



**Blanchardstown & District Credit Union Ltd.**  
**Credit Union Rulebook passed at**  
**A.G.M. 17<sup>th</sup> December 2014**

**RULES of Blanchardstown & District Credit Union LIMITED**

(adopted by Special Resolution of the Members passed on 17<sup>th</sup> December 2014 in accordance with The Credit Union Acts 1997(amended) to 2012 and the First Schedule thereto)

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Appendix 1 Operating Principles

## **Introduction**

The Credit Union has been incorporated under, and is governed in accordance with, the Credit Union Acts 1997(amended) to 2012 (the “Act”) and such policies as the Board may adopt from time to time that are in accordance with such regulatory directions and guidance notes as the Central Bank of Ireland may circulate to Credit Unions generally or such classes of credit unions as to which the Credit Union may belong. The members delegate to the Board authority and responsibility for directing the Credit Union’s affairs in accordance with such policies as the Board shall, in accordance with law, adopt from time to time. The Board oversees the implementation of such policies by the Manager, employees and Committee members by reference to such operational procedures as they may adopt from time to time for the efficient management of the credit union. These Rules are adopted by the members in compliance with the First Schedule to the Act and supplement the statutory provisions that the Act contains for their protection and the protection of the Credit Union. They also incorporate in Appendix 1 the World Council of Credit Unions’ Operating Principles which were adopted by all Irish credit unions in 1984.

### **Rule 1            Name**

The name of the credit union shall be Blanchardstown & District Credit Union Limited (“the credit union”).

The Credit Union shall not use any name or title other than its registered name. The credit union may, with the prior approval of the Bank change its name by a resolution passed at a general meeting of the credit union after the giving of such notice as is required by the Rules for a resolution to amend the Rules.

### **Rule 2            Objects**

- (1) The objects for which the credit union is formed are the:
  - (a) promotion of thrift among members by the accumulation of their savings;
  - (b) creation of sources of credit for the mutual benefit of members at a fair and reasonable rate of interest;
  - (c) use and control of members' savings for their mutual benefit;
  - (d) training and education of members in the wise use of money;

- (e) education of members in their economic, social and cultural well-being as members of the community;
  - (f) improvement of the well-being and spirit of the members' community;
  - (g) provision or arrangement for the provision of the following financial services: [pensions, pension related savings accounts, life assurance savings and investment policies, life cover and serious illness cover and mortgages **Note: modify as required by reference to such services as have been previously approved**]; and
  - (h) subject to section 48 of the Act, provision to its members of such additional services as are for their mutual benefit.
- (2) Pursuant to these objects, the credit union may acquire property of any description permitted by or under the Act and borrow and give security for same and do anything expedient for accomplishing, or conducive to or consequential upon, the objects for which the credit union is formed.
  - (3) These objects shall be pursued by the credit union in a manner that is at all time consistent with the principles of co-operation, equality, equity, mutual self-help and social responsibility.

**Rule 3 Registered office**

The registered office of the credit union shall be at 9, Blanchardstown Business Centre, Clonsilla Road, Dublin 15 or such other place as may from time to time be determined by the Board.

**Rule 4 Membership**

- (1) Membership shall be limited to and consist of persons having the common bond of residence, occupation, employment or education within the area [of Blanchardstown & District outlined on the attached map **Note: modify as required**] or any other common bond approved by the Bank and as have been duly admitted members in accordance with these Rules and comply with these Rules.
- (2) An applicant shall be admitted to membership only when:
  - (a) it shall have been determined that he/she is eligible for membership in accordance with Rule 4(1); and

- (b) his/her application for membership shall have been approved by the affirmative vote of a majority of the Board or by a duly appointed and authorised membership committee or officer present at a meeting at which the application is considered; and
  - (c) he/she has paid for a minimum of [5] share(s).
- (3) Unless a general meeting of the credit union decides otherwise from time to time, a person shall be treated as having the qualification required for admission to membership if he/she is a member of the same household as, and is a member of the family of, another person who is a member and who has a direct common bond with those other members.
- (4) If a member ceases to have the common bond required of members, he/she may retain his/her membership and voting rights, and continue saving but any such member shall be left out of account in determining for any purpose whether a common bond exists between the members.

## **Rule 5 Meetings, adoption and amendment of Rules**

### Annual General Meeting

- (1) In respect of each financial year, an annual general meeting of the members (“the “AGM”) shall be held in the State at such date, time and place as the Board may, by resolution, determine but not later than the 31<sup>st</sup> of January of the following year.
- (2) At each AGM, the directors shall lay before the members the annual accounts, in accordance with the Act, for the financial year in respect of which the meeting is held; and a copy of those accounts shall be delivered, together with the notice of the meeting, to every person entitled to receive such a notice.
- (3) Unless suspended by two thirds vote of the members attending, the order of business at AGMs shall be:
- (a) the acceptance by the Board of the authorised representatives of members that are not natural persons;
  - (b) ascertainment that a quorum is present;

- (c) adoption of standing orders;
- (d) reading and approval (or correction) of the minutes of the last AGM and SGM (if any);
- (e) reports of the Board, the Manager, the auditor and the board oversight committee (in that order);
- (f) declaration of dividend and rebate of interest (if any);
- (g) reports of the nomination committee and of all other committees and any sub-committees;
- (h) appointment of tellers;
- (i) elections of the auditor, to fill vacancies on the board oversight committee and to fill vacancies on the Board (in that order);
- (j) any other business; and
- (k) announcement of election results and adjournment or close of meeting.

