



Bylaws

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ARTICLE 1 – DEFINITIONS AND INCONSISTENT PROVISIONS

Definitions

1.01 In these bylaws, unless the context otherwise requires:

- (a) “Act” means the *Credit Unions Act*, RSPEI 1988, c C-29.1, as amended, and includes the Regulations made under section 157 of the Act;
- (b) “Atlantic Central” means the Atlantic Central continued under s. 182 of the *Credit Union Act*, SNS 1994, c 4;
- (c) “ballot” means a method or instrument used to cast a vote in an election or decision-making process, which may be presented in either physical (paper) or digital (electronic) form.
- (d) “Board” means the Board of directors of the Credit Union;
- (e) “body corporate” means a body corporate wherever or however incorporated and includes a co-operative or credit union, but does not include a public body;
- (f) “Corporation” means the Credit Union Deposit Insurance Corporation continued under section 161 of the Act;
- (g) “Credit Union” means the Provincial Credit Union Limited/Caisse Populaire Provincial Limitee;
- (h) “creditor” means a person, other than a shareholder or depositor, to whom the Credit Union owes money;
- (i) “director” means an individual occupying the position of director of the Credit Union;
- (j) “document” means a report, return or other instrument required pursuant to the Act or these bylaws;
- (k) “Executive Management”- means the Chief Executive Officer and their immediate team of executive leaders.
- (l) “form” means a document prepared in a manner and style as prescribed by these bylaws;
- (m) “general meeting” means any annual, regular, or special or class meeting of the members and, in the case of credit unions having a delegate structure, includes delegate meetings;
- (n) “individual” means a natural person;
- (o) “member” means a person who has been admitted to membership in the Credit Union and whose name is entered on its register of members and who has

subscribed for the minimum number of membership shares as determined by resolution of the Board;

- (p) “Minister” means the Minister of Justice and Public Safety and Attorney General for the Province of Prince Edward Island;
- (q) “net income” means income less expenses prior to provisions for share dividends, patronage allocations, reserves, and income taxes;
- (r) “officer” has the meaning as set out in Article 7.01 of these bylaws;
- (s) “ordinarily resident” means a person who resides in the province for 183 consecutive days or more each calendar year.
- (t) “ordinary resolution” means a resolution that is passed at a meeting by majority of the votes validly cast by the persons present or represented at the meeting;
- (u) “patronage allocations” means earnings which are allocated to members on the basis of patronage;
- (v) “person” includes an individual, partnership, unincorporated association or organization, trust, body corporate or public body;
- (w) “poll captain” means is an individual responsible for overseeing election activities at a specific polling location or within a designated area.
- (x) “Registrar” means the Registrar appointed pursuant to section 111 of the Act;
- (y) “Regulations” means all regulations now or hereafter in force made pursuant to the Act;
- (z) “special resolution” means a resolution that is passed by a majority of two-thirds (2/3) of the votes validly cast by the persons present or represented at the meeting;
- (aa) “subsidiary” means a body corporate in which the Credit Union beneficially owns voting rights sufficient, if exercised, to elect a majority of the directors of the body corporate.

Singular and Plural

1.02 Unless the context otherwise requires, defined words importing the singular will include the plural and vice versa.

Interpretation and Inconsistent Provisions

1.03 These bylaws must be read and applied in conjunction with the Act and all amendments thereto and Regulations made pursuant to the Act except where said Act or Regulations state these bylaws may otherwise provide, any applicable provision of the Act or Regulations inconsistent with these bylaws will prevail.

ARTICLE 2 – REGISTERED OFFICE & RECORDS

Registered Office

2.01 The registered office of the Credit Union shall be 281 University Avenue, Charlottetown, PEI.

2.02 Changes in the registered office of the Credit Union shall be approved by the Board and notification of such changes shall be provided in writing to the Registrar within thirty (30) days of Board approval.

Records

2.03 The Credit Union shall maintain records as specified in the Act, including but not limited to, the following records and documents:

- (a) loan policies and loan documents,
- (b) personnel policies and employee records,
- (c) risk management policies and records,
- (d) all additional approved Board policies,
- (e) inspection reports,
- (f) membership and banking documentation,
- (g) operational reporting systems,
- (h) documentation and records required by the Act or other Federal or Provincial statutes, and
- (i) any other documentation or records deemed appropriate by the Credit Union.

2.04 The Credit Union shall maintain records and documents as specified in the record retention policy as approved by the Board.

2.05 The Credit Union will provide bilingual services to its members at the Wellington location and bilingual management oversight will be maintained.

ARTICLE 3 – MEMBERSHIP

Membership

- 3.01 The membership of the Credit Union consists of those members defined in accordance with Article 1.01(o) of these bylaws.
- 3.02 The primary field of membership shall be limited to persons who are ordinarily resident in Prince Edward Island.
- 3.03 Subject to such conditions as the Board may establish, a member who ceases to be within the primary field of membership may retain their membership.
- 3.04 Application for membership must be in writing in a manner and on such form as prescribed by the Credit Union. All applications must be approved in a manner as prescribed in Article 6.02(c) of these bylaws.
- 3.05 Any person applying for membership must satisfy the common share purchase requirements as set out in these bylaws.
- 3.06 Two (2) or more persons may jointly hold a membership in the Credit Union, and each of the joint members is entitled to vote in accordance with Article 5.29 of these bylaws.
- 3.07 Membership in the Credit Union is voluntary and open, except to the extent that it is restricted by the bond of association.

Membership Termination

- 3.08 The Board may by resolution determine circumstances in which the Chief Executive Officer may terminate the membership of a member.
- 3.09 A member may appeal a decision of the Chief Executive Officer pursuant to Article 3.08 of these bylaws to the Board, and the Board shall confirm or reverse the decision.
- 3.10 The Board may, by special resolution, order the termination of the membership of a member of the Credit Union.
- 3.11 The members may, by special resolution at any general meeting, terminate the membership of a member where the member has received at least 10 (ten) days notice that the member's membership is to be considered at that meeting.

Membership Withdrawal

- 3.12 Subject to any notice requirement of not more than ninety (90) days as fixed by resolution of the directors, a member may withdraw from membership in the Credit Union at any time.
- 3.13 A member may withdraw deposits in accordance with the Act and these bylaws.

