

PRINCE EDWARD ISLAND  
**C U D I C**  

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Credit Union Deposit Insurance Corporation

# By-Laws

# ***Credit Union Deposit Insurance Corporation***

## **By-Law No. 1**

A by-law relating generally to the conduct of the affairs of the CREDIT UNION DEPOSIT INSURANCE CORPORATION.

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of the CREDIT UNION DEPOSIT INSURANCE CORPORATION (hereinafter called the "Corporation") as follows:

### **INTERPRETATION**

1. In all by-laws of the Corporation the word "Statute" means *The Credit Unions Act*, R.S.P.E.I. 1988, Cap. C-29, ("Act"), the singular shall include the plural and the plural the singular, the word "person" shall include an individual, partnership, incorporated association or organization, trust, body corporate or public body and the masculine shall include the feminine.

### **SEAL**

2. The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the corporation.

### **DIRECTORS**

3. The board of directors appointed as provided in the Act shall administer the affairs of the Corporation. Every director and officer shall exercise the powers and discharge the duties of his/her office honestly, in good faith and in the best interests of the Corporation, and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### **MEETINGS OF DIRECTORS**

#### **4. Place of Meetings – Notice:**

Meetings of the board of directors may be held at any place within Prince Edward Island. A meeting of directors may be convened by the Chair or any two directors at any time and the Secretary by direction of the Chair or any two directors shall convene a meeting of directors. The notice of any such meeting should specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be delivered or mailed or sent electronically to each director not less than seven days before the meeting is to take place; provided always that meetings of the board of directors may be held at any time without notice if all the directors are present or those absent waive notice or signify their consent in writing to the meeting being held in their absence.



5. Person to Preside:

The Chair shall preside at all meetings of the board of directors but, where at any meeting the Chair is absent, the Vice-Chair shall preside and has and shall exercise the powers of the Chair. In the event both the Chair and Vice-Chair are absent, one of the directors present thereat who is chosen so to act by the directors present shall preside and has and shall exercise the powers of the Chair.

6. Quorum:

Three directors shall form a quorum for the transaction of business and, notwithstanding any vacancy among the directors; a quorum of directors may exercise all the powers of the board.

7. Voting:

Questions arising at any meeting of directors shall be decided by a majority of votes.

REMUNERATION OF DIRECTORS

8. The remuneration to be paid to the directors shall be such as the Lieutenant Governor in Council shall from time to time determine. Any individual who is employed by the Province or the Prince Edward Island Credit Union League Limited shall not receive remuneration as a member of the board of directors. All directors shall be entitled to be paid reasonable travelling and living expenses incurred by them in the course of their duties as directors.

REMUNERATION OF OFFICERS AND AGENTS

9. The remuneration to be paid to the Officers and Agents appointed by the Board of Directors will be determined by the Board of Directors.

SPECIAL COMMITTEE

10. The directors may from time to time create special committees; such special committee shall have such duties and perform such functions, subject to the direction of the board of directors, as may be prescribed by the board of directors, and shall conform to any rules in that regard established from time to time by the board of directors.

OFFICERS

11. Election and Appointment:

The board of directors shall annually or more often as may be required elect from among themselves a Chair, a Vice-Chair and a Secretary-Treasurer. No two of the aforesaid offices may be held by the same person. The board of directors may from time to time appoint such other officers and agents as it shall deem necessary that shall have such authority and shall perform such duties as may from time to time be prescribed by the board of directors.

12. Removal of officers:

All officers elected or appointed by the board of directors shall be subject to removal from office by resolution of the board of directors at any time, with or without cause.



13. Powers and Duties:

All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may arise from time to time be assigned to them by the board of directors. In case of the absence or inability to act of any officer of the Corporation or for any other reason that the board of directors may deem sufficient, the board of directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

13a. Vice-Chair:

Subject to paragraph 5 of this by-law, the Vice-Chair shall be vested with all the powers and shall perform all the duties of the Chair in the absence of the Chair or the inability or refusal to act by the Chair.

