



**Croí Laighean**  
CREDIT UNION

## Rules

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## **1. Purpose**

The purpose of this document is to outline Croí Laighean Credit Unions Rules as required under Section 13 of the Credit Union Act as amended.

## **2. Responsibility**

The responsibility for the Rules of Croí Laighean Credit Union rests with the Board of Directors.

## **3. Interpretations**

Interpretations are outlined in Appendix 2.

## **4. Rules approval and amendments**

The rules of the credit union may specify the form of any instrument necessary for carrying the purposes of the credit union into effect. An acknowledgement of registration issued to the credit union under the Act shall constitute an acknowledgement, and, unless the contrary is proved, be sufficient evidence of the registration of the rules of the credit union in force at the date of the acknowledgement of the registration of the credit union.

The rules of the credit union shall not be amended except by a resolution passed by not less than two-thirds of the members of the credit union present and voting at an annual general meeting or at a special general meeting called for the purpose of considering a resolution proposing an amendment of the rules. Notice of the proposed amendment shall be given in writing to each member and to the auditor at the same time as the notice of the meeting is given.

An amendment of the registered rules of the credit union shall not be valid until the amendment has been registered under the Act, for which purpose two copies of the amendment, signed by four members, one of whom shall be the secretary and another a director, shall be sent to the bank.

This shall not apply to a change in the situation of the registered office of the credit union, or to a change in the name of the credit union in accordance with section 11 of the Act, but notice of such changes shall be sent to the Bank.

Before sending a copy of the amended rules to the bank the credit union is required to satisfy itself that the amendment is not contrary to the financial services legislation.

Copies of amendments to the rules shall be displayed in the place of business of the credit union.

## Appendix 1

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## **2. Rules**

### **Matter 1 - Name**

#### **1. Name**

The name of the Credit Union shall be Croí Laighean Credit Union Limited (hereinafter referred to as 'the Credit Union').

As soon as practicable, the credit union shall cause its registered name to be painted or affixed and to be kept painted or affixed, in a conspicuous position and in letters easily legible, on the outside of its registered office and every other office or place in which the business of the credit union is carried on, and shall have that name engraved in legible characters on its seal and set out in legible characters:

- (a) In all notices, advertisements and other official publications of the credit union
- (b) In all business letters of the credit union
- (c) In all bills of exchange, promissory notes, endorsements, cheques, orders for money or goods and other instruments purporting to be signed by or on behalf of the credit union; and
- (d) In all bills, invoices, receipts, and letters of the credit union

The Credit Union shall not use any name or title other than its registered name.

The Credit Union which is a sub- office of a registered credit union may cause its name, along with the registered name of the credit union, to be painted or affixed, and to be kept painted or affixed, in a conspicuous position and in letters easily legible, on the outside of its office.

#### **2. Change of Registered Name**

A credit union may not change its name except in accordance with the Act and this rule.

A credit union may change its name:

- (a) By a resolution for the purpose passed at a general meeting of the credit union after the giving of such notice as is required by the rules of the credit union for a resolution to amend the rule; and
- (b) With the prior approval in writing of the bank

## **Matter 2 – Objects**

### **1. Objects of the Credit Union**

The objects for which the credit union is formed are:

- (i) The promotion of thrift among its members by the accumulation of their savings
- (ii) The creation of sources of credit for the mutual benefit of its members at a fair and reasonable rate of interest
- (iii) The use and control of members savings for their mutual benefit
- (iv) The training and education of its members in the wise use of money
- (v) The education of its members in their economic, social and cultural well-being as members of the community
- (vi) The improvement of the well-being and spirit of the members community
- (vii) Subject to section 48 of the Act, the provision to its members of such additional services as are for their mutual benefit

Pursuant to these objects, the credit union may:

- (a) Acquire property of any description permitted by or under the Act and
- (b) Do anything expedient for accomplishing, or conducive to or consequential upon, the objects for which the credit union is formed

## **Matter 3 - Registration**

### **1. Registration**

The registered office of the credit union shall be:

O' Connell Square, Edenderry, Co Offaly

Or such other place as may from time to time be determined by the Board of Directors.

Notice of any change in the situation of the registered office shall be sent within fourteen days to the Central Bank of Ireland

## Matter 4 - Membership

### 1. Membership

The minimum number of members of the credit union at any time shall be fifteen. Membership shall be limited to and consist of the signatories to the application to register the credit union and such other persons having the following common bond:

**Members living and/or working in a particular geographic area**

**(See map for geographic area)**

As have been duly admitted members of the credit union in accordance with these rules and comply with such of the rules as relate to membership including, if otherwise qualified, such other persons as were members of the unincorporated body known as Croí Laighean Credit Union immediately before the date on which such body secured registration as Croí Laighean Credit Union Limited.

Each application for membership must be in writing and must be approved in the manner set forth in the qualifications for membership.

An applicant shall be admitted to membership only when:

- (i) It shall have been determined that they are eligible for membership
- (ii) The application for membership shall have been approved by the affirmative vote of a majority of the board of directors or by a duly appointed and authorised membership committee present at a meeting at which the application is considered and
- (iii) Has paid an entrance fee of €1 (note more than €1.27) and
- (iv) Has paid for a minimum of 5 shares (this minimum to be at least one and not more than ten or such larger number of shares as may be prescribed by the Minister) in the credit union

A person shall be treated as having the qualification required for admission to membership of the credit union if he is a member of the same household as and is a member of the family of, another person who is a member of the credit union and who has a direct common bond with those other members. However, a child or step-child of a member, where such child or step-child is under the age of 18 years and living outside the common bond but resident in the Republic of Ireland or the United Kingdom, shall not be precluded from membership of the Credit Union.

## **2. Persons under age 16**

A person under the age of sixteen:

- (a) May be a member of the credit union and
- (b) May enjoy all the rights of membership, other than voting rights and can give all the necessary receipts

A member of the credit union who is not of full age may not be a member of the board of directors or of a principal committee or an office manager of the credit union.

Where the member under age sixteen cannot give the necessary receipts, the signature of the parent or guardian, at the discretion of the board of directors, will be sufficient.

## **3. Incorporated or unincorporated body**

Notwithstanding any other provision in these rules, a body (whether incorporated or unincorporated, the majority of the members of which are, and continue to be, eligible for membership of the credit union may itself be admitted to, and retain membership of, the credit union, with the same rights and obligations as a natural person but, on application, made in accordance with the relevant form, must submit a copy of its rules and a copy of the resolution from its governing body authorising application for membership.

## **4. Appeal against refusal of membership**

A person who applies for membership of the credit union in accordance with the rules and is refused membership may appeal against the refusal in accordance with section 18 of the Act.

## **Matter 5 - Meetings & Resolutions**

### **1. The Organisation Meeting**

(1) Not later than one month after the registration of a credit union, the signatories to the application to register the credit union shall by notice in writing summon a meeting (to be known as “the organisation meeting”) of all the persons who, on the date of issue of the notice, were members of the credit union.

(2) The notice required by subsection (1)—

(a) shall state the date, time and place of the organisation meeting; and

(b) shall, within the relevant period, be delivered personally or by post to each member of the credit union 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.

(3) The reference in paragraph (b) of subsection (2) to the relevant period is a reference to the period which begins 21 days before and ends seven days before the date of the organisation meeting; and the reference in subsection (1) to the date of issue of the notice is a reference to the date or, as the case may be, the first date on which the notice is delivered to any member as mentioned in that paragraph.

### **2. The Annual General Meeting**

(1) In respect of each financial year, a meeting (to be known as the ‘annual general meeting’) of the members of the credit union shall be held in the State at such date, time and place as the board of directors may, by resolution, determine. For the purposes of these rules, the first annual general meeting of the credit union shall be the one held in October, November, December or January next after the organisation meeting.

(2) The annual general meeting of the credit union in respect of any financial year shall be held in the October, November, December or January following the end of that financial year.

(3) At each annual general meeting of the credit union, the directors shall lay before the credit union 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.

(4) The business at general meeting of the credit union must contain the following items on the agenda:

- (a) The acceptance by the board of directors 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 annual general meeting, and any intervening special general meeting
- (e) Report of the board of directors
- (f) Consideration of accounts
- (g) Report of the auditor
- (h) Report of the Board Oversight Committee
- (i) Declaration of dividend and rebate of interest (if any)
- (j) Report of the Credit Committee
- (k) Report of the Credit Control Committee
- (l) Report of the Membership Committee
- (m) Report of any sub-committee
- (n) Report of the Nomination Committee
- (o) Appointment of Tellers
- (p) Election of Auditor
- (q) Election to fill vacancies on the Board Oversight Committee
- (r) Election to fill vacancies on the Board of Directors
- (s) Any other business
- (t) Announcement of election results
- (u) Adjournment or close of meeting

Items (a), (b), (c) and (d) must be the first four items on the agenda and (u) must be the last item on the agenda. The positions on the agenda of the remaining elements to the agenda are positioned at the discretion of the board of directors but must be communicated to the members in the notice of the general meeting.

The members assembled at any annual general meeting may suspend the order of business upon a two-thirds vote of the members present at the meeting.

### 3. Special General Meeting

(1) The board of directors or the board oversight committee of a credit union may, whenever they think fit, convene a special general meeting of the credit union.

(2) If, by notice in writing addressed to the secretary of a credit union at its registered office, a qualifying group of members of the credit union so request, the board of directors shall convene a special general meeting of the credit union; and if, within one month from the date of the receipt of the notice at the credit union's registered office, the board of directors have not convened a special general meeting to be held within six weeks of that date, any ten members of the credit union, acting on behalf of the qualifying group who made the request, may convene a special general meeting.

(3) For the purposes of a request under subsection (2), a group of members of a credit union is a qualifying group if—

(a) each of them has been a member throughout the period of 12 months ending on the date of the request; and

(b) they together number at least 50 or, if it is less, at least 10 per cent. Of the membership of the credit union at that date.

### 4. Notice of General Meetings

(1) Before a general meeting of a credit union is held, the secretary of the credit union shall, in accordance with subsection (2), give notice of the meeting to the Bank, to the auditor of the credit union and to every member of the credit union who, at the beginning of the relevant period, is eligible to vote at the meeting.