Effect on Termination and Withdrawal Provisions

- 3.14 The withdrawal or termination of membership of a member does not relieve the member from any debt obligation that the member has to the Credit Union.

Membership Refusal

- 3.15 The Board may, by resolution determine circumstances in which the Chief Executive Officer may refuse to admit a person to membership.

ARTICLE 4 – SHARES AND FINANCE

Membership Shares

- 4.01 Membership shares shall have a par value of five Canadian dollars (\$5.00) each.
- 4.02 The number of membership shares to be issued by the Credit Union shall be unlimited.
- 4.03 The Credit Union shall issue membership shares to any member who subscribes and pays for them.
- 4.04 Membership shares are non-assessable, and their holders are not liable to the Credit Union or its creditors in respect of them.
- 4.05 The Credit Union shall not issue membership shares until they have been fully paid for in money, unless the share is issued:
 - (a) in accordance with any provisions for the conversion of other issued and outstanding securities of the Credit Union into shares of that class of shares;
 - (b) as a share dividend; or
 - (c) in accordance with the terms of an amalgamation or sale agreement pursuant to section 126 of the Act.
- 4.06 Membership shares are non-transferable.
- 4.07 Membership shares shall rank behind all other classes of shares issued by the Credit Union and holders of membership shares shall not, upon the 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.

Share Certificates

- 4.08 No certificate shall be issued to shareholders to denote ownership of a share in the Credit Union.

Share Consideration

- 4.09 A Credit Union shall not issue a share if the proposed consideration for such share consists, in whole or in part, of a promissory note or a promise to pay.

Share Redemption

- 4.10 Subject to section 76 of the Act, members of the Credit Union may redeem any or all of their membership shares at any time.
- 4.11 Subject to section 76 of the Act and to these bylaws, the Credit Union may purchase, for the purpose of cancellation, any shares issued by it other than membership shares, or redeem any redeemable shares issued by it at prices not exceeding the redemption price thereof calculated according to the conditions attaching to the shares".
- 4.12 The Credit Union shall not make any payment to purchase or redeem any shares issued by it if there are reasonable grounds for believing that the Credit Union is, or the payment would cause the Credit Union to be, insolvent.
- 4.13 Where the Board is of the opinion that a redemption of shares pursuant to the Act and these bylaws would impair the financial stability of the Credit Union, the Board may by ordinary resolution suspend any redemption of shares:
 - (a) for a period of up to twelve (12) months; and
 - (b) with the approval of the Corporation, for a period of more than twelve (12) months.
- 4.14 The Credit Union may accept from any shareholder a share of the Credit Union surrendered to it as a gift but may not extinguish or reduce a liability in respect of an amount unpaid on any such share.

Liens on Deposits and Shares

- 4.15 The Credit Union has a lien on all shares or any amount standing to the credit of a member or shareholder or their legal representative for a debt due by that member or shareholder as maker, co-maker or guarantor, to the Credit Union.
- 4.16 The Credit Union may apply any moneys to the credit of the member or shareholder toward payment of any debt due by the member to the Credit Union.
- 4.17 In the absence of an agreement to the contrary, where one (1) joint member is obliged to and does pay more than a proportionate share of an assessment, levy, dues, payment, fee or other charge with respect to joint membership by reason of the default of another of the joint members, the member who paid the amount in excess of a proportionate share has a lien on the interest of and may recover the amount from the person who made the default.

Redemption of Shares on Termination and Withdrawal

4.18 Where the membership of a member is terminated pursuant to section 53 of the Act and these bylaws:

- (a) subject to Articles 4.10 through 4.14 of these bylaws, the Credit Union shall redeem the shares of the member within sixty (60) days after the date of the termination; and
- (b) the corporate secretary of the Credit Union shall, within ten (10) days from the date on which the order is made, notify the member of the order.

4.19 Subject to Articles 4.10 through 4.14, all membership shares of a member who withdraws from membership shall be redeemed, together with all dividends accrued and unpaid thereon within ninety (90) days after the day the member withdraws from membership.

Allocation of Net Income

4.20 Subject to Articles 4.21 and 4.22 of these bylaws, the Credit Union shall allocate its net income and retained earnings as follows:

- (a) an allocation sufficient to maintain the doubtful accounts loss reserve as required by the regulations made pursuant to the Act;
- (b) allocate an amount sufficient to pay corporate income tax;
- (c) allocation to members in the form of dividends on shares;
- (d) allocation to members in the form of patronage allocations;
- (e) ensure capital standards as approved are fulfilled; and
- (f) allocation to undistributed income and from this undistributed income account, the Credit Union shall ensure:
 - (i) capital standards as approved are fulfilled;
 - (ii) where required, allocate an amount sufficient to maintain the requirement for reserves for preferred share investments as stipulated in these bylaws; and
 - (iii) allocations to other reserves as approved by the Board of Directors.

4.21 Where the Credit Union has an accumulated deficit, it shall not allocate any of its net income or retained earnings to members unless the deficit is retired.

4.22 The Credit Union shall not pay any allocation in the form of cash or a credit to a member's deposit account where the Credit Union is insolvent or would be insolvent on payment of the allocation.

4.23 For the purposes of section 90(1) of the Act, the Credit Union shall present comparative financial statements in such form and containing such information that complies with generally accepted financial reporting standards and such additional information that may be required by the Board of Directors or the Corporation.

Dividends and Patronage Allocation

4.24 Subject to Article 4.26, dividends may be declared and paid on membership shares as may be established by a resolution of the Board.

4.25 Subject to Article 4.26, a patronage allocation may be declared and paid to members as may be established by a resolution of the Board.

4.26 The Credit Union shall not declare or pay a dividend on shares or a patronage allocation if there are reasonable grounds for believing that:

- (a) the Credit Union is, or would after the payment be, unable to pay its liabilities as they become due;
- (b) the realizable value of the Credit Union's assets is, or would after the payment be, less than the aggregate of its liabilities and its equities other than retained earnings; or
- (c) the equity of the Credit Union is, or would after the payment be, less than required under the Act and Regulations.

ARTICLE 5 – MEETINGS

Rules of Order

5.01 The rules of order for all meetings of members and the Board shall be based upon Robert's Rules of Order.

Place of Meetings

5.02 General meetings of members of the Credit Union shall be held at such a place within the Province of Prince Edward Island as may be determined by the Board from time to time.

