

RATIONALE FOR PROPOSED CHANGES TO BY-LAWS

JANUARY 2019

REF NO.	EXISTING BY-LAW	PROPOSED AMENDMENT	RATIONALE
1	11 (j) A former employee of the Society who has left the Society is not eligible to be elected to the Board of Directors within a period of two (2) years of his ceasing to be employed with the Society.	A former employee of the Society who has left the Society other than by termination of service is not eligible to be elected to the Board of Directors within a period of two (2) years of his ceasing to be employed with the Society.	A consequential change made for clarity as a result of the newly approved section 9(c) which provides for the prohibited period of validation/nomination which applies to employees who were terminated from the Society. A distinction needs to be made for former employees who were not terminated and the period for which such persons will be unable to present themselves for nomination.
2	11(p)(i) Any director or the entire Board may be removed from the office before the expiration of their period of the office by a resolution passed by the majority of not less than three-fourths of the members present and voting at a general meeting	<ul style="list-style-type: none"> • <i>Deletion of this by-law,</i> • <i>Renumber subsequent by laws in this section; and</i> • <i>Renumber any affected by-law references</i> 	The clause repeats part of a previous by-law clause 11(b)
3	No existing by-law	A former employee of the Society who has left the Society other than by termination of service is not eligible to be elected to the Credit Committee within a period of two (2) years of his departure from the Society. <i>Propose to insert this clause at 13 (a)(iii)</i>	<ul style="list-style-type: none"> • The newly approved section 9(c) provides for the prohibited period which applies to employees who were terminated from the Society. A distinction needs to be made for former employees who were not terminated and the period for which

			<p>such persons will be unable to present themselves for nomination.</p> <ul style="list-style-type: none"> • No existing by-law relating to the period for which former employees are prohibited from presenting themselves to be elected to the Credit Committee.
4	14 (d) A former employee of the Society is not eligible to be elected to the Supervisory Committee within a period of two (2) years of his departure from the Society.	<p>A former employee of the Society who has left the Society other than by termination of service is not eligible to be elected to the Supervisory Committee within a period of two (2) years of his departure from the Society.</p> <ul style="list-style-type: none"> • <i>This will now appear at 14(d) as a new insertion at 14(c) has been approved by the FSC.</i> • <i>Renumber any subsequent by laws in this section as needed and;</i> • <i>Renumber any affected by-law references</i> 	A consequential change made for clarity as a result of the newly approved section 9(c) which provides for the prohibited period which applies to employees who were terminated from the Society. A distinction needs to be made for former employees who were not terminated and the period for which such persons will be unable to present themselves for nomination.
5	14(l) The Supervisory Committee shall be entitled to be represented at any official meeting of the Board of Directors to observe the proceedings and shall be entitled to receive reports and other documents provided to or prepared for the Board	Removal of this by-law	This provision is inconsistent with the audit function of the Supervisory Committee which comes after Board decisions are made.
6	15(b) The terms and conditions on which loans may be made to members shall be fixed from time to time by the Board of Directors provided always that in no case shall a greater sum than six hundred thousand dollars (\$600,000.00) be lent to an individual member or eight hundred thousand dollars	<p>The terms and conditions on which loans may be made to members shall be fixed by the Board from time to time, provided always that in no case shall a sum be lent to any member exceeding five percent (5%) of the aggregate of the Society's capital.</p> <p><i>Replace existing by-law 15(b)</i></p>	To provide for an increase in the maximum loan amount relative to the performance of the credit union bearing in mind the strategic plan of increasing corporate products and services.

	<p>(\$800,000.00) in the case of joint members.</p> <p>Notwithstanding the foregoing, sums may be lent which are greater than six hundred thousand dollars (\$600,000.00) in the case that an individual member and eight hundred thousand dollars (\$800,000.00) in the case of joint members provided that the sums lent do not exceed 200% of the individual members' or joint members' combined savings subject to Regulation 23(3) (a).</p>		
7	<p>15(g)(x) Where the Committee is satisfied that a member of the Society who has obtained a loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the application therefore under Bylaw 13(g) (i), the Committee may, by notice in writing to the debtor, demand payment of the loan before the agreed date of payment.</p>	<p>Amend reference to 13(g)(i) which is incorrect.</p> <ul style="list-style-type: none"> • <i>Amend to refer to 15 (g)(i)</i> • <i>Amend “therefore” to “therefor”</i> 	<ul style="list-style-type: none"> • The insertion of 2 new sections at 9 and 11 in a previous amendment was not captured in references to subsequent sections whose numbering was affected. Section 13(g)(i) became 15(g)(i) but the reference thereto was not amended in clauses that cited same. <p>To amend typographical/ grammatical error</p>
8	<p>15(g)(xi) Where a loan or an instalment of a loan has not been paid on the date when it became due and no extension for the payment thereof has been given to the debtor by the Board under Bylaw 13(g) (ix), the Board shall take such steps for the recovery of the amount due, by applying monies standing to the</p>	<p>Amend reference to 13(g)(ix) which is incorrect.</p> <ul style="list-style-type: none"> • <i>Amend to refer to 15 (g)(ix)</i> 	<ul style="list-style-type: none"> • The insertion of 2 new sections at 9 and 11 in a previous amendment was not captured in references to subsequent sections whose numbering was affected. Section 13(g)(ix) became 15(g)(ix) but the reference thereto was not amended in clauses that cited same.

	credit of the debtor or any other action which the Board considers necessary.		
9	15(h) For the purpose of By-law 13(g) (xi) interest shall be deemed to be an instalment of a loan, but unless it is otherwise provided in the instrument required under By-law 13(g) (vii), an instrument shall not be deemed delinquent unless its three months in arrears.	Amend references to 13(g)(xi) and 13 (g)(vii) which are incorrect. <ul style="list-style-type: none"> • <i>Amend to refer to 15 (g)(xi) and 15(g)(vii) respectively</i> 	The insertion of 2 new sections at 9 and 11 in a previous amendment was not captured in references to subsequent sections whose numbering was affected. Section 13(g)(xi) became 15(g)(xi) and section 13(g)(vii) became (15(g)(vii) but the references thereto were not amended in clauses that cited same.
10	No existing by-law	Where a member has brought a claim, legal or arbitration action against the Society for whatever reason, he shall not be eligible to serve on the Board of Directors, Credit or Supervisory Committee while the matter is ongoing. <ul style="list-style-type: none"> • <i>To amend section 23 and provide for the above as a new subsection.</i> 	This amendment was effected by members to replace proposed amendment which was tabled to address validations of members seeking election to the Board, Credit and Supervisory Committees respectively. Members resolved to address persons who have pending claims, legal or arbitration matters separately under the section relating to disputes (Section 23). However, the FSC rejected the same as the proposal to place it in another section amounts to an amendment of said section and would therefore require publication pursuant to Section 10A of the Act.