#### Special General Meetings

- (4) The Board or the board oversight committee of the credit union may, whenever they think fit, convene a special general meeting of the credit union (an “SGM”). If, by notice in writing addressed to the secretary of the credit union (the “Secretary”) at its registered office, a qualifying group of members so request, the Board shall convene an SGM; and, if, within one month from the date of the receipt of the notice, the Board have not convened an SGM to be held within 6 weeks of that date, any 10 members, acting on behalf of the qualifying group who made the request, may convene an SGM. For the purposes of such a request, a group of members is a qualifying group if each of them has been a member throughout the period of 12 months ending on the date of the request and they together number at least 50 or, if it is less, at least 10% of the membership of the credit union at that date.

#### Notice

- (5) Before a general meeting of the credit union is held, the Secretary shall give notice of the

meeting to the Bank, to the auditor of the credit union and to every member who, at the beginning of the relevant period, is eligible to vote at the meeting and such notice shall:

- (a) state the date, time and place of the general meeting;
  - (b) be accompanied by the agenda for the meeting;
  - (c) include the number of any vacancies to be filled at the said meeting;
  - (d) in the case of a notice of an SGM, contain a statement that the annual accounts for the most recent financial year may be obtained, not later than 7 days before the date of the SGM, at the registered office;
  - (e) within the period beginning 21 days before and ending 7 days before the date of the meeting, be delivered personally or by post to the Bank, to the auditor and to each member and, if delivered by post to any member, shall be so delivered to the address of that member as recorded in the books of the credit union; and
  - (f) be displayed in the public office(s) of the credit union.
- (6) The proceedings at a general meeting shall not be invalidated by the accidental omission to give notice to any member entitled to receive notice of the meeting or the non-receipt of notice by any member. A general meeting of which notice is given less than 7 days before the meeting but otherwise in accordance with Rule 5(5) shall not be invalid if not less than two-thirds of the members entitled to vote at the meeting and the auditor so agree in writing either before or during the meeting.
- (7) No member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his shareholding or the number of accounts in his/her name in the credit union provided, however, that except in voting at elections, the chair of the credit union (the "Chair") shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the Board.
- (8) All members aged over 16 years shall be eligible to vote at a meeting of members. When voting is completed, the votes shall be tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote (save for any special resolution or Rule

amendment). When the votes have been counted by the tellers, the results shall be announced by the Chair. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

- (9) A general meeting of the credit union may, for good and sufficient reasons and with the consent of the majority of the members present and voting, be adjourned for not more than 90 days or such longer period as the Bank may require but no business shall be transacted at an adjourned general meeting other than business left unfinished at the meeting from which the adjournment took place and when a general meeting is adjourned for 30 or more days, the Secretary shall give notice of the adjourned meeting to the Bank, the auditor, and to every member who was entitled to notice of the meeting which was adjourned.

#### Proceedings at General Meetings

- (10) The quorum for a general meeting shall be 10% of the members or 30 members, whichever is the less but in no case shall the quorum for a general meeting or for an adjourned general meeting be less than 10 members.
- (11) It shall be the duty of the Secretary to keep minutes of all general meetings.
- (12) A member may not vote by proxy at a general meeting. However, where a member is not a natural person, that member may be represented at a general meeting by a representative who may vote on behalf of the member if the representative is duly authorised in writing by the member to do so and the Board has, expressly or by implication, accepted that authorisation, and such a representative shall be entitled to exercise, on behalf of the member, the same powers as the member could exercise if the member were a natural person.
- (13) A poll may be demanded at a general meeting (or an adjourned meeting) by the Chair or by  
at  
least 10 members present having the right to vote at the meeting (or the adjourned  
meeting) on  
any question, other than the election of the Chair. A poll shall be taken in such manner as  
the  
Chair directs and he/she may appoint tellers (who need not be members) and fix a time



and

place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

- (14) If, at any general meeting of which notice has been given specifying the intention to propose or confirm a special resolution, the Chair declares that the resolution has been passed, that declaration shall, without more, be evidence of that fact until the contrary is proved. A copy of every special resolution for any of the purposes mentioned in the Act shall be signed by the Chair, countersigned by the Secretary and within 21 days of the date of the meeting at which the resolution was passed, sent to the Bank to be registered; and the special resolution shall not take effect until that copy is so registered.

#### Rule amendments

- (15) The Rules shall not be amended except by a resolution passed by not less than two-thirds of the members present and voting at an AGM or an SGM convened for the purpose of considering a resolution proposing a Rule amendment. Notice of the proposed amendment shall be given to each member and to the auditor at the same time as the notice of the meeting is given.

