are considered to be part of the Credit Union's equity and are not covered by Deposit Insurance.

2.17 Subject to Subsections 44(1) and 60(1) of the *Credit Unions Act*, the Credit Union shall not redeem Surplus Shares except under the following conditions:

- (a) A member closes all of his accounts with the Credit Union and is no longer a resident of the Province of New Brunswick.
- (b) When the member reaches the age of 60, application may be made to the Chief Executive Officer or a designate to redeem Surplus Shares. No application will be accepted until the individual has been a member for at least 5 years.
- (c) In the event the member dies.
- (d) In the opinion of the Chief Executive Officer or designate, the member is facing a case of hardship or extenuating circumstances.
- (e) The Board of Directors may declare a redemption of Surplus Shares. Payment of such redemption is subject to the approval of the membership at the Annual General Meeting.
- (f) In the event a member closes all of his accounts with the Credit Union, the funds in the Surplus Shares Account will become available to the member:
 - (i) if the balance of the account is greater than \$25.00 but less than \$100.00, five (5) days after receipt of a written application;
 - (ii) if the balance of the account is greater than \$100.00, one (1) year after receipt of a written application.

Notwithstanding the above six (6) conditions, Surplus Shares shall not be redeemed:

- (i) if the equity of the Credit Union is, or would be after the payment, less than that required under Section 64(2) of the *Credit Unions Act* and the *Rules to the Act*,
- (ii) the amount is less than \$25.00.

- 2.18 All members will be included in this program unless they may apply in writing to the Board of Directors for exclusion. A member means a natural person.
- 2.19 An allocation based on interest paid by the Credit Union to the member is subject to income tax. An allocation based on interest or service fees paid by the member to the Credit Union would only be subject to income tax if the interest paid on the loan or service fees were used as deductible expenses in determining net income. T-5 income tax forms will be issued in accordance with the *Income Tax Regulations*.

TERMINATION

- 2.20 The Board of Directors of the Credit Union may terminate the membership of a member if, in their opinion, such member's conduct is detrimental to the Credit Union, and if by a resolution passed by a majority of not less than three-quarters of the Directors at a meeting called to consider the resolution. Subject to subsection 44(1) of the *Credit Unions Act*, shares of an expelled member shall be refunded; the terminated membership shall not release the terminated member from any remaining liability to the Credit Union.
- 2.21 A member whose membership is proposed to be terminated under Subsection 2.20 is entitled to at least seven days notice of the meeting at which the resolution is to be considered, together with a statement of the grounds on which the membership is proposed to be terminated.
- 2.22 A member whose membership is proposed to be terminated under Subsection 2.20 is entitled to appear and be heard in person or by counsel at any meeting at which the resolution is to be considered.
- 2.23 Within seven days after a resolution is passed in accordance with Subsection 2.20, the Credit Union shall, by registered mail, notify the person whose membership is so terminated.
- 2.24 A person whose membership is terminated under Subsection 2.20 may appeal the termination at the next meeting of the members of the Credit Union by sending a notice of appeal to the Credit Union within fourteen days after the notice was mailed under Subsection 2.23.
- 2.25 At a meeting of members to which an appeal under Subsection 2.24 is brought, the members shall, by a majority vote, confirm or set aside the resolution of the Directors terminating the membership of a member.
- 2.26 The members of the Credit Union may terminate the membership of a member by special resolution.
- 2.27 A person who appeals a termination of membership in accordance with Subsection 2.24 shall, notwithstanding the resolution terminating membership, continue to be a member of the Credit Union until the termination is confirmed by a meeting of the members under Subsection 2.25.
- 2.28 A person whose membership is terminated under this section shall not again be admitted to membership in the Credit Union except by a special resolution of the members at a general meeting.