(2) Subject to subsection (1), the notice required by subsection (1)—

(a) shall state the date, time and place of the general meeting

(b) shall be accompanied by the agenda for the meeting

(c) in the case of a notice of a special general meeting, shall contain a statement that the annual accounts for the most recent financial year may be obtained, not later than seven days before the date of the general meeting, at the registered office of the credit union; and

(d) shall, within the relevant period, be delivered personally or by post to the auditor and to each member of the credit union 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.

(e) shall be displayed in the public office or offices of the credit union

(3) References in subsections (1) and (2) to the relevant period are references to the period which begins 21 days before and ends seven days before the date of the general meeting

(4) With the consent of the Bank, given where the Bank considers there are exceptional circumstances justifying the application of this subsection, the notice required by subsection (1) shall be given by publishing a notice, in accordance with subsection (5), at such times (or within such period) and in such form as the Bank may require.

(5) Where subsection (4) applies, the notice, which shall include the agenda for the meeting, shall be published—

( a) in at least two appropriate newspapers published in the State and circulating in the area in which the registered office of the credit union is situated, and

( b) in any other manner which the Bank requires as being necessary for bringing the notice to the attention of the persons entitled to attend the meeting

and, for the purposes of paragraph 5 (a), the two appropriate newspapers are a local newspaper and a national daily newspaper or, if there is no local newspaper circulating in the area concerned, two national daily newspapers.

(6) The proceedings at a general meeting shall not be invalidated by—

( a) the accidental omission to give notice to any member entitled to receive notice of the meeting; or

( b) the non-receipt by any member of notice of the meeting

(7) A general meeting of which notice is given less than seven days before the meeting but otherwise in accordance with subsection (2) 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.

## **5. General Meetings – Voting, adjournments, quorum and minutes**

(1) 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 name, in the credit union provided, however, that except in voting at elections, the presiding member 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 of directors.

(2) A general meeting of a 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—

( a) 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

( b) when a general meeting is adjourned for 30 or more days, the secretary of the credit union shall give notice of the adjourned meeting to the auditor and to every member who, under section 80 (1) of the Act , was entitled to notice of the meeting which was adjourned.

(3) In the application of section 80 (2)(d) in accordance with subsection (2), for the words “ within the relevant period” there shall be substituted “not later than seven days before the date of the adjourned meeting”.

(4) Subject to subsection (5), the quorum for a general meeting of a credit union shall be ten per cent. Of the members or 30 members, whichever is the less

(5) Notwithstanding subsection (4), in no case shall the quorum for a general meeting of a credit union be less than ten members

(6) It shall be the duty of the secretary to keep minutes of all general meetings of a credit union

## **6. Supplementing provisions as to general meetings**

(1) The Bank shall have the right to attend and speak at any general meeting of a credit union.

(2) Subject to *subsection (3)*, a member of a credit union may not vote by proxy at a general meeting of the credit union.

(3) Where a member of a credit union 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—

( a) the representative is duly authorised in writing by the member to do so; and

( b) the board of directors of the credit union have, 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

(4) (a) A poll may be demanded at a general meeting ( or an adjourned meeting) of the credit union:

(i)by the chair of the meeting (or the adjourned meeting) or

(ii) by at least ten members present having the right to vote at the meeting (or the adjourned meeting) on any question, other than the election of the chair of the meeting (or the adjourned meeting)

(c) A poll shall be taken in such manner as the chair directs and he may appoint scrutineers (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

## **7. Special Resolutions**

(1) If, at any general meeting of which notice has been given specifying the intention to propose a special resolution, the chair declares that the resolution has been passed as required by the definition of 'special resolution' in section 2(1), that declaration shall, without more, be evidence of that fact until the contrary is proved.

(2) A copy of every special resolution for any of the purposes mentioned in this Act —

(a) shall be signed by the chair of the meeting at which the resolution was passed

(b) shall be countersigned by the secretary of the credit union, and

(c) within 21 days of the date of the meeting at which the resolution was passed, shall be sent to the Bank to be registered by it

and the special resolution shall not take effect until that copy is so registered.

## **8. Election Procedure**

(1) When nominations are announced tellers shall be appointed by the chair and ballot papers shall be distributed. Nominations shall be in the following order:

(a) Nominations for auditor

(b) Nominations for members of the Board Oversight Committee

(c) Nominations for directors

(2) When voting is completed, the votes shall be taken and 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. 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. One member one vote**

Irrespective of the number of shares held by him, no member shall have more than one vote.

### **10. Minimum voting age**

All persons not less than sixteen years of age who have been accepted into membership in accordance with the rules shall be eligible to vote at a meeting of members.

### **11. Prohibition on multiple resolutions**

A motion for the election or appointment of two or more persons as officers of the credit union shall not be made at any general meeting thereof.

## **Matter 6 - Board of Directors Membership & General Provisions**

### **1. Board of Directors Membership**

(1) The credit union shall have a board of directors.

(2) At the time of the adoption of these rules, the board of directors shall consist of 9 members, all of whom shall be members of the credit union.

(3) The credit union shall comply with the Acts and all applicable requirements of financial services legislation, in particular but without limit to the Fitness & Probity Regulations for Credit Unions, with respect to the appointment and continuation in office, of directors.

(4) Only a natural person of full age may be a director of the credit union.

(5) The following persons are not eligible to become a director of the credit union:

(a) an employee or voluntary assistant of the credit union or an employee of any other credit union

(b) a member of the board oversight committee of the credit union

(c) a director of any other credit union

(d) an employee of a representative body of which the credit union is a member, where that employee's role could expose them to a potential conflict of interest

(e) a public servant (within the meaning of the Financial Emergency Measures in the Public Interest Act 2009) assigned to the Department of Finance and involved in advising the Minister on credit union issues or in the examination of credit union issues

(f) a member of the Commission of the Bank

( g ) an officer (within the meaning of section 2 of the Central Bank Act 1942 ) or other employee of the Bank and who is involved in the regulation of credit unions

( h ) the Financial Services Ombudsman (within the meaning of section 2 of the Central Bank Act 1942 ) or a Bureau staff member (within the meaning of section 57BA of that Act)

( i ) a member of the Irish Financial Services Appeals Tribunal or a member of its staff (including the Registrar of the Appeals Tribunal appointed under section 57J of the Central Bank Act 1942 )

( j ) the chief executive of the National Consumer Agency, an authorised officer of that Agency (within the meaning of section 2 of the Consumer Protection Act 2007 ) or any other member of its staff

( k ) the auditor of the credit union or a person employed or engaged by that auditor

( l ) a solicitor or other professional adviser who has been engaged by or on behalf of the credit union within the previous 3 years

( m ) a person who is a spouse or civil partner, parent, sibling or child of a director, board oversight committee member or employee of that credit union

(6) A person shall resign from being a director of a credit union if and when he or she becomes a person to whom any provision of paragraph 5 relates.

## 2. Election

(1) The board of directors of a credit union shall be elected —

( a ) where the organisation meeting occurs after the commencement of this provision (as amended by section 15 of the Credit Union and Co-operation with Overseas Regulators Act 2012), by secret ballot at the organisation meeting and, subject to subsection (15) and section 57 , subsequent vacancies on the board of directors shall be filled by secret ballot at an annual general meeting, and

( b ) in any other case, by secret ballot at the annual general meeting first occurring after the commencement of this provision (as amended by section 15 of the Credit Union and Co-operation with Overseas Regulators Act 2012) or, if earlier than that annual general meeting, at a special general meeting called for the purpose of such ballot and, subject to *subsection (15)* and *section 57* , subsequent vacancies on the board of directors shall be filled by secret ballot at an annual general meeting.

### 3. Terms of Office

(1) The term of office of a director of a credit union —

( a ) shall begin at the conclusion of the general meeting at which the director is elected

( b ) shall not extend beyond the third subsequent annual general meeting after his or her election

(2) (a) The regular terms of office for directors shall be fixed at the organisation meeting, or at a general meeting upon any increase or decrease in the number of directors

(b) Regular terms shall be so fixed that at each annual general meeting the number of directors whose term of office expires shall, as near as possible, be the same.

(3) Except where the Act or any other applicable requirement of financial services legislation otherwise provides, retiring directors shall be eligible for re-election immediately on retirement.

(4) A member of a credit union may not be appointed or elected to the board of directors if he has served for more than 12 years in aggregate in the previous 15 years on either the board of directors or the board oversight committee of the credit union.

(5) For directors of a credit union or members of the board oversight committee who were already directors or members of the board oversight committee on the date of the commencement of section 53 (as amended by the 2012 Act) in respect of such credit union, the 12 year period set out in paragraph (4) commences on the date that section so commenced.

### 4. Casual Vacancies

(1) Subject to the requirements of the Act and all other applicable requirements of financial services legislation, the board of directors may at any time and from time to time appoint, by a vote of a majority of the directors then holding office, a member of the credit union (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 annual general meeting of the credit union, or, if it is earlier, the next special general meeting at which an election is held for members of the board of directors.

(2) Where the secretary of the credit union becomes aware that all directors of the credit union intend to resign on the same date, he shall give written notice of their intention to the bank and the board oversight committee.

## **5. Regular Meetings**

(1) The board of directors of a credit union shall meet as often as may be appropriate to fulfil its responsibilities effectively and prudently and reflecting the nature, scale and complexity of the credit union, but in any event —

( a ) the board of directors shall hold at least 10 meetings in any year, and

( b ) the interval between any 2 meetings of the board of directors shall not be greater than 6 weeks

(2) Meetings of the board of directors of a credit union shall be chaired by the chair or, in his or her absence, by the vice-chair or, in the absence of the chair and the vice-chair, in a manner prescribed by the Bank or, if no manner is so prescribed, by such director as is nominated by majority vote by the directors present to chair that meeting.

(3) All meetings of the board of directors, including but not limited to, matters relating to the agenda and minutes shall be conducted in accordance with section 54 of the Act.

## **6. Quorum**

(1) A majority of the number of directors specified in the rules (inclusive of any vacancies) shall constitute a quorum for the transaction of any business at any meeting of the board of directors, but fewer than a quorum may adjourn to any date not less than two nor more than thirty days from the date of the meeting.