5.03 Notwithstanding the physical place of a meeting, the Board may permit members to attend general meetings by 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 for the purposes of the Act to be present at the meeting.

Fiscal Year

5.04 The fiscal year of the Credit Union is the period that begins on January 1 in one (1) year and ends on December 31 of the same year.

Calling Annual Meetings

5.05 The Credit Union shall hold an annual meeting in each year not later than four (4) months after the end of the fiscal year of the Credit Union.

5.06 In the event the annual meeting is postponed or adjourned the meeting must be rescheduled to be held not later than five (5) months after the end of the fiscal year of the Credit Union.

5.07 Notwithstanding Articles 5.05 and 5.06 of these bylaws, and notwithstanding that the time for holding an annual meeting as required in this section is expired, where the Registrar receives a written request from the directors, the Registrar may authorize the Credit Union to hold the annual meeting at any later date that the Registrar considers appropriate.

Agenda for Annual Meeting

5.08 For the purpose of section 59(6) of the Act, the agenda of the annual meeting shall include but not be limited to:

(a) Call to order;

- (b) Ascertainment that quorum is present;
- (c) Adoption of agenda;
- (d) Adoption of minutes of previous annual meeting;
- (e) Adoption of minutes of special membership meetings during the past year (if applicable);
- (f) Report of the Board;
- (g) Report of the Chief Executive Officer (if applicable);
- (h) Presentation of the financial statements;
- (i) Report of the Returning Officer;
- (j) Elections and swearing in ceremony;
- (k) New Business; and
- (l) Adjournment.

5.09 The members assembled at any annual meeting may suspend or amend the above order of business by any ordinary resolution of the members present and voting at the meeting.

Record Date

5.10 Subject to Article 5.11 of these bylaws, for the purpose of determining members or shareholders:

- (a) entitled to receive payment of a dividend or interest;
- (b) entitled to participate in a distribution on liquidation; or
- (c) for any purpose in addition to those described in clauses (a) and (b),

the directors may fix in advance a date as the record date for the determination of members or shareholders, as the case may be.

5.11 The record date mentioned in Article 5.10 of these bylaws is not to precede by more than fifty (50) days the date on which the particular action is to be taken and, in the case of the record date for the determination of members or shareholders entitled to receive notice of a general meeting, shall not precede that meeting by less than eleven (11) days.

5.12 Where the directors do not fix a record date:

- (a) the record date for the determination of members entitled to receive notice of a general meeting is deemed to be at the close of business on the day immediately preceding the day on which the notice is given; and
- (b) the record date for the determination of members for any purpose other than the one described in clause (a) is deemed to be at the close of business on the day on which the directors pass a resolution relating to that purpose.

Notice of Meetings

5.13 The Credit Union shall give at least fourteen (14) and not more than forty (40) days notice of any general meeting to its members entitled to attend the meeting by:

- (a) sending the notice by mail to those persons at the addresses given in the registers of the Credit Union; or
- (b) inserting the notice in one (1) issue of a newspaper in general circulation in the area served by the Credit Union or posting the notice in a place that, in the opinion of the Board, is prominent and accessible to members,

and may use any other medium, private or public, as considered appropriate for the purpose.

5.14 Notwithstanding any other provision of the Act, where the Credit Union:

- (a) is required to send a statement, agreement, proposal or other document to its members with a notice of a meeting; and
- (b) decides to insert the notice of a meeting in a newspaper pursuant to Article 5.13(b) of these bylaws,

the credit union shall

- (c) make a copy of the document available to any member or delegate who so requests and who is entitled to attend the meeting.

5.15 The notice of any special meeting is required to specify the purpose for which the meeting is being called.

5.16 The proceedings and the business transacted at a general meeting are deemed not to be invalidated by reason only that a member did not receive notice of the meeting.

Waiver of Notice

5.17 Where a notice or document is required by the Act or these bylaws to be sent, the sending of the notice or document may be waived or the time for the sending of the notice or document may be extended or abridged at any time with the consent in writing of the person entitled to the notice or document.

Member Proposals

5.18 A member who is entitled to vote at any annual meeting of members may:

- (a) submit to the Credit Union notice of any matter that the member proposes to raise at the meeting; and
- (b) discuss at the meeting any matter with respect to which the member would have been entitled to submit a proposal,

subject to those conditions and methods described in section 65 of the Act.

Quorum

5.19 For the purposes of section 63(1) of the Act, the number of eligible members present required for a quorum at an annual or special membership meeting shall be the lesser of:

- (a) 25 members or
- (b) 10% of the membership entitled to vote at that meeting with a minimum of 10.

5.20 For the purposes of section 63(2) of the Act, the number of eligible members present to maintain a quorum at an annual or special membership meeting shall be the lesser of:

- (a) 20 members or
- (b) 10% of the membership entitled to vote at that meeting with a minimum of 10.

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

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

Voting

- 5.23 No individual who is under the age of sixteen (16) years is entitled to vote.
- 5.24 Each member who is present at a general meeting is entitled to one (1) vote.
- 5.25 No member may vote by proxy, but a member who is not an individual may vote through a representative, where that member gives the Credit Union notice of the appointment of the representative at least forty-eight (48) hours before the meeting where the representative is to vote on behalf of the member.
- 5.26 No individual may act as representative for more than one (1) member.
- 5.27 The executor or administrator of an estate may vote on behalf of any membership held by that estate.
- 5.28 Where membership in the Credit Union is held jointly by two or more persons, each of the joint members is entitled to vote.

Method of Voting

- 5.29 Subject to the Act, voting at a meeting of members in relation to any issue before the members, shall be in the form and manner established by the Board from time to time, and may include show of hands, mail ballot, in branch ballot, telephone, electronic means or other communication facility. 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 resolution of the Board.
- 5.30 Subject to the method of voting established by the Board, any vote by show of hands shall be done by secret ballot where at least three (3) members entitled to vote at the meeting demand a secret ballot.

