

# ATLANTIC EDGE CREDIT UNION BY-LAWS

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## ARTICLE 1 - DEFINITIONS

1.1 In these By-laws, unless otherwise stipulated by the content:

- (a) "Act" means the *Credit Union Act, (2009)* and the amendments thereto and Regulations thereunder;
- (b) "Articles" means the original or restated articles of incorporation, amendment, amalgamation, continuance, reorganization and dissolution of the Credit Union;
- (c) "Associate Member" means a person other than a Member who has rights as set out in the By-laws and the Regulations, but that person shall not have a vote at a meeting of the Credit Union or become a director of the Credit Union;
- (d) "Board" means Board of Directors of the Credit Union;
- (e) "By-laws" means these by-laws and all by-laws of the Credit Union from time to time in force and effect;
- (f) "Credit Union" means Atlantic Edge Credit Union;
- (g) "Deposit" means money placed in an account in the Credit Union by a Member;
- (h) "Director" means in relation to the Credit Union an individual occupying the position of Director;
- (i) "Guarantee Corporation" means the Credit Union Deposit Guarantee Corporation continued under the Act;
- (j) "Member 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;
- (k) "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;
- (l) "Minister" means the minister appointed under the Executive Council Act to administer this Act;
- (m) "Ordinary Resolution" means a resolution passed by a majority of the votes cast by the persons who voted in the respect of that resolution;
- (n) "Preceding Credit Union" means a credit union which formed part of the Credit Union through amalgamation;
- (o) "Regulations" means the regulations made under the Act;
- (p) "Special Resolution" means a resolution passed by a majority of not less than two-thirds of the votes cast by the persons who voted in respect of the resolution or signed by all the persons entitled to vote on the resolution;
- (q) "Superintendent" means the Superintendent of Credit Unions appointed under the

Act;

- (r) "Patronage Refund" means an amount that under the Act is allocated among and credited or paid by the Credit Union to its Members, based on the business done by each of them with the Credit Union.

## **ARTICLE 2 - OBJECTIVES AND PURPOSE**

- 2.1 The objectives for which this Credit Union is registered shall be to carry on the business of a credit union as permitted by the Act and Regulations.

## **ARTICLE 3 - MEMBERSHIP AND ASSOCIATE STATUS**

### **MEMBERSHIP**

- 3.1 Membership in this Credit Union shall be open to all persons not otherwise ineligible for membership pursuant to these By-laws, the Act, or any other law.
- 3.2 Application for membership shall be made in writing in the form prescribed by the Credit Union. The Board may authorize those officers and employees, as it may designate, to admit Members. Subject to these By-laws and the laws of general application, the Credit Union may refuse to accept an application for membership if it is satisfied that it is not in the interest of the Credit Union to accept the application.
- 3.3 A person who is under the age of majority may enjoy all rights of membership, execute all instruments, and give all acquittances necessary to be executed or given under the By-laws, but if they are under the age of majority, they do not:
  - (a) have the right to vote, or
  - (b) except under a joint and several promissory notes signed by them and by a person over the age of majority and supported by a legal opinion have the right to borrow any amount, or
  - (c) have the right to be a director or an officer of the Credit Union.
- 3.4 A person approved for membership shall subscribe for the minimum number of Member Shares determined by the Board but shall not be less than that required under the Act and Regulations as a condition of membership.
- 3.5 Two or more persons may jointly hold a membership in the Credit Union, but that membership is entitled to only one vote.
- 3.6 A person whose application for membership has not been approved, shall have the right to appeal to the next annual meeting of the Credit Union.

### **Membership Withdrawal**

- 3.7 A Member wishing to withdraw from the Credit Union shall give notice of intention to do so in compliance with the Act and Credit Union policies and procedures.
- 3.8 Where a Member withdraws or is expelled, they have no further rights in the Credit Union.

The termination of, or withdrawal from membership in the Credit Union does not release a person from a liability to the Credit Union.

### **Member Termination**

- 3.9 The Board may terminate a Member, upon reasonable notice to that Member in the context, where the Board determines, acting reasonably, the individual's continued membership is no longer in the interest of the Credit Union.
- 3.10 A Member whose membership is proposed to be terminated is entitled to appeal the decision of the Board at the next meeting of Members in accordance with the Act.

## **ARTICLE 4 - CAPITALIZATION AND OPERATING STANDARDS**

### **Classes of Shares**

- 4.1 The Credit Union shall have the following classes of shares:
- (a) Member Shares;
  - (b) Surplus Shares; and
  - (c) Class 1 shares.
- 4.2 Upon approval of the Board with the approval of the Superintendent, the Credit Union may issue other classes of uninsured non-voting equity shares and set the rights, privileges, restrictions, and conditions attached thereto as defined in the Act and by the Board.

