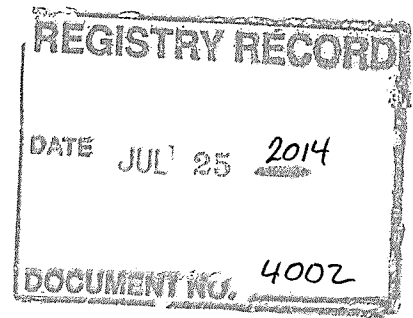


Approved by CUDGC – July 2014

Registry # 4002

**BY-LAWS
OF**



PUBLIC SERVICE CREDIT UNION LIMITED

REGISTERED OFFICE

- 1.01 Registered office of Public Service Credit Union Limited shall be in the Place within the Province of Newfoundland and Labrador specified in the Articles of Continuance.

DEFINITIONS

- 2.01 In the by-laws, unless otherwise stipulated by the content:
- (a) "act" means the Credit Union Act and the amendments thereto and Regulations thereunder;
 - (b) "associate member" is a person to whom the Credit Union is extending services, subject to the Regulations, but who does not have the required equity shares.
 - (c) "board" means Board of Directors of the Credit Union;
 - (d) "credit union" means Public Service Credit Union Limited registered under the Act;
 - (e) "deposit" means money placed in an account in the Credit Union or a financial Central .
 - (f) "director" means in relation to the Credit Union an individual occupying the position of Director;
 - (g) "equity shares" means the shares of the Credit Union which will be or are issued to the members, and shall have an issue price fixed by the articles in compliance with the Act;

- (h) "member(s)" means a person who is a Shareholder of the Credit Union and who in accordance with the by-laws qualifies for membership in the Credit Union;
- (i) "minister" means the Minister of the Government of Newfoundland and Labrador responsible for the administration of Credit Unions under the Act;
- (j) "ordinary resolution" means a resolution passed by a majority of the votes cast by the persons who voted in the respect of that resolution;
- (k) "regulations" means the Regulations made under the Act;
- (l) "Superintendent" means Superintendent of Credit Unions;
- (m) "special resolution" means a resolution passed by a majority of not less than 2/3 of the votes cast by the persons who voted in respect of that resolution .
- (n) "joint member" means a person who is eligible to be a member whose application for joint membership in association with another member has been accepted;

OBJECTIVES AND PURPOSES

- 3.01 The objects and purposes for which this Credit Union is formed are to provide its members with responsive and innovative financial products and services, while ensuring the highest standard of excellence and integrity.
- (a) to promote the co-operative movement.

NATURE OF BUSINESS AND OPERATIONS

- 4.01 The nature of business and operations of this Credit Union, in order to attain the objectives and purposes, are:
- (a) to receive the savings of members, either as payments on shares or on current deposit accounts which include, but are not limited to, savings accounts, term deposits, chequing accounts, registered savings plans and other investments that may be introduced from time to time;
 - (b) to make loans to members for provident and productive purposes;
 - (c) to accept and administer trust, guarantee or other funds of members;

- (d) to conduct educational work among its members;
- (e) to invest in any legal investments authorized by law for trust funds in the Province of Newfoundland and Labrador;
- (f) to borrow money as provided by the Act;
- (g) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, and other negotiable or transferable instruments;
- (h) to provide insurance on deposits by participation in provincial or national stabilization programs in accordance with the Act;
- (i) subject to the Regulations, to contribute to the funds or capital of, or acquire or hold shares in any association or society incorporated by or under the provisions of any Act of Canada, or any province thereof, having objects wholly or in part similar to those of the Credit Union and to subscribe for, purchase, hold, acquire or dispose of bonds, debentures or securities thereof;
- (j) to become a member or otherwise in any regional, provincial, or central credit society, league or federation registered under the Act, the Laws of Canada or any province of Canada, or the laws of any country for the purposes of mutual aid;
- (k) to do all other acts and things as are incidental or conducive to or consequential upon the attainment of the above objects and including the matters and things set out in the Act, the Regulations and the By-laws.