13b. Secretary-Treasurer:

The Secretary-Treasurer shall keep or cause to be kept the books of account and accounting records, minute books, documents, and corporate seal of the Corporation.

13c. Chief Executive Officer:

The board of directors may from time to time appoint a Chief Executive Officer and may delegate to him or her full authority to manage and direct the business affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board of directors) and to employ and discharge agents and employees of the Corporation or may delegate to him or her any lesser power. The Chief Executive Officer shall conform to all lawful orders given to him or her by the board of directors and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation.

14. Vacancies:

If the office of Chair, Vice-Chair, Secretary-Treasurer, Chief Executive Officer or any other office shall be or become vacant by reason of death, resignation or otherwise, the directors by resolution shall elect or appoint an officer to fill such vacancy.

In the event a member of the Board of Directors is unable or unwilling to serve by reason of death, resignation, or otherwise, the Board of Directors shall request the Lieutenant Governor in Council to appoint a replacement.

AUDITORS

15. Appointment:

The board of directors shall annually or more often as may be required, appoint an auditor of the Corporation at such remuneration as the board of directors may approve.

VOTING SHARES AND SECURITIES IN  
OTHER COMPANIES OR CORPORATIONS

16. All shares or other securities carrying voting rights of any other corporation or corporations held from time to time by the Corporation may be voted at any and all meetings of shareholders, bondholders, debenture holders or holders of other securities (as the case may be) of such other

corporation or corporations and in such manner and by such person or persons as the board of directors of the Corporation shall from time to time determine. The proper signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board of directors.

#### NOTICES

17. Service:

Any notice or demand or other document to be given to or made on any director shall be served either personally or by sending it through the post in a prepaid envelope or wrapper or electronically addressed to such director at his address as the same appears in the books of the Corporation, or if no address be given therein then to the last address of such director known to the Secretary. With respect to every notice or demand or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or demand was properly addressed and put into a Post Office or into a letter box.

18. Signature to notices:

The signature to any notice to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

19. Computation of time:

Where a given number of days' notice or notice extending over a period is required to be given the day of service or posting of the notice shall unless it is otherwise provided be counted in such number of days or other period.

20. Proof of Service:

A certificate of the Chair, the Vice-Chair, the Secretary-Treasurer or the Chief Executive Officer in office at the time of the making of the certificate as to the facts in relation to the mailing or delivery of any notice or publication of any notice shall be conclusive evidence thereof.

#### CHEQUES, DRAFTS AND NOTES

21. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation and in such manner as the board of directors may from time to time designate by resolution.

#### CUSTODY OF SECURITIES

22. All shares and securities owned by the Corporation or held by it as security or otherwise shall be lodged (in the name of the Corporation) with such depositaries and in such manner as may be determined from time to time by the board of directors.

All share certificates, bonds, debentures, notes or other obligations or securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the



nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

#### EXECUTION OF INSTRUMENTS

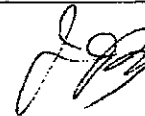
23. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by the Chair, or the Vice-Chair and any one of the Secretary-Treasurer, Chief Executive Officer, or another director, and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board of directors shall have power from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Corporation to sign specific contracts, documents or instruments in writing.

The seal of the Corporation may, when required, be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by resolution of the board of directors.

The term "contracts, documents or instruments in writing" as used in this By-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing the Chair or the Vice-Chair and any one of the Secretary-Treasurer, the Chief Executive Officer, or another director, shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the Chair, the Vice-Chair, the Secretary-Treasurer or the Chief Executive Officer or any director of the Corporation and/or other officer or officers, person or persons, appointed as aforesaid by resolution of the board of directors, may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any of the foregoing officers or persons authorized as aforesaid shall be so reproduced pursuant to special authorization by resolution of the directors, shall be deemed to have been manually signed by such officers or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instructions in writing or bonds, debentures or other securities of the Corporation.