(2) The quorum for an adjourned meeting shall be five or such greater number as the board of directors has previously decided by resolution.

(3) Notice of an adjourned meeting shall be given as provided within such a manner as the board of directors may from time to time resolve.

## **7. Special Meeting**

The chair or, in his absence, the vice-chair, may call a special meeting of the board of directors at any time and shall do so upon the written request of any five directors. The chair or, in his absence, the vice- chair shall fix the date, time and place of such meetings unless the board of directors, by resolution, decides otherwise.

## **8. Notice of Meetings**

All meetings of the board of directors shall be summoned in such manner as the board of directors may from time to time resolve.

## **9. Removal of a director from office**

(1) Subject to paragraph (2), a credit union may, by resolution of a majority of the members present and voting at a special general meeting called for that purpose, remove a director from office.

(2) The secretary shall, not less than 21 days before the date of the special general meeting at which it is proposed to move a resolution referred to in paragraph (1), give written notice of the meeting to the director concerned.

(3) Where notice is given of such a resolution as is mentioned in paragraph (1) and the director concerned makes in relation to it representations in writing to the credit union (not exceeding a reasonable length) and requests their notification to the members of the credit union, the credit union shall, subject to subsection (5), (unless the representations are received by it too late to do so)—

( a ) in any notice of the proposed resolution given to members of the credit union, state the fact of the representations having been made; and

( b ) send a copy of the representations to every member of the credit union to whom notice of the meeting is sent (whether before or after the credit union receives the representations).

(4) Subject to subsection (5), and whether or not copies of any representations made by him have been sent as mentioned in subsection (3), the director concerned may require that, without prejudice to his right to be heard orally, the representations made by him shall be read out at the special general meeting.

(5) Subsections (3) and (4) shall not apply if, on the application either of the credit union or of any person who claims to be aggrieved, the Bank is satisfied that compliance with the paragraphs would diminish substantially public confidence in the credit union or that the rights conferred by them are being, or are likely to be, abused in order to secure needless publicity for defamatory matter.

(6) A vacancy arising from the removal of a director under this section shall be filled in accordance with section 53(15)

## **10. Director Voting**

Each director shall have one vote on any matter at a meeting of the board of directors provided that the chair of the meeting shall have a second or casting vote in the event of equality of voting.

## **11. Powers and Functions**

Subject to law and these rules the board of directors shall have responsibility for the general control, direction and management of the credit union and the functions of the board of directors shall include the following:

( a ) setting the strategy for the credit union by preparing, including active participation and examination of strategies being developed or proposed by the manager, management team or others and preparing and adopting a strategic plan

( b ) monitoring the implementation of the strategic plan by the credit union, reviewing the performance of the credit union against the measurements defined in the strategic plan and assessing, on a regular basis but at least annually, how the strategic objectives of the credit union are being achieved

( c ) reviewing the credit union ' s strategic plan on a regular basis, but at least annually, to ensure that it remains relevant and up to date and modifying or revising the strategic plan to incorporate any changes required as a result of the review

( d ) operating a comprehensive decision-making process, considering all matters it considers to be of material relevance to the credit union and documenting the reasons for its decisions

( e ) the appointment of a manager, risk management officer and compliance officer and the approval of the appointment of any other member of the management team

( f ) ensuring that there is an effective management team in place

( g ) reviewing the performance of the manager on an annual basis and monitoring on an ongoing basis his or her continued appropriateness to be the manager

( h ) ensuring that the performance of every other employee and voluntary assistant, is reviewed and monitored on an ongoing basis to ensure his or her continued appropriateness for his or her role in the credit union

( i ) identifying, in consultation with the manager, other officer positions within the credit union that —

(i) are essential to the proper management of the credit union

(ii) are likely to enable the person holding the position to exercise significant influence on the conduct of the affairs of the credit union

and which, together with the manager and risk management officer of the credit union are referred to in this Act as the ' management team

( j ) ensuring there is an appropriate succession plan in place in respect of each of the positions that constitute the management team

( k ) exercising appropriate oversight over execution by the management team of the agreed strategies, goals and objectives

( l ) reviewing and approving all elements of the risk management system on a regular basis, but at least annually and, in particular —

(i) assessing the appropriateness of the risk management system

- (ii) taking account of any changes to the strategic plan including the credit union ' s resources or the external environment, and
- (iii) taking measures necessary to address any deficiencies identified in the risk management system
- ( m ) ensuring compliance with all requirements imposed on the credit union by or under the *Credit Union Acts 1997 to 2012* or any other financial services legislation
- ( n ) the removal from office of an officer of the credit union, except directors or members of the board oversight committee, where the board of directors has duly determined that there has been a failure by the person concerned to perform duties or responsibilities
- ( o ) approving, reviewing, and updating, where necessary, but at least annually, all plans, policies and procedures of the credit union, including the following:
  - (i) lending policies including lending limits
  - (ii) policies in relation to members ' shares and deposits including the setting of a maximum number of shares a member can hold and a maximum amount that a member may deposit
  - (iii) liquidity management policies
  - (iv) reserve management policies
  - (v) investment policies
  - (vi) the designating of depositories for the funds of the credit union and signatories to cheques, drafts or similar documents drawn on the credit union
  - (vii) standards of conduct and ethical behaviour for officers
  - (viii) remuneration policies and practices
  - (ix) compliance plan and policies
  - (x) records management policies
  - (xi) information systems and management information policies
  - (xii) business continuity plan
  - (xiii) asset and liability management policies
  - (xiv) outsourcing policies
  - (xv) risk management policy

(xvi) conflicts of interest policy

(xvii) such other matters as the Bank may prescribe

( *p* ) the recommendation to members, for approval, of dividends to members;

( *q* ) ensuring the accounts of the credit union are submitted for audit;

( *r* ) reporting to the members of the credit union at the annual general meeting, including nominating a member of the board to present the annual accounts at the annual general meeting

( *s* ) reviewing and considering any update of financial statements provided to the board by the manager under *section 63A(4)(c)*

(*t*) making provision for the disclosure of its books and documents for the purpose of enabling it to enter into contracts for the benefit of the credit union

## 12. Acts of a Director

The acts of a director of the credit union shall be valid notwithstanding any defect in the appointment of the director

## 13. Supplemental Provisions

(1) A register of directors shall be kept by the secretary of the credit union and signed by all the directors of a credit union each year after the annual general meeting of a credit union or, in the case of a director appointed to fill a casual vacancy, after his appointment.

(2) In the event that the number of directors of a credit union falls to less than half the number specified in the registered rules, the secretary of the credit union shall forthwith notify the Bank and the board oversight committee of the credit union.

(3) Where any of the following events occurs —

( *a* ) the secretary of the credit union has given notice under *section 53(17)* that all the directors of the credit union intend to resign on the same date,

( *b* ) all the directors have been removed or suspended in accordance with *section 96(1)* , or

( *c* ) there is no board of directors,

then the board oversight committee shall convene a special general meeting of the credit union, within one month of the occurrence of the event in question, to elect a board of directors.

(4) A director of the credit union who is also a member of the membership committee, credit committee or credit control committee thereof, or who is also chair, vice-chair or secretary thereof shall, upon ceasing to hold office as a director, cease to be a member of any of the committees aforesaid, or cease to hold any of the offices aforesaid.

#### **14. Board Oversight Committee Membership**

(1) The credit union shall have a board oversight committee which shall consist of three members. It may consist of three or five members.

(2) The credit union shall comply with the Act and all applicable requirements of financial services legislation, in particular but without limit to the Fitness & Probity Regulations for credit unions, with respect to the appointment, and continuation in office, of members of the board oversight committee.

(3) A credit union shall not elect any of the following persons to be a member of its board oversight committee:

- ( a ) an employee or voluntary assistant of the credit union or an employee of any other credit union
- ( b ) a member of the board oversight committee of any other credit union
- ( c ) an employee of a representative body of which the credit union is a member, where that employee ' s role could expose them to a potential conflict of interest
- ( d ) a public servant (within the meaning of the Financial Emergency Measures in the Public Interest Act 2009 ) assigned to the Department of Finance and involved in advising the Minister on credit union issues or in the examination of credit union issues
- ( e ) a member of the Commission of the Bank
- ( f ) an officer (within the meaning of section 2 of the Central Bank Act 1942 ) or other employee of the Bank and involved in the regulation of credit unions
- ( g ) Financial Services Ombudsman (within the meaning of section 2 of the Central Bank Act 1942 ) or a Bureau staff member (within the meaning of section 57BA of that Act)
- ( h ) a member of the Irish Financial Services Appeals Tribunal or a member of its staff (including the Registrar)
- ( i ) the chief executive of the National Consumer Agency, an authorised officer of that Agency (within the meaning of section 2 of the Consumer Protection Act 2007 ) or any other member of its staff

( j ) the auditor of the credit union or a person employed or engaged by that auditor

( k ) a solicitor or other professional adviser who has been engaged by or on behalf of the credit union within the previous 3 years

( l ) a person who is a spouse or civil partner, cohabitant, parent or child, of a director, board oversight committee member or employee of that credit union

( m ) a body corporate

( n ) a person who is not of full age

( o ) a director of the credit union

(4) A person shall resign from being a member of the board oversight committee of a credit union if and when he or she becomes a person to whom any of the provisions of subsection (3) relates.

(5) A board oversight committee member may not be appointed or reappointed to the board oversight committee if he or she has served for more than 12 years in the previous 15 years whether on the board of directors or the board oversight committee.

## **15. Board Oversight Committee Election**

(1) The board oversight committee of a credit union shall be elected —

( a ) where the organisation meeting occurs after the commencement of section 76N of the Act, by secret ballot at the organisation meeting and, subject to section 76R(4), subsequent vacancies on the board oversight committee shall be filled by secret ballot at an annual general meeting,

( b ) in any other case, by secret ballot at the annual general meeting first occurring after the commencement of 76N of the Act, if earlier than that annual general meeting, at a special general meeting called for the purpose of such ballot and, subject to section 76R(4) , subsequent vacancies on the board oversight committee shall be filled by secret ballot at an annual general meeting.

## **16. Chair and Secretary**

(1)The board oversight committee shall choose from its number a chair and secretary. The offices of chair and secretary shall not be held by the same person.