### **Shares Generally**

- 4.3 The Credit Union is not required to issue share certificates for membership or Surplus Shares. The Credit Union will record and disclose to Members the number of Member Shares and Surplus Shares recognized to their account upon request.
- 4.4 A share shall not be issued until the consideration for the share is fully paid in money or in property or past services that is the fair equivalent of the money that the Credit Union would have received if the share had been issued for money.
- 4.5 The 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.

### **Member Shares**

- 4.6 Member Shares of the Credit Union shall have a par value of five (5) dollars per share.
- 4.7 A Member shall purchase and hold a single (1) fully paid Member Share, unless a greater number is prescribed as a minimum by the Regulations, in which case that minimum amount will be the required amount.
- 4.8 The Credit Union may permit or require that Members hold more than the number of Member Shares that are prescribed by the Regulations, upon approval of the Board.

- 4.9 All Members of a Preceding Credit Union are Members of the Credit Union upon amalgamation.
- 4.10 Member Shares cannot be transferred or sold by the Member holder.
- 4.11 Member Shares shall never be withdrawn, transferred, repaid, or otherwise disposed of at more than par value.
- 4.12 Member Shares shall be redeemed by the Credit Union upon a Member ceasing to be a Member of the Credit Union, at a price per share not to exceed the issue price. Such redemption or purchase is subject to compliance with the Act and Board policy.
- 4.13 Member Shares shall rank behind all other classes of shares issued by the Credit Union and holders of Member Shares shall not, upon the winding-up or liquidation of the Credit Union, be entitled to reconsider, in whole or in part, their Member Shares until the amounts outstanding on all other classes of shares have been paid in full.

### **Surplus Shares**

- 4.14 As defined by the Act and the Regulations, the Credit Union is authorized to issue an unlimited number of Surplus Shares for an unlimited amount of dollars. The Credit Union may issue a fraction of a Surplus Share.
- 4.15 Surplus Shares shall have an issue price of one (1) dollar per share.
- 4.16 Surplus Shares are non-voting shares.
- 4.17 Surplus Shares cannot be transferred or sold by the Member holder.
- 4.18 Surplus Shares shall never be withdrawn, transferred, repaid, or otherwise disposed of at more than par value.
- 4.19 Surplus Shares are considered to be part of the Credit Union's equity and are not covered by Deposit Insurance, and shall rank ahead of the Member Shares on a right to distribution.

### **Redemption of Surplus Shares**

- 4.20 Surplus Shares may be redeemed by the Credit Union as specified in the Articles of Amalgamation, and per compliance with the Act and Board policy.
- 4.21 Surplus Shares may be redeemed by the Member holder at a price per share not to exceed the issue price. Such redemption or purchase is subject to compliance with the Act and Board policy.
- 4.22 There will be a waiting period of 90 days on redemption of Surplus Shares, except in the case of death. Requests for redemption by a holder must be provided in writing to the Treasurer.

### **Class 1 Shares**

- 4.23 Upon approval of the Board, in accordance with the Act and Regulations, the Credit Union

may offer Members the opportunity to purchase, from time to time, Class 1 Shares as established under the Articles. Class 1 Shares are offered at the discretion of the Board of Directors of the Credit Union.

- 4.24 Class 1 Shares shall have an issue price of ten (10) dollars per share.
- 4.25 Class 1 Shares are non-voting shares.
- 4.26 Class 1 Shares cannot be transferred or sold by the Member holder.
- 4.27 Class 1 Shares are considered to be part of the Credit Union's equity and are not covered by Deposit Insurance, and shall rank ahead of the Member Shares on a right to distribution.
- 4.28 Class 1 Shares may only be redeemed by a holder subject the Regulations and Articles, the approval of the President and/or Board of Directors of the Credit Union and subject to terms and conditions as approved by the President and/or Board of Directors of the Credit Union.
- 4.29 There will be a waiting period of 90 days on redemption of Class 1 Shares, except in the case of death or when a Member ceases to be a resident of Newfoundland and Labrador as set out on the share certificate. Requests for redemption must be provided in writing to the Treasurer.
- 4.30 Subject to the Regulations and Articles, dividends may be declared and paid on the Class 1 shares at such rate and in such manner as set by the Board of Directors of the Credit Union from time to time.