#### Member's Covenant

- (16) The registered Rules shall bind the credit union and all members of it and all persons claiming through them respectively to the same extent as if each member had subscribed his/her name and affixed his seal to these Rules and there were contained in these Rules a covenant on the part of each member and any person claiming through him/her to conform to these Rules subject to the provisions of the Act.

### **Rule 6            Board, committees and officers**

#### Board of Directors

- (1) The credit union shall have a Board consisting of 9 directors which number may be changed to lesser odd of not less than 7 by resolution passed as a Rule amendment in accordance with Rule 5(15). No reduction in the number of directors may be made unless this occurs as a result of death, resignation or other action provided for in these Rules. Whenever the number of members on the Board is increased by resolution at an AGM, one half of such additional members shall be elected at the said meeting for one year and one half for two years or such longer term not exceeding three years that is consistent with the Board's

succession plan. Thereafter, their successors in office shall be elected or appointed as in Rule 6(2) and (3).

- (2) The Board shall be elected [from among the members] by secret ballot at the AGM from a list of candidates nominated by the nomination committee established and operating in accordance with the Act.
- (3) The term of office of a director shall begin at the conclusion of the general meeting at which he/she is elected and shall not extend beyond the third subsequent AGM or beyond the limits prescribed by the Act. Subject to such limits on service as are prescribed by the Act, retiring directors shall be eligible for re-election on retirement.
- (4) The regular terms of office for directors shall be fixed at a general meeting upon any increase or decrease in the number of directors. Regular terms shall be so fixed that at each AGM the number of directors whose term of office expires shall, as near as possible, be the same.
- (5) Subject to compliance with the Act and financial services legislation, the Board may at any time and from time to time appoint, by a vote of a majority of the directors then holding office, a member (including a former director) to be a director to fill a casual vacancy. A director appointed under this Rule shall hold office from the date of the appointment to the next following AGM, or, if it is earlier, the next SGM at which an election is held for members of the Board, when he/she shall be eligible for re-election.
- (6) The credit union may, by resolution of a majority of the members present and voting at an SGM called for that purpose, remove a director from office. The Secretary shall, not less than 21 days before the date of such SGM, give written notice of the meeting to the director concerned. Where notice is given of such a resolution and the director concerned makes, in relation to it, representations in writing to the credit union (not exceeding a reasonable length) and requests there notification to the members, the credit union shall subject to any directions to the contrary received from the Bank (unless the representations are received by it too late to do so), in any notice of the proposed resolution given to the members, state the fact of the representations having been made and send a copy of the representations to every member to whom notice of the meeting is sent (whether before or after the credit union receives the representations). The director concerned may require that, without prejudice to his/her right to be heard orally, the representations made by him/her shall be read out at the SGM. A vacancy arising from the removal of a director under this rule shall be filled in accordance with the provisions of Rule 6(5).

- (7) Where the Secretary has given notice under section 54(5) of the Act that all the directors intend to resign on the same date or all the directors have been removed or suspended in accordance with section 96(1) of the Act or there is no Board, the board oversight committee shall convene an SGM, within one month of the occurrence of the event in question, to elect a Board.
- (8) A director who is also a member of a principal committee shall, upon ceasing to hold office as a director, cease to be a member of any such committee.

#### Board Oversight Committee

- (9) The credit union shall have a board oversight committee which shall consist of 3 or 5 members and have the general duty of overseeing the performance by the directors of their functions. The board oversight committee shall be elected from among the members by secret ballot at the AGM. The board oversight committee shall choose from its number a chairman and secretary which offices shall not be held by the same person. The secretary shall prepare and have custody of records of all decisions and actions taken by the committee. The term of office of a member of the board oversight committee shall begin at the conclusion of the general meeting at which the member is elected and shall not extend beyond the third subsequent AGM. The regular terms of office for members of the board oversight committee shall be so fixed at a general meeting upon any increase to 5 members or decrease to 3 members, that:
- (a) where the committee consists of 3 members, one shall retire at each AGM;
  - (b) where the committee consists of 5 members, two shall retire at each AGM;
  - (c) subject to paragraph (d), the members to retire at any time shall be those who have served longest since they were last elected; and
  - (d) as between members who were last elected on the same day, the member (or members) to retire shall be determined by agreement or, in default of agreement, by the drawing of lots.

Subject to such limits on service as are prescribed by the Act, a retiring member of the board oversight committee shall be eligible for re-election or appointment. Casual vacancies shall be filled in the same manner as provided for in Rule 6(5). Where the secretary of the board oversight committee becomes aware that all the members of the

board oversight committee intend to resign on the same date, he/she shall give written notice of their intention to the Bank and the Board. In the event that the number of members of the board oversight committee falls to less than half the number specified in these Rules, the secretary of the board oversight committee shall forthwith notify the Bank and the Board.