Special Meetings

- 5.31 The Board may call a special meeting of members at any time.
- 5.32 The directors shall, at the request of any member, post in a conspicuous place where it is likely to come to the attention of members a form of petition requesting that the directors call a special meeting pursuant to Article 5.31 of these bylaws and this section.
- 5.33 The directors shall call a special meeting of the members on receipt of a written request or petition specifying the purpose of the meeting from:
 - (a) in the case of the Credit Union having one thousand (1,000) or more members, the lesser of:

- (i) five percent (5%) of the membership, and
- (ii) five hundred (500) members,

but in no case less than one hundred (100) members;

- (b) in the case of the Credit Union having less than one thousand (1,000) members, ten percent (10%) of the membership.

5.34 Subject to Article 5.35 of these bylaws, the directors shall call a special meeting within twenty (20) days of the day on which they receive a request pursuant to Article 5.31 of these bylaws and this section.

5.35 The directors may refuse to call a special meeting described in Article 5.33 where the proposed subject matter of the meeting:

- (a) has been discussed at a general meeting in the six (6) months preceding the date of the request; or
- (b) is one described in subsection 65(5) of the Act.

Meeting Called by Registrar and Quorum

5.36 Where:

- (a) in the opinion of the Board it is impracticable to:
 - (i) call a general meeting of members in the manner in which meetings of members may be called; or
 - (ii) conduct a general meeting of members in the manner prescribed in the Act or these bylaws; or
- (b) for any reason, in addition to those described in clause (a), that the Registrar considers appropriate, the Registrar, on the Registrar's own initiative, or on the application of a director or a member entitled to vote at the meeting may cause a general meeting to be called, held and conducted in any manner that the Registrar directs.

5.37 Without restricting the generality of Article 5.36 of these bylaws, the Registrar may order that the quorum required by the Act or these bylaws be varied or dispensed with at a general meeting called pursuant to this section.

5.38 A general meeting called pursuant to this section is deemed to be a valid meeting.

ARTICLE 6 – BOARD OF DIRECTORS

Number of Directors

6.01 The Board shall consist of 12 members.

Powers and Duties of Directors

6.02 Subject to the Act, the Credit Union's Memorandum of association and these bylaws, the Board shall:

- (a) exercise the powers of the Credit Union directly or indirectly through the employees and agents of the Credit Union;
- (b) direct the management of the business and affairs of the Credit Union;
- (c) authorize termination of membership and establish the form and manner in which all applications for membership are accepted. The Board may delegate to the Chief Executive Officer the authority to approve applications for membership;
- (d) establish the manner in which interest rates on loans, and deposits are determined;
- (e) declare such dividends and patronage allocations as these bylaws may authorize;
- (f) appoint an audit committee and any other committees it considers appropriate and delegate, by resolution, appropriate powers to these committees that considers necessary for the efficient conduct of the affairs and business of the Credit Union;
- (g) approve a loan policy for the Credit Union;
- (h) approve an investment policy, including disposition of property, and authorize investments on behalf of the Credit Union, approve all other policies deemed necessary for the effective operation of the Credit Union;
- (i) ensure effective internal control processes are in place for the Credit Union;
- (j) oversee the risk management program of the Credit Union;
- (k) ensure the Credit Union maintains adequate insurance and bonding coverage;
- (l) appoint signing authorities for the Credit Union;
- (m) elect officers of the Credit Union;

- (n) hire a Chief Executive Officer for the Credit Union;
- (o) perform such other duties as may be required by the Act, the Regulations and these bylaws, and to ensure the effective and efficient management of the Credit Union.

Eligibility

6.03 No person is eligible to be a director who:

- (a) is less than eighteen (18) years of age;
- (b) lacks capacity to make decisions respecting financial matters and has been found to lack capacity by a court of competent jurisdiction;
- (c) is not an individual;
- (d) is not a member of the Credit Union or has been a member for less than one year prior to director nominations.
- (e) is a duly appointed representative of a member that is a partnership, association, body corporate or public body;
- (f) has been convicted within the previous five (5) years of an offence that is of a kind that is related to the qualifications, functions or duties of a corporate director, including an offence involving fraud or an offence against the Act, unless a pardon has been granted or a record suspension has been ordered in respect of the offence under the *Criminal Records Act* (Canada);
- (g) has the status of a bankrupt;
- (h) without the written approval of the Board, has a loan with the Credit Union that is more than one (1) month in arrears;
- (i) has a loan with the Credit Union that is more than six (6) months in arrears; or
- (j) is any of the following:
 - (i) a director of another credit union;
 - (ii) a professional advisor to a credit union;
 - (iii) employed in the public service of the Province of Prince Edward Island or by a Provincial Agency or by a corporation, whose substantive duties are directly concerned with the business or affairs of credit unions or of the Corporation;

- (iv) is an employee of a credit union;
- (v) is an employee of Atlantic Central; or
- (vi) is an employee of the Corporation.

(k) is a former director of the Credit Union who has not completed at least one year of absence since serving three (3) full terms as per section 6.05 of these bylaws.

(l) is a former employee of the Credit Union whose employment ended less than five (5) years prior to director nominations.

(m) is an immediate family member, including parent, sibling, child, grandparent, grandchild, and spouse or common-law partner, of a current employee or Director.

(n) is an individual or owner of entities providing services to the Credit Union, or receiving payments or financial benefits beyond those associated with standard membership activities (such as interest or dividends from member accounts). This includes any direct financial relationship or significant business dealings with the organization that could compromise the Board's impartiality or create a perception of bias.

(o) is not ordinarily resident within PEI at the time of director nominations, their election or appointment, and throughout their term.

6.04 A director shall complete the director training program approved by the Corporation.

Term

6.05 Regular terms for directors shall be for periods of three (3) years, or until the election and qualifications of their successors.

6.06 Subject to Article 6.03 of these bylaws, a director is eligible for re-election but is not in any case eligible to serve as a director for more than nine (9) consecutive years.

6.07 The regular terms shall be so fixed at the beginning, or upon any increase or decrease in the number of directors, that approximately the same number of regular terms shall expire at each annual meeting.

6.08 The composition of the Board of Directors shall at all times represent an equal number of Directors from each of the four regions served by the Credit Union.

6.09 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.

6.10 Notwithstanding anything contained in this section, if directors are not elected at a meeting of the members, the incumbent directors continue in office until their successors are elected.