### **Liens on Deposits and Shares**

- 4.31 As per the Act, the Credit Union has a lien on the deposits and shares of a Member or other person to whose credit the deposits and shares stand in the records of the Credit Union, and interest on them, for indebtedness due or accruing due to it by the Member or other person or for an obligation in relation to the indebtedness and the deposits and shares may not be withdrawn or redeemed unless the Credit Union consents.
- 4.32 The Credit Union shall have a lien on the shares or other interest of a Member for any sum due the Credit Union from the Member or for any loan endorsed by them as 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.
- 4.33 As per the Act, the Credit Union may apply the deposits and shares on which it has a lien, and interest on them, to an obligation in relation to the indebtedness which is in default without notice to any person.
- 4.34 An indebtedness shall be considered to be in default where:
  - (a) an amount of the principal or interest is not paid on the date on which it becomes due and payable; or

- (b) there has been a failure to observe or perform an obligation with respect to the indebtedness.

## **ARTICLE 5 - MEMBER MEETINGS**

### **Rules of Order**

- 5.1 The rules of order for all meetings of Members and the Board of Directors shall be based upon Robert's Rules of Order.

### **Place of Meetings**

- 5.2 The meetings of the Members of the Credit Union shall be held at such time and in such manner that the Board of Directors determine.

### **Fiscal Year End**

- 5.3 The fiscal year of the Credit Union shall end on December 31st.

### **Calling Meetings**

- 5.4 The Directors of the Credit Union shall call an annual meeting of Members to be held within four (4) months, or another time that is approved by the Guarantee Corporation, after the end of the fiscal year of the Credit Union:

- 5.5 The Annual General Meeting shall as part of the agenda:

- (a) consider the annual report of the Directors, the financial statements of the Credit Union and the auditor's report,
- (b) appoint the auditor,
- (c) elect Directors,
- (d) and to deal with other matters that may properly come before the meeting.

- 5.6 The Directors of the Credit Union may at any time call a special meeting of Members.

### **Record Date**

- 5.7 The record date for determining the Members entitled to receive notice of a meeting of Members and entitled to vote at that meeting shall be at the close of business thirty (30) days preceding the day on which the notice is given.

### **Notice of Meetings**

- 5.8 Notice of the time and place of a meeting of Members and the manner in which the meeting is to be held shall be given not less than fourteen (14) days and not more than thirty (30) days before the meeting to each Member entitled to vote at the meeting.

- 5.9 Where a meeting of Members is adjourned by one (1) or more adjournments for more than seven (7) days, notice of the adjourned meeting shall be given in the same way as for an



original meeting.

- 5.10 All business transacted at a special meeting of Members; or at an annual meeting of Members, except for items defined by the Act or by these By-laws shall be considered to be special business.
- 5.11 Notice of a special meeting of Members shall state:
- (a) the nature of that business in sufficient detail to permit the Member receiving the notice to form a reasoned judgment on it; and
  - (b) the text of a Special Resolution to be submitted to the meeting or, if the full text is too lengthy for convenient inclusion in the notice, a summary of the text.

### **Waiver of Notice**

- 5.12 A Member or any other person entitled to attend a meeting of Members may waive notice of the meeting, and the attendance of the Member or other person at the meeting is itself a waiver of notice of the meeting, except where that person attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- 5.13 An objection made under Article 5.12 shall be made at the commencement of the meeting.

### **Member Proposals**

- 5.14 A Member entitled to vote at a meeting of Members may submit to the Board of Directors notice of any matter that the Member proposes to raise at the meeting or discuss at the meeting any matter in respect of which the Member would have been entitled to submit a proposal.

### **Quorum**

- 5.15 A quorum will have deemed to have been met when a minimum of 20 Members entitled to vote are present provided that employees and Directors are not included in the minimum requirement.
- 5.16 Where a quorum is not present at the opening of, or during, a meeting of Members, the Members present shall adjourn the meeting to a fixed time and place.

### **Voting**

- 5.17 A Member of the Credit Union, who has reached the age of majority, may vote at a meeting of Members.
- 5.18 A Member of the Credit Union has only one (1) vote on any question that may be voted on at a meeting of Members.
- 5.19 A Member that is a corporation, organization or association may vote through a delegate or agent who shall not vote both as a Member and as a delegate, unless the person also holds Membership as an individual.