(2) The secretary shall prepare and have custody of records of all decisions and actions taken by the committee.

## 17. Term of Office

(1) The term of office of a member of the board oversight committee —

( a ) shall begin at the conclusion of the general meeting at which the member is elected

( b ) shall not extend beyond the third subsequent annual general meeting after being so elected

(2) The rules for retirement from the board oversight committee shall be as follows:

( a ) where the committee consists of 3 members, one shall retire at each annual general meeting

( b ) where the committee consists of 5 members, 2 shall retire at each annual general meeting

( c ) subject to *paragraph (d)* , the members to retire at any time shall be those who have served longest since they were last elected

( 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

(3) Except where this Act or any other applicable legal requirement otherwise provides, a retiring member of the committee shall be eligible for re-election.

## 18. Casual Vacancy

If a casual vacancy arises in the membership of the board oversight committee then, within one month of the vacancy arising, the committee shall appoint a member of the credit union (who may, if the committee thinks fit, be a former member of the committee) to fill the vacancy; and the member so appointed shall hold office until the next general meeting at which an election is held for members of the board oversight committee.

## 19. Resignation of Board Oversight Committee

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 shall give written notice of their intention to the Bank and the Board of Directors.

## **20. Board Oversight Committee Procedural Provisions**

(1) The board oversight committee of a credit union shall hold —

( a ) at least one meeting in every month, and

( b ) meetings with the board of directors at least 4 times in every year to facilitate it in carrying out the assessment under paragraph (2)

and the board oversight committee shall keep minutes of every meeting held by it under paragraphs (a) and (b)

(2) The board oversight committee shall submit, within 2 weeks of any meeting referred to in subsection (1)(b) , a written report to the board of directors on their assessment of whether the board of directors has operated in accordance with Part IV and this Part and any regulations relating to Part IV or this Part.

(3) Members of the board oversight committee shall have the right to attend all meetings of the board of directors and all meetings of committees of the credit union. The board oversight committee shall ensure at least one of its members attends every meeting of the board of directors.

(4) The board oversight committee shall have access, at all times, to the books and documents (including draft documents) of the credit union to enable it to carry out its functions under the Act.

(5) The board oversight committee may notify the Bank of any concern it has, that the board of directors has not complied with any of the requirements set out in this Part or Part IV, or regulations made thereunder, following a unanimous vote at a meeting of the committee called for the purpose of considering such a notification.

## **21. Functions of the Board Oversight Committee**

A board oversight committee of a credit union shall assess whether the board of directors has operated in accordance with —

( a ) Part IV , this Part and any regulations made for the purposes of Part IV or this Part, and

( b ) any other matter prescribed by the Bank in respect of which they are to have regard to in relation to the board of directors

## **22. Board Oversight Committee Removal from Office**

(1) Subject to subsection (2), a credit union may, (including by reason that the member of the board oversight committee is more than 90 consecutive days in arrears under a debt obligation to the credit union) by resolution of a majority of the members present and

voting at a special general meeting called for that purpose, remove a member of the board oversight committee from office.

(2) The secretary of the credit union shall, not less than 21 days before the date of the special general meeting at which it is proposed to move a resolution referred to in subsection (1), give written notice of that meeting to the member concerned.

(3) Where notice is given of a resolution mentioned in subsection (1) and the member of the board oversight committee concerned makes in relation to it representations in writing to the credit union (not exceeding a reasonable length) and requests their notification to the members of the credit union, the credit union shall, subject to subsection (5), (unless the representations are received by it too late to do so) —

( a ) in any notice of the proposed resolution given to members of the credit union, state the fact of the representations having been made, and

( b ) send a copy of the representations to every member of the credit union to whom notice of the meeting is sent (whether before or after the credit union receives the representations)

(4) Subject to subsection (5), and whether or not copies of any representations made under subsection (3) have been sent in accordance with that subsection, the member of the board oversight committee concerned may require that, without prejudice to that member's right to be heard orally, the representations made by that member shall be read out at the special general meeting.

(5) Subsections (3) and (4) shall not apply if, on the application either of the credit union or of any person who claims to be aggrieved, the Bank is satisfied that compliance with the subsections would diminish substantially public confidence in the credit union or that the rights conferred by those subsections are being, or are likely to be, abused in order to secure needless publicity for defamatory matter.

(6) A vacancy arising from the removal of a member of a board oversight committee under this section shall be filled in accordance with section 76N (2) of the Act.

### **23. Board Oversight Committee Supplemental Provisions**

(1) A register of the members of the board oversight committee shall be kept by the secretary of the credit union and shall be signed by each member of the board oversight committee after an annual general meeting or, in the case of a member appointed to fill a casual vacancy, after such member's appointment.

(2) In the event that the number of members of the board oversight committee falls to less than half the number specified in the registered rules, the secretary of the committee shall forthwith notify the Bank and the board of directors.

(3) The acts of a member of the board oversight committee of a credit union shall be valid notwithstanding any defect in the election or appointment of the member which may subsequently be discovered.

(4) Where any of the following events occur —

( a ) the secretary of the board oversight committee has given notice under section 76N(3) that all the members of the committee intend to resign on the same date

( b ) all the members of the board oversight committee have been removed or suspended in accordance with section 96(1) , or

( c ) there are no members of the board oversight committee

then the board of directors shall convene a special general meeting of the credit union, within one month of the occurrence of the event in question, to elect a board oversight committee.

(5) If the special general meeting referred to in subsection (4) is not convened in accordance with that subsection, the Bank may convene such a special general meeting under section 92(1)(b) of the Act .

(6) A credit union shall meet all such expenses as may be reasonably incurred by its board oversight committee in carrying out its function.

#### **24. Suspension and removal of Directors by the Board Oversight Committee**

(1) If the board oversight committee of a credit union considers that a member of the board of directors;

(a) Has taken any action or decision which, in the opinion of the committee, given in writing to the director concerned, is not in accordance with the requirements of Part IV of the Act; or

(b) Is more than 90 consecutive days in arrears under a debt obligation to the credit union

Then, after consulting the Bank, the committee may either:

(i) Suspend, with immediate effect, the director by a unanimous vote of all member of the committee taken at a meeting of the committee called for the purpose of considering the director's suspension, or

(ii) convene a special general meeting of the credit union to consider whether to remove the director in light of the action or decision taken by that director

But no steps shall be taken under this paragraph without the director concerned being given an opportunity to be heard by the members of the board oversight committee.

(2) Where a director of a credit union has been suspended by the board oversight committee in accordance with paragraph (1), the board oversight committee shall, within 7 days of that suspension, convene a special general meeting:

(a) for the purpose of reviewing the suspension, and

(b) to consider whether to remove the director having regard to subsection (1)(a) or (b)

(3) Where the board oversight committee convenes a special general meeting for the purposes of this rule the credit union may, by resolution of a majority of the members present and voting at that special general meeting:

(a) Ratify the suspension of the director concerned and remove that director from office

(b) Rescind the suspension of that director, or

(c) Remove that director from office

But no director shall be so removed from office without being given an opportunity to be heard by the members present at the meeting

(4) The secretary of the credit union shall, not less than 21 days before the date of the special general meeting at which it is proposed to move a resolution referred to in paragraph (3), give written notice of that meeting to the director concerned

(5) Where notice is given of an intended resolution to remove a director under this rule and the director concerned makes in relation to its representations (not exceeding a reasonable length) in writing to the credit union and requests their notification to the members of the credit union then, unless the representations are received by it too late for it to do so, the credit union shall, subject to paragraph (7):

(a) in any notice of the resolution given to members of the credit union, state the fact of the representations having been made, and

(b) send a copy of the representations to every member of the credit union to whom notice of the meeting is sent

(6) Subject to paragraph (7), and whether or not copies of any representations made by it have been sent as mentioned in paragraph (5), the director concerned may require that, without prejudice to his or her right to be heard orally, the representations made by him or her shall be read out at the special general meeting

(7) Paragraphs (5) and (6) shall not apply if, on the application either of the credit union or of any person who claims to be aggrieved, the Bank is satisfied that compliance with the paragraphs would diminish substantially public confidence in the credit union or that the rights conferred by those paragraphs are being, or are likely to be, abused in order to secure needless publicity for defamatory matter.

(8) Where a director of a credit union is removed from office at a special general meeting pursuant to this rule, the vacancy caused by the removal shall be filled in such manner as may be determined by the meeting.

## 25. Principal Posts

(1) At a meeting of the board of directors of a credit union —

( a ) which is held immediately after the organisation meeting, an annual general meeting or special general meeting at which an election is held for members of the board of directors, and

( b ) which is chaired by a member of the board oversight committee

the board of directors shall elect by secret ballot directors to fill such of the principal posts in the credit union as are then vacant; and, for the purposes of this section, the principal posts in a credit union are the posts of chair, vice-chair and secretary. The term of office of the holder of a principal post shall be until the conclusion of the next annual general meeting following his election to that post; and subject to the requirements of the Act, these rules and any other applicable requirement of financial services legislation a person who has been a holder of a principal post shall be eligible for re-election to that post.

(2) In the event of a casual vacancy in a principal post, the board of directors may by secret ballot elect a director to hold that post until the next meeting at which, in accordance with subsection (1), an election should be held to fill any vacancy in the principal posts.

(3) Without prejudice to subsection (2), 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 of directors.

(4) The chair or secretary of a credit union shall notify the Bank in writing of the election, appointment, retirement, removal or resignation from office of chair, vice-chair, director, secretary, or committee member and the notification shall —

( a ) be made within 14 days of the election, appointment, retirement, removal or resignation, and

( b ) state the full name and address of the officer concerned

## 26. Chair

(1) The functions of the chair of a credit union include the following:

- ( a ) ensuring that meetings of the board of directors operate in an efficient and effective manner
- ( b ) encouraging constructive discussions and debate at board of directors meetings
- ( c ) promoting effective communications between members of the board of directors and between the board of directors and the management team of the credit union
- ( d ) causing the agenda to be set by the secretary, attending and chairing board of directors meetings
- ( e ) ensuring that the responsibilities of the nomination committee, as set out in section 56B(4), are performed by that committee
- ( f ) conducting a performance evaluation of each member of the board of directors on an annual basis to ensure that each director is complying with the obligations under financial services legislation and the board of directors ' objectives as set out in the credit union ' s strategic plan
- ( g ) facilitating the work of the board oversight committee through providing it with all reasonable assistance to enable that committee to carry out its functions
- ( h ) ensuring that conflicts of interest are appropriately managed by the board of directors, and by each of them, in accordance with section 69 of the Act

(2) A chair of a board of directors shall not serve more than 4 consecutive terms in that position and, having so served, shall not be eligible to be chair until —

- ( a ) after another director has served at least one term as chair, or
- ( b ) where such other director has served for less than one year, after 2 or more directors have served as chair for the equivalent of at least one complete term,

but nothing in this section shall prevent a former chair of the board of directors from chairing a meeting of the board in the absence of the chair and, where relevant, the vice-chair.