WITHDRAWAL

- 2.29 Subject to these by-laws, a member may withdraw membership in the Credit Union on any day the Credit Union is open for business, however withdrawal of shares and deposits may be restricted subject to payment in full of any outstanding loans, service charges, or other liabilities owed by the withdrawing member to the Credit Union.
- 2.30 No provisions in relation to the termination of or withdrawal from membership in the Credit Union shall affect the provisions of any contract between a terminated or a withdrawing member and the Credit Union and, without limiting the generality of the foregoing, no provision shall affect the term for which any person has agreed to place deposits with the Credit Union.
- 2.31 The termination of or withdrawal from membership does not release a person from any liability to the Credit Union.

3. MEETINGS

- 3.1 The meetings of the members of the Credit Union shall be held at such time and in such manner within New Brunswick that the Board of Directors determine. These by-laws provide that any member of the credit union may, in the presence of a facilitator for the meeting, participate in a meeting of members by means of telephone, electronic means or other communication facilities that permit all persons participating in the meeting to hear each other, and any member participating in a meeting by those means shall be deemed to be present at that meeting.
- 3.2 The rules of order for all meetings of members and the Board of Directors shall be the latest edition of Robert's "Rules of Order".
- 3.3 The Board of Directors of the Credit Union:
- (a) shall call an Annual General Meeting of the members to be held within four months after the end of the fiscal year of the Credit Union

- (i) to consider the annual report of the Board of Directors, the financial statements of the Credit Union and the auditor's report,
- (ii) to appoint the auditor,
- (iii) to deal with such other matters as may properly come before the meeting, and

(b) may at any time call a special general meeting of members.

3.4 At the request of the Board of Directors, the Superintendent may extend the time in which the Annual General Meeting of the Credit Union shall be held.

3.5 The record date for determining the members entitled to receive notice of a meeting of members and entitled to vote at that meeting shall be at the close of business on the thirtieth day preceding the day on which the notice is given.

3.6 The fiscal year of the Credit Union shall be from January 1st until December 31st.

NOTICE OF MEETINGS

3.7 Notice of Meeting: Notice of all Annual General or Special Meetings shall be advertised on the Credit Union's website, social media sites, within branches or any other means, the first notice at least fourteen (14) days prior to the date of the meeting. The failure of a member to be notified of a meeting shall not invalidate the proceedings of that meeting.

Notice of a meeting of members at which special business is to be transacted shall state:

- (a) The nature of that business in sufficient detail to permit the member receiving the notice to form a reasoned judgement on it, and
- (b) the text of any special resolution to be submitted to the meeting or, if the full text is too lengthy for convenient inclusion in the notice, a summary of the text.

QUORUM

3.8 A number of members equal to the number of Directors plus five, constitutes a quorum. For the purposes of this section, "member" means only those in attendance who have met the conditions in Article III, Section 5 of these By-laws.

3.9 If a quorum is present at the opening of a meeting of the members, the members present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.

3.10 If a quorum is not present at the opening of a meeting of the members, the members present may adjourn the meeting to a fixed time and place but may not transact any business.

VOTING

3.11 Subject to article 3, section 5 of these by-laws, a member of the Credit Union who is eighteen years of age or over, may vote at a meeting of members.

3.12 Subject to Subsection 3.11, a member of the Credit Union has only one vote on any question that may be voted on at meeting of members.

3.13 If a body corporate or association is a member of the Credit Union, the Credit Union shall recognize an individual authorized by a resolution of the Board of Directors or governing body of the body corporate or association to represent it at meetings of members of the Credit Union.

3.14 An individual authorized under Subsection 3.11 may exercise on behalf of the body corporate or association the individual represents, all the powers the body corporate or association could exercise if it were an individual member.

3.15 No member, other than a member that is a body corporate or association, shall vote by proxy at any meeting of members of the Credit Union.

3.16 Two or more individuals may jointly hold a membership in the Credit Union, but that membership is entitled to only one vote. If the membership account is joint, the primary account holder is the only eligible member who can vote, unless the primary account holder agrees to assign the vote to the joint member.