Nominating Committee Composition

6.11 For the purpose of electing directors, the Credit Union shall appoint a nominating committee of not less than three (3) committee members which may include member representatives and directors. The Committee must have a minimum of one director who will serve as the Chair of the Committee. The Committee shall be appointed by the Board at least ninety (90) days prior to any membership meeting where elections are being held.

6.12 The nominating committee shall:

- (a) convene a meeting of its members at least forty five (45) days prior to any membership meeting where elections are being held;
- (b) appoint from within its members a chairperson of the nominating committee;
- (c) identify the number of positions for which elections are to be held;
- (d) select from the membership qualified candidates for nomination, and require any nominee selected to submit a nomination form in accordance with these bylaws and approved by the nominating committee;
- (e) the nominating committee shall make best efforts to recruit and encourage nominations from members who possess the necessary skill and experience valued by the Board and, where possible, that will retain the geographic and community representation as reflected in the incorporating Board;
- (f) prior to accepting a candidate for nomination, the nominating committee must determine to their own satisfaction that the person to be nominated:
 - (i) is qualified to be elected pursuant to the Act and these bylaws;
 - (ii) has consented to the nomination; and
 - (iii) meets any other qualifications as required by the nominating committee.
- (g) present, by the chairperson or their designate, the report of the nominating committee to the Board, which report shall:
 - (i) provide notification of all vacant positions for which elections are to be held; and
 - (ii) provide notification of all candidates being nominated by the nominating committee and the position they are being nominated for.

Extending Call for Nominations

6.13 A call for nominations for the position of director shall be posted in the office(s) of the Credit Union and communicated to members by any other means as determined by the Board.

6.14 A call for nominations shall include:

- (a) a description of the position of director;
- (b) names and contact information for nominating committee members;
- (c) a nomination form, or information on how to obtain one;
- (d) notice of the requirement that nomination forms are to be accompanied with a brief biography of the nominee; and
- (e) a list/mention of the accepted methods for delivering the nomination form and deadline for submission.

6.15 Nomination forms shall be completed in an approved form and signed by two (2) members in good standing and signed by the nominee declaring their eligibility to serve as a director in accordance with the Act and Article 6.03 of these bylaws.

6.16 A call for nominations shall be posted and open for acceptance for a minimum period of thirty (30) days prior to the closing of nominations. Nomination forms shall be submitted to and received by the nominating committee no later than forty (40) days prior to the date of any meeting of members where elections are being held.

6.17 Credit Union directors whose terms have expired and who wish to be re-elected will follow the same nomination procedures as above.

6.18 Following the close of nominations, the nominating committee shall confirm the number of eligible nominees. Where the number of nominees equals the number of vacancies available, or where there are insufficient nominees to fill the vacant positions of director, those duly nominated shall be declared elected by acclamation and term shall be determined by draw if there are different terms available.

6.19 Where the number of candidates nominated exceeds the number of positions to be elected, a list of nominees and their respective biographies shall be posted in the office(s) of the Credit Union and communicated to members by any other means as determined by the Board from time to time.

6.20 Where vacancies still exist following the close of nominations, an additional call for nominations shall be made by the chairperson at the meeting of members. If this call results in sufficient nominations to exceed the vacant positions such that an election is required, the method of election shall be by one (1) ballot at the meeting of members and the nominee(s) receiving the highest number of votes shall be declared elected.

Elections

6.21 For the purposes of conducting Board elections:

- (a) the nominating committee shall appoint a returning officer from staff, excluding executive management, who shall oversee the balloting procedures, including the distribution, collection and tally of all ballots;
- (b) the returning officer may appoint poll captains from staff, excluding executive management, to assist in the selected balloting procedure;
- (c) where practical, poll captains appointed pursuant to this section shall be individuals who are not eligible to vote; but in no instance, shall a person who is a candidate nominee be appointed;
- (d) the method of election shall be by one (1) secret ballot per voting member;
- (e) only individuals who obtain membership before the nomination period closes will be eligible to vote in the current year's election.
- (f) if any method of voting approved by the Board of Directors is to conclude prior to the annual general meeting, it shall be conducted for a minimum of fifteen (15) days, and must conclude no less than two (2) business days prior to the date of the annual general meeting;
- (g) the nominee(s) receiving the highest number of votes shall be declared elected;
- (h) the returning officer shall report the results of an election to the chair, or in another manner as directed by the Board of Directors. The returning officer shall announce the results of the election at the member meeting in a manner determined by the Board of Directors.
- (i) where a member votes for more than the number of positions to be elected on a ballot, the ballot is declared spoiled and is not to be counted;
- (j) where the nominees are to be elected for various terms with one (1) ballot, the nominee(s) receiving the highest number of votes shall be declared elected for the longest term(s);

(k) for the purposes of declaring nominees as elected in the event of a tie:

- (i) if the position(s) of director(s) cannot be filled because two (2) or more nominees receive an equal number of votes, the meeting may, by resolution carried by a clear majority of those present, provide that a second ballot at the meeting of members may be cast. Only those nominees so tied for the position(s) shall be entered on the second ballot; and
- (ii) in the event a tie remains after the second ballot is counted, the returning officer shall write the names of the nominees separately on blank sheets of paper of equal size and of the same colour and texture, and after folding them in a uniform manner so that the names are concealed, deposit them in a receptacle and direct some person to pick one of the sheets. The nominee(s) whose name(s) appears on the sheet(s) picked will become the director(s).

Resignations, Removals and Suspensions

6.22 A director of the Credit Union ceases to hold office when the director:

- (a) dies or resigns;
- (b) is removed in accordance with Articles 6.24 and 6.25 of these bylaws;
- (c) is no longer qualified pursuant to Articles 6.03 and 6.04 of these bylaws; or
- (d) fails to provide a bond pursuant to section 46 of the Act.

6.23 A resignation of a director becomes effective at the later of:

- (a) the time a written resignation is sent to the Credit Union; or
- (b) the time specified in the resignation.

6.24 The members of the Board may, by special resolution, remove any director or officer from office.

6.25 The Board may declare a Director's position as vacant if;

- (a) a director fails to attend two (2) consecutive regular meetings of the Board of Directors without reasonable cause or notification; or
- (b) a director otherwise fails to perform any of the duties incumbent upon them as a Director.

