

The Board of Directors of Public Service Credit Union have prepared the following changes to its By-laws which will be brought forward to the membership at this year's **AGM on March 23, 2023**.

The Act and Regulations which are administered by the Provincial Government of Newfoundland & Labrador, have been revised within the past two years requiring changes to PSCU's By-laws. These changes are necessary to ensure that the By-laws are compliant with the Credit Union Act and Regulations. Below is a summary of the current and proposed changes to the By-laws.

By-Law (Current)	Proposed Change	Rationale
Section: 2.01 (g) "director" means an individual occupying the position of Director on the Board of the Credit Union;	Section: 2.01 (g) "director" means person occupying the position of Director on the Board of the Credit Union by whatever name that person is called, and "directors" and "board of directors" includes a single director.	Applying definition from the Act
Section: 2.01 (o) "special resolution" means a resolution passed by a 2/3 majority of the votes cast by the persons who voted in respect of that resolution or signed by all the persons entitled to vote on that resolution as per the Act.	Section: 2.01 (o) "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 or signed by all the persons entitled to vote on that resolution.	Applying definition from the Act
Section 5.02 (1): Membership may be extended to a person under 19 years of age as per Section 48 (3) of the Act.	5.02 (1) Membership may be extended to a person under the age of majority as per Section 48 (3) of the Act.	Aligning terminology with the Act

By-Law (Current)	Proposed Change	Rationale
Section: N/A	(New) Section: 5.07 A member who relocates outside the province may retain their membership.	Aligns with Regulation 33(5)(g)
Section: 7.01 (2) Notwithstanding Section 7.01 (1) of these By-laws the Credit Union may at any time require the member to give up to 90 days' notice in writing of their intention to withdraw the whole or any part of their deposit with the same power of extending this notice as provided for notice of share withdrawals in Section 6.04 of these By-laws.	Section 7.01(2) to be deleted.	Not permitted in the new legislation.
Section: 7.01 (3) Section 35 (3) of the Act and Section 7.01 (1) of these By-laws do not apply in relation to deposits placed with the Credit Union for a stated term or an amount contained in a deposit account on which a bill of exchange payable on demand may be drawn.	Section 7.01 (3) to be deleted.	Redundant - covered in the Act

By-Law (Current)	Proposed Change	Rationale
<p>Section: 7.02 (1) If on the death of a member, there is an executor of a will or administrator of the estate, the Credit Union shall subject to Section 6.02 of these By-law transfer or pay an amount equal to the value of the shares and other interest to the person or persons as may appear to the Board to be the executor of a will or administrator of the estate.</p>	<p>Section: 7.02 (1) If on the death of a member, there is an executor of a will or administrator of the estate, the Credit Union shall subject to Section 6.02 of these By-law and Section 13 of the Regulations transfer or pay an amount equal to the value of the shares and other interest to the person or persons determined to be the rightful beneficiary of the estate.</p>	<p>Adding Regulation number as directed by Regulator.</p> <p>Changing on the advice of regulator to eliminate implication that the Board must review all estate transactions.</p>
<p>Section: 12.01 Pursuant to the Act, a general meeting of the members shall be held at least annually at a time and place to be decided by the Board.</p>	<p>Section: 12.01 Pursuant to the Act, a general meeting of the members shall be held at least annually at a time and in the manner to be decided by the Board.</p>	<p>Enables meetings to be held virtually pursuant to the new legislation. "In the manner" are the words used in the Act.</p>
<p>Section: 12.03 Notices of all meetings shall be given not less than 14 days and not more than 30 days before the meeting to each member entitled to vote at the meeting per Act Section 57 (1). 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.</p>	<p>Section: 12.03 Notice of the time and date of a meeting of the members and the manner in which it is to be held shall be given not less than 14 days and not more than 30 days before the meeting to each member entitled to vote at the meeting per Section 57(1) of the Act. 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.</p>	<p>Requires notice to include the format of the meeting (for example in-person, virtual or hybrid).</p> <p>Applying consistent style to the reference to the Act.</p>

By-Law (Current)	Proposed Change	Rationale
<p>Section 12.04 No member, individual, or group shall have more than 1 vote at any meeting of the Credit Union. When shares are held by 2 or more members jointly the one designated by the group may vote. If more than one person is present at any meeting, and there is no designation, only the one whose name appears first on the records 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.</p>	<p>Section 12.04 No member or group shall have more than 1 vote at any meeting of the Credit Union. When shares are held by 2 or more members jointly the one designated by the group may vote. If more than one person is present at any meeting, and there is no designation, only the one whose name appears first on the records shall be entitled to vote. If the member is not a natural person, the member must designate a person to vote on their behalf not less than 7 business days prior to a meeting. This designation will remain in effect until changed or revoked by the member. There shall be no voting by proxy.</p>	<p>Provides for orderly designation of voter for members who are corporations or associations. Also implements direction from regulator that a person can vote both as an individual member as designated voter(s).</p>
<p>N/A</p>	<p>Insert new 12.05 The Board may determine a telecommunications system or service by which some or all of the persons participating in a meeting may do so remotely, provided that all persons participating in the meeting are able to hear each other, and all persons participating in the meeting in that manner shall be considered to be present at that meeting.</p>	<p>Enables the Board to determine if meeting can include virtual participants, pursuant to the new legislation.</p>

