

## ARTICLE 5 - BOARD OF DIRECTORS

### Number

- 5.01        **The Board of Directors shall consist of nine (9) members who shall be elected at annual meetings or special meetings where elections are to take place.**

### Powers and Duties

- 5.02        Subject to the Act, the Regulations and these Charter By-laws, the Board of Directors shall be responsible for the general management of the affairs of the credit union and, without limitation, shall
- (a)        **authorize termination of membership and establish the form and manner in which all applications for membership or associate status are accepted. The Board of Directors may delegate to the General Manager the authority to approve applications for membership or associate status.**
  - (b)        establish the manner, in which interest rates on loans, and deposits are determined,
  - (c)        **declare such dividends and patronage refunds as these Charter By-laws may authorize,**
  - (d)        appoint a credit committee and an audit committee and any other committees it deems necessary and delegate appropriate levels of authority to these committees,
  - (e)        approve a loan policy for the credit union,
  - (f)        approve an investment policy and authorize investments on behalf of the credit union,
  - (g)        approve all other policies deemed necessary for the effective operation of the credit union,
  - (h)        **ensure effective internal control processes are in place for the credit union,**
  - (i)        **oversee the risk management program of the credit union,**
  - (j)        ensure the credit union maintains adequate insurance and bonding coverage,

- (k) authorize the write-off of uncollectible loans,
- (l) appoint signing authorities for the credit union,
- (m) elect officers of the credit union,
- (n) hire a General Manager for the credit union,
- (o) **appoint delegates and alternate delegates as required by Central's By-laws and the policies of the credit union, and**
- (p) perform such other duties as may be required by the Act and Regulations, **these** By-laws, and to ensure the effective and efficient management of the credit union.

#### **Vacancy**

- 5.03 A vacancy among the Board of Directors shall be filled by a vote of the members at a meeting of the members. Casual vacancies that occur throughout the year may be filled by the Board of Directors as specified in Article 5.05 of these Charter By-laws.
- 5.04 Where a meeting of members fails, for any reason, to elect the fixed or minimum number of Directors, the Directors elected at that meeting may exercise all the powers of the Board of Directors if the number of Directors so elected constitutes a quorum.
- 5.05 A quorum of Directors may fill a casual vacancy among the Board of Directors except a vacancy resulting from an increase in, or the members' failure to elect, the fixed or minimum number of Directors. The term of the Director appointed to fill the vacancy shall expire as of the next scheduled membership meeting.

#### **Eligibility**

- 5.06 **A citizen of Canada who is nineteen years of age, a member of the credit union and satisfies the requirements set out in the Credit Union Act and these Charter By-laws of the credit union may be eligible to hold the position of director except**
  - (a) an undischarged bankrupt,
  - (b) a current employee of the credit union, or anyone who, in the past two years, has been a employee of the credit union, Credit Union Central or the Nova Scotia Credit Union Deposit Insurance Corporation,
  - (c) an auditor, or a partner of the auditor's firm of the credit union,

- (d) the solicitor, or a partner in the solicitor's firm of the credit union,
- (e) a civil servant whose official duties are concerned with the credit union,
- (f) **a member who is in arrears for more than 90 days under a debt obligation to a credit union,**
- (g) a person who is in breach of any policy of the credit union,
- (h) **a person who has not completed the director training requirements as set out in the Credit Union Act 82(3), or**
- (i) **a person who fails to attend three consecutive Board meetings, without cause satisfactory to the other members of the Board of Directors.**

5.07 A non-individual shall not be a Director of the credit union.

#### **Term**

5.08 **Subject to Articles 5.06 and 5.13 of these Charter By-laws, members of the Board of Directors shall be elected for terms of three years.**

5.09 Subject to Article 5.06 of these Charter By-laws, a Director is eligible for re-election but is not in any case eligible to serve as a Director for more than 15 consecutive years.

#### **Nominations**

5.10 **The Board of Directors shall appoint, at least ninety (90) days prior to the annual meeting or special meeting where elections are to take place, a Nominations Committee made up of three members.**

**The names of Committee members shall be posted in the office(s) of the credit union along with an invitation for nominations to the position of director. Included with the invitation for nominations shall be the position description of a credit union director.**

**The invitation shall be posted for a period of four weeks prior to the close of nominations.**

5.11 **Nominations shall be made on an approved form signed by two members in good standing and signed by the nominee confirming that he or she is eligible to serve as a director in accordance with Article 5.06. Such form shall**

include background information regarding the nominee.

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

The closing date for nominations to be received by the Nominations Committee shall be no later than forty (40) days prior to the date of the members' meeting.

### **Elections**

- 5.12** The Chair of the Nominations Committee shall present the list of nominees for the vacant position(s) to the members at the annual or special meeting where elections are to take place.

Nominees shall be invited to briefly address the meeting to give further background on their candidacy.

- 5.13** The method of election shall be by one ballot at the annual or special meeting where elections are to take place, and the nominee(s) receiving the highest number of votes shall be declared elected.