MEMBERSHIP

- 5.01 Membership in the Credit Union is open to residents of Newfoundland and Labrador.
- 5.02 An associate member or a member under the age of 19 does not have the right to be a director or officer and does not have the right to vote.
- 5.03 Application for membership shall be made to the Credit Union in writing in the form prescribed by the Credit Union. The application shall be considered and dealt with by the Board not later than its next meeting or in the manner prescribed by the Board.

- 5.04 A person approved for membership by the Board shall subscribe for at least the minimum number of shares as prescribed by the Act. The Board may set a higher minimum share requirement. (Amended July 2014)
- 5.05 A person whose application for membership has not been approved shall have the right of appeal, first to the Board and then to the next general meeting of the Credit Union.
- 5.06 Every member shall nominate in writing, in the form prescribed by the Credit Union, the person or persons to whom at his/her decease there shall be transferred or paid all or part of his/her share or interest in the Credit Union. This nomination shall only be revoked or varied by a subsequent nomination.
- 5.07 On the death of a member, the Credit Union shall subject to Section 6.02 transfer or pay an amount equal to the value of the shares and other interest of the deceased member to the person or persons nominated on the form prescribed by the Credit Union, and if there is no person so nominated, to the person or persons as may appear to the Board to be the legal personal representative of the deceased member pursuant to *the Act*.
- 5.08 A member, who in the judgment of the Board has neglected to assist the Credit Union towards the attainment of its objects or has been guilty of acts detrimental to the best interest of the Credit Union, may be expelled by a two-thirds majority vote of the entire voting Board membership. Those members shall be notified by registered mail. The expelled member may submit an appeal to the Secretary within 30 calendar days of the dated notification. The appeal shall be placed on the agenda for the next annual general meeting, at which a two-thirds majority of those present and entitled to vote must be obtained to accept the appeal and reinstate membership.
- 5.09 All monies due to an expelled member shall be paid within the time that the member is entitled to require payment, except sufficient monies shall be retained to offset all current and contingent liabilities.

SHARE CAPITAL

- 6.01 The par value of each share shall be 5 dollars which shall never be withdrawn, transferred, repaid or otherwise disposed of at more than par value.
- 6.02 The Credit Union shall have a lien on the shares or other interest of a member for any sum due the Credit Union by the member or for any loan endorsed by

him/her as a co-maker and may set off any sum credited or payable to a member in or towards payment of any sum due the Credit Union by the member.

- 6.03 Dividends paid on share capital shall be in accordance with the Act and Regulations.
- 6.04 Money paid in on shares may be withdrawn on any day when payment for shares may be made, but the Board shall have the right to require a member at any time to give 60 days notice of his/her intention to withdraw shares. All withdrawals must meet the approval of the Board providing the provisions of the By-laws governing membership withdrawals apply. Withdrawing or expelled members shall have no further rights in the Credit Union but they are not, by the withdrawal or expulsion, released from any remaining liability to the Credit Union.
- 6.05 The Credit Union shall at all times have on deposit with any Credit Union League, federation, central, bank or institution carrying on the business of banking at least the minimum reserves for its share capital.

DEPOSIT TRUST ACCOUNTS

- 7.01 Ordinary deposits may be withdrawn on any day the Credit Union is open for business, but the Board may at any time require the Depositor to give 30 days notice of his/her intention to withdraw the whole or any part of his/her deposit with the same power of extending this notice as provided for notice of share withdrawals in Section 6.04.
- 7.02 The Credit Union may accept from members and other registered Societies deposits of any type on those terms and conditions as may be prescribed by the Board of Directors, which shall be subject to withdrawals by a depositor only when deposits made by him/her accumulate to a specified amount or only upon specified days, after a stated period of time or subject to any other restriction agreed to by the depositor.
- 7.03 Interest rates on deposits and conditions relating thereto shall be set by the Board of Directors subject to the Act from time to time, subject to the Act.
- 7.04 The Credit Union may receive chequing account deposits from members on those terms that are or may be agreed upon by the Board.
- 7.05 The Credit Union may, subject to the Act accept investments from any, League, federation, central or national credit union society operating within Canada or,

with the approval of the Superintendent, from other corporate bodies providing services to credit unions.