- (10) The credit union may, by resolution of a majority of the members present and voting at an SGM called for that purpose, remove a member of the board oversight committee from office. The Secretary shall, not less than 21 days before the date of the SGM at which it is proposed to move such a resolution, give written notice of the meeting to the member concerned and the provisions of Rule 6(6) shall apply *mutatis mutandis*.
- (11) A register of the members of the Board and the board oversight committee shall be kept by the Secretary and shall be signed by each member of the Board and the board oversight committee after an AGM or, in the case of a member appointed to fill a casual vacancy, after his/her appointment.
- (12) The acts of a member of the Board or the board oversight committee shall be valid notwithstanding any defect in the election or appointment of the member which may subsequently be discovered.
- (13) Where the secretary of the board oversight committee has given notice that all the members of the board oversight committee intend to resign on the same date, all the members of the board oversight committee have been removed or suspended in accordance with section 96(1) of the Act or there are no members of the board oversight committee, the Board shall convene an SGM, within one month of the occurrence of the event in question, to elect a board oversight committee.
- (14) At a meeting of the Board which is held immediately after the AGM or SGM at which an election is held for members of the Board and which is chaired by a member of the board oversight committee, the Board shall elect by secret ballot directors to fill such of the principal posts of Chair, vice-chair and Secretary as are then vacant. The term of office of the holder of a principal post shall be until the conclusion of the next AGM following his/her election to that post; and a person who has been a holder of a principal post shall be eligible for re-election to that post. In the event of a casual vacancy in a principal post, the Board may by secret ballot elect a director to hold that post until the next meeting at which an election should be held to fill any such vacancy. If a principal post falls vacant or for any other reason there is no holder of a principal post, anything that is required or authorised to be done by the holder of that post may be done by a director authorised in

that behalf by the Board. The Chair or Secretary shall notify the Bank in writing of the election, appointment, retirement, removal or resignation from office of a Chair, vice-chair, director, Secretary or committee member and the notification shall be made within 14 days of the election, appointment, retirement, removal or resignation and state the full name and address of the officer concerned.

#### Principal Committees

- (15) The Board shall appoint a credit committee and a credit control committee, each of not less than 3 members of the credit union, which shall decide on applications for credit. No person shall be eligible to serve at the same time on both the credit and credit control committees. Neither the credit control officer nor the credit officer shall be eligible to serve on either committee. The committees shall each choose from its number a chairman and a secretary which offices shall not be held by the same person. The secretary shall prepare and maintain complete records of all meetings of the committees. The committees shall each meet as often as necessary to carry out their functions. Notice of such meetings shall be given to the committee members in such manner as the committees may from time to time prescribe. The committees shall submit a written report to the Board at each meeting of the Board and comply with any Board instruction.
- (16) The credit committee and/or a credit officer shall inquire into the character and financial circumstances of an applicant for credit and the security offered, if any, in order to ascertain the applicant's ability to repay a loan in accordance with its terms and determine whether the loan is for a provident or productive purpose. When funds are not available to make all the loans for which there are applications, preference shall be given to the applications for smaller loans if the need and credit factors are comparable. Subject to the limits imposed by the Act, regulations and these Rules, and the general policies or specific directives of the Board, the credit committee or the credit officer shall determine the security, if any, required for each loan and the terms upon which it shall be repaid. A record of each application for credit which has or has not been approved shall be furnished by the credit officer to the credit committee within 7 days of receipt of the application and such record shall be considered by the credit committee at its next following meeting and become part of the records of the credit union.
- (17) The Board shall appoint a membership committee, which shall consider and decide on applications for membership of the credit union. The membership committee shall meet as often as necessary to carry out its functions, submit a written report to the Board at each meeting of the Board and comply with any instruction of the Board. Subject to these rules and the Act, the membership committee shall notify the Board of the new members whose

applications they have approved and where there is doubt in respect of an applicant's qualification, submit such application to the Board for decision.

- (18) If the board oversight committee considers that an officer who is not an employee has taken any action or decision which, in the opinion of the committee, is not in accordance with the law or these Rules, then, after consulting the Bank, it may either suspend the officer by a unanimous vote of all the members of the committee taken at a meeting of the committee called for the purpose of considering his/her suspension or convene an SGM to consider whether to remove the officer in the light of the action or decision taken by him/her but no action shall be taken under this Rule without the officer concerned being given an opportunity to be heard by the members of the board oversight committee.
- (19) If an officer who has been suspended by the board oversight committee in accordance with Rule 6(18) does not resign within 7 days of the vote by the committee, the committee shall convene, for a date not more than 21 days after the expiry of those 7 days, an SGM for the purpose of reviewing the suspension and to consider whether to remove the officer in the light of the action or decision taken by him. Without prejudice to the requirements of section 80 of the Act, not less than 10 days before the date of a meeting of the board oversight committee called as mentioned in Rule 6(18) and the date of an SGM, the board oversight committee shall give written notice of the meeting to the Bank and to the officer concerned.
- (20) At an SGM held under this Rule, the members, according to the purpose or purposes for which the meeting was convened, may, by secret ballot ratify the suspension of the officer concerned and remove him/her from office or rescind the suspension of that officer or remove that officer from office; but no officer shall be so removed from office without being given an opportunity to be heard by the members present at the meeting. Where an officer of a credit union is removed from office at an SGM, the vacancy caused by the removal shall be filled in such manner as may be determined by the meeting.