6.26 The Board may, by special resolution, suspend another director if, in their opinion, a breach of policy by the suspended director does not justify immediate removal. The suspension may be lifted if the voting directors elect, by a similar majority, that the breach has been resolved.

Filling Vacancy

6.27 Where there is a vacancy on the Board and:

- (a) there is a quorum of directors, the remaining directors may:
 - (i) exercise all the powers of the directors;
 - (ii) fill the vacancy until the next annual meeting;
- (b) there is not a quorum of directors, the remaining directors shall call a general meeting for electing members to fill any vacancies;
- (c) there are no directors remaining, any ten (10) members may in writing appoint directors solely for the purpose of calling a general meeting to elect members to fill the vacant directorships.

6.28 Where an election of directors required in the Act, or these bylaws does not take place at the proper time, the directors then in office shall continue in office until their successors are elected.

6.29 Notwithstanding any other provisions of the Act, only the members of the Credit Union are entitled to elect its directors.

Notice of Change of Directors

6.30 Within thirty (30) days after a change is made in its directors, the Credit Union shall file with the Registrar a notice in any form that is acceptable to the Registrar, setting out the particulars of the change.

Meetings of Directors

6.31 The Board shall hold at least one (1) regular Board meeting each quarter in each fiscal year.

6.32 The chairperson of the Board:

- (a) may call a meeting of the Board at any time;

- (b) shall call a meeting of the Board within two (2) weeks of receiving a written request that a meeting be held from the Registrar, the Corporation or at least three (3) directors.
- 6.33 Where a meeting is called pursuant to Article 6.32(b) of these bylaws, it must be held within four (4) weeks of the date on which the chairperson of the Board received the written request.
- 6.34 Subject to Article 6.32 of these bylaws, the Board may meet at any place and determine any notice requirements for Board meetings that it considers appropriate.
- 6.35 A majority of the number of directors required to be elected constitutes a quorum.
- 6.36 Where all directors consent,
 - (a) a meeting of the Board or of a committee of the Board may be held by means of:
 - (i) a telephone system; or
 - (ii) a communications system other than telephone, that permits all persons participating in the meeting to hear and speak to each other; and
 - (b) a person so participating is deemed to be present at that meeting.

Resolution without Meeting

- 6.37 Unless the Act or these bylaws require a meeting, a resolution of the Board may be passed without a meeting where:
 - (a) all the directors consent to the resolution in writing; and
 - (b) the consent is filed with the minutes of the proceedings of the Board.

Minutes of the Board

- 6.38 The Board shall cause minutes to be kept of:
 - (a) all appointments of officers and committee members made by the Board;
 - (b) all the names of the directors present at each meeting of the Board; and
 - (c) all resolutions and proceedings at meetings of the members and the Board.

Appointing Committees

6.39 The Board may:

- (a) appoint any committee that it considers appropriate and appoint any member to such a committee; and
- (b) by resolution, delegate to any committee any powers that it considers necessary for the efficient conduct of the affairs and business of the Credit Union.

6.40 A member of a committee of the Board holds office until:

- (a) the appointed term of the member expires;
- (b) the member is removed by resolution of the Board; or
- (c) the member ceases to be a member of the Credit Union.

6.41 A committee of the Board may exercise any powers of the Board that are delegated to it by resolution of the Board, subject to any restrictions contained in the resolution, only if a majority of the committee members are directors.

6.42 Notwithstanding Article 6.44 of these bylaws, no committee of the Board may:

- (a) fill a vacancy among the directors;
- (b) declare dividends or interest on shares or a patronage allocation, dividend or payment;
- (c) approve any financial statements of the Credit Union;
- (d) submit to the members any question or matter requiring the approval of members;
- (e) make decisions where the Act or these bylaws require a resolution passed by more than a majority of directors casting votes at a meeting of the Board;
- (f) set the remuneration of the Chief Executive Officer or any other person appointed by the Board;
- (g) appoint signing officers; and
- (h) assume the Board's responsibility for ensuring that sound and prudent business practices are followed.

6.43 A committee of the Board shall:

- (a) fix its quorum at not less than a majority of its members;
- (b) keep minutes of its proceedings; and
- (c) submit to the Board, at each meeting of the Board, the minutes of the committee's proceedings during the period since the most recent meeting of the Board.

6.44 Upon recommendation from the respective committee, the Board of Directors may, by resolution, appoint external committee members to support the work of its committees.

6.45 External committee members shall:

- (a) not be considered directors or officers; and
- (b) be subject to the governance framework established by the Board.

Audit Committee

6.46 The Board shall appoint an audit committee consisting of not less than three (3) members of the Credit Union who are not employees of the Credit Union and at least one (1) director of the Credit Union.

6.47 The audit committee shall be chaired by a committee member who is a director of the Credit Union.

6.48 The audit committee shall:

- (a) Review and make recommendations to the Board respecting
 - (i) the selection process of the auditor;
 - (ii) the appointment of the auditor; and
 - (iii) the terms of the auditor's engagement;
- (b) meet with the auditor before an audit begins to review the scope and terms of engagement with the auditor;
- (c) review and discuss the auditor's report, including the auditor's findings, any restrictions on the scope of the auditor's work and any issues that the auditor identified in performing the audit;
- (d) review the audited financial statements of the Credit Union and any subsidiary before they are approved by the board under section 91(1) of the Act;

- (e) review and make recommendations to the board respecting
 - (i) recommendations and reports by the auditors;
 - (ii) any letters respecting management from the auditor; and
 - (iii) any response by the management of the credit union to letters respecting management from the auditors;
- (f) review the organization and independence of the internal auditor of the Credit Union, including the internal auditor's goals, work plans and any problems that the internal auditor experiences in performing an audit;
- (g) review any recommendations made by the internal auditor respecting the improvement of accounting and internal control practices and the response made by the management of the Credit Union to the recommendations;
- (h) monitor adherence by the directors and officers of the Credit Union to the requirements of section 44 of the Act;
 - (i) review all reports on the affairs of the Credit Union made by the Corporation, or any report referred to the audit committee by the board and monitor the implementation of recommendations that the audit committee considers significant and report to the Board on the progress of the implementation; and
 - (j) review and develop policies of the Credit Union as directed by the Board and undertake such other duties as are delegated by the Board.