(3) A director of the credit union shall not be eligible to be elected as chair if the director had, at any time during the 5 years preceding the election, been —

- ( a ) an employee of that credit union, or

( b ) a person who acted in any management capacity (whether voluntary or paid) in that credit union,

and, for the purposes of this subsection, ‘ acted in any management capacity ’ includes performing a role where the person was in a position to exercise a significant influence on the conduct of the credit union ’ s affairs but does not include acting as a member of the board of directors or as a member of the board oversight committee.

(4) A person shall cease being chair of a board of directors if —

( a ) the person ceases being a director for any reason, or

( b ) the person resigns from being chair in accordance with subsection (5) .

(5) A director may resign from being chair of the board of directors by sending his or her resignation in writing to the secretary of the credit union

## **27. Vice- Chair**

(1)The vice-chair shall exercise the duties of the chair during the latter’s absence or inability to act

(2) Directors of a credit union may not serve more than three consecutive years as vice-chair and a person who has been the holder of such a principal post shall not be eligible for re-election thereto until after the expiry of one year since he last held it.

## **28. Secretary**

(1)The secretary of the credit union shall give, or cause to be given proper notice of all meetings of the members and of the board of directors and shall prepare and maintain minutes of all meetings thereof, and shall perform such other duties not inconsistent with the provisions of the law and these rules as the board of directors may from time to time direct.

(2)Directors of a credit union may not serve more than three consecutive years as secretary and a person who has been the holder of such a principal post shall not be eligible for re-election thereto until after the expiry of one year since he last held it.

## **29. Nomination Committee**

(1) The board of directors of a credit union shall establish a committee.

(2) (a) At a meeting of the board of directors of a credit union —

- (i) which is held immediately after the organisation meeting, an annual general meeting or special general meeting at which an election is held for members of the board of directors, and
- (ii) which is chaired by a member of the board oversight committee

the board shall elect by secret ballot directors to fill such positions as are then vacant on the nomination committee.

( *b* ) In the event of a casual vacancy on the nomination committee, the board of directors may by secret ballot elect a director to fill that vacancy until the next meeting at which, in accordance with *paragraph (a)* , an election should be held to fill any vacancy in the nomination committee.

(3)The nomination committee shall comprise not less than three members and not more than five members of the board of directors.

(4) The nomination committee shall be responsible for the following:

( *a* ) identifying candidates to be nominated for appointment to the board of directors

( *b* ) accepting nominations of candidates proposed to be appointed to the board of directors

( *c* ) proposing —

(i) candidates, for election by a general meeting, to be members of the board, and

(ii) if prescribed by the Bank for the purposes of *section 53(15)* , at least such and so many candidates as may be required for consideration for appointment to fill vacancies on the board of directors;

( *d* ) proposing an additional person to be a director of the credit union pursuant to *section 95A(1)* ;

( *e* ) assisting the credit union in performing any obligations of the credit union under section 23 of the Central Bank Reform Act 2010 in relation to any candidates proposed to perform pre-approval controlled functions (as construed in accordance with section 22 of that Act);

( *f* ) assisting the credit union in carrying out any checks which the credit union is undertaking to enable it to comply with its obligations under section 21 of the Central Bank Reform Act 2010 ;

( *g* ) informing each prospective candidate by notice in writing, before he or she is proposed as a candidate in accordance with *paragraph (c)* , of the time commitment expected from him or her in respect of his or her role as a director;

( *h* ) ensuring that there is an appropriate succession plan in place for the board of directors;

( i ) ensuring that each director is given adequate induction to his or her role on the board of directors so as to ensure he or she has sufficient appreciation of, and appropriate training about, the strategy, operations and performance of the credit union;

( j ) ensuring that the induction process and training referred to in *paragraph (i)* occurs as soon as is practicable and in any event by no later than 6 months following a director ' s appointment to the board of directors;

( k ) arranging additional training, either individually or collectively, for the members of the board of directors during their respective terms of appointment to the extent that the nomination committee considers it necessary in order for the board of directors to make informed decisions;

( l ) maintaining a record in writing of the periods of time during which a person has served as a member of the board of directors of the credit union.

(5) Every candidate to be nominated for appointment as a member of the board of directors of a credit union shall be proposed through the nomination committee of the credit union. No person shall otherwise be put forward for election or seek election at an annual general meeting or special general meeting of the credit union at which an election is held for members of the board of directors.

(6) The nomination committee shall ensure it receives nominations for appointment of persons as members of the board of directors of a credit union in time prior to any annual general meeting, or special general meeting at which an election is held for such members, so as to enable any requirements by or under Part 3 of the Central Bank Reform Act 2010 to be met in advance of those persons being nominated for appointment.

(7) In identifying prospective candidates under subsection (4)(a) and considering the proposing of candidates under subsection (4)(c) , the nomination committee shall consider the balance of skills, experience and knowledge on the current board of directors and any review undertaken under subsection (11) .

(8) In considering the proposing of candidates under paragraph (4)(c) , the nomination committee shall have regard to —

( a ) the number of directors on the board of directors and the number of vacancies to be filled,

( b ) whether potential conflicts of interest could arise from the appointment to the board of directors of a person if such person were duly nominated and appointed to the board, and

( c ) any other matter that the Bank may prescribe.

(9) Any potential conflict referred to in subsection (8) shall be brought to the attention of —

( a ) where subsection (4)(c)(i) is relevant, the members of the credit union at the general meeting concerned, and

( b ) where subsection (4)(c)(ii) is relevant, the directors of the board of directors of the credit union at the meeting of the board concerned.

(10) The nomination committee shall not propose appointments to the board of directors or allow appointments to proceed where conflicts of interest exist or could arise in a way which in its opinion could significantly affect the ability of the board of directors to operate in accordance with *section 69(1)*

(11) The nomination committee shall review the composition of the board of directors at least once a year for the purpose of identifying any deficiencies in the composition of the board. The review shall include determining whether or not there are any deficiencies in the balance of skills amongst the members of the board of directors and considering other matters relating to deficiencies that may be prescribed by the Bank.

(12) The nomination committee shall —

( a ) formally review the membership of any person who is a member of the board of directors for more than the 12 years in aggregate permitted under this Part, and

( b ) shall document the rationale for the continuance of such membership of that person.

(13) The nominating procedure for the board oversight committee shall be as established by the credit union in accordance with the Act and having regard to the guidance from the Bank with respect to the implementation of the Fitness & Probity Regulations for Credit Unions.

### **30. Credit Committee**

#### **Membership & duty in general**

(1) The board of directors shall appoint a credit committee of not less than three members which shall decide on applications for credit.

(2) A member of the credit control committee, the credit control officer or a credit officer shall not be eligible for membership of the credit committee

### Chair and secretary

(1) The credit committee shall choose from its number a chair and a secretary. The offices of chair and secretary shall not be held by the same person

(2) The secretary shall prepare and maintain complete records of all meetings of the committee

### Meetings

The credit committee shall meet as often as necessary to carry out its functions, but not less frequently than once a month. Notice of such meetings shall be given to the committee members in such manner as the committee may from time to time prescribe.

### Report to the board

The credit committee shall:

- (a) Submit a written report to the board of directors at each meeting of the board of directors; and
- (b) Comply with any instruction of the board of directors

### Approval of loans

Loans shall be approved in accordance with matter 9.

### Credit Officer

(1) The board of directors may —

- ( a ) approve the appointment of a person by the manager, other than a member of the board, 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
- ( b ) assign to the credit officer the power to approve credit on its behalf —
  - (i) that is fully secured by the shareholding of the borrowing member or to an amount in excess of that shareholding, or
  - (ii) 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 of directors,

and the amount of the excess referred to in paragraph (b)(i) , shall be determined from time to time by the board of directors.

(2) 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 not later than 7 days of receipt of the application.

#### Duties of credit committee and/or credit officer

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:

- (a) Ascertain the applicant's ability to repay a loan in accordance with its terms
- (b) Ensure that the provision of credit does not involve undue risk to members savings

#### Appeal against non-approval of loan

An appeal against on-approval of a loan by the credit officer or the credit committee shall be in accordance with Matter 9.

### 31. Credit Control Committee

#### Membership and duty in general

(1) The board of directors shall appoint a credit control committee of not less than three members which shall seek to ensure the repayment of loans by members of the cred union in accordance with their loan agreements.

(2) A member of the credit committee, a credit officer, or the credit control officer shall not be eligible for membership of the credit control committee.

#### Chair and secretary

(1) The credit control committee shall choose from its number a chair and a secretary. The offices of chair and secretary shall not be held by the same person.

(2) The secretary shall prepare and maintain complete records of all meetings of the committee.

#### Meetings

The credit control committee shall meet as often as necessary to carry out its functions, but not less frequently than once a month. Notice of such meetings shall be given to the committee members in such manner as the committee may from time to time prescribe.

#### Report to the Board

The credit control committee shall:

- (a) Submit a written report to the board of directors at each meeting of the board of directors and
- (b) Comply with any instruction of the board of directors

### Credit Control Officer

The board of directors may approve the appointment of a person by the manager, other than a member of the board of directors, member of the credit control committee, or member of the credit committee or a credit officer, as credit control officer to assist the credit control committee and work under its supervision and control.

### 32. Membership Committee

The board of directors shall appoint a membership committee which shall consider and decide on applications for membership of the credit union.

### Chair and secretary

(1) The membership committee shall choose from its number a chair and a secretary. The offices of chair and secretary shall not be held by the same person.