#### Other Officers

- (21) The Board shall appoint a Manager who shall be the chief executive officer of the credit union and a risk officer, a compliance officer, an internal audit officer, and such other officers as the Board may consider necessary for the more effective management of the credit union. The Manager shall have responsibility for the day to day management of the credit union's operations, compliance with its policies and performance and shall be responsible to the Board. The roles and responsibilities of such other officers as shall be appointed shall be clearly defined and documented.

- (22) The Board shall approve the appointment by the Manager of a person, other than a member of the credit committee or a member of the credit control committee or a credit control officer, as a credit officer to work under the supervision of the credit committee and delegate to the credit officer the power to approve credit:
- (a) that is fully secured by the shareholding of the borrowing member or to an amount (as the Board may determine from time to time), specified in writing by the Board, in excess of that shareholding; or
  - (b) that qualifies as emergency credit within such definitions and limitations as to amount, the terms of repayment and security required for emergency credit as may be established in writing by the Board.
- (23) The Board shall approve the appointment by the Manager of a person, other than a member of the credit control committee, or member of the credit committee or a credit officer, as a credit control officer to assist the credit control committee and work under its supervision and control.

#### Remuneration

- (24) The credit union shall not pay any remuneration, directly or indirectly, to a director or a member of the board oversight committee, credit committee, credit control committee or membership committee for any service performed by that person in that capacity. Nothing in this Rule shall be regarded as prohibiting the payment or reimbursement of expenses which are necessarily incurred by a director or committee member in the course of performing any service on behalf, or for the benefit, of the credit union and which are approved by a majority of the directors voting at a meeting of the Board. Nothing in this Rule shall be regarded as prohibiting any officer or voluntary assistant of the credit union, acting not as such but in his/her professional capacity, from tendering for the supply of, and if successful supplying, goods or services to the credit union.

#### **Rule 7           Maximum amount of interest in shares**

Subject to any requirements prescribed by the Bank under section 27(2) of the Act a member shall not have or claim an interest in shares in the credit union exceeding an amount which, when aggregated with the amount held by the member on deposit with the credit union, exceeds such maximum sum or

limit as  
may be set by the Board which sum shall not exceed such maximum amount or limit as may be prescribed  
by law or by the Central Bank of Ireland from time to time.

**Rule 8            Withdrawal of shares**

- (1) Notwithstanding anything in these rules or in any contract, the credit union may require not less than 60 days' notice from a member of his/her intention to withdraw a share in the credit union and a member may not withdraw any shares at a time when a claim due on account of deposits is unsatisfied.
- (2) If a member seeks to withdraw a share in the credit union at a time when he/she has an outstanding liability (including contingent liability) to the credit union, whether as borrower, guarantor or otherwise, that withdrawal shall only be permitted if:
  - (a) such shares are not attached savings within the meaning of Section 32(3)(d) of the Act; or
  - (b) such shares are attached savings but the value of the member's savings immediately after the withdrawal would not be less than 25% of his/her outstanding liability and such withdrawal has been approved by a majority of the Board voting at a Board meeting.
- (3) Where a member is indebted to the credit union and consents in writing to the credit union acting under this paragraph, the credit union may, by way of set-off against the indebtedness, withdraw any of the member's shares and such a withdrawal may be made notwithstanding anything in Rules 8(1) and (2).
- (4) Subject to Rule 8(5), all moneys due in respect of withdrawable shares by the credit union to a member who withdraws or is expelled from the credit union shall be paid to him/her after deduction of all moneys due from him/her to the credit union and the nominal value of non-withdrawable shares held by a member who is expelled (but not one who withdraws) may also be paid to him/her (after deduction of all moneys so due).
- (5) Notwithstanding anything in these Rules or in any contract, the credit union may, if it thinks fit, postpone payment of the whole or any part of the moneys to be paid as mentioned in Rule 8(4) until the end of the period of 60 days beginning on the date of the expulsion or withdrawal of the member concerned. No payment in respect of shares shall be made by



the credit union to a withdrawing member while any claim due on account of deposits is unsatisfied and no payment of any description shall be made to such a member unless all his/her liabilities (including contingent liabilities) to the credit union, whether as borrower, guarantor or otherwise, have been fully discharged or otherwise fully provided for by a person other than the credit union. The withdrawal of a member from the credit union shall not operate to relieve that member from any liability to the credit union which exists at the time of the withdrawal.

