



New Brunswick Credit Union Deposit Insurance Corporation

BY-LAW NO. 1 GENERAL BUSINESS AFFAIRS

A by-law relating generally to the conduct of the business affairs of the New Brunswick Credit Union Deposit Insurance Corporation (the "Corporation").

BE IT ENACTED as a by-law of the Corporation as follows:

ARTICLE 1 INTERPRETATION

1(1) In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

"Act" means the *Credit Unions Act*, and includes the regulations and rules adopted thereunder, each as amended from time to time.

"Board" means the board of directors of the Corporation.

"chairperson" means the chairperson of the Board of the Corporation.

"committee" means a committee whose members are directors of the Corporation or others nominated by the board of directors.

"director" means any director of the Corporation, and a reference to a particular director means the individual holding that position for the time being.

"employee" means any employee of the Corporation, whether full- or part-time and whether employed for an indefinite or a fixed or otherwise limited term, but the payment of any remuneration or provision of any benefit by the Corporation to the chairperson or any other director, as such, does not make that individual an employee.

"member credit union" means a credit union under the Act that is a member of a credit union central approved of by the Superintendent.

"officer" means any officer of the Corporation, and a reference to a particular officer means the individual holding that office for the time being.

"person" means an individual, association of individuals, a body corporate, a general or limited partnership, a joint venture, a trust, an unincorporated organization or association, an association of bodies corporate, a government or an agency or instrumentality of a government.

1(2) Any term, which is defined in the *Act*, contained in a by-law and not defined in that by-law, shall have the meaning given to such term in the *Act*.

- 1(3) Words importing the singular number include the plural and vice versa; words importing a gender include the masculine, feminine and neuter genders.
- 1(4) The headings used in any by-law are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.
- 1(5) This by-law relates to the internal affairs of the Corporation, and, without prejudice to any right or remedy arising at law without regard to the provisions of this by-law, no failure by any director or employee to comply with any provision of this by-law shall affect the validity of any action taken by the Corporation or give rise to any rights or remedies by any person.

ARTICLE 2
AFFAIRS OF THE CORPORATION

- 2(1) The Corporation may adopt a corporate seal in such form as approved by the board of directors from time to time by resolution, but any authorized contract, document or instrument in writing executed on behalf of the Corporation is not invalidated merely because a corporate seal is not affixed thereto.
- 2(2) Except as otherwise required or permitted by the Act or regulations, documents requiring execution by the Corporation may be signed on behalf of the Corporation by any two of the chairperson, the chief executive officer, the secretary and any other person authorized for such purpose by resolution of the Corporation. In addition, the Corporation may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument.
- 2(3) The signature to any notice to be given by the Corporation may be written, printed or otherwise mechanically or electronically reproduced.
- 2(4) The head office of the Corporation shall be at the City of Saint John, New Brunswick.

ARTICLE 3
BOARD OF DIRECTORS

- 3(1) The Board shall consist of the members of the Commission who shall be appointed in accordance with the provisions of the Act.
- 3(2) Each member of the Board, other than the chairperson, is entitled to be paid a service fee for attendance at each meeting that is fixed in accordance with the by-laws of the Commission.
- 3(3) The chairperson and other members of the Board are entitled to be reimbursed for such travelling, living and other expenses reasonably incurred by them in the performance of their duties, that are not otherwise paid out by the Commission, that are fixed in accordance with the by-laws of the Commission.

- 3(4) Notwithstanding subsection 3(2), there is no retainer payable to members, or in the case of the chairperson a separate remuneration, for services on the Board, or a separate allocation for professional development above the one provided by the Commission.

ARTICLE 4
BOARD AND COMMITTEE MEETINGS

- 4(1) A meeting of the Board may be called at any time by the chairperson or by any other two directors.

Notice of Board and Committee Meetings

- 4(2) The Board and its committees may appoint a day or days in any month or months for regular meetings at a place and time to be named. A copy of any resolution fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed and thereafter no further notice shall be required for any such regular meeting.
- 4(3) Notice of change of a meeting date or of any special meeting of the Board or of any committee stating the date, hour and place of the meeting shall be given to each director not less than 7 days or, in the case timeliness so requires, not less than 24 hours before the meeting is to take place, but a meeting may be held at any time without formal notice if all the directors are present or if all the directors who are absent waive notice or signify their consent in writing to the meeting being held in their absence.
- 4(4) Notice of any meeting or any irregularity in any meeting or in the notice of any meeting may be waived by any director, and the waiver may be validly given either before or after the meeting to which it relates.
- 4(5) Notice of a meeting shall be sufficiently given if it is:
- (a) delivered personally to the director or delivered to the director's address as it appears in the records of the Board or sent to the director by any means of electronic communication not less than 24 hours before the meeting; or
 - (b) sent by ordinary mail or by courier or other delivery service to the director at the director's address not less than five days before the meeting, unless regular service is disrupted or may be disrupted by a strike or threatened strike.