(2) The secretary shall prepare and maintain complete records of all meetings of the committee

### Meetings

The membership committee shall:

- (a) Meet as often as necessary to carry out its functions
- (b) Submit a written report to the board of directors at each meeting of the board of directors; and
- (c) Comply with any instruction of the board of directors

### Duties

Subject to these rules and the Act, the membership committee shall:

- (1) Ascertain and determine that an applicant is eligible for membership
- (2) Explain to such applicant the requirements for admission to membership and the conditions for retaining membership
- (3) Assist him in filling in all necessary application forms
- (4) Accept entrance fees and initial share payments
- (5) Admit persons to membership
- (6) Issue numbered passbooks or other evidence of membership to new members and
- (7) Deliver a copy of these rules to every person on demand, on payment of a sum not exceeding €1 or such larger sum as may for the time being be prescribed by the Minister

### New members and doubtful applications

The membership committee shall:

- (a) at least once in every month notify the board of directors of the new members whose applications they have approved; and
- (b) where there is a doubt in respect of an applicant's qualification for membership of the credit union, submit the application for membership to the board of directors for a decision.

## 33. Appointed Officers

### Manager

- (1) The board of directors of a credit union shall appoint an individual to the role of manager of the credit union.
- (2) The manager of a credit union shall be the chief executive officer of the credit union having responsibility for the day-to-day management of the credit union's operations, compliance and performance and shall be responsible to the board of directors for the performance of his or her functions.
- (3) The functions of the manager of a credit union include the following:
  - ( a ) without prejudice to the exercise by the board of directors of its functions under *subsection (1)(a) of section 55* , preparing and proposing to the board of directors for debate, scrutiny and approval, strategies for the strategic plan that the board of directors are required to prepare and approve under that subsection;
  - ( b ) implementing the strategies agreed by the board of directors to the standards set out in the strategic plan or as otherwise required by the board of directors;
  - ( c ) updating the board of directors on the financial position of the credit union, including submitting to the board of directors on a monthly basis unaudited financial statements that set out the financial position of the credit union;
  - ( d ) appointing or causing to be appointed such and so many persons as employees or as voluntary assistants as the manager considers appropriate after consulting with the management team of the credit union;
  - ( e ) preparing or causing to be prepared such financial reports and returns as may be required by the auditor of the credit union;
  - ( f ) implementing the proper systems of internal control which the board of directors have approved;

( g ) ensure that all cash is deposited in accordance with the instructions of the board of directors;

( h ) such other matters as may be duly assigned to the manager by the board of directors.

(4) In appointing a person as manager of a credit union, its board of directors shall ensure that the person complies with all legal requirements (including requirements which the Bank may prescribe) to be appointed.

#### Money Laundering Reporting Officer

The Board of Directors of the Credit Union shall appoint an experienced member of the board of directors or senior member of staff as money laundering reporting officer to whom all reports of suspected money laundering offences will be directed, assessed and, where appropriate, passed to the Gardaí and the Revenue Commissioners, in accordance with the Criminal Justice Act, (Money Laundering and Terrorist Financing) Act 2010 (as amended).

#### Training Liaison Officer

The board of directors shall appoint a training liaison officer, the duties of whom shall include carrying out of, or cause to be carried out, a training needs analysis for credit union personnel to help to co-ordinate training programmes.

#### Youth Development Officer

The board of directors shall appoint a youth development officer, the duties of whom shall include the development of a youth policy for the credit union having accumulated relevant information on the youth population within the common bond.

#### Risk Management Officer

In accordance with section 76C of the Act, the Board of Directors shall appoint a Risk Management Officer who shall be responsible for identifying, assessing, reporting and monitoring all internal and external risks that could affect the credit union to which the risk management system relates, including risks to its employees, members, reputation and assets, and assisting the manager with managing and mitigating those risks.

#### Compliance Officer

In accordance with section 76D of the Act, the Board of Directors shall appoint a compliance officer who shall be responsible for managing compliance at all levels in the credit union including:

- (a) Ensuring that the credit union complies with all statutory and regulatory requirements, and
- (b) Monitoring such compliance to ensure that no conflict of interest arises

### **34. Remuneration**

(1) A credit union shall not pay any remuneration, directly or indirectly, to —

( a ) a director of the credit union, or

( b ) a member of the board oversight committee or a principal Committee of the credit union,

for any service performed by that person in that capacity.

(2) Nothing in subsection (1) shall be regarded as prohibiting the payment (or reimbursement) of expenses—

( a ) 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

( b ) which are approved by a majority of the directors voting at a meeting of the board.

(3) Nothing in subsection (1) shall be regarded as prohibiting any officer or voluntary assistant of the credit union, acting not as such but in his professional capacity, from tendering for the supply of, and if successful supplying, goods or services to the credit union

### **35. Confidentiality of Information**

(1) Subject to subsection (2), during his term of office or at any time thereafter, an officer or voluntary assistant of a credit union shall not disclose or permit to be disclosed any information which concerns an account or transaction of a member with, or any other business of, the credit union

(2) Subsection (1) does not apply to a disclosure of information—

( a ) if or to the extent that it is necessary for the proper conduct of the business of the credit union; or

( b ) which is required by a court in connection with any proceedings; or

( c ) which is made with the consent of the person to whom the information relates and, where not the same person, of the person from whom the information was obtained; or

( d ) which, in a case where the credit union is acting or has acted as agent for a person, is made to that person in respect of that capacity; or

( e ) where the information is in the form of a summary or collection of information and is so framed as not to enable information relating to a particular member to be ascertained from it; or

( f ) which, in the opinion of the Bank, is necessary for the protection of the funds of shareholders in or depositors with the credit union or to safeguard the interests of the credit union; or

( g ) which is made to the Bank for the purposes of its functions in relation to credit unions; or

( h ) which is made to the Credit Union Restructuring Board for the purposes of its functions under the Credit Union and Co-operation with Overseas Regulators Act 2012.

(3) As soon as practicable after the beginning of his term of office or, in the case of any person whose term of office began before the commencement of this section, after that commencement, every officer of a credit union shall, in such manner as the Bank may determine—

( a ) be informed by the credit union of his obligations under this section; and

( b ) in writing acknowledge that he has been so informed and understands his obligations.

(4) Any reference in the preceding provisions of this section to a term of office means—

( a ) in relation to an officer who is an employee, the period of his employment; and

( b ) in relation to a voluntary assistant, the period during which he is engaged in the operation of the credit union.

## **Matter 7 - Shares and Loans**

### **1. General Provisions**

(1) All shares in the credit union shall be of €1 denomination and shall be subscribed for in full. An amount of less than €1 may be credited to a member's share account in the credit union but no share shall be allotted to a member unless it is full paid in cash.

(2) A member of the credit union:

(a) Shall not hold on deposit with the credit union more than €100,000 or such other maximum as may be prescribe by law or by the bank

- (b) 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 whichever is the greater of €200,000 or one per cent. Of the total assets of the credit union or such other maximums as may be prescribed by law or the Bank

(3) Notwithstanding paragraph (2), the board of directors may determine from time to time the maximum amount of shares and deposits which may be held by a member and which shall be no greater than that permitted by paragraph (2).

## **2. Dividend on shares**

(1)(a) Provided a share dividend has been declared in accordance with the Act, the directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.

(b) An interest rate refund shall not be made by the members at annual general meeting in the absence of a recommendation by the board of directors and any interest refund recommended by the directors under paragraph (1)(a), shall not be exceeded by the members at annual general meeting.

(2) Dividends due to any member may be placed to the credit of his share balance.

## **3. Restrictions on withdrawal of shares and deposits**

(1) Notwithstanding anything in these rules or in any contract, the credit union may require not less than sixty days' notice from a member of his 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) Notwithstanding anything in these rules or in any contract, the credit union may require not less than twenty one days' notice from a member of his intention to withdraw a deposit.

(3)(a) If a member of the credit union seeks to withdraw savings in the credit union at a time when the member has an outstanding liability (including a contingent liability) to the credit union, whether a borrower, guarantor or otherwise, that withdrawal shall only be permitted:

- (i) If the savings are not attached savings; or

- (ii) Where the savings are attached savings, if the withdrawal of such attached savings is approved by a majority of the members of the board of directors voting at a meeting of the board of directors;

But no approval may be given under subparagraph (ii) if, were the withdrawal to be approved, the value of the member's attached savings immediately after the withdrawal would be less than 25 per cent of the member's outstanding liability.

(b) Any savings that existed in the credit union immediately before the commencement of section 32 of the Act (as amended by the 2012 Act) that were not withdrawable under that section immediately before that commencement shall be treated as attached savings after that commencement.

(c) Where the outstanding liability reduces below the level of attached savings, the amount of the attached savings shall not be greater than the outstanding balance of the loan.

(d) In the rule; 'attached savings' means a share in, or deposit with, a credit union which is pledged in writing by a member as security for a loan at the time of the issuing of the loan to the member or guaranteed by the member and 'savings' means a share in, or deposit with, the credit union

(4) Where a member of the credit union 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 indebtedness, withdraw any of the member's shares or deposits; and such a withdrawal may be made notwithstanding anything in paragraphs (2) and (3).

(5) The credit union shall have a lien on the shares, deposits, dividends and interest of any member for any debt due to the credit union from that member, and may set off any sum credited to the member on those shares, deposits, dividends and interest in or towards the payment of that debt.

#### **4. Joint Accounts**

(1) Shares may be issued to and deposits accepted from two or more members by means of a joint account. Application must be made in accordance with relevant forms. By virtue of the right of survivorship on the death of one of the holders, the account becomes the property of the remaining joint tenants.

(2) Only the first-named tenant in a joint account may vote unless the members of the joint tenancy nominate one of the other joint tenants to the account to cast the vote. In the event of all tenants of a joint account holding separate accounts in the credit union, the joint account may not exercise a further vote.

(3) No tenant of a joint account is eligible to hold office in the credit union unless he owns a separate account or unless all the tenants of the joint account agree in writing to his nomination to office.

(4) None of the joint tenants in a joint account can exercise the right of nomination as defined in these rules.