- 5.20 Notwithstanding Article 5.17, a natural person authorized under Article 5.19 may exercise, on behalf of the corporation or association that person represents, all the powers the corporation or association could exercise if it were a natural person.
- 5.21 A Member shall not vote by proxy at a meeting.
- 5.22 An executor or administrator holding a membership in the Credit Union in that capacity shall represent that membership at meetings and may vote as a Member.
- 5.23 An Associate Member is not entitled to vote.
- 5.24 Voting of Members, in relation to any issue before the Members, shall be in the form and manner established by the Board of Directors from time to time, and may include show of hands, ballot, mail, telephone, electronic means or other communication. 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 Ordinary Resolution of the Board of Directors.

### **Requisition by Members to Call Meeting**

- 5.25 The Directors shall call a special meeting of the Members on receipt of a written request specifying the purpose of the meeting from the lesser of ten (10) percent of the Members or five hundred (500) Members of the total Credit Union membership having a right to vote at the meeting.
- 5.26 The request referred to in Article 5.25 may consist of several documents in the same form, each signed by one (1) or more Members and shall state the business to be transacted at the meeting and shall be sent to the registered office of the Credit Union.
- 5.27 On receiving the request referred to in Article 5.25, the Directors shall call a meeting of Members to transact the business stated in the request, unless the business of the meeting as stated in the request includes a matter described in clauses 59(5)(b) to (e) of the Act.
- 5.28 Where the directors do not, within thirty (30) days after receiving the request referred to in Article 5.25, call a meeting, a Member who signed the request may call the meeting.
- 5.29 A meeting called, held, and conducted in accordance with this section is for all purposes a properly called, held, and conducted meeting of Members of the Credit Union.
- 5.30 Unless the Members otherwise resolve at a meeting called under Article 5.28, the Credit Union shall reimburse the Members for the expenses reasonably incurred by them in requesting, calling, and holding the meeting.
- 5.31 A Member calling a meeting under Article 5.28 shall give the Guarantee Corporation notice of the application and the Guarantee Corporation is entitled to appear and be heard in person or by counsel.

## **ARTICLE 6 - BOARD OF DIRECTORS**

### **Number of Directors**

- 6.1 The Board of Directors shall consist of no more than twelve (12) members and no less than nine (9).
- 6.2 The Board, in its discretion, may elect a Chair of the Board (who must be a Director), and one or more Vice-Chairs (each of whom must be a Director).
- 6.3 It shall be the duty of the Chair to preside at all meetings of the Credit Union and of the Board and shall perform other duties that are necessary to the proper conduct of their office.
- 6.4 It shall be the duty of the Vice Chair(s) to perform the duties of the Chair in the absence or disability of the Chair and other duties as the Board may designate.

### **Power and Duties of Directors**

- 6.5 It shall be the duty of the Directors of the Credit Union: to exercise the powers of the Credit Union directly or indirectly through the employees and agents of the Credit Union; and direct the management of the business and affairs of the Credit Union.

### **Term**

- 6.6 Each Director named in the Amalgamation Agreement holds office from the Date of Amalgamation until the end of their respective term provided in the Amalgamation Agreement (which is between 1 and 3 years for each Director).
- 6.7 Upon the expiry of the terms for each Directors set out in the Amalgamation Agreement, the Members of the Credit Union shall, by Ordinary Resolution at the first meeting of the Members and at each succeeding annual meeting of the Members at which an election of Directors is required, elect Directors for any Director positions for which the incumbent's term is expiring or which is otherwise vacant, to hold office for a term not exceeding three (3) years.
- 6.8 It is not necessary that all Directors elected at a meeting of Members hold office for the same term.
- 6.9 Except as provided in Article 6.6, Directors shall be elected for 3-year terms, except where a vacancy exists due to an unexpired term of a Director, that position shall be filled for the remainder of the term vacated.
- 6.10 A Director not elected or appointed for an expressly stated term ceases to hold office at the close of the first annual meeting of Members following that Director's election or appointment.
- 6.11 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.

## **Eligibility**

- 6.12 Any person who is a Member of the Credit Union and meets the requirements defined in the Act may stand for election to the Board of Directors.

## **Nominations and Voting for Eligible Director Candidates**

- 6.13 The Board shall determine and oversee an appropriate policy for Director nominations and elections.
- 6.14 Where the nominees are to be elected for various terms, the nominee(s) receiving the highest number of votes shall be declared elected for the longest terms.
- 6.15 Where the number of nominees equals or is less than the number of vacant positions, those duly nominated shall be declared elected by acclamation. If there are various terms to be filled, a draw shall be held to determine the terms of such acclaimed Directors.
- 6.16 Where vacancies exist after the close of nominations, an additional call for nominations shall be made by the Chair. If this call results in sufficient nominations to exceed the vacant positions, an election by ballot, mail, telephone, or electronic means shall be held among those nominees.
- 6.17 Where an election of Directors results in a tie vote, a draw shall be held to determine which nominee(s) shall fill the vacant position(s).