3.17 An executor or administrator holding a membership in the Credit Union in the capacity of executor or administrator shall represent that membership at meetings of the Credit Union and may vote as a member.

METHODS OF VOTING

3.18 Voting of members, in relation to any issue before the members, shall be in the form and manner established by the Board of Directors from time to time, and may include mail ballot, electronic ballot, in branch ballot or other means. The form and manner of voting to be used at any meeting of members, or in relation to any issue before the

members, shall be determined and approved by a majority of the Board of Directors pursuant to the Credit Union's Voting Procedure Policy.

- 3.19 A member may demand a vote by ballot, either before or after a vote by a show of hands, and the result of the ballot shall be the decision of the members.

REQUISITION BY MEMBERS TO CALL SPECIAL MEETING

- 3.20 Twenty-five members who have the right to vote at a meeting sought to be held may, by written requisition, require the Board of Directors to call a special meeting of members for the purposes stated in the requisition.
- 3.21 The requisition referred to in Subsection 3.20, which may consist of several documents of like form each signed by one or more members, shall state the business to be transacted at the meeting and shall be sent to the registered office of the Credit Union.
- 3.22 On receiving the requisition referred to in Subsection 3.20, the Board of Directors shall call a meeting of members to transact the business stated in the requisition, unless the business of the meeting as stated in the requisition includes a matter described in Sections 83(5)(b) to (e) of the *Credit Unions Act*.
- 3.23 If the Board of Directors do not within thirty days after receiving the requisition referred to in Subsection 3.20 call a meeting, any member who signed the requisition may apply to the Court for an order calling a meeting and directing the manner of conducting the meeting.
- 3.24 A meeting called, held and conducted in accordance with this section is for all purposes a meeting of members of the credit union duly called, held and conducted.
- 3.25 Unless the members otherwise resolve at a meeting called for under Subsection 3.23, the Credit Union shall reimburse the members for the reasonable expenses incurred by them in requisitioning, calling and holding the meeting.

4. NOMINATION AND ELECTION OF DIRECTORS

- 4.1 The nomination of the Board of Directors shall take place prior to the Annual General Meeting of the Credit Union or at a special meeting of members called for the purpose.

NOMINATION COMMITTEE

- 4.2 (a) The President may appoint, at least 60 days prior to the Annual General or Special Meeting of members where elections are to take place, a nomination committee made up of three members;
- (b) The nomination committee will make nomination forms available and such forms will be displayed prominently in all branches at least 45 days prior to the Annual General or Special Meeting;
- (c) The committee will receive the names of members interested in participating on the Board of Directors, and will enquire as to whether these interested persons are eligible, and shall before the Director election, advise those interested individuals that are not eligible;
- (d) The committee shall place in nomination the names of all candidates who are eligible.
- 4.3 No nominations shall be considered complete until the nominee has signed a form agreeing to serve if elected and affirming that, having read the eligibility criteria, he or she is eligible for election.
- 4.4 When using a ballot and nominations have closed, the President or designated person shall appoint such Scrutineers as are required who shall distribute the ballots and collect same, and when the vote is taken shall tally the same, and provide the results to the President or designated person who shall announce the results of the election. In the event of an on-line vote or other means of voting, the President or designated person shall appoint such Scrutineers as are required who shall tally the vote and provide the results to the President or designated person to be kept confidential, until such time the results of the election are announced.
- 4.5 (a) If the members fail to elect the required number of directors, the directors elected may exercise all the powers of the directors if the number of directors so elected constitutes a quorum.
- (b) If there is a failure to elect the required number of directors, the directors then in office shall immediately call a meeting of members to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any member.
- 4.6 Where there are two or more candidates for any position on the Board of Directors, a ballot shall be taken, however if only one position is open and only one person is nominated, the President or designated person shall declare such member elected by acclamation.