## **Rule 9           Loans**

- (1) The credit union may make a loan to a member for a provident or productive purpose, upon such security (or without security) and terms as the Board may provide; but no loan shall be made to a member who is under the age of 18 and neither is nor has been married unless an indemnity is provided by the member's parent or legal guardian or by a person approved by the Board. The manner in which loans may be applied for, considered and made shall be determined by such policies as the Board may adopt in accordance with the Act and the Consumer Credit Directive (2008/48/EC) and the European Communities (Consumer Credit Agreements) Regulations 2010.
- (2) Subject to the limits prescribed by law and by these Rules, the Board shall determine from time to time the maximum amount which may, at a particular time, be on loan to a member either by way of secured loans or by way of unsecured loans, and such limits shall apply equally to all members. The credit union may make loans to a member provided the amount of the member's outstanding liability (including contingent liability) to the credit union, whether as borrower, guarantor or otherwise, does not exceed the limits set by Board policy.
- (3) The credit union may accept, in respect of a loan, in addition to other forms of security, a guarantee by a member, or a pledge by a member of shares in or deposits with the credit union, and, where such a guarantee or pledge is accepted, it shall be deemed to be a security for the loan. The credit union shall not accept from an officer of the credit union a guarantee for a loan to another member unless that other member is the officer's spouse, civil partner, child or parent.
- (4) The credit union shall not make a loan to a member unless it is approved:
  - (a) by such number of members of the Board voting by secret ballot at a meeting of the board at which the application for the loan is considered as represents at least two-thirds of those present and a majority of the members of the Board as a whole;

or

(b) by such number of members of the credit committee present at a meeting of that committee at which the application for the loan is considered as represents at least two-thirds of those present and a majority of the committee members as a whole;  
or

(c) by a credit officer.

(5) A loan to an officer exceeding his savings may not be approved except by special committee consisting of a majority of the Board and at least one member of the credit committee but shall not include the applicant for the loan. A loan to an officer not exceeding his/her savings may be approved in accordance with either Rule 9(5)(b) or (c).

(6) Any person knowingly responsible for the issue of a non-compliant loan to a non-member shall be jointly and severally liable with the borrower to the credit union in the amount of the loan and accrued interest.

(7) If an application for a loan which was considered by the credit committee or by a credit officer was not approved under Rule 9(5), the member (or non-qualifying member) may appeal to the Board (excluding, where the application for the loan was considered by the credit committee, any director who is a member of that committee) which, by a decision of at least two thirds of such directors present at the meeting at which the appeal is considered, may give approval to the loan, overriding the decision of the credit committee or credit officer, as the case may be. For the purposes of the consideration of an appeal under this Rule, the Board shall not be regarded as quorate unless there is present a majority of the directors entitled to participate in the appeal.

(8) The credit union may purchase and maintain such insurances as the Act may require or permit and as the Board consider necessary or desirable including insurance of members in relation to their shares and to loans made to them.

#### **Rule 10          Custody and use of seal**

The credit union shall have its name engraved in legible characters on a seal which shall be kept in such custody as the Board may appoint. The seal of the credit union shall be used only under the authority of a resolution of the Board, the date whereof shall be mentioned in the instrument to which the seal is attached, and shall be attested by the signatures of two directors of the credit union and the countersignature of the Secretary for the time being.

**Rule 11            Audit of accounts**

- (1) The auditor of the credit union appointed in accordance with the Act shall make a report to the members on the accounts examined by him/her, and on the annual accounts which are to be laid before the credit union at the AGM during his/her tenure of office; and the auditor's report shall be read at the AGM and shall be open to inspection by any member.
- (2) Before signing his report, the auditor shall meet with and report to the directors and the members of the board oversight committee on the annual accounts and any matter relating thereto which he/she considers should be drawn to their attention.
- (3) The auditor's report shall state whether:
  - (a) he/she has obtained all the information and explanations which, to the best of his/her knowledge and belief, were necessary for the purposes of his audit;
  - (b) he/she is of the opinion that proper accounting records have been kept by the credit union;
  - (c) the credit union's annual accounts are in agreement with the accounting records of the credit union;
  - (d) he/she is of the opinion that the credit union's annual accounts have been properly prepared so as to conform with any requirements made by or under the Act and give a true and fair view:
    - (i) in the case of the balance sheet, of the credit union's state of affairs as at the end of the financial year;
    - (ii) in the case of the income and expenditure account, of the income and expenditure of the credit union for the financial year; and
  - (e) the credit union's annual accounts contain any statement required under section 111(1)(c) to be included by the body of accountants concerned.
- (4) Without prejudice to Rule (3), where the report of the auditor relates to any accounts other than the income and expenditure account for the financial year in respect of which he/she is appointed, that report shall state whether those accounts give a true and fair

view of any matter to which they relate.

- (5) The auditor shall have a right of access at all reasonable times to the books and documents of the credit union, and shall be entitled to require from the officers and voluntary assistants of the credit union such information and explanations that are within their knowledge or can be procured by them, as he/she thinks necessary for the performance of his/her duty as auditor.
- (6) The auditor shall be entitled to attend any general meeting of the credit union and to be heard at any general meeting on any part of the business which concerns him/her as auditor and the credit union shall give the auditor the same notice of, and any other communications relating to, a general meeting that a member is entitled to receive.