ANNUAL REPORTS

24. The Corporation shall, within four months of the end of each fiscal year, send to each Credit Union and the Credit Union Central:

- a) a copy of its financial statements with the auditor's report on them, for that fiscal year; and
- b) the annual report of the Corporation.

ENACTED THIS 29<sup>th</sup> day of March, 2010

  
Chair

  
Secretary-Treasurer

# **CREDIT UNION DEPOSIT INSURANCE CORPORATION**


## **BY-LAW NO. 2**

A by-law respecting the borrowing of money by the CREDIT UNION DEPOSIT INSURANCE CORPORATION

Be it enacted and it is hereby enacted as a by-law of the CREDIT UNION DEPOSIT INSURANCE CORPORATION (hereinafter called the "Corporation") as follows:

1. The directors may from time to time
  - a) borrow money on the credit of the Corporation;
  - b) issue, sell or pledge debt obligations of the Corporation of the type authorized by the Credit Union Act;
  - c) give security of the type authorized by the Credit Union Act.
2. The directors may from time to time by resolution delegate to any two individuals each of whom is a director or officer of the Corporation all or any of the powers conferred on the directors by paragraph 1 of this by-law to the full extent thereof or such lesser extent as the directors may in any such resolution provide.
3. The powers hereby conferred shall be deemed to be in supplement of and not in substitution of any powers to borrow money for the purposes of the corporation possessed by its directors or officers independently of a borrowing by-law.

Enacted this 5<sup>th</sup> day of July, 2010.

  
Chairman

  
Secretary-Treasurer



# **CREDIT UNION DEPOSIT INSURANCE CORPORATION**

## **BY-LAW NO. 3**

A by-law relating generally to the operation of a deposit insurance plan by the CREDIT UNION DEPOSIT INSURANCE CORPORATION.

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of the CREDIT UNION DEPOSIT INSURANCE CORPORATION (hereinafter called the "Corporation") as follows:

1. In this by-law:
  - a) "Statute" means the *Credit Unions Act*, R.S.P.E.I. 1988, Cap. C-29.1;
  - b) "credit union" means a corporation incorporated as a credit union under the Statute or a predecessor thereof;
  - c) "member" means a person who is a member of a credit union under the Statute; and
  - d) "person" means an individual, partnership, incorporated association or organization, trust, body corporate or public body.
  
2. For the purpose of deposit insurance "deposit" means with respect to a member:
  - 1) the aggregate of the balances shown in the records of a credit union for
    - (a) moneys received by the credit union from such member as payment for shares of such credit union, and
    - (b) moneys received by such credit union from such member in the ordinary course of business, other than as payment for shares, and for which such credit union
      - i) has given or is obliged to give credit to the account of such member, or
      - ii) has issued or is obligated to issue to such member a receipt or certificate in respect of which such credit union is liable,if such credit union is obligated to repay such moneys
      - iii) on a fixed date,
      - iv) on demand by such member, or

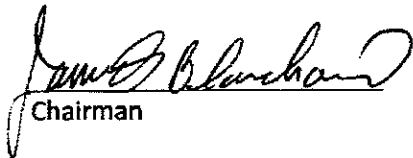
- v) within a specified period following demand by such member, and includes any dividend, interest or rebate of loan interest accrued or payable to such member; and
- 2) funds deposited under a registered retirement savings plan, a registered retirement income fund, a tax-free savings account, or a registered disability savings plan by such member which pursuant to the direction of such member are in the custody of a credit union as an agent for the purpose of such plan, fund or account.