4.7 Ballots with more names written than vacancies shall be considered spoiled ballots and not counted.

ELIGIBILITY FOR ELECTION AS A DIRECTOR

- 4.8 Any person who has been a member of the Credit Union under Article 2.1 for at least one year before standing for election to the Board of Directors.
- 4.9 The following persons are disqualified from being a director of the Credit Union:
- (a) anyone who is less than nineteen years of age;
 - (b) anyone who is not an individual;
 - (c) anyone who is not a member of the Credit Union;
 - (d) a person who has the status of a bankrupt;
 - (e) an employee of the Credit Union, Atlantic Central, the Corporation or the Commission;
 - (f) an auditor of the Credit Union or a member of the firm of accountants of which the auditor is a member;
 - (g) a solicitor of the Credit Union;
 - (h) a person employed in the Civil Service whose official duties are concerned with the affairs of Credit Unions;
 - (i) without the written approval of the other Directors, a person, or the spouse of the person, who has a loan with the Credit Union that is more than three months in arrears;
 - (j) a person, or the spouse of the person, who has a loan with the Credit Union that is more than six months in arrears;
 - (k) a person who is a member of the immediate family of an employee. Immediate family shall mean: children, parents, grandparents, grandchildren, siblings and spouses and partners.
 - (l) a former employee or a person who is a member of the immediate family of a former employee who was employed by the Credit Union in the three years preceding an Annual General or Special Meeting.
 - (m) any member, who after completing one three year term on the Credit Union Board, has not successfully completed Level A and B of the CUD/CUSource Board of Director training or its successor education program unless the director applies to the Board, in writing requesting an extension of time within which to complete the said courses. The request must be received by the Board at least forty-five (45) days prior to an upcoming Annual General Meeting. The total of all requests for extensions shall not exceed three (3) years.
 - (n) a person who is an employee or board member of a bank, a mortgage broker, a mortgage company (excluding LSM) or a credit union which does business in Bayview Credit Union's trade area.
 - (o) a person who is not a resident of New Brunswick.
- 4.10 Subject to Sections 4.8 and 4.9, a director is eligible for re-election but is not in any case eligible to serve as a director for more than nine consecutive years.

TERM OF OFFICE

- 4.11 The members of the Credit Union shall elect Directors to hold office for a term not exceeding three years.
- 4.12 It is not necessary that all Directors elected hold office for the same term.
- 4.13 A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of members following that director's election.
- 4.14 Notwithstanding anything in section 4.12, 4.13 and 4.14 to the contrary, if Directors are not elected the incumbent Directors continue in office until their successors are elected.

5. DIRECTORS AND OFFICERS

- 5.1 The Board shall consist of 9 Directors duly elected.
- 5.2 The Board of Directors of the Credit Union shall;
- (a) exercise the powers of the Credit Union directly or indirectly through the employees and agents of the Credit Union, and

- (b) direct the management of the business and affairs of the Credit Union.

RESIGNATIONS AND REMOVALS

- 5.3 A director of the Credit Union ceases to hold office when the director
- (a) dies or resigns;
 - (b) is removed from office in accordance with the by-laws;
 - (c) becomes disqualified under Section 84 of the *Credit Unions Act*.
 - (d) no longer resides in the Province of New Brunswick
- 5.4 A resignation of a director becomes effective at the time a written resignation is received by the Credit Union, or at a time specified in the resignation, which ever is later.
- 5.5 The members of the Credit Union may, by ordinary resolution at a special meeting, remove any director from office.
- 5.6 (a) A vacancy created by the removal of a director from office may be filled at the meeting of the members at which the director is removed or, if not so filled, may be filled under subsection 5.6 (b).
- (b) A quorum of directors may fill a vacancy among the directors except a vacancy resulting from an increase in the number of directors or from the members' failure to elect the required number of directors.
 - (c) If the members fail to elect the required number of directors, the directors elected may exercise all the powers of the directors if the number of directors so elected constitutes a quorum.
 - (d) If there is a failure to elect the required number of directors, the directors then in office shall immediately call a meeting of members to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any member.
- 5.7 A director who resigns or who is being removed from office is entitled to receive notice of and to attend and be heard at a meeting of members at which the director's resignation is being considered.