The meeting shall appoint scrutineers who shall distribute and collect the ballots, and, when the vote is taken, the scrutineers shall tally the vote and report the result of the election to the Chair.

Where a vacancy exists due to an unexpired term of a director, that position shall be filled for the remainder of the term vacated.

Where the nominees are to be elected for various terms with one ballot, the nominee(s) receiving the highest number of votes shall be declared elected for the longest term(s).

- 5.14** 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.

Where vacancies still exist, the Chair shall call three times for additional nominations from the floor, and after a reasonable time has elapsed, a motion to close nominations shall be in order. If this call results in sufficient nominations to fill the vacant positions such that an election is required, the method of election shall be by one ballot at the members' meeting and the nominee(s) receiving the highest number of votes shall be declared elected.

If the position(s) of Directors cannot be filled because two 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 may be cast. Only those nominees so tied for the position(s) shall be entered on the second ballot. In the event a tie remains, the scrutineers 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**

- 5.15 A resignation of a Director becomes effective at the time a written resignation is received by the credit union, or at a time specified in the resignation, which ever is later.
- 5.16 The members of the credit union may by ordinary resolution at a special meeting remove any Director from office.
- 5.17 A Director who resigns or who is being removed from office is entitled to submit to the credit union a written statement giving the reasons for the resignation or for opposing any action or resolution proposed for the purposes described in Section 86 of the Act.
- 5.18 The Board of Directors may, by a vote of not less than seventy-five percent, 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.

#### **Meetings of the Board**

- 5.19 The Board of Directors of the credit union may meet at such place and on such notice as the Board of Directors may determine.
- 5.20 A majority of the Directors constitutes a quorum at any meeting of the Board of Directors and, notwithstanding any vacancy among the Board of Directors, a quorum of Directors may exercise all the powers of the Board of Directors.
- 5.21 **Regular meetings of the Board of Directors shall be held at least 6 times per year.**
- 5.22 Special meetings of the Board of Directors may be called by the Chair at any time and shall be called upon the written request of at least three Directors.
- 5.23 **Where all the Directors participating in the meeting consent, a Director may**

participate in a meeting of the Board of Directors or of a committee of Directors by means of telephone or other such communications facilities as permits all persons participating in the meeting to hear each other, and a Director participating in the meeting is deemed for the purposes of the Act to be present at that meeting.

- 5.24        **The Board of Directors shall report to the annual meeting of members the number of board and committee meetings attended by each director.**

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

- 5.25        The Directors and committee members of the credit union shall be paid such remuneration and shall be reimbursed for such reasonable expenses incurred in the performance of their duties as may be approved by the Board of Directors of the credit union so long as all reporting requirements are met as specified **in the Act and** in the policies of the credit union.

#### **Election of Officers and Committees**

- 5.26        The officers of the credit union shall be the Chair, the Vice-Chair, the Secretary, and any other officers deemed necessary for the efficient operation of the credit union, which may include second Vice-Chair or officer(s) at large.
- 5.27        **The Board of Directors shall meet within 14 days following the annual or special meeting of members where their election took place and they shall from their number elect a Chair, Vice-Chair, Secretary and other officers as provided in Article 5.26.**
- 5.28        **The Board of Directors may appoint a recording Secretary who may or may not be a Director.**
- 5.29        **The Board of Directors shall appoint a Credit Committee consisting of not less than three members of the credit union, none of whom is an employee, a member of the Audit Committee or the Chair of the Board of Directors and at least one of whom is a director.**
- 5.30        **The Board of Directors shall appoint an Audit Committee consisting of not less than three members of the credit union, none of whom is an employee, a member of the Credit Committee or the Chair of the Board of Directors and at least one of whom is a director.**

- 5.31        **The chair**  
              **(a)     of the Credit Committee shall be a Director, and**  
              **(b)     of the Audit Committee shall be a Director.**
- 5.32        The Board of Directors may appoint such other committees as it deems appropriate and may delegate to those committees any of the powers of the Board of Directors.
- 5.33        The members of other committees appointed by the Board of Directors shall be members of the credit union and the Chair shall be a Director of the credit union.
- 5.34        A committee appointed by the Board of Directors shall keep minutes of its proceedings and the Chair of that committee shall submit to the Board of Directors at each meeting of the Board of Directors the minutes of the committee's proceedings during the period since the last meeting of the Board of Directors.
- 5.35        Notwithstanding Article 5.32 of these Charter By-laws, no committee or officer appointed by the Board of Directors has authority to:
- (a)     hire or establish the terms of employment of the General Manager of the credit union,**
  - (b)     submit to the members any question or matter requiring approval of the members,**
  - (c)     fill a vacancy among the Board of Directors,**
  - (d)     issue or redeem shares, except in the manner and on the terms authorized by the Board of Directors, or**
  - (e)     approve the fiscal year-end financial statements.**

#### **Indemnification**

- 5.36        Subject to Section 102 of the Act, the credit union may indemnify a Director or officer of the credit union or a person who acts or acted at the credit union's request.