## **Resignations, Removals, and Suspensions**

- 6.18 A Director of the Credit Union ceases to hold office when the Director:
- (a) dies or resigns;
  - (b) is removed from office in accordance with Article 6.20 of these By-laws; or
  - (c) becomes disqualified pursuant to Article 6.12 of these By-laws.
- 6.19 The resignation of a Director becomes effective at the time a written resignation is received by the Credit Union, or at the time specified in the resignation, whichever is later.
- 6.20 The Members of the Credit Union may, by Ordinary Resolution, at a special meeting remove a Director from office.
- 6.21 A vacancy created by the removal of a Director from office may be filled at the meeting of the Members at which the Director is removed or, if not so filled, may be filled under section 75 of the Act.

## **Meetings of Directors**

- 6.22 The Board shall hold its ordinary meetings at least four (4) times per year, in addition to any general meeting of Members and strategic planning sessions or as often as the business of the Credit Union may require and a majority shall constitute a quorum.
- 6.23 All questions shall be decided by a majority vote, and in case of a tie, the motion shall be

deemed lost.

- 6.24 A Director may participate in a meeting of Directors or a committee appointed by the Directors in accordance with the Act and Regulations by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a Director participating in the meeting by those means shall be considered to be present at that meeting.
- 6.25 The Directors of the Credit Union may meet and on notice that the Directors may determine and a majority of the required number of Directors constitutes a quorum as provided for under the Act and Regulations.

### **Delegation to Committees**

- 6.26 The Directors of the Credit Union may appoint committees and may delegate to those committees any of the powers of the Directors.
- 6.27 The members of a committee appointed by the Directors shall be Members of the Credit Union and the chair of the committee shall be a Director of the Credit Union.
- 6.28 A committee appointed by the Directors shall keep minutes of its proceedings and shall submit to the Directors at each meeting of Directors the minutes of the committee's proceedings during the period since the last meeting of the Directors.

### **Establishment of Committees**

- 6.29 The Directors of a Credit Union shall establish those committees which the Minister may prescribe by the Regulations and those committees shall perform the duties and have the powers provided for in the Regulations.

### **Audit Committee**

- 6.30 The Board of Directors shall appoint an Audit Committee consisting of not less than three (3) Members of the Credit Union, none of whom is an employee or officers of the Credit Union and who may be either elected by the Members or appointed by the Board as provided for in these By-laws, for a term not to exceed three (3) years. The Audit Committee shall perform the duties as outlined in the Act and Regulations.

### **Remuneration of Directors and Committee Members**

- 6.31 The Board shall be compensated as allowed by the Act and approved by the Members at the Annual General Meeting or a special meeting called for that purpose.

## **ARTICLE 7 - OFFICERS AND DUTIES**

- 7.1 The Officers of the Credit Union shall be the President, Vice-President, the Treasurer, and / or the Secretary, and any other Officers deemed necessary for efficient operation of the Credit Union.
- 7.2 The Officers of the Credit Union shall be appointed annually by the Board, unless the Board decides on longer term appointments. The Board shall have the authority to negotiate the terms and conditions for the appointment of an Officer.
- 7.3 The President shall have general supervision over the business of the Credit Union and other duties incident to the office of President, and any other duties as may be from time to time assigned to the President by the Board and subject to the control of the Board in each case.
- 7.4 Each Vice President shall have such powers and perform such duties as may be assigned to him or her from time to time by the President.
- 7.5 The Secretary shall attend all sessions of the Board and all meetings of the Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Members and meetings of the Board and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall keep in safe custody the seal, if any, of the Credit Union and have authority to affix the seal to all documents requiring it and attest to the same.
- 7.6 The Treasurer shall have the custody of the corporate funds and securities, except as otherwise provided by the Board, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Credit Union and shall deposit all monies and other valuable effects in the name and to the credit of the Credit Union in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Credit Union as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and the Board, at the regular meetings of the Board, or whenever the Board may require it, an account of all transactions as treasurer and of the financial condition of the Credit Union, and to perform the duties that are necessary to the proper conduct and running of the Credit Union operations.
- 7.7 In case any Officer is absent, or for any other reason that the Board may deem sufficient, the President or the Board may delegate for the time being the powers or duties of such Officer to any other Officer.
- 7.8 Officers of the Credit Union shall not be members of the Board and shall not have a vote.