Chairperson and Corporate Secretary

- 4(6) The chairperson shall preside at all meetings of the Board but in the absence of the chairperson at any meeting of the board, the directors present, at a duly constituted meeting of the directors, may select, from among themselves, a person to act as chairperson who shall preside and have all the powers of the chairperson.
- 4(7) The corporate secretary shall act as secretary of each meeting of the Board but where at a meeting or any time during a meeting the corporate secretary is absent; the chairperson shall choose a person to act as secretary in the absence of the corporate secretary.

Coordination through Chairperson

- 4(8) The chairperson is the principal channel of communication for matters of significance concerning the Corporation between individual directors and the Board or between the Board and officers and employees.

Place of meeting

- 4(9) A meeting of the Board may be held at any place.

Procedure at meetings

- 4(10) Subject to the other provisions of this by-law and to any resolution of the Board respecting a specific matter, the chairperson shall determine the procedure at and conduct of meetings of the Board.
- 4(11) The Board may from time to time meet in camera. Such meetings may be held in conjunction with regularly scheduled meetings of the Board or special meetings.
- 4(12) The chairperson may require the CEO, the corporate secretary or invited guests to absent themselves from some or all of any particular meeting of the Board.

Quorum

- 4(13) A majority of directors shall constitute a quorum for a meeting of the Board and no business shall be transacted by the Board at a meeting in which a quorum is not present other than the adjournment of the meeting to a fixed time and place.
- 4(14) If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

Majority Vote

- 4(15) A matter arising at a meeting of the Board shall be decided by a majority of votes.
- 4(16) All directors excluding the chairperson shall have a vote and in the case of a tie vote the chairperson shall cast a deciding vote unless the Act otherwise specifies.

Dissent

- 4(17) A director who is present at a meeting of the Board is deemed to have consented to any resolution passed or action taken thereat unless
- (a) the director requests that their dissent be or their dissent is entered into the minutes of the meeting; or
 - (b) the director gives written notice of their dissent to the corporate secretary of the meeting before the meeting is adjourned.

Dissent of absent directors

- 4(18) A director who is not present at a meeting of the Board at which a resolution was passed or action taken is deemed to have consented thereto unless within 7 days after the director becomes aware

of the resolution or action the director causes written notice of their dissent to be placed with the minutes of the meeting.

Copy of dissent

4(19) The corporate secretary shall, as soon as practicable, give to each director a copy of a written notice of dissent received by the Corporation pursuant to paragraph 4(17)(a) or subsection 4(18).

Participation by telephone

4(20) A director may participate in a meeting of the Board or a committee by means of such telephone or other communication facilities which ensure confidentiality or permit all persons participating in the meeting, to hear each other and the directors participating by such means shall be deemed to be present at the meeting.

Resolution in lieu of meeting

4(21) A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of the Board is as valid as if it had been passed at a meeting of the Board.

4(22) A copy of a resolution referred to in subsection (21) shall be kept with the minutes of the proceedings of the Board by the corporate secretary.

Minutes

4(23) The corporate secretary is the secretary of meetings of the Board. The corporate secretary may designate another person to be the recording secretary of a meeting. Where the corporate secretary is not present at a meeting the chairperson shall select another individual to be the acting secretary.

4(24) Minutes shall be kept of all meetings of the Board and its committees and such minutes shall be approved with or without amendment and shall constitute the record of the proceedings of the Board.

**ARTICLE 5
COMMITTEES**

5(1) The chairperson of the Board shall be an ex-officio member of all committees.

5(2) The Board may establish committees to review, monitor or supervise on behalf of the Board and otherwise make recommendations to the Board on such matters and under such terms of reference as the Board may determine.

5(3) The committees shall keep a record of every meeting and report their decisions and recommendations to the Board.

5(4) Subject to the by-laws or any direction of the Board, committees may meet for the transaction of business, adjourn or otherwise regulate their meetings as they determine subject to the following:

- (a) a majority of the members of a committee shall constitute a quorum for the transaction of business; and

- (b) questions arising at a meeting of a committee shall be decided by a majority of votes and in the case of an equality of votes, the chairperson of the committee shall have a second or casting vote.

5(5) The Board may by resolution dissolve any committee of the Corporation.