- 6.49 The audit committee shall report at least quarterly to the Board on all matters in Article 6.48 of these bylaws.
- 6.50 The audit committee shall ensure that a full and correct record of all proceedings of the audit committee is made and kept available for examination by the Corporation or any person authorized under the Act to examine the records of the Credit Union.

Remuneration of Directors and Committee Members

- 6.51 The directors and members of committees of the Board are entitled to any remuneration and reimbursement for expenses that the Board may determine.
- 6.52 On the request of a member, the Board shall disclose at the first annual meeting following the request the aggregate of any amounts paid pursuant to Article 6.51 of these bylaws, together with the amounts of any specific rates or daily allowances fixed by the Board.

ARTICLE 7 – OFFICERS

Appointment and Duties

7.01 The officers of the Credit Union shall be the president, the vice-president, the corporate secretary, and any other officers designated by the Board.

7.02 The president of the Board shall preside at all meetings of the Board and at meetings of the members. The president shall perform such other duties as customarily apparent to the office of president or as he/she may be directed to perform by the Board of Directors not inconsistent with the provisions of the law, the Act or these bylaws.

7.03 The president, or in the case of absence or inability to act, a vice-president or other individual designated by the president, shall act as chairperson of the Board, but in no event shall any individual who is not a director act as chairperson.

7.04 The corporate secretary of the Board of Directors shall prepare and maintain or cause to be prepared and maintained complete minutes of all meetings of members and of the Board of Directors. The corporate secretary shall give or cause to be given all notices of meetings of members as prescribed in the Act and shall perform such other duties as he/she may be directed to perform by the Board of Directors not inconsistent with the provisions of law, the Act, or these bylaws.

7.05 The Board of Directors may appoint an individual other than the corporate secretary to prepare complete minutes of all meetings of members and of the Board of Directors. This individual shall be referred to as the recording secretary.

7.06 The Board shall meet within thirty (30) days following the annual or special meeting of members where their election took place and they shall from their number elect a president, vice-president, corporate secretary and other officers as provided in Article 7.01 of these bylaws.

7.07 Subject to the Memorandum of association and these bylaws,

(a) the Board may specify the duties of the officers and delegate to them powers to manage the business and affairs of the Credit Union, except powers to

(i) submit to the members any question or matter requiring the approval of the members;

(ii) fill a vacancy among the directors;

(iii) issue or redeem shares, except in the manner and on the terms authorized by the Board; or

- (iv) approve any financial statements referred to in section 90 of the Act.
- (b) a director may become an officer of the Credit Union and may also serve as a member of a committee; and
- (c) two or more offices of the Credit Union may be held by the same person.

ARTICLE 8 – DUTY OF CARE OF DIRECTORS AND OFFICERS

8.01 Directors and officers of the Credit Union in exercising their powers and discharging their duties shall:

- (a) act honestly and in good faith with a view to the best interests of the Credit Union;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) avoid conflicts of interest;
- (d) subject to the Act, another enactment, the Regulations and these bylaws, observe strict confidentiality respecting all records, accounts and transactions of members, and all matters pertaining to them; and
- (e) subject to the Act, another enactment, the Regulations and these bylaws, observe strict confidentiality respecting all Board reports, records of meetings, related documents and all matters pertaining to them.

8.02 The provisions of a contract, the Memorandum of association, these bylaws or the circumstances of appointment do not relieve a director from

- (a) the duty to act in accordance with the Act and these bylaws; and
- (b) liability that by virtue of a rule of law would otherwise attach to the director with respect to negligence, default, breach of duty or breach of trust of which the director may be guilty in relation to the Credit Union.

ARTICLE 9 – INDEMNIFICATION

9.01 Subject to Articles 9.02 and 9.03 of these bylaws, the Credit Union may indemnify:

- (a) a director or officer of the Credit Union;
- (b) a former director or officer of the Credit Union;
- (c) a person who acts or has acted at the request of the Credit Union as a director or officer of another body corporate;
- (d) a member of any committee appointed by the Board; or
- (e) a member of any committee elected by the membership, against costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by that person with respect to a civil, criminal or administrative action or proceeding to which that person is made a party by reason of acting in any capacity referred to in this section.

9.02 The Credit Union may indemnify a director, officer or other person only where that person:

- (a) acted honestly and in good faith with a view to the best interests of the Credit Union; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the conduct was lawful.

9.03 The Credit Union shall not indemnify a director, officer or other person mentioned in Article 9.01 of these bylaws with respect to an action by or on behalf of the Credit Union to obtain a judgment in its favour to which that person is made a party by reason of acting in any capacity referred to in this section, against costs, charges and expenses reasonably incurred by that person in connection with the action unless:

- (a) the indemnity has the approval of the court; and
- (b) that person fulfils the conditions described in Article 9.02 of these bylaws.

ARTICLE 10 – CONFLICT OF INTEREST

Material interest – Related Persons

10.01 A director or an officer shall be deemed to have a material interest in a material contract in which any of the following persons is a part or in which any of them have a material interest:

- (a) a spouse of the director or officer;
- (b) the parent, child, grandparent, grandchild or sibling of
 - (i) the director or officer, or
 - (ii) the spouse of the director or officer;
- (c) the spouse of any person referred to in clause (b).

Material Interest – Other Factors

10.02 A director or officer shall be deemed to have a material interest in a material contract involving another person where the director or officer is:

- (a) a creditor of that person for a debt that is in excess of \$5,000;
- (b) a guarantor of the debts of that person that are in excess of \$5,000;
- (c) the owner or beneficial owner of not less than 20% of the issued shares of any class of shares of that person;
- (d) a partner of that person; or
- (e) a director or an officer of that person.

Interest in Material Contract

10.03 Where a director or officer of the Credit Union or an associate of that director or officer:

- (a) is a party to a material contract or proposed material contract with the Credit Union; or
- (b) is a director or an officer of, or has a material interest in, a person who is party to a material contract or proposed material contract with the Credit Union,

the director or officer shall disclose in writing to the Credit Union, or request to have entered in the minutes of meetings of directors, the nature and extent of that interest.