## **ARTICLE 8 - DUTY OF CARE OF DIRECTORS AND OFFICERS**

- 8.1 Every Director and Officer of the Credit Union, in exercising the powers and discharging the duties of a Director or Officer, shall:
- (a) act honestly and in good faith with the view to the best interest of the Credit Union; and
  - (b) exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.
- 8.2 No provision in a contract, the Articles, the By-laws, or a resolution relieves a Director or Officer from the duty to act in accordance with the Act and the Regulations or relieves the Director or Officer from liability for a breach of the Act or the Regulations.
- 8.3 This section is in addition to and not a derogation of any other enactment or rule of law relating to the duty or liability of Directors or Officers of the Credit Union.

## **ARTICLE 9 - LIMITATION OF LIABILITY AND INDEMNIFICATION**

- 9.1 Each Director and Officer, former Director or Officer of the Credit Union or another individual who acts or acted at the Credit Union's request as a Director or Officer (or an individual acting in a similar capacity) of another entity, shall enjoy an indemnity from the Credit Union as set out in the Act and the By-laws.
- 9.2 Nothing in this By-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-law, or the Credit Union from extending indemnification to other individuals as may be approved by the Board.

## **ARTICLE 10 - CONFLICT OF INTEREST**

- 10.1 The Credit Union shall prepare and maintain a Conflict-of-Interest Policy, which Policy shall form part of Credit Union's Policy and Procedures Manual.

## **ARTICLE 11 - SURPLUS AND RESERVE**

- 11.1 The Credit Union shall maintain equity as required by the Act and Regulations.
- 11.2 The Credit Union may issue a dividend on shares and/or a patronage refund provided the Credit Union has met the capital requirement prescribed in the Regulations and provided such dividend and/or patronage refund does not reduce the capital below that prescribed amount.
- 11.3 The Credit Union may provide that the whole or part of a dividend and/or patronage refund be credited to the member or applied to the purchase of Surplus Shares on behalf of the member.

## **ARTICLE 12 - GENERAL PROVISIONS**

- 12.1 The Credit Union shall have a seal in such form as may be approved by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise, as may be prescribed by law or custom or by the Board.

- 12.2 All cheques, notes, drafts or other orders for the payment of money of the Credit Union shall be signed, endorsed or accepted in the name of the Credit Union by such Officer, Officers, person or persons as from time to time may be designated by the Board or by an Officer or Officers authorized by the Board to make such designation.
- 12.3 All contracts of the Credit Union shall be executed on behalf of the Credit Union by: (a) the President or any Vice-President; (b) such other Officer or employee of the Credit Union authorized in writing by the president, with such limitations or restrictions on such authority as the president deems appropriate; or (c) such other person as may be authorized by the Board. If required, the seal of the Credit Union shall be thereto affixed and attested by the Secretary or an assistant Secretary.

**ARTICLE 13 - AMENDMENT AND REPEAL**

- 13.1 The Members may at an Annual General Meeting or special meeting called for that purpose by Special Resolution of the Members enact, amend, or repeal By-laws in relation to those matters authorized or required by the Act to be dealt with in the By-laws of the Credit Union.
- 13.2 Notwithstanding Article 13.1, a proposed By-law and an amendment or a repeal of a By-law is not effective until it is approved by the Guarantee Corporation.
- 13.3 A proposed By-law or amendment or repeal of a By-law may be sent to the Guarantee Corporation for approval before its adoption by the Members of the Credit Union.
- 13.4 Where a By-law or an amendment or repeal of a By-law is approved by the Guarantee Corporation before its adoption by the Members of a Credit Union:
  - (a) the By-law must be adopted by the Members of the Credit Union within thirty (30) days of receipt of the approval of the Guarantee Corporation; and
  - (b) a certified copy of the adopted By-Law must be filed with the Guarantee Corporation within thirty (30) days of its adoption by the Members of the Credit Union or a later time that may be authorized by the Guarantee Corporation.
- 13.5 Where the Credit Union fails to comply with Article 13.4, the By-law, amendment, or repeal is void.