MEETINGS OF THE BOARD

- 5.8 The Board of Directors of the Credit Union may meet in such manner in the Province and on such notice as the Board of Directors may determine.
- 5.9 A majority of the Directors constitutes a quorum at any meeting of Board of Directors and, notwithstanding any vacancy among the Directors, a quorum of Directors may exercise all the powers of the Board of Directors.
- 5.10 A notice of a meeting of Board of Directors need not specify any matter that is to be dealt with at the meeting except
- (a) any question or matter requiring the approval of the members;
 - (b) the filling of a vacancy among the Directors;
 - (c) the issuance or redemption of any shares of the Credit Union other than Membership Shares, or;
 - (d) the approval of any fiscal year-end financial statements and auditor's report.
- 5.11 Regular meetings of the Board of Directors shall be held at least quarterly on such day at such time and in such manner as may be determined by the Board of Directors.
- 5.12 Special meetings of the Board of Directors may be called by the President at any time and shall be called upon the written request of at least two Directors.
- 5.13 If a member of the Board of Directors fails to attend two consecutive Board meetings, without cause satisfactory to the other members of the Board of Directors, their office may be declared vacant by the Board of Directors and, after a notice to this effect, the Board of Directors shall fill the vacancy under subsection 5.6(b).
- 5.14 The President or Chairperson shall only vote in the event of a tie on any question under discussion.

REMUNERATION OF DIRECTORS AND COMMITTEE MEMBERS

- 5.15(a) Directors of the Credit Union shall be paid such remuneration that may be approved by the members of the Credit Union at the Annual General Meeting of the Credit Union.

- (b) Directors of the Credit Union shall be reimbursed for such reasonable expenses incurred in the performance of their duties as approved by the Board of Directors' policy.

5.16 The Credit Union will provide all Directors receiving remuneration with a T-4 slip in compliance with the Federal Income Tax Act.

ELECTION OF OFFICERS

- 5.17 The officers of the Credit Union shall be the President, the Vice-President, the Secretary, the Chief Executive Officer, and any other officers deemed necessary for efficient operations of the Credit Union.
- 5.18 The Board of Directors shall meet within ten days following the Annual General or Special Meeting of members and they shall, from their number, elect a President, a Vice-President and a Secretary.
- 5.19 The Board of Directors shall appoint a Credit Committee consisting of not less than three members of the Credit Union, of which none may be an employee, and the Chairperson of the committee shall be a director of the Credit Union.
- 5.20 The Board of Directors shall appoint a Risk, Audit and Compliance Committee consisting of not less than three members of the Credit Union, of which none may be an employee, and the Chairperson shall be a director of the Credit Union.
- 5.21 The Board of Directors may appoint other committees and delegate to those committees any powers of the Directors.
- 5.22 The members of other committees appointed by the Board of Directors shall be members of the Credit Union and the Chairperson shall be a director of the Credit Union.
- 5.23 The nominations and elections of the Executive officers will be done by ballot in the order of President, then Vice-President, and then Secretary.
- 5.24 The director receiving the highest number of votes will be elected, with a tie vote being resolved by a drawing of straws.
- 5.25 The nomination and election of Chairpersons for Credit, Risk, Audit and Compliance and other committees may be done by ballot or verbally.
- 5.26 The nomination and appointment of members of the Credit, Risk, Audit and Compliance and other committees, other than the Chairpersons, may be done by ballot or verbally.
- 5.27 A committee appointed by the Board of Directors shall keep minutes of its proceedings and the Chairperson of that committee shall submit to the Board of Directors at each meeting of the Board of Directors the minutes of this committee's proceedings during the period since the last meeting of the Board of Directors.
- 5.28 Notwithstanding Article 5, section 5.21 of these by-laws, no committee or officer appointed by the Board of Directors has authority to
 - (a) submit to the members any question or matter requiring approval of the members;
 - (b) fill a vacancy among the Directors;
 - (c) issue or redeem shares, except in the manner and on the terms authorized by the Board of Directors, or;
 - (d) approve the fiscal year-end financial statements.
- 5.29(a) A director may become an officer of the Credit Union and may become a member of a committee, and
 - (b) two or more offices of the Credit Union may be held by the same person.
- 5.30 The office of Chief Executive Officer shall be appointed by the Board, but not from the Board of Directors.
- 5.31 A recording secretary may be appointed from the members of the Credit Union by the Board of Directors.