- 7.06 The Credit Union shall at all times have on deposit with any Credit Union League, federation, central, bank or institution carrying on the business of banking the minimum liquidity as required by the Act.

LOANS

- 8.01 The Credit Union may make loans only to its members, subject to the lending policy approved by the Board and in the manner provided by the Act.
- 8.02 The Borrower may repay a loan in whole or in part any day the office of the Credit Union is open for business.

RECEIPTING OF MONEY AND STATEMENT OF ACCOUNTS

- 9.01 Money paid in or withdrawn on accounts shall be evidenced by a receipt and these monies, as well as other credits or debits to accounts, shall be evidenced by a statement of account to be issued regularly.
- 9.02 The Credit Union shall on request from a member, issue a statement of account showing the last balance of any or all accounts of the member.

INVESTMENT AND BORROWING

- 10.01 Investments made by the Credit Union shall be in accordance with the Act and Regulations.
- 10.02 The Credit Union shall not borrow funds in excess of the amounts prescribed by the Act and Regulations.

FINANCIAL YEAR AND MEMBERSHIP MEETINGS

- 11.01 The fiscal year of the Credit Union shall end on December thirty-first in each year.
- 11.02 A general meeting of the members shall be held at least annually, pursuant to the Act, at a time and place to be decided by the Board of Directors.

- 11.03 Special meetings of the members may be called at any time by the Board or upon receipt of a written request specifying the purpose of the meeting from the lesser of 10% of the members or 500 members of the total Credit Union membership having a right to vote at the meeting but not less than 50 members.
- 11.04 Notices of all meetings shall be given by the Secretary who shall, at least 14 days before the meeting, post a notice of the meeting in a conspicuous place, plus give notice through the press and radio and other electronic means. Notices calling special meetings shall state clearly the nature of the business to be transacted and only the business specified in each notice shall be transacted at a special meeting.
- 11.05 No member, individual or group shall have more than one vote at any meeting of the Credit Union, provided that when shares are held by (2) or more members jointly any one of them, or the one designated by the group, may vote and if more than one person is present at any meeting, only the one whose name appears first on the records of the Credit Union, shall be entitled to vote. There shall be no voting by proxy and no person shall vote both as a designated representative and a member.
- 11.06 Only members over the age of 19 who have satisfied the conditions of membership shall be entitled to vote. Voting shall be by a show of hands, except where a ballot is demanded by a member entitled to vote at the meeting. All questions, including elections, shall be determined by a majority vote except where a larger than majority vote may be required by the Act, the Regulations, or the By-laws. In case of a tie, the motion shall be deemed lost.
- 11.07 At the annual and all special meetings, a quorum shall be 30 members.
- 11.08 The Chair of the Credit Union shall, if a resolution of the Credit Union requires, appoint a nominating committee of 3 members who shall nominate at least one member for each vacancy for which an election is to be held. When the nominating committee has been appointed they shall place the name of the persons nominated for the vacancies before the meeting when further nominations from the meeting may be received.
- 11.09 The order of business at the annual general meeting of the Credit Union shall include the following:
- (a) Registration;
 - (b) Call to order;
 - (c) Adoption of agenda;

- (d) Approval of the Minutes of previous meeting(s);
- (e) Report of the Board;
- (f) Report of the **Chief Executive Officer**;
- (g) Report of the Audit Committee;
- (h) Report of the Auditor;
- (i) Report of the Special Committee(s), if any;
- (j) Report of members appointed to act in any official capacity on behalf of the Credit Union;
- (k) Unfinished business;
- (l) New business;
- (m) Appointment of Auditor;
- (n) Elections;
- (o) Adjournment.

BOARD OF DIRECTORS

- 12.01 The management of the Credit Union shall be vested in a Board of Directors consisting of 9 members, 3 of whom will be elected at each annual meeting for a period of 3 years.
- 12.02 Retiring members of the Board shall be eligible for re-election.
- 12.03 **Nominees for election to the Board must be members of the Credit Union who are over the age of 19. Nominations must be in writing in the form prescribed by the Board and submitted not less than 60 days prior to the AGM. (Amended July 2014)**
- 12.04 Any vacancy occurring in the Board between annual meetings may be filled by the Board until the next annual meeting.