**APPROVED** by the Credit Union Deposit Guarantee Corporation on the    day of            , 2023.



**Articles of Amalgamation**  
**(Credit Union Act, SNL 2009, cC-37.2 s117; 2020 c24 s54)**

1. The name of the amalgamated credit union shall be Atlantic Edge Credit Union.
2. The registered office of the amalgamated credit union shall be at *8 Branch Rd., PO Box 29 L'Anse au Loup* in the *Province of Newfoundland and Labrador, A0K 3L0*.
3. Membership in the amalgamated credit union shall be open to those conveniently served and as defined by the Act and specified in the By-laws of the amalgamated credit union.
4. The amalgamated credit union may issue an unlimited number of Member Shares at an issue price of five dollars (\$5.00) per share.
5. Other classes of shares that the amalgamated credit union may issue, and in the case of shares other than Surplus Shares, the maximum number of shares that the credit union is authorized to issue in each class and the total consideration to be paid for each class of shares.
  - a. Unlimited number of Surplus Shares or fractions of Surplus Shares at an issue price of one dollar (\$1.00) per share.
  - b. Maximum of 50,000 Class 1 Shares at an issue price of ten dollars (\$10.00) and a maximum aggregated value of \$500,000.
6. The rights, privileges, restrictions and conditions attached to each of the Member Shares, Surplus Shares, and Class 1 Shares shall be per the description attached as Schedule "A".
7. The amalgamated credit union may issue other classes of uninsured non-voting equity shares and set the rights, privileges, restrictions, and conditions attached thereto as defined in the Act and set out in the By-laws of the amalgamated credit union.
8. Restrictions on the business of the amalgamated credit union may carry on, are only those restrictions as defined by the Act.
9. The proposed Directors of the Amalgamated Credit Union are:

Director	Address	Term
Bert Belben	P.O. Box 78, Forteau NL	2
Rebecca Bell	48 Sargent Donald Lucas Drive, Paradise NL	1
David Evans	Lot 6 Little Harbour, Deer Lake NL	3
Tony Leamon	P.O. Box 1419, Port aux Basques NL	1
Paul Newman	2 Lawlor Pl, St. John's NL	3
Gary O'Brien	P.O. Box 1347, Channel-Port aux Basques NL	1
Orvin Roberts	9 Lushes Rd, Triton NL	1
Ginger Ryland	103 Norman Boulevard, Hammonds Plains NS	3
Dan Sheaves	13 Midway Road, Port aux Basques NL	2
Paul Summers	9 O'Mara Place, St. John's NL	2

10. The proposed date of the Amalgamation is January 1, 2024.

11. The signatures of the officer of each amalgamating credit union and the position held are set out below.

**[NTD: Affirmations / Affidavits from each Director to be attached. Note: CU may be exempt from requirements to affirm/swear to the statements contained in 117(2)(a) if CUDGE consents, however requirements to affirm/swear statements of 117(2)(b) remain]**

## **Schedule "A"**

The amalgamated credit union is authorized to issue the following classes of shares:

- (i) An unlimited number of Member Shares
- (ii) An unlimited number of Surplus Shares;
- (iii) Class 1 Shares up to an aggregate value of \$500,000.

with the shares of each respective class having attached to them the following rights, privileges, restrictions and conditions:

### Member Shares

i. Issue Price

Member Shares shall have a par value of \$5.00 per share. A member, including those under the age of majority, must purchase and may not hold fewer than one (1) Member Share.

ii. Dissolution / Wind-Up

In the event of liquidation, dissolution or winding-up of the amalgamated credit union, or other distribution of assets or property of the amalgamated credit union, Member Shares will rank subordinate to all other classes of shares issued by the amalgamated credit union to receive the amount equivalent to the redemption value of the Member Shares, calculated by multiplying the par value of the Member Shares by the total number of shares held by the holder.

iii. Voting

The holders of Member Shares shall not be entitled to vote, nor shall they receive notice of, or attend, any meetings of the members of the amalgamated credit union, simply by virtue of holding shares, but nothing herein affects an entitlement to vote as members as determined by the By-laws.

iv. Restrictions

Member Shares may not be transferred, assigned, hypothecated, withdrawn or converted to any other type of share currently outstanding or that may be issued by the amalgamated credit union.

v. Deposit Insurance

Member Shares are considered to be part of the amalgamated credit union's equity and shall not be covered by Deposit Insurance.

### Surplus Shares

i. Issue Price

Surplus Shares shall have a par value of \$1.00 per share. All Members, including those under the age of majority, shall be entitled to the issuance of Surplus Shares when declared by the Board.

ii. Redemption

The redemption amount for Surplus Shares shall be determined by multiplying the issue price of Surplus Shares by the total number of Surplus Shares held by the holder (“**Redemption Value**”).

Upon giving notice as hereinafter provided, the amalgamated credit union, may redeem or purchase the whole or any part of the then outstanding Surplus Shares, by paying to the holder of the Surplus Shares, the Redemption Value in respect of such Surplus Shares that are to be redeemed, together with all dividends declared on the Surplus Shares to be so redeemed but then remaining unpaid to the holder at that time.