6. DUTIES OF OFFICERS

- 6.1 Every director and officer of the Credit Union, in exercising the powers and discharging the duties of a director or an officer, shall
 - (a) act honestly and in good faith with a view to the best interests of the Credit Union, and
 - (b) exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

- 6.2 The President shall call the meetings of the Board of Directors to order, however the role of chairing the meeting may be assigned by the President to another director.
- 6.3 The Vice-President shall assume the duties of President in the absence of the President or in the vacancy of the office of the President.
- 6.4 The Secretary shall ensure that a correct record is kept of all meetings of the Credit Union and the Board of Directors.
- 6.5 The Chief Executive Officer of the Credit Union
 - (a) shall carry out such duties as may be assigned by the Board of Directors, and shall report from time to time to the Board of Directors and upon the Board of Directors to the Annual General Meeting;
 - (b) shall be a signing officer of the Credit Union;
 - (c) shall be the custodian of the cash, securities, books, records, official seal, correspondence and other property of the Credit Union;
 - (d) when required, shall attend all meetings of the Executive, Board of Directors and members;
 - (e) shall be in charge of the staff and shall have supervision over them;
 - (f) shall determine the duties of the staff and their remuneration within the limits prescribed by the Board of Directors;
 - (g) shall manage the business activities of the Credit Union and has the right to control and apply the resources of the Credit Union to achieve the corporate objectives within proposed limits and as approved by the Board of Directors.

7. CREDIT COMMITTEE

- 7.1 The Credit Committee shall meet at least quarterly.
- 7.2 Additional meetings shall be called by the Chairperson of the committee as the business of the Credit Union may require.
- 7.3 Meetings shall also be called by the Chairperson on the written request of two or more members of the Credit Committee.
- 7.4 The Credit Committee shall
 - (a) receive from the Chief Executive Officer the number and dollar amount of all loans referred to Atlantic Central for approval indicating whether approved, pending, approved with amendments or conditions or declined.
 - (b) receive from the Chief Executive Officer the number and dollar amount of all new loans booked as well as the number and dollar amount of all outstanding loans.
 - (c) receive and review, at least every three months, a report on a comparative basis from the Chief Executive Officer, including at least the following information:
 - (i) The total outstanding balance of all loans that are in arrears for over thirty days, over sixty days and over ninety days, with comparative figures for the previous reporting period, as well as details, including the value, of the security held on each loan that is in arrears over ninety days;
 - (ii) The total outstanding balances of all loans of each kind referred to in Section 6 of Rule CU-001 *General* under the *Credit Unions Act* with comparative figures for the previous reporting period;
 - (iii) The total amount of the allowance for doubtful accounts maintained by the credit union and the portion of that amount attributable to each loan;
 - (iv) The total employee, director, officer and committee member loans outstanding and details of those in arrears;
 - (v) All unauthorized overdrafts \$5,000 and over of the Credit Union members;
 - (vi) The total outstanding balance of all loans that were in arrears at the end of the previous reporting period and that have been restructured during the period in respect of which the report is being made;
 - (vii) Any other information that is necessary for or relevant to the assessment of the loan portfolio of the credit union by the credit committee.
 - (d) recommend to the Board of Directors of the credit union, at such times as may be required and at such other times as the credit committee considers appropriate, policies and procedures that, in the opinion of the credit committee, should be followed by the credit union in respect of the lending activities of the credit union.