- 12.05 The members subject to the Act and Regulations may by ordinary resolution at a special meeting remove a director from office.
- 12.06 Regular meetings of the Board shall be held at least quarterly and a quorum of the Board shall be 5 voting members. Except as otherwise provided by the Act or the By-laws, all questions shall be decided by a majority vote, and in case of a tie the motion shall be deemed lost.
- 12.07 Where all the Directors have consented in writing, any Director may participate in a meeting of the Board of Directors through the medium of telecommunications, provided all persons participating are able to hear each other. Any Director so participating shall, for all purposes, be deemed to have been present at that meeting.
- 12.08 A special meeting of the Board may be called by the Chair or upon written petition to the Secretary by at least 4 Directors. The Secretary shall schedule the meeting to occur within 15 days of the call or petition. Only the business set forth in the notice may be transacted at the special meeting.
- 12.09 Notice of all regular or special Board meetings shall be given by the Secretary not less than 3 days before the meeting, except when all Directors, present or absent, agree to a meeting and the agenda within this time period. The first meeting of a newly constituted Board shall be held within 15 calendar days of the annual general meeting and notice shall be given by the Secretary of the preceding Board.
- 12.10 The Board may delegate to one or more special committees of the Board under those conditions that the Board may prescribe. The Chair shall be an ex officio member of all those committees.
- 12.11 It shall be the duty of the Board to operate within the Credit Union Act & Regulations and Sound Business Practices.
- 12.12 Subject to 12.04 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.
- 12.13 No member shall hold a position on the Board or any committee if that member has failed to repay a loan, or is in arrears in the payment of any loan, or does not have the minimum required shareholding.
- 12.14 No employee of the Credit Union shall be eligible to be elected to the Board.

- 12.15 A resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of Directors is as valid as if it had been passed at a meeting of Directors.

LENDING COMMITTEE

- 13.01 The Lending Committee shall be established pursuant to The Act. The Committee will consist of the **Chief Executive Officer** and two other Credit Union employees pursuant to the Lending policy.
- 13.02. The committee shall review all request for credit in excess of the authority of the **Chief Executive Officer** or his/her designate.
- 13.03 The committee shall review all request for credit from directors, employees and committee members and family members of directors and committee members as defined by the regulations. When reviewing a loan request for a committee member or a family member, the committee member should exclude himself/herself and a replacement person should be sought as per Section 13.01 and 13.06.
- 13.04 Meetings of the Committee shall be held from time to time as the business may require.
- 13.05 The Lending Committee shall be governed by the lending policy as approved by the Board of Directors and shall report its activities to the Board at least quarterly.
- 13.06 If the Committee is unable to obtain a quorum the following shall become temporary members of the Lending Committee in this order of precedence: Chair, Vice-Chair and Secretary, but only if sufficient numbers to form a quorum.

AUDIT COMMITTEE

- 14.01 The Audit Committee shall consist of not less than 3 members who shall be appointed by the Board annually. The Chair of the Audit Committee must be a member of the Board of Directors. Employees and Officers of the Credit Union are not eligible to serve on this committee.
- 14.02 The Audit Committee shall carry out its duties as per the Regulations and shall:

- (a) ensure an internal audit of the affairs of the Credit Union is completed at least annually
- (b) report to the Board of Directors at least quarterly , especially as it pertains to matters of internal control, policy implementation and management practices;
- (c) make a report in writing annually to the members at the Annual General Meeting;
- (d) if it deems the action to be necessary, recommends suspension of any Officer, Director of the Credit Union, or member(s) of the Credit Committee to the Board of Directors;
- (e) recommend to the Board of Directors the calling of a special meeting of members to consider any matter submitted to it.
- (f) ensure that a full correct record of all proceedings of the Audit Committee is made available for examination by the Credit Union Deposit Guarantee Corporation or a person authorized under the Credit Union Act to examine the records of a Credit Union.