#### **Rule 12 Settlement of disputes**

- (1) Any dispute between the credit union and a member or former member in his capacity as a member or any person claiming through any such member or former member (in their capacity as such) shall be dealt with in accordance with the Act and such policies as the Board shall may adopt.
- (2) In the event that the complaint is not resolved to the satisfaction of the complainant, the matter in dispute may be referred at the discretion of the complainant to arbitration under the Arbitration Acts by a single arbitrator to be agreed between the Board and the complainant, or failing agreement on such appointment, the arbitrator shall be a person appointed by the Bank. The costs of the arbitrator shall be met by the credit union. Costs shall be determined by the Bank in accordance with the Act. The arbitrator shall not be beneficially interested, whether directly or indirectly, in the funds of the credit union. A decision made on a dispute by the arbitrator shall be binding and conclusive on all parties without appeal; and
  - (i) the decision shall not be removable into any court of law or restrainable by injunction;
  - (ii) application for the enforcement of the decision may be made to the District Court;
  - (iii) where no decision is made on a dispute within 50 days after application to the credit union, the complainant may apply to the District Court which may hear and determine the matter in dispute.

- (3) This Rule shall be deemed to be an arbitration agreement within the meaning of the Arbitration Acts.

### **Rule 13          Withdrawal of membership, deceased and bankrupt members and nominations**

#### Withdrawal

- (1) A person ceases to be a member on his withdrawal from the credit union or on ceasing to hold the minimum shareholding, in accordance with Rule 4(2) or on death or on expulsion from the credit union or in the case of a member other than a natural person, on its dissolution, or the taking of an effective action to wind it up or if, after admission, any defect is discovered in his qualification for membership at the time of his admission. Subject to Rule 8, a member may withdraw from membership of the credit union at any time, by notice in writing to the credit union.

#### Deceased members

- (2) If a member dies and, at his/her death, his/her property in the credit union (whether in savings, loans, insurance or otherwise) does not in the whole exceed €15,000 or such other maximum as may be prescribed by law and is not the subject of a nomination under Rule (4), the Board may, without letters of administration or probate of any will, accede to a written request to discharge the member's funeral vouched expenses and distribute the balance of the property among such persons as appears to the Board (on such evidence as they consider satisfactory) to be entitled by law to make such request for payment and to receive the balance of the property.

#### Bankrupt members

- (3) If any member becomes bankrupt his/her property in the credit union not automatically assigned to the credit union against a loan or guarantee of a loan shall be transferred or paid to the Official Assignee in Bankruptcy.

#### Nominations

- (4) Subject to Rule (5) and (6), a member who is of or over the age of 16 may, by a written statement signed by him/her and made in any book kept at the credit union's registered office, or delivered at or sent to that office during his/her lifetime, nominate a person or persons to become entitled at his/her death to the whole, or such part or parts as may be

specified in the nomination, of any property in the credit union (whether in savings, loans, insurances or otherwise) which he/she may have at the time of death. The nomination of a person who is at the date of the nomination an officer of the credit union shall not be valid unless that person is a member of the nominator's family.

- (5) For the purpose of the disposal of any property which is the subject of a nomination, if at the date of the nominator's death the amount of his/her property in the credit union comprised in the nomination exceeds €23,000 or such other maximum as may be prescribed by law, the nomination shall be valid to the extent of €23,000 or such other maximum as may be prescribed by law but not further or otherwise.
- (6) A nomination may be revoked or varied by a subsequent nomination by the member or by any similar document in the nature of a revocation or variation signed by the nominator and delivered to the credit union's registered office during his/her lifetime; but such a nomination shall not be revocable or variable by the will of the nominator or by any codicil to his will.
- (7) The credit union shall keep a record of the names of all persons nominated by its members and such other details as will positively identify the nominees and of all revocations or variations (if any) of nominations.
- (8) The marriage of a member shall operate as a revocation of any nomination made by him/her before marriage, but if, in ignorance of a later marriage, an officer of the credit union transfers any property of that member in pursuance of such a nomination, the receipt of the nominee shall be a valid discharge to the credit union, and the credit union shall be under no liability to any other person claiming the property. A nomination shall be revoked by the death of the nominee before the death of the nominator.
- (9) Where any member has made a nomination under Rule (5), the Board, on receiving satisfactory proof of the death of that member, and if and to the extent that the nomination is valid, shall in the case of each person entitled under the nomination either transfer to him/her, or pay him/her the full value of, the property to which he/she is so entitled.
- (10) If the transfer of any shares comprised in a nomination in the manner directed by the nominator would raise the shareholding of any nominee beyond the maximum for the time being permitted in the credit union, the Board shall not transfer to that nominee more of those shares than will raise his/her shareholding to that maximum and shall pay him/her or transfer to his/her deposit account the value of any of those shares not transferred.