(e) recommend to the Board of Directors of the credit union any loans for which an allowance for doubtful accounts should be established and those that should be written off.

7.5 The Chairperson of the Credit Committee shall present to the Annual General Meeting of the Credit Union a report describing the work of the Credit Committee during the previous fiscal year.

7.6 The Credit Union shall ensure a full and correct record of all proceedings of the Credit Committee be made and kept available for examination by the Superintendent or any person authorized under the *Credit Unions Act* to examine the records of the Credit Union.

8. RISK, AUDIT AND COMPLIANCE COMMITTEE

8.1 The Risk, Audit and Compliance Committee shall meet at least quarterly.

8.2 Additional meetings shall be called by the Chairperson of the committee as the business of the Credit Union may require, and

8.3 meetings shall also be called by the Chairperson upon the written request of two or more members of the Committee.

8.4 The Risk, Audit and Compliance Committee shall;

(a) review the audited financial statements of the Credit Union;

(b) review each financial report and statement that requires the approval of the Board of Directors before its filing with the Superintendent of Credit Unions.

(c) review with the auditor or inspector:

(i) the audit or inspection findings;

(ii) any restrictions on the scope of the audit or inspection;

(iii) any problems or conflicts experienced by the auditor or inspector in performing the audit or inspection, and

(iv) the recommendations of the auditor or inspector concerning statutory compliance issues and sound business practices as well as accounting and internal control practices of the Credit Union.

(d) review the responses made by the Board of Directors to reports made by the auditor or inspector under the *Credit Unions Act*, and

(e) report to the Board of Directors any significant changes in accounting policies and practices.

(f) oversee risk management on an enterprise-wide basis.

8.5 The Chairperson of the Risk, Audit and Compliance Committee shall present to the Annual General Meeting of the Credit Union a report describing the work of the Risk, Audit and Compliance Committee during the previous fiscal year of the Credit Union and the period of time leading up to the Annual General Meeting of the Credit Union.

8.6 The Risk, Audit and Compliance Committee shall ensure that a full and correct record of all proceedings of the Risk, Audit and Compliance Committee be made and kept available for examination by the Superintendent or any person authorized under the *Credit Unions Act* to examine the records of the Credit Union.

8.7 To report and to make recommendations to the Board of Directors of the credit union in respect to the financial statements of the credit union referred to in paragraph 122(1)(a) and any other information placed before the members of the credit union in accordance with paragraph 122(1)(c) of the *Credit Unions Act*.

8.8 The Risk, Audit and Compliance Committee shall keep minutes of its proceedings and shall submit to the Board of Directors at each meeting of the Board of Directors the minutes of the Risk, Audit and Compliance Committee's proceedings during the period since the last meeting of the Board of Directors.

9. ENACTING, AMENDING, OR REPEALING BY-LAWS

9.1 Subject to the *Credit Unions Act* and the Articles of the Credit Union, the members of the Credit Union may at an Annual General Meeting or general meeting called for that purpose by special resolution of the members, enact, amend, or repeal by-laws in relation to those matters authorized or required by the *Credit Unions Act* to be dealt with by by-law.

9.2 Notwithstanding Subsection 9.1, no by-law and no amendment or repeal of a by-law shall be effective until it is approved by the Superintendent.

- 9.3 A proposed by-law or a proposed amendment or repeal of a by-law may be sent to the Superintendent for approval before its adoption by the members of the Credit Union.
- 9.4 Where a by-law or an amendment of a by-law is approved by the Superintendent before its adoption by the members of the Credit Union,
- (a) the by-law or the amendment or repeal of the by-law must be adopted by the members of the Credit Union within thirty days of the receipt of the approval of the Superintendent, and
 - (b) a certified copy of the adopted by-law or amendment or repeal of the by-law must be filed with the Superintendent within thirty days after its adoption by the members of the Credit Union or such later date as may be authorized by the Superintendent.