AUDITOR

- 15.01 On recommendation of the Board the members shall appoint at the Annual Meeting a qualified individual or firm to perform an external independent audit of the Credit Union.
- 15.02 The Auditor shall:
- (a) make an examination of the affairs of the Credit Union at least once in each year including an audit of its books and records for the fiscal year ending and submit the results of these audits to members within the Annual Meeting;
 - (b) include with the results of each audit a report upon the numbers and values of loans and loan balances in arrears and overdue.
- 15.03 In the process of their examination and audit, the Auditor shall examine sufficient applications for loans approved during the period under examination to satisfy themselves that loans approved are consistent with policies of the Credit Union and the Act and Regulations.

OFFICERS AND DUTIES

- 16.01 The Board shall, at the first meeting following the annual meeting each year, elect from their number a Chair, Vice-Chair, Secretary, and one other member at large to constitute the Executive Committee referred to in Sections 17.01, 17.02 and 17.03 of the By-laws.
- 16.02 It shall be the duty of the Chair to:
- (a) preside at all meetings of the Credit Union and of the Board;
 - (b) subject to the By-laws, authorize the calling of meetings of the Credit Union, of the Board and of the Executive Committee;
 - (c) certify by his/her signature all acts, orders and proceedings of the meetings, and in particular, to sign all reports to be laid before meetings of the Credit Union which shall be previously submitted to and approved by the Board;
 - (d) act as a signing officer of the Credit Union;
 - (e) perform any other duties as appertain to or are necessary to the proper conduct of his/her office.
- 16.03 It shall be the duty of the Vice-Chair to perform the duties of the Chair in the absence, disability or resignation of the Chair and any other duties as the Board may designate.
- 16.04 It shall be the duty of the Secretary to:
- (a) receive calls or petitions for, and give notices of all meetings pursuant to these by-laws.
 - (b) attend all meetings of the Credit Union, of the Board, of the Executive Committee, and of any special committee if so required by the Board, and to ensure that correct minutes of all those meetings are kept;
 - (c) have charge of the documents and other papers of the Credit Union not required by the By-laws to be kept by the **Chief Executive Officer**, and to keep the list of members and to conduct the correspondence of the Credit Union subject to the direction and control of the Board;
 - (d) act as a signing officer on behalf of the Board; and

(e) discharge any other duties as may be determined from time to time by the Board.

- 16.05 It shall be the duty of the Member at Large to
- (a) perform the duties of the Secretary in the absence, disability or resignation of the Secretary and any other duties as the Board may designate;
 - (b) any other duties as the Board may designate.

EXECUTIVE COMMITTEE

- 17.01 The Executive Committee shall, in the interval between meetings of the Board, exercise all the powers of the Board. All Committees of the Board shall be responsible to the Executive Committee during that interval.
- 17.02 Meetings of the Executive Committee shall be held when called by the Chair or when requested by a majority of the members of the Committee. The Secretary shall immediately give at least 2 days notice to members unless they all consent to an earlier sitting. The majority of the members of the Committee shall constitute a quorum.
- 17.03 The Executive Committee shall keep a record of the meetings held and actions thereof and a copy of the minutes of every meeting shall be sent to each Board member for review at the next Board meeting.

CHIEF EXECUTIVE OFFICER

- 18.01 The Board may employ a **Chief Executive Officer** whose duties shall be, under the authority of the Board, to:
- (a) act as Treasurer and to manage the business of the Credit Union;
 - (b) have custody of the cash, securities, books of account and other records of the Credit Union which shall be open at all reasonable times to the Audit Committee, Board, or person authorized to audit or inspect;
 - (c) prepare or cause to be prepared monthly and annual financial statements of the affairs of the Credit Union for presentation to the Board of Directors and/or annual meeting, and to prepare the annual returns of the Credit Union;

- (d) deposit all funds in his/her possession to the financial institution(s) prescribed by the Board, retaining only those funds that are necessary for the day to day operation of the Credit Union, and as may not be in excess of the amount as covered by insurance. Deposit of funds shall be, when practical, daily;
- (e) subject to Section 12.11 (h), of the By-laws, employ staff that are needed to perform satisfactorily the necessary accounting, and general conduct of business necessary to the efficient operation of the Credit Union;
- (f) determine and review from time to time the salary of employees, maintaining salaries within the ranges set by the Board of Directors and any applicable collective agreement;
- (g) attend all Board meetings except when excused by the Board;
- (h) discharge any other duties that are incidental to his/ her position or as the Board may designate from time to time.