If the amalgamated credit union wishes to redeem any Surplus Shares pursuant to this section, the amalgamated credit union shall deliver notice of its intention to redeem those shares in writing to each registered holder of the Surplus Shares to be redeemed. On the dates specified by the Board of Directors for redemption, the amalgamated credit union shall pay, within ninety (90) days after the date of delivery of the aforesaid notice, to Members in accordance with their holdings of Surplus Shares on the accounts of the amalgamated credit union, an amount equal to the Redemption Value in respect of such Surplus Shares, together with all dividends declared on the Surplus Shares to be redeemed but then remaining unpaid.

Upon giving notice and otherwise complying with requirements as may be established by the Board and/or set out in the By-laws, the holder of Surplus Shares may require the amalgamated credit union to redeem such shares, an amount equal to the Redemption Value in respect of such Surplus Shares, together with all dividends declared on the Surplus Shares to be redeemed but then remaining unpaid.

iii. Dividends

Subject to section 30 of the Act, the holders of Surplus Shares shall be entitled to receive dividends as and when declared on the Surplus Shares by the Board of Directors out of moneys properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may determine, and all dividends which the directors may declare on the Surplus Shares may be declared and paid in equal amounts per share on all Surplus Shares at the time outstanding.

iv. Dissolution / Wind-Up

In the event of liquidation, dissolution or winding-up of the amalgamated credit union, or other distribution of assets or property of the amalgamated credit union,

Surplus Shares will rank subordinate to any rights of reimbursement of a depositor, and any other creditors of the amalgamated credit union, but in priority to Member Shares, and equally with Class 1 Shares, to:

- (i) receive the amount equivalent to the Redemption Value; and
- (ii) all dividends declared on the Surplus Shares then remaining unpaid.

v. Restrictions on Share Transfers and Conversion

Surplus Shares may not be transferred, assigned, hypothecated, withdrawn or converted to any other type of share currently outstanding or that may be issued by the amalgamated credit union.

vi. Voting

The holders of Surplus Shares shall not be entitled to vote, nor shall they receive notice of, or attend, any meetings of the members of the amalgamated credit union.

vii. Deposit Insurance

Surplus Shares are considered to be part of the amalgamated credit union's equity and shall not be covered by Deposit Insurance.

Class 1 Shares

i. Issue Price

Class 1 Shares shall have a par value of \$10.00 per share.

ii. Share Issuance

As approved by the Superintendent of Credit Unions, as appointed under the Act, the issuance of Class 1 Shares may only be issued with the approval of the Board of Directors. The amalgamated credit union maintains the discretion to set both minimums and maximums on the holder's Class 1 share balance for the issuance of new Class 1 Shares. The amalgamated credit union further maintains the right to change the conditions for the issuance of new Class 1 Shares at any time without notice.

iii. Redemption

The treasurer of the amalgamated credit union upon receiving a request in writing for redemption from a holder of Class 1 Shares, subject to at least a minimum period of ninety (90) day waiting period, unless the holder has died or is no longer a resident of Newfoundland and Labrador, shall redeem or purchase the whole or any part of the then outstanding Class 1 Shares, by paying to the holders of the

Class 1 Shares, the Class 1 Share Balance in respect of such Class 1 Shares that are to be redeemed.

iv. Dividends

The holders of Class 1 Shares shall be entitled to receive dividends as and when declared on the Class 1 Shares by the Board of Directors out of moneys properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may determine, and all dividends which the directors may declare on the Class 1 Shares may be declared and paid in equal amounts per share on all Class 1 Shares at the time outstanding.

v. Dissolution / Wind-Up

In the event of liquidation, dissolution or winding-up of the amalgamated credit union, or other distribution of assets or property of the amalgamated credit union, Class 1 Shares will rank subordinate to any rights of reimbursement of a depositor, and any other creditors of the amalgamated credit union, but in priority to Member Shares, and equally with Surplus Shares, to:

- (i) receive the amount equivalent to the Class 1 Share Balance; and
- (ii) all dividends declared on the Class 1 Shares then remaining unpaid.

vi. Restrictions

Class 1 Shares shall not be transferred, redeemed, assigned, withdrawn, or hypothecated.

vii. Voting

The holders of Class 1 Shares shall not be entitled to vote, nor shall they receive notice of, or attend, any meetings of the members of the amalgamated credit union.

viii. Deposit Insurance

Class 1 Shares are considered to be part of the amalgamated credit union's equity and shall not be covered by Deposit Insurance.