(5) On the death of a joint tenant all his interest in the joint account including accruals, additions thereto and insurances shall become the property of the surviving tenant or tenants whose receipt therefore shall be a good discharge to the credit union.

(6) Loans may be made by the credit union:

(a) To the tenant designated by the tenants in a joint account as eligible to obtain loans, by virtue of the joint tenancy; or

(b) Jointly to the joint tenants named in a joint account, by virtue of the joint tenancy.

Such loans must be made in accordance with the loan rules as outlined and may be secured and unsecured.

(7) Where the board of directors is satisfied, after considering medical evidence, that a member who is responsible for the operation of a joint account is incapable by reason of a mental or physical condition to manage and administer the property in that account, the responsibility shall pass to another joint tenant named on the relevant form specified in paragraph 1.

## **5. Receipting for Money**

(1) Numbered passbooks for statements of accounts shall be issued to members.

(2) Money paid in or paid out on account of shares, deposits, loans, interest, entrance fees and fines (if any) shall be evidenced by an appropriate voucher or receipt or by entries in a member's passbook. Each voucher or receipt or entry in the passbook shall identify the person receiving or paying out, on behalf of the credit union, the money represented thereby.

(3) If a passbook or other receipt given to the member by the credit union is lost or stolen, immediate notice of such fact shall be given to the credit union and written application shall be made for the payment of the amount due to the member as recorded on said passbook or receipt or for the issue of a duplicate passbook or receipt. The board of directors may require the filing of an adequate bond to indemnify the credit union against any loss or losses resulting from the issue of such duplicate passbooks or receipts. The board of directors may also require payment to the credit union of a reasonable charge to cover the cost of issuing the duplicate passbook or receipt.

## **Matter 8 – Withdrawal from the Credit Union**

### **1. Member ceasing to have the common bond**

A member who held the common bond of the credit union shall not cease to be a member solely because that member no longer holds the common bond of the credit union.

If a member of the credit union ceases to have the common bond required of members of the credit union, any such member (referred to as a non-qualifying member) shall be left out of account in determining for any purpose whether a common bond exists between the members of the credit union.

### **2. Non exclusion**

A member of the credit union shall not be excluded from membership by any amendment of the credit union's rules registered after they became a member.

### **3. Dormant Accounts**

The credit union may deal with shares and deposit accounts as hereinafter provided when there has been no member initiated transaction on the account for a period of three years and when no reply has been received within thirty days from the member to a notice sent, by ordinary post, to the member at the last known address, of intent by the credit union to close the account (s). Such share and deposit accounts shall then be transferred to the reserve account. Dividends and interest shall continue to be payable on such accounts.

### **4. Cessation of membership**

A person ceases to be a member:

- (a) On withdrawal from the credit union
- (b) On ceasing to hold the minimum shareholding
- (c) On death
- (d) On expulsion from the credit union
- (e) 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
- (f) If, after admission, any defect is discovered in their qualification for membership at the time of admission

### **5. Forfeiture of payments on shares**

Written notice to the last known address shall be sent to any person who ceases to hold the minimum shareholding after they have been admitted to membership of the credit union, which notice shall state that the membership of the credit union has ceased.

## 6. Expulsion and withdrawal

(1) A member may be expelled from the credit union by a resolution for expulsion passed by not less than two-thirds of the members present and voting at a special general meeting called for the purpose, provided that the member concerned:

- (a) Is given at least twenty one days' notice in writing of the meeting and the proposed resolution and
- (b) Is given a reasonable opportunity of being heard at the meeting

(2) A member that is expelled from the credit union may appeal against expulsion to a Judge of the District Court for the district in which the registered office of the credit union is situated

(3) A member of the credit union may withdraw from membership of the credit union at any time, by notice in writing to the credit union, subject to the provisions governing the withdrawal of moneys from the credit union contained in these rules.

(4) Subject to paragraphs (5) and (6), all moneys due in respect of withdrawable shares and deposits by the credit union to a member who withdraws or is expelled from the credit union shall be paid to him after deduction of all moneys due from him 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 (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 paragraph (4) until the end of the period of sixty days beginning on the date of the expulsion or withdrawal of the member concerned.

(6) No payment in respect of shares shall be made by the credit union to a withdrawing or expelled 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 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.

(7) The withdrawal or expulsion 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 or expulsion.

## Matter 9 - Loans

### 1. Loans

(1) Subject to the Act (and any regulations made thereunder) and these rules, the credit union may make a loan to a member for such purpose as the credit union considers appropriate upon such security (or without security) and terms as the board of directors 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 guardian or by a person approved by the board of directors. The ability of the loan applicant to repay shall be the primary consideration in the underwriting process of the credit union.

(2) Every application to the credit union for a loan shall be in writing and shall state the purpose for which the loan is required and the security (if any) offered for it.

(3) A 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 or civil partner, child or parent.

(4) The credit union may make loans to persons ceasing to have the common bond required of members of the credit union provided the total amount outstanding in respect of all such loans shall not exceed 10 per cent., or such larger percentage as may be approved by the Bank, of the total amount outstanding in respect of all loans made by the credit union to its members.

(5) The credit union may accept, in addition to other forms of security:

- (a) A guarantee by a member or
- (b) 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

(6) The credit union shall comply with the requirements of the Act or the provisions of the European Communities (Consumer Credit Agreements) Regulations 2010 where applicable in respect of credit agreements.

### 2. Approval of Loans

(1) A credit union shall not make a loan to a member unless it is approved in accordance with this rule.

(2) Subject to paragraphs (3) and (5), a loan must be approved:

- (a) By such number of members of the board of directors voting by secret ballot at a meeting of the board of directors 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 of directors 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

(3) Subject to paragraph (5), a loan to an officer is required to be approved by not less than two-thirds of the members of a special committee voting by secret ballot at a meeting at which the application for the loan is considered.

(4) The special committee referred to in paragraph (3) shall consist of:

- (a) A majority of the board of directors, and
- (b) At least one member of the credit committee, but shall not include the applicant for the loan.

(5) Notwithstanding paragraph (3), a loan to an officer which does not exceed the value of the officer's attached savings may be approved as mentioned in paragraph 2(b) or 2(c).

### **3. Appeal against non-approval of loan**

(1) If an application for a loan which was considered by the credit committee or by a credit officer was not approved, the applicant may appeal to an appellate body which, by a decision of such members of the body present at the meeting at which the appeal is considered as represents at least two-thirds of those present and a majority of the body as a whole, may give approval to the loan, overriding the decision of the credit committee or credit officer, as the case may be.

(2) The appellate body referred to in paragraph (1), shall consist of the board of directors, excluding, where the application for the loan was considered by the credit committee, any director who is a member of that committee.

(3) For the purposes of the consideration of an appeal under this rule the appellate body shall not be regarded as quorate unless there are present a majority of the directors referred to in paragraph (2).

### **4. Interest on Loans**

(1) The credit union may charge interest on loans made to its members subject to the following conditions:

- (a) The interest on a loan shall not at any time exceed one per cent. Per month on the amount of the loan outstanding at that time
- (b) The interest on a loan shall in every case include all the charges made by the credit union in making the loan
- (c) The rate of interest charged on any class of loans granted at a particular time shall be the same for all loans of the class

- (d) When by resolution of the board of directors the interest rates on future loans are reduced or raised, similar action may be taken with regard to interest rates on unpaid balances of existing loans

## **5. Insurances**

The credit union may purchase and maintain such insurances as the Act may require or permit and as the board of directors or the members in general meeting consider necessary or desirable.

## **Matter 10 – Use of the Seal**

### **1. 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 of directors may appoint.

The seal of the credit union shall be used only under the authority of a resolution of the board of directors, and shall be attested by the signatures of two directors of the credit union and the countersignature of the secretary for the time being.

## **Matter 11 - Accounts and Audit**

### **1. Accounts and Audit**

(1) The credit union shall ensure that proper accounts of the credit union are kept and audited in accordance with the requirements of the Act and any other relevant legal requirements.

(2) The credit union shall appoint an auditor in accordance with Part VII of the Act.

## **Matter 12 - Disputes and Complaints**

### **1. Settlement of Disputes**

(1) Save as otherwise required by or under the Act, this rule applies to any dispute between the credit union and:

- ( a) a member of the credit union in his capacity as a member
- ( b) any former member of the credit union (in that capacity) who ceased to be a member of the credit union not more than six months previously
- ( c) any person claiming through any such member or former member (in their capacity as such); or
- ( d) any person claiming under the rules of the credit union

(2) Nothing in this section shall prevent—

( a) a credit union, or

( b) a member of a credit union, or

( c) any person claiming through or under a member of a credit union

from obtaining in the ordinary course of law any remedy to which the credit union, member or person is entitled in respect of any contract, excluding that constituted by the rules of the credit union.

(3) All disputes under this rule shall be decided in the following manner:

(a) For the purposes of this rule the complaining party or parties described under paragraph (1) shall be referred to as the complainant. The credit union shall ensure that this procedure and the names of officers designated under paragraph (3)(b) are notified to all members and are displayed in a prominent position in the public office of the credit union.

(b) The Board of Directors shall appoint:

(i) A complaints officer whose duty it shall be to receive complaints forms under paragraph (3)(d) and to investigate, discuss and wherever possible resolve such complaints

(ii) A complaints sub-committee, whose membership shall not include the officer appointed under paragraph (3)(b)(i)

(c) The complainant shall discuss the complaint with the complaints officer appointed by the credit union under paragraph (3)(b)(i)

(d) In the event that the complaint is not resolved to the satisfaction of the complainant under paragraph (3)(c), the complainant shall complete a complaints form which shall be readily available in the public office of the credit union and pre addressed to the complaints sub-committee. Following receipt of the complaints form, the complaints sub-committee shall investigate, discuss and wherever possible resolve the complaint. The complainant shall have the right to be heard by the sub-committee.

(e) In the event that the complaint is not resolved to the satisfaction of the complainant under paragraph (3)(d), the complainant shall request the secretary of the credit union to forward the complaint to the board of directors. The board of directors shall investigate, discuss and wherever possible resolve the complaint. The complainant shall have the right to be heard by the Board of Directors.