EXPENSES AND ALLOWANCES

- 19.01 Members of the Board of Directors, Committee Members and employees of the Credit Union may be reimbursed for reasonable expenses incurred by them in attending to official and authorized business of the Credit Union, as determined by the Board of Directors.
- 19.02 Members of the Board of Directors, and committees may be paid an honorarium in recognition of their service rendered to the Credit Union. This honorarium will be determined and paid as approved by the membership.
- 19.03 Policy and amendments thereto approved by the Board setting allowances payable under this Section shall be subject to approval at the next Annual Meeting.

SURPLUS AND RESERVE

- 20.01 The Credit Union shall maintain an Allowance for Doubtful Loans as provided by the Act. Uncollectible loans shall be charged to this allowance provided that approval is given by the Board and the Auditors.

- 20.02 The Credit Union shall not declare any interest, dividend or patronage refund if its delinquent loans amount to more than 10 percent of the money out on loan.
- 20.03 The Credit Union shall create and maintain, by allocation from annual surplus, other reserves as provided by the Act. Those reserves may be used for purposes, within the powers of the Credit Union, as the Board recommends for ratification at the annual meeting.
- 20.04 On recommendation of the Board and with the approval of the members at the annual meeting, the Credit Union may at the end of the fiscal year declare a dividend on share capital or a patronage refund.
- 20.05 No dividends or patronage refunds in any fiscal year shall be approved by the Credit Union before the balance sheet for the period in respect of which the dividends or patronage refunds is proposed to be paid has been certified by the Auditor.

SEAL OF THE CREDIT UNION

- 21.01 The Credit Union shall have its name in legible characters upon a Seal, which shall be in the custody of the **Chief Executive Officer**, and shall be used only under the authority of the resolution of the Board, the date whereof shall be mentioned on the instrument to which the seal is attached, and shall be attested by the signatures of the Chair and Secretary or other Director or Officer as the Board from time to time appoints.

RULES OF PROCEDURE

- 22.01 The rules of procedure governing meetings of the Credit Union and meetings of the Board of Directors, shall be those contained in Robert's Rules of Order Revised, except as otherwise provided in the By-laws.

INDEMNIFICATION

- 23.01 Every Director, Officer, or member of any Committee of the Credit Union shall exercise the powers and discharge the duties of his/her office honestly, in good faith and in the best interest of the Credit Union, and in connection therewith, shall exercise the degree of care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances.

23.02 The Credit Union shall subscribe to the Credit Union Bonding Program or similar program, in respect of Director Liability and Corporate Reimbursement. A copy of the program shall be maintained on file for ready reference by any Director, Officer or member of any Committee.

CONFLICT OF INTEREST

24.01 A Director or Committee member shall abstain from discussion and voting on any matter in which he/she is in a conflict of interest.

24.02 The Credit Union shall prepare and maintain a Conflict of Interest Policy in accordance with such Policy which shall form part of Credit Union's Policy & Procedures Manual.

DISSOLUTION

25.01 This Credit Union may be dissolved by the consent of two-thirds of its members but only in the way and manner provided by the Act.

AMENDMENTS TO THESE BY-LAWS

26.01 The Members of the Credit Union may, by special resolution at an Annual Meeting or Special Meeting enact, amend or repeal the by-laws.

26.02 Notwithstanding 26.01 an amendment or repeal of the by-laws is not effective until it is approved by the Superintendent.

ENACTED by the Board of Directors the ____ day of _____, A.D., 2014.

- Amendments to By-Laws - @ AGM - March 2014

Approved by CUDGC - July 2014

Registry # 4002

APPROVED

DATE

July 31st 2014

SIGNATURE

[Handwritten Signature]

DEPUTY SUPERINTENDENT

OF CREDIT UNIONS