10.04 In addition to disclosure requirements as stipulated in section 44 of the Act, a director of the credit union shall:

- (a) disclose to the Board any contracts, associations, employment, or interests which provide the potential or perceived potential of conflicts of interest; and
- (b) upon disclosure, as in (a) above comply with the directions of the Board as it considers appropriate in the circumstances.

10.05 Where the disclosure required in Article 10.03 of these bylaws is to be made by a director, the director shall make the disclosure:

- (a) at the meeting at which a proposed contract is first considered;
- (b) where the director is not interested in a proposed contract at the meeting mentioned in clause (a), at the first meeting after the director acquires an interest;
- (c) where the director becomes interested after a contract is made, at the first meeting after the director acquires an interest; or
- (d) where the director has an interest in a contract before becoming a director, at the first meeting after the director becomes a director.

10.06 Where the disclosure required in Article 10.03 of these bylaws is to be made by an officer who is not a director, the officer shall make the disclosure:

- (a) immediately after the officer becomes aware that the contract or proposed contract is to be considered or has been considered at a meeting of directors;
- (b) where the officer acquires an interest after a contract is made, immediately after the officer acquires the interest; or
- (c) where the officer has an interest in a contract before becoming an officer, immediately after the officer becomes an officer.

10.07 Notwithstanding Articles 10.05 and 10.06 of these bylaws, where a material contract or proposed material contract is one that in the ordinary course of the Credit Union's business would not require approval by the directors or members, a director or officer shall disclose in writing to the Credit Union or request to have entered in the minutes of meetings of directors the nature and extent of the director's interest after the director becomes aware of the contract or proposed contract.

- 10.08 For the purposes of this section, a general notice to the directors by a director or officer declaring that the director or officer is to be regarded as interested in any contract made with a person is a sufficient declaration of interest in relation to any contract made with that person.
- 10.09 No director who has or whose associate has an interest in a material contract or proposed material contract shall vote or be present while the vote is being taken regarding the authorization of the contract.
- 10.10 Where a director or officer of the Credit Union fails to disclose an interest in a material contract in accordance with this section, a court may, on the application of the Credit Union or a member of the Credit Union, set aside the contract on any terms that the court considers appropriate.

ARTICLE 11 – AUDITOR

Appointment

- 11.01 The members of the Credit Union shall, by ordinary resolution, at the annual meeting appoint an auditor until the close of the next annual meeting.
- 11.02 Notwithstanding Article 11.01 of these bylaws, where an auditor is not appointed at a meeting of members, the incumbent auditor continues in office until a successor is appointed.

Filling Vacancy

- 11.03 Where the office of the auditor is vacated, the Board shall immediately appoint an auditor to fill the vacancy.
- 11.04 An auditor appointed to fill the vacancy holds office until the close of the next annual meeting.

ARTICLE 12 – LOANS AND DEPOSITS

12.01 For the purposes of section 83(2) of the Act, this credit union defines any person connected with a director, committee member, or employee of a credit union for the purpose of obtaining credit as follows:

- (a) Spouse;
- (b) corporation where the director, committee member, or employee is a principal shareholder;
- (c) partnership where the director, committee member, or employee is a partner;
- (d) corporation or other business where the director, committee member or employee is Chief Executive Officer;
- (e) any borrower of the Credit Union where the director, committee member or employee has a liability whether direct or contingent, including but not limited to acting as a guarantor, co-signer, or providing security for the borrower's obligations;
- (f) non-profit organization where the director, committee member or employee is a member of the executive or is the Chief Executive Officer; or
- (g) co-operatives where the director, committee member or employee is a member of the executive or is the Chief Executive Officer.

12.02 For the purposes of section 88(2) of the Act and the PEI Loan Policy enacted by section 87 of the Act, the Credit Union shall receive deposits in a manner and form and on any conditions that are stipulated in operating policies of the Credit Union and/or generally accepted deposit taking procedures

ARTICLE 13 – LIABILITY INSURANCE AND BONDING INSURANCE

- 13.01 For the purposes of section 38 of the Act, and subject to Article 13.03 of these bylaws, the Credit Union shall purchase and maintain insurance for the benefit of a director or an officer against liability, incurred by that person while serving the Credit Union or a subsidiary of the Credit Union as a director or officer.
- 13.02 The Credit Union shall, by resolution of the Board, purchase and maintain insurance for the benefit of an employee or committee member against a liability, incurred by that person while serving the Credit Union or a subsidiary of the Credit Union as an employee or committee member, where such employee or committee member is in a position of authority or decision making and may be subject to such liability.
- 13.03 Where, as a result of availability, cost or other factors, it becomes impractical to provide such coverage as stipulated in Articles 13.01 and Articles 13.02 of these bylaws, the Board may, by resolution of the Board, dispense or terminate such coverage.
- 13.04 For the purposes of section 46 of the Act, the Credit Union shall obtain a bonding contract from an insurance carrier acceptable to the Corporation.

ARTICLE 14 – NOTICE

Notice

14.01 In this section, “last known address” means:

- (a) in the case of a member or shareholder, that person’s latest address as shown in the records of the Credit Union;
- (b) in the case of a director, that director’s latest address as shown in the records of the Credit Union, the memorandum of association or the last notice filed pursuant to section 28 of the Act.

14.02 Any notice or document required by the Act or the Regulations to be given or served is to be served personally or mailed by registered mail to the last known address of the person being served.

Deemed Receipt

14.03 A document served by registered mail is deemed to have been received on the seventh (7th) day following the day of its mailing unless the person to whom it was mailed establishes that, through no fault on the part of that person, they did not receive the document or that they received it at a later date.

14.04 A document served by email is deemed to have been received immediately.

ARTICLE 15 – SEAL

- 15.01 The Board may by resolution adopt a seal for the Credit Union, which seal shall contain the full name of the Credit Union in legible characters.
- 15.02 No contract entered into by the Credit Union is invalid by reason only that the Credit Union's seal is not affixed to it.

Certification and Approval of Bylaws

These bylaws of Provincial Credit Union were presented to the Membership and duly approved by a majority vote at a duly called meeting of the members held on the 29th day of April 2025.

The undersigned hereby certify that the foregoing bylaws were approved by the membership and are in full force and effect as of the date below.

Signed on this 29th day of April 2025.



Corey Tremere, Board President
Provincial Credit Union



Gail Shea, Board Vice President
Provincial Credit Union