(f) Nothing in this rule shall prevent the Financial Services Ombudsman from investigating and adjudicating a complaint made against a credit union about the provision of, or failure to provide, a financial service, so long as the complaint:

- (a) Falls within the jurisdiction of that Ombudsman, and
- (b) Does not related to a matter that involves only the governance of the credit union

## **Matter 13 - Nomination of property in the credit union**

### **1. Nomination of Property**

(1) Subject to paragraphs (2) to (4), a member of the credit union who is of or over the age of sixteen may, by a written statement signed by him and:

- (a) Made in any book kept at the credit union's registered office or
- (b) Delivered at or sent to that office during his lifetime

Nominate a person or persons to become entitled at his 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 may have at the time of his death

The nomination by a member of the credit union under paragraph (1) 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.

For the purpose of the disposal of any property which is the subject of a nomination under paragraph (1), if at the date of the nominator's death the amount of his property in the credit union comprised in the nomination exceeds €23,000 or such other maximum as maybe 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.

A nomination by a member of the credit union under paragraph (1) may be revoked or varied by a subsequent nomination by him under that paragraph 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 lifetime; but such a nomination shall not be revocable or variable by the will of the nominator or by any codicil to his will.

The credit union shall keep a record:

- (a) Of the names of all persons nominated by its members under paragraph (1) and such other details as will positively identify the nominees and
- (b) Of all revocations or variations (if any) of nominations under that paragraph

The marriage of a member of the credit union shall operate as a revocation of any nomination made by him under paragraph (1) before his 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 under paragraph (1) shall be revoked by the death of the nominee before the death of the nominator.

## **2. Proceedings on death of nominator**

(1) Subject to paragraph (2), where any member of the credit union has made a nomination, the board of directors, on receiving satisfactory proof of the death of that member, and if and to the extent that the nomination is valid under paragraph (1), shall in the case of each person entitled under the nomination either transfer to him, or pay him the full value of, the property to which he is so entitled.

(2) Where any of the property comprised in a nomination consists of shares in the credit union, paragraph (1) shall have effect notwithstanding that these rules declare the shares in the credit union not to be transferable; but if the transfer of any shares comprised in the 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 of directors:

(a) shall not transfer to that nominee more of those shares than will raise his shareholding to that maximum; and

(b) shall pay him or transfer to his deposit account the value of any of those shares not transferred

(3) Where any sum falls to be paid under paragraph (1) or paragraph (2) to a nominee under the age of sixteen years, the credit union may pay that sum to either parent, or to a guardian, of the nominee or to any other person of full age:

(a) who will undertake to hold it on trust for the nominee or to apply it for his benefit; and

(b) whom the credit union may think a fit and proper person for the purpose

And a receipt for that sum signed by that parent, guardian or other person shall be a sufficient discharge to the credit union for all money so paid.

## **3. Provision for small payments on death**

(1) If a member of the credit union dies and, at his death, his property in the credit union (whether in savings, loans insurance or otherwise):

(a) does not in the whole exceed the maximum relevant for the purposes of this section and

(b) is not the subject of a nomination

The board of directors may, without letters of administration or probate of any will, distribute that property among such persons as appears to the board of directors (on such evidence as they consider satisfactory) to be entitled by law to receive it.

- (2) The maximum referred to in paragraph (1) (a) is €15,000 or such other maximum as may be prescribed by law.

All payments or transfers made by the board of directors under this rule appearing to the board of directors at the time of payment or transfer to be entitled under the rule in question shall be valid and effectual against any demand made upon the board of directors or credit union by any other person.

#### **4. Payments in respect of mentally incapable persons**

(1) This rule applies where, in the case of a member of the credit union or a person claiming through such a member, the board of directors is satisfied:

- (a) After considering medical evidence, that the member or other person is incapable by reason of a mental condition to manage and administer his own property and
- (b) That no person has been duly appointed to administer his property on his behalf, whether by a court, pursuant to Part II of the Powers of Attorney Act, 1996 or otherwise.

(2) If, in a case where this rule applies, it is proved to the satisfaction of the board of directors that it is just and expedient to do so, the credit union may pay the amount of any property belonging to the member or other person (whether in the form of savings, loans, insurances or otherwise) to any person whom the board judges proper to receive it on his behalf and who furnishes to the board such a statement as is referred to in paragraph (3); and a receipt for that amount signed by such person shall be a sufficient discharge to the credit union for any sum so paid.

(3) The statement mentioned in paragraph (2) is one which certifies that the proposed recipient:

- (a) understands that it is his duty to apply the amount which is proposed to be paid in the best interests of the person to whom it belongs; and
- (b) is aware that he may incur civil or criminal liability if he misapplies the whole or any part of that amount; and
- (c) is not aware that any other person has authority to receive the whole or any part of that amount, whether by virtue of an order of a court, a power of attorney or otherwise

All payments or transfers made by the board of directors under this rule appearing to the board of directors at the time of payment or transfer to be entitled under the rule in question shall be valid and effectual against any demand made upon the board of directors or credit union by any other person.

## 5. Bankruptcy

If any member becomes bankrupt his 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.

## Appendix 2

### Interpretation

<b>The Act</b>	Means the Credit Union Act 1997
<b>The Acts</b>	Means the Credit Union Acts 1997 to 2012
<b>The 2012 Act</b>	Means the Credit Union and Co Operation with Overseas Regulators Act 2012
<b>Amendment</b>	In relation to the rules of a credit union , includes a new rule and a resolution rescinding a rule, of the credit union
<b>Annual accounts</b>	Has the meaning given by section 111(6) of the Act
<b>Annual general meeting</b>	Has the meaning given by section 78 (1) of the Act
<b>Bank</b>	Means the Central Bank of Ireland
<b>Board of Directors</b>	Means the body which has general control, director and management of a credit union and to which section 53 of the Act relates
<b>Board Oversight Committee</b>	Has the meaning given by section 76L of the Act
<b>Books and documents</b>	Includes accounts and records made in any manner, and ‘books or documents’ shall be construed accordingly
<b>Business Continuity and Business Continuity Plan</b>	Have meanings given to them, respectively, by section 76I of the Act
<b>Chair</b>	Has the meaning given by section 55A (2) of the Act
<b>Civil Partner</b>	Has the same meaning as it has in the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010
<b>Cohabitant</b>	Has the same meaning as it has in the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010
<b>Common Bond</b>	Means a common bond falling within section 6 (3) of the Act
<b>Compliance Officer</b>	Has the meaning given by section 76D of the Act
<b>Credit Union</b>	Means a society registered as such under the Act, including a society deemed to be so registered by virtue of section 5 (3) of the Act
<b>Financial Services Legislation</b>	Where applicable to Credit Unions acting under any authorisation from the Bank provided by for law, means: <ul style="list-style-type: none"> <li>(a) The designated enactments within the meaning of section 2 of the Central Bank Act 1942</li> <li>(b) The designated statutory instruments within the meaning of section 2 of the Central Bank Act 1942, and</li> <li>(c) The Central Bank Acts 1942 to 2011 together with the statutory instruments made under those Acts</li> </ul>
<b>General Meeting</b>	Means an annual general meeting or a special general meeting
<b>Manager</b>	Means the individual appointed to the role of manager of the credit union under section 63A of the Act

<b>Management Team</b>	Has the meaning given by section 55(1) (i) of the Act
<b>Meeting</b>	Includes a meeting of delegates appointed by members
<b>Member of the family</b>	In relation to any person, means that person's father, mother, grandfather, grandmother, father-in-law, mother-in-law, spouse or civil partner, cohabitant, son, daughter, grandson, granddaughter, brother, sister, half-brother, half-sister, uncle, aunt, nephew, niece, first cousin, step-son, step-daughter, step-brother, step-sister, son-in-law, daughter-in-law, brother-in-law or sister-in-law
<b>Minister</b>	Means the Minister for Finance
<b>Nomination Committee</b>	Has the meaning given by section 56B(1) of the Act
<b>Non-qualifying member</b>	Has the meaning given by section 17(4) of the Act
<b>Officer</b>	<p>Includes:</p> <ul style="list-style-type: none"> <li>(a) The chair, the secretary or any other member of the board of directors, a member of a principal committee, a member of the board oversight committee, risk management officer, compliance officer, credit officer or credit control officer of the credit union</li> <li>(b) An employee of the Credit Union to whom paragraph (a) does not apply and</li> <li>(c) A voluntary assistant of the Credit Union</li> </ul> <p>But does not include an auditor appointed by the Credit Union in accordance with the requirements of the Act</p>
<b>Organisation meeting</b>	Has the meaning given by section 77 (1) of the Act
<b>Pass book</b>	Includes any type of written statement of account
<b>Persons claiming through a member</b>	Includes the executors or administrators and assignees of a member and, where nomination is allowed, the member's nominee
<b>Prescribe</b>	Has the meaning given by section 2 of the Act
<b>Principal Committee</b>	Means a credit committee, credit control committee or membership committee
<b>Registered</b>	Means for the time being entered in the register maintained by the Bank and 'registration' shall be construed accordingly
<b>Risk Management Officer</b>	Has the meaning given by section 76C (1) of the Act
<b>Risk Management System</b>	Has the meaning given by section 76B(1) of the Act
<b>Savings</b>	Has the meaning given by section 27 (1) of the Act
<b>Share</b>	Means each sum of one euro standing to the credit of a member of the credit union in respect of shares in the register of members required by the Act to be kept by the Credit Union

<b>Special General Meeting</b>	Shall be construed in accordance with section 79 of the Act
<b>Special Resolution</b>	Means a resolution which is passed by a majority of not less than three quarters of such members of a credit union present and voting and who are for the time being entitled to vote in person at any general meeting of which notice, specifying the intention to propose the resolution, has been duly given according to the rules of the credit union
<b>Strategic Objectives</b>	Has the meaning given by section 76A(1) of the Act
<b>Strategic Plan</b>	Has the meaning given by section 76A(1) of the Act
<b>Voluntary Assistant</b>	Means a member of the Credit Union who, although not a remunerated employee of the credit union, is engaged in any way in the operation of the credit union

- The masculine shall, where necessary, include the feminine and the singular shall, where necessary, include the plural
- Reference to an Act or Regulations means the relevant Act or Regulations in force including every statutory extension, modification and re-enactment thereof from time to time in force