Provided, however, that

- A) where a credit union is obligated to repay moneys to a member who is acting as trustee for another or as joint owner with another, the deposit of such member acting as trustee or joint owner with another shall be deemed for the purpose of deposit insurance with the Corporation to be a deposit separate from any deposit of such member made with the credit union in his or her own right for his or her own use or acting in another joint or trust capacity, provided that the trusteeship or joint interest is disclosed upon the records of the credit union prior to payment by the corporation of any claim in respect of such deposit;
- B) where a credit union is obligated to repay moneys to a member who is acting as trustee for a beneficiary, the interest of the beneficiary in such deposit shall be deemed for the purpose of deposit insurance with the Corporation to be a deposit separate from any deposit of such beneficiary made with the credit union in her or her own right for his or her own use, and separate from any interest of such beneficiary in respect of any other trust deposit of which he or she is a beneficiary, provided that the trusteeship is disclosed upon the records of the credit union prior to payment by the Corporation of any claim in respect of such deposit; and
- C) where a credit union is obligated to repay moneys to a member who is acting as trustee for two or more beneficiaries, the interest of each beneficiary in the deposit shall be deemed for the purposes of deposit insurance with the Corporation to be a separate deposit, provided that the interest of each beneficiary in the deposit is disclosed upon the records of the credit union prior to payment by the Corporation of any claim in respect of such deposit.
- D) where a credit union has custody of funds deposited under a registered retirement savings plan, a registered retirement income fund, a tax-free savings account, or a registered disability savings plan by a member, such funds shall be deemed for the purpose of deposit insurance with the Corporation to be a deposit separate from any deposit of such member made with the credit union in his or her own right for his or her own use and separate from any funds which are in the custody of the credit union and which were deposited by the member under any such plan, fund or account.

3. The Corporation shall issue annually a certificate of deposit insurance to each credit union which is a member of the Corporation.
4. Claim for Payment:
  - (A) All insured deposits as established by the records of the credit union will be forwarded to a member as soon as possible, as is required to meet obligations under the Act;
  - (B) Where any member claims payment from the Corporation in respect of a deposit with a credit union, that member shall, at that time, sign a form prescribed by the Corporation, in which he or she shall make full disclosure of all accounts, receipts or certificates in respect of which he or she is claiming or has a right to claim against the credit union.
5. So long as its deposit insurance with the Corporation remains in force a credit union shall display in its office premises one or more printed signs bearing thereon only the following words: "Member of the Credit Union Deposit Insurance Corporation"/"Membre de La Societe d'Assurance des Depots".
6. (1) A credit union shall not use any form of advertising to indicate that deposits with such credit union are insured by the Corporation without first submitting a detailed description of the form and content of such advertising to the Corporation and obtaining the written approval of the Corporation therefor.  
  
(2) A credit union shall not use any statement or any mark, sign, advertisement or device to indicate that its deposits are insured by the Corporation if the deposit insurance of the credit union with the Corporation has been cancelled.  
  
(3) The board of directors of the Corporation shall provide guidelines to credit unions respecting the manner in which the deposit insurance coverage may be advertised.

ENACTED this 4th day of October, 2010.

  
Chairman

  
Secretary-Treasurer

**CREDIT UNION DEPOSIT INSURANCE CORPORATION**

**BY-LAW NO. 4**

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of the CREDIT UNION DEPOSIT INSURANCE CORPORATION (hereinafter called the "Corporation") as follows:

1. The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a credit union under the management of the Corporation, and his or her heirs and legal representatives , against all costs, charges and expenses, including an amount paid to settle on action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of such corporation or credit union, if
  - (a) he or she acted honestly and in good faith with a view to the best interests of the Corporation or of the credit union; and
  - (b) In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she has reasonable grounds for believing that his or her conduct was lawful.
  
2. Notwithstanding anything in this bylaw, a person referred to in paragraph 1 hereof is entitled to indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by him or her in connection with the defense of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a credit union under the management of the Corporation, if the person seeking indemnity,
  - (a) was substantially successful on the merits in his or her defense of the action or proceeding; and
  - (b) fulfills the conditions set out in clauses (a) and (b) of paragraph 1 hereof.
  
3. Any payment made by the Corporation pursuant to section 1 hereof shall be part of the administrative expenses of the Corporation.

ENACTED this 5<sup>th</sup> day of July, 2010.