- (11) Where any sum falls to be paid to a nominee under the age of 16 years, the credit union may pay that sum to either parent, or to a legal guardian, of the nominee or to any other person of full age who will undertake to hold it on trust for the nominee or to apply it for his benefit and whom the credit union may think a fit and proper person for the purpose and a receipt for that sum signed by that parent, legal guardian or other person shall be a sufficient discharge to the credit union for all money so paid.
- (12) All payments or transfers made by the Board to a person appearing to the Board at the time of payment or transfer to be entitled to such payment shall be valid and effectual against any demand made upon the Board by any other person.

#### **Rule 14 Treatment of debts of certain officers**

A director or a member of the board oversight committee shall be deemed to have resigned from his/her position as a director or member of such committee if he/she is more than 90 consecutive days in arrears under any debt obligation owing to the credit union and he/she shall not continue to serve in such role thereafter.

#### **Rule 15 Affiliation**

1. Union may at the discretion of the Board of Directors, affiliate with the Credit Union Development Association or any other group or association of Credit Unions.
2. In consulting with the Registrar / Central Bank of Ireland for all services under Section 48 to 52 of the 1997 Act, the Credit Union may The Credit do so through an association or group of Credit Unions.
3. Should the Credit Union incur affiliation costs by reason of its affiliation to any association or group of Credit Unions it may seek an annual affiliation fee from each person who was a member on 30<sup>th</sup> September of the preceding year. The amount such affiliation fee to be decided by the members at an Annual General Meeting or Special Meeting. The affiliation fee may be deducted by the Credit Union from the Share Account of the Member.

## **APPENDIX 1**

### **CREDIT UNION OPERATING PRINCIPLES**

Statement of Credit Union Operating Principles as adopted by Blanchardstown & District Credit Union Ltd in 1984.

#### **INTRODUCTION**

These Credit Union Operating Principles are founded in the philosophy of co-operation and its central values of equality, equity and mutual self-help. At the heart of these principles is the concept of human development and the brotherhood of man expressed through people working together to achieve a better life for themselves and their children.



**1. OPEN AND VOLUNTARY MEMBERSHIP**

Membership in a credit union is voluntary and open to all within the accepted common bond of association that can make use of its services and are willing to accept the corresponding responsibilities.

**2. DEMOCRATIC CONTROL**

Credit union members enjoy equal rights to vote (one member, one vote) and participate in decisions affecting the credit union, without regard to the number of savings or deposits or the volume of business. The credit union is autonomous, within the framework of law and regulation, recognising the credit union as a co-operative enterprise serving and controlled by its members. Credit union elected officers are voluntary in nature and incumbents should not receive a salary for fulfilling the duties for which they were elected. However, credit unions may reimburse legitimate expenses incurred by elected officials.

**3. LIMITED DIVIDENDS ON EQUITY CAPITAL**

Permanent equity capital where it exists in the credit union receives limited dividends.

**4. RETURN ON SAVINGS AND DEPOSITS**

To encourage thrift through savings and thus to provide loans and other member services, a fair rate of interest is paid on savings and deposits, within the capability of the credit union.

**5. RETURN OF SURPLUS TO MEMBERS**

\*The surplus arising out of the operations of the credit union after ensuring appropriate reserve levels and after payment of dividends belongs to and benefits all members with no member or group of members benefiting to the detriment of others. This surplus may be distributed among the members in proportion to their transactions with the credit union (interest or patronage refunds) or directed to improved or additional services required by the members.

\* Expenditure in credit unions should be for the benefit of all members with no member or group of members benefiting to the detriment of other.

**6. NON-DISCRIMINATION IN RACE, RELIGION AND POLITICS**

Credit unions are non-discriminatory in relation to race, nationality, sex, religion and politics within the limits of their legal common bond. Operating decisions and the conduct of business are based on member needs, economic factors and sound

management principles. While credit unions are apolitical and will not become aligned with partisan political interests, this does not prevent or restrict them from making such political representations as are necessary to defend and promote the collective interests of credit unions and their members.

**7. SERVICE TO MEMBERS**

Credit union services are directed towards improving the economic and social well-being of all members whose needs shall be a permanent and paramount consideration rather than towards the maximising of surpluses.

**8. ON-GOING EDUCATION**

Credit unions actively promote the education of their members, officers and employees, along with the public in general, in the economic, social, democratic and mutual self-help principles of credit unions. The promotion of thrift and the wise use of credit, as well as education on the rights and responsibilities of members are essential to the dual social and economic character of credit unions in serving member needs.

**9. CO-OPERATION AMONG CO-OPERATIVES**

In keeping with their philosophy and the pooling practices of co-operatives, credit unions within their capability actively co-operate with other credit unions, co-operatives and their associations at local, national and international levels in order to best serve the interests of their members and their community. This inter-co-operation fosters the development of the co-operative sector in society.

**10. SOCIAL RESPONSIBILITY**

Continuing the ideals and beliefs of co-operative pioneers, credit unions seek to bring about human and social development. Their vision of social justice extends both to the individual members and to the larger community in which they work and reside. The credit union ideal is to extend service to all who need and can use it. Every person is either a member or a potential member and appropriately part of the credit union sphere of interest and concern. Decisions should be taken with full regard for the interests of the broader community within which the credit union and its members reside.