ARTICLE 6 OFFICERS & EMPLOYEES

Officers

6(1) The officers of the Corporation shall be

- (a) the chairperson;
- (b) the Chief Executive Officer (CEO);
- (c) the corporate secretary; and
- (d) such other officers as the Board may specify from time to time as necessary for the proper and efficient conduct of the business and affairs of the Corporation.

6(2) The Board shall appoint the officers of the Corporation.

6(3) Unless otherwise specified by the Board (which may, subject to the Act, modify or restrict such duties and/or powers), the officers of the Corporation shall have the duties associated with their positions as outlined in this section.

6(4) The CEO shall exercise general supervision over the business and affairs of the Corporation and shall perform such duties and have such powers as may from time to time be assigned to them by the Board or are incident to the office.

6(5) The corporate secretary shall give or cause to be given such notices for all meetings of the Board or committees thereof when directed to do so and shall have charge of the meeting records of the Board and of the corporate seal. The corporate secretary shall sign such contracts, documents or instruments in writing which require their signature and shall have such other powers and duties as may from time to time be assigned to them by the Board or as are incident to the office.

6(6) The Board, in its discretion, may remove any officer of the Corporation, with prejudice to such officer's rights under any employment contract. Each officer appointed by the Board shall hold office until their successor is appointed or until their earlier resignation, retirement or removal.

Terms of Appointment

6(7) An officer appointed by the Board holds that office at the pleasure of the Board. An individual may hold more than one office with the Corporation.

Agents and Employees

6(8) The Corporation may, notwithstanding any other act, employ such agents and employees as are necessary for the purposes of the Corporation.

Secondment of Employees from Financial and Consumer Services Commission

- 6(9) In carrying out its functions under the Act, the Corporation may, with the approval of the Commission, make use of the personnel, facilities and services, on a temporary or other basis, of the Commission to any extent not incompatible with, in the opinion of the Commission, the best interest of the Commission.

ARTICLE 7 DUTY OF CARE

- 7(1) Every director or officer in exercising their powers and performing their duties shall:
- (a) act honestly and in good faith with a view to the best interests of the Corporation; and
 - (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 7(2) Every director or officer shall comply with the Act and the by-laws of the Corporation.
- 7(3) A director or officer is not liable for a breach of their duty under subsection (1) or (2) if they rely in good faith on;
- (a) financial statements of the Corporation represented to them by an officer of the Corporation or in a written report of the external auditor of the Corporation fairly to reflect the financial condition of the Corporation; or
 - (b) a report of a lawyer, accountant, actuary, liquidator, appraiser or other person whose position or profession lends credibility to a statement made by that person.

ARTICLE 8 CONFIDENTIALITY

- 8(1) All information regarding the business and affairs of a credit union, federation, or the Commission that is obtained by the Corporation is confidential and shall be treated accordingly. Nothing in this by-law, however, prevents the Corporation from disclosing any information where:
- (a) the Corporation considers it necessary to carry on its business; or
 - (b) the disclosure is required by law or pursuant to an order of any court of competent jurisdiction.
- 8(2) Where the Corporation discloses information pursuant to 8(1), the Corporation may impose any terms and conditions it considers necessary to ensure the confidentiality of the information. The Corporation or any person acting on behalf of the Corporation incurs no liability by reason only of making available information as permitted under this by-law.

ARTICLE 9 INDEMNIFICATION

- 9(1) Each director, officer, employee and any former director, officer, or employee shall be indemnified, to the fullest extent permitted by the *Financial and Consumer Services Commission Act*, against all costs, charges and expenses, including any amounts payable or paid to settle an

action or satisfy a judgement, reasonably incurred by them by reason of being or having been a director, officer or employee of the Corporation.

- 9(2) Each director, officer, employee and any former director, or employee shall be indemnified, to the fullest extent permitted by the *Financial and Consumer Services Commission Act*, in respect of all costs, charges and expenses reasonably incurred in connection with the defence of any civil, criminal or administrative action or proceeding to which the person is made a party by reason of being or having been a director, officer or an employee of the Corporation.
- 9(3) In the event any proceeding is instituted involving any person in respect of which indemnification is sought pursuant to subsection (1) or (2) and a court of competent jurisdiction subsequently finds that indemnification is not available under subsection (1) or (2), the person shall be responsible for reimbursing the Commission for all costs, charges and expenses incurred by the Commission in defending the claims on behalf of the person.
- 9(4) Subject to the *Financial and Consumer Services Commission Act*, the Commission may purchase and maintain insurance for the benefit of any person referred to in subsections (1) and (2), or other persons, against such liabilities and in such amounts as the Commission may from time to time determine.

ARTICLE 10 AMENDMENTS

- 10 The Board may by resolution amend or repeal all or any part of this by-law.