  
Chairman

  
Secretary-Treasurer

# **CREDIT UNION DEPOSIT INSURANCE CORPORATION**

## **STANDARDS OF SOUND BUSINESS AND FINANCIAL PRACTICES**

### **BY-LAW NO. 5**

**WHEREAS** by clause (f) of Section 165 of the *Credit Unions Act*, R.S.P.E.I. 1988 Cap. C-29.1, (hereinafter referred to as the "Act"), the Credit Union Deposit Insurance Corporation (the "Corporation") is authorized to make by-laws prescribing standards of sound business and financial practices for credit unions;

**NOW THEREFORE** the Corporation hereby passes this By-law No. 5 prescribing the Standards of Sound Business and Financial Practices hereinafter set out:

1. Each credit union shall maintain surplus, capital and reserves equal to a minimum of 5% of its total assets. Failure to achieve and maintain this 5% minimum equity level will make a credit union subject to corrective action as deemed appropriate by the Corporation under the Act.
2. Each credit union shall submit, at least annually, financial reports to the Corporation respecting the surplus, capital and reserves of the credit union. The Corporation will review the financial reports and may require periodic progress reports from the credit union and the inspector if the situation requires closer monitoring by the Corporation.
3. The Standards of Sound Business and Financial Practices include the following:

**Standard 1: Understand and Fulfill Director's Responsibilities**

*It is a sound business and financial standard for a Board of Directors to understand its corporate governance responsibilities, meet those responsibilities, and from time to time evaluate its effectiveness in fulfilling those responsibilities.*

**Standard 2: Understand Responsibilities of the Board versus the Responsibilities of the General Manager**

*It is a sound business and financial standard for a Board of Directors to understand that it has the ultimate accountability for the operation of the Credit Union; and, to understand the difference between the responsibilities of the Board and the General Manager.*

**Standard 3: Exercise Independent Judgment**

*It is a sound business and financial standard for a Board of Directors to exercise independent judgment.*

**Standard 4: Set Limits of Authority for Board Appointed Committees and General Manager**

*It is a sound business and financial standard for a Board of Directors to determine, in consultation with the General Manager, the policies that will establish the duties, authority and limits, and accountability requirements of Board Committees and the General Manager.*

**Standard 5: Select and Evaluate the General Manager**

*It is a sound business and financial standard for a Board of Directors to hire a General Manager who has the qualifications and competencies to provide effective and prudent management of the credit union, and to regularly evaluate the General Manager's effectiveness and prudence in managing the operations of the credit union, and in managing the risks to which the credit union is exposed.*

**Standard 6: Review Compensation and Human Resource Programs**

*It is a sound business and financial standard for a Board of Directors to ensure that compensation programs and human resource practices are consistent with the credit union's business objectives and comply with the credit union's policies and processes.*

*It is a sound business and financial standard for the General Manager to ensure that an effective, current human resource plan is in place for the recruitment, training, supervision and evaluation of the human resources required for the day to day operation of the Credit Union.*

**Standard 7: Set Benchmark for Ethical Business Conduct**

*It is a sound business and financial standard for a Board of Directors to establish and approve policies of ethical business conduct for Directors, the General Manager, and other employees.*

*It is a sound business and financial standard for the General Manager to ensure that all employees of the Credit Union carry out their responsibilities in a manner which is ethical and consistent with these standards of sound business and financial practices; and, to make the Board of Directors aware of serious breaches of such standards by employees and possible breaches by any member(s) of the Board of Directors.*

**Standard 8: Conduct Strategic Business Planning**

*It is a sound business and financial standard for the Board of Directors to approve, in consultation with the General Manager, the business objectives and implementation strategies for each fiscal year, and to regularly assess during the fiscal year the degree to which the implementation strategies are achieving the established business objectives.*

*It is a sound business and financial standard for the General Manager to manage the business objectives and implementation strategies established by the Board of Directors for each fiscal year, and to assist the Board of Directors in regularly assessing the degree to which the implementation strategies are achieving the established business objectives.*