By-Law (Current)	Proposed Change	Rationale
<p>Section: 12.05 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 the case of a tie, the motion shall be deemed lost. Only members over the age of 19 are entitled to vote. Associate members are not entitled to vote at a meeting of the credit union.</p>	<p>Renumber 12.05 to be 12.06, to read as:</p> <p>Section: 12.06 Voting at meetings where all persons entitled to vote are physically present shall be by a show of hands, except where a ballot is demanded by a member entitled to vote at the meeting. If the meeting includes persons participating remotely pursuant to section 12.05 the Board shall determine the mechanism for voting, provided that the voting process maintains anonymity and the voting outcome is verifiable. Associate members are not entitled to vote at a meeting of the credit union.</p>	<p>Provides for the Board to determine voting mechanism where some or all members are attending virtually; Removes redundant material covered in the Act/Regulations.</p>
<p>Sections: 12.06 12.07</p>	<p>Renumber Sections 12.06 to be 12.07 12.07 to be 12.08</p>	
<p>Section: 13.06 A Director may participate in a meeting of the Board of Directors through the medium of appropriate telecommunications, provided all persons participating are able to clearly hear and understand each other. A Director so participating shall, for all purposes, is deemed to have been present at that meeting.</p>	<p>Section 13.06 to be deleted.</p>	<p>Redundant – covered in the Act</p>

By-Law (Current)	Proposed Change	Rationale
Sections 13.07 – 13.11	Renumber Sections to be 13.06 – 13.10	
<p>Section: 13.11 (c) in addition to Sections 70(d),(e),(f) and (h) of the Act, must not have been an individual in any of those described positions in the past two years;</p>	<p>The renumbered Section 13.11(c) to read as:</p> <p>Section: 13.10 (c) in addition to Sections 70(2)(d), (e), (f) and (h) of the Act, must not have been an individual in any of those described positions in the past two years.</p>	<p>Correct the reference to the section number of the Act</p>
<p>Section: 14.01 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.</p>	<p>Section: 14.01 The Lending Committee shall be established pursuant to the Act and Section 18 of the Regulations. The Committee will consist of the Chief Executive Officer and two other Credit Union employees pursuant to the Lending Policy.</p>	<p>Adding reference to regulation number as directed by Regulator.</p>

By-Law (Current)	Proposed Change	Rationale
<p>Section: 14.03 The Lending Committee shall review all requests for credit from Directors, employees and Committee Members and family members of Directors and Committee Members as defined by the Regulations. When reviewing a request for credit by a Lending Committee Member or by a family member of the Lending Committee, that Member shall be excluded and a replacement person shall be sought as per Sections 14.01 and 14.06.</p>	<p>Section: 14.03 The Lending Committee shall review all requests for credit from Directors, employees and Committee Members and family members of Directors and Committee Members as defined by the Regulations. When reviewing a request for credit by a Lending Committee Member or by a family member of the Lending Committee, that Member shall be excluded.</p>	<p>Redundant</p>
<p>Section: 14.06 If the Lending 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 of the Board, but only in sufficient numbers to form a quorum.</p>	<p>Section 14.06 to be deleted.</p>	<p>Directors are not permitted to be members of the Lending Committee under the Act. The issue of quorum is addressed in policy further to section 14.01</p>
<p>Section: 17.02 The Audit Committee shall carry out its duties as per the Regulations and shall:</p>	<p>Section: 17.02 The Audit Committee shall carry out its duties as per Section 103 of the Act, and the Regulations, and shall:</p>	<p>Adding Act section number as directed by Regulator</p>



PUBLIC SERVICE

By-Law (Current)	Proposed Change	Rationale
Section: 28.01 The Credit Union may be dissolved by the consent of 2/3 of its members, but only in the way and manner provided by the Act.	Section: 28.01 The Credit Union may be dissolved in the manner provided by the Act.	Aligns with the Act.
Section: 29.02 Notwithstanding 28.01 an amendment or repeal of the By-laws is not effective until it is approved by the Superintendent.	Section: 29.02 Notwithstanding 29.01 an amendment or repeal of the By-laws is not effective until it is approved by the Credit Union Deposit Guarantee Corporation.	Correcting typo; Updating terminology to comply with legislation.