**Standard 9: Oversee Risk Management**

*It is a sound business and financial standard for a Board of Directors to ensure that it is aware of and regularly evaluates all significant risks to which the Credit Union is exposed, and to ensure, in consultation with the General Manager, that appropriate policies are in place to enable the Credit Union to appropriately manage such risks.*

*It is a sound business and financial standard for a General Manager to assist the Board of Directors in being aware of and regularly evaluating all significant risks to which the Credit Union is exposed, and to implement policies which will enable the Credit Union to appropriately manage such risks.*

*It is a sound business and financial standard for the General Manager to ensure that all staff of the Credit Union adheres to laws and regulations applicable to the fiduciary services.*

*It is a sound business and financial standard for the General Manager to assist the Board of Directors in the development and implementation of policies and procedures consistent with generally accepted financial institution practices, to ensure appropriate documentation of matters and adherence to international financial reporting standards (IFRS) and valuation methods.*

**Standard 10: Oversee Capital (Equity); Liquidity and Funding; and Asset/Liability Management**

*It is a sound business and financial standard for a Board of Directors to establish and monitor the capital (equity) requirements of the Credit Union, and to ensure, in consultation with the General Manager, appropriate policies are in place to manage the established requirements.*

*It is a sound business and financial standard for a Board of Directors to establish and monitor the liquidity and funding requirements of the Credit Union, and to ensure, in consultation with the General Manager, appropriate policies are in place to manage the established requirements.*

*It is a sound business and financial standard for the General Manager to assist the Board of Directors develop and evaluate policy related to the capital (equity), liquidity and funding, and asset/liability requirements of the Credit Union, and to implement practices which are consistent with the established policy.*

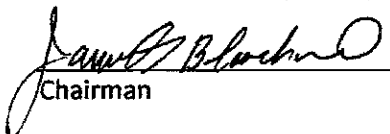
**Standard 11: Set the Benchmark for the Control Environment**

*It is a sound business and financial standard for a Board of Directors to ensure, in consultation with the General Manager, that effective systems for internal controls are in place.*

*It is a sound business and financial standard for the General Manager to implement internal controls which are consistent with any policy established by the Board of Directors and generally accepted financial procedures.*

Where the Corporation has determined that a credit union is in significant breach of one or more of the above Standards, the Corporation may impose conditions to be met by the credit union in order to eliminate or resolve the breach.

ENACTED this 5<sup>th</sup> day of July, 2010.

  
Chairman

  
Secretary-Treasurer

# CREDIT UNION DEPOSIT INSURANCE CORPORATION

## *ASSESSMENTS*

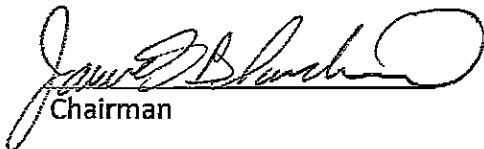
### BY-LAW NO. 6


WHEREAS by subsection 164(6) of the *Credit Unions Act*, R.S.P.E.I. 1988 Cap. C-29.1, (hereinafter referred to as the "Act"), the Credit Union Deposit Insurance Corporation (the "Corporation") is authorized to make by-laws respecting assessments;

NOW THEREFORE the Corporation hereby makes this By-law No. 6 respecting assessments as follows:

1. Each credit union shall pay an annual assessment to the Corporation equal to one-eighth of one percent of total deposits.
2. The calculation of the amount of the assessment shall be completed by each credit union on an assessment form provided by the Corporation.
3. The annual assessment will be determined based on the average month-end total deposits of each credit union for the six months leading up to September 30 and March 31 of each year. The first assessment notice will be sent by the Corporation to each credit union in November and shall be paid by December 31. The second and final assessment notice shall be sent in May to each credit union and shall be paid by June 30.
4. The Corporation may levy interest on unpaid assessments at a rate not exceeding two per cent per month on the unpaid balance.

ENACTED this 5<sup>th</sup> day of February, 2013.

  
Chairman

  
Secretary-Treasurer