

Bylaws of the
PCCW Credit Union

April 2010 Edition

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BYLAWS of the PCCW Credit Union, (hereinafter referred to as “The Credit Union”) registered under the Credit Unions Ordinance, Chapter 119 of Hong Kong.

ARTICLE I
Name & Objects

1. The name of the Credit Union shall be “PCCW Credit Union 電訊盈科儲蓄互助社”.
2. The Registered Office of the Credit Union shall be Room 703, 2 Yuet Lun Street, Lai Chi Kok, Kowloon or such other place in Hong Kong as may from time to time be determined by the Board of Directors and notified to the Registrar of Credit Unions (hereinafter referred to as “The Registrar”).
3. The objects for which the Credit Union is established are:
 - (i) to act as a co-operative, non-profit association for the purpose of creating a source of credit available to its members at a fair and reasonable rate of interest;
 - (ii) to receive the savings of its members as payment on shares;
 - (iii) to promote thrift among its members; and
 - (iv) to make loans to its members, exclusively for provident or productive purposes.

ARTICLE II
Membership & Sphere of Operation

4. Membership in the Credit Union shall be limited to employees of PCCW Limited and its Subsidiary and Associated Companies based in Hong Kong, and PCCW Credit Union members who have been transferred to those companies due to structural change of PCCW Limited or its disposal of ownership. Provided that a member who ceases to have the common bond to which membership of the Credit Union is limited may retain his membership thereof, but may not obtain the grant of any loan therefrom exceeding the value of his shares in the Credit Union.
5. Any person who
 - (i) in the opinion of the Board of Directors, is honest, industrious, and of good habits;
 - (ii) is willing and able to observe the Credit Unions Ordinance and these Bylaws;
 - (iii) has subscribed to at least one share and has paid the first instalment thereon; and
 - (iv) is not engaged in any trade or profession opposed to the interests of the Credit Union;may be considered eligible for membership.
6. Application for membership shall be made in writing. Upon acceptance of such application, if, in the opinion of the Board of Directors, the applicant complies with Sections 4 and 5 of these Bylaws, his membership may be approved.
7. Every applicant for membership, shall, after his application has been approved by the Board, pay an entrance fee of \$1.00.
8. A member who withdraws all his shareholdings thereby resigns and ceases to be a member of the Credit Union. A member may withdraw from the Credit Union at any time on notifying the Secretary in writing and shall cease to be a member on the date such notification is received by the Secretary or on a date given in such notification whichever is the later.

9. If a member acts in contravention to these Bylaws, or acts in any way detrimental to the interests of the Credit Union, such member may be expelled by a vote of two-thirds of the members, present and qualified to vote, at a meeting of members upon a charge communicated to him in writing by the Board of Directors not less than seven (7) days before the meeting, and he shall be given the opportunity to answer, either in writing before the meeting or orally thereat. On expulsion, a member shall be entitled to repayment of the amount held by him as shown by the Credit Union's books, subject to the provisions of Article IV, Section 16.
10. A person ceases to be a member: -
 - (i) on death;
 - (ii) if on completion of 90 days, after joining the Credit Union, he has not fully subscribed to at least one share. Save that on the completion of 80 days he shall have been notified in writing of the consequences of default;
 - (iii) on expulsion from the Credit Union; or
 - (iv) on the withdrawal or transfer of all his shares.
11. The Credit Union shall keep a record wherein shall be entered: -
 - (i) the name, address and occupation of each member, and a statement of the shares held by him (with the dates of allotment thereof);
 - (ii) the date on which each member's name was entered in the Record;
 - (iii) the date on which any member ceased to be a member;
 - (iv) the name or names of the nominee or nominees appointed under section 23 of the Credit Unions Ordinance (hereinafter referred to as "The Ordinance").

ARTICLE III
Capital & Liability

12. The capital of the Credit Union shall be unlimited, and divided into shares of a value of HK\$5.00 each.
13. The liability of each member in case of liquidation is limited to the value of the shares held by him.

ARTICLE IV
Shares

14. Shares shall be of the value of HK\$5.00 each and shall be paid for in full at the time of admission. Thereafter, a member must continue to save according to his ability.
15. Shares in the Credit Union may be transferred to any member with the consent of the Board of Directors. All applications for transfer of shares shall be made in the form approved by the Registrar.

16. Money paid in on shares or instalments of shares may be withdrawn in whole or in part on any day when the Credit Union is open to business, but the Board of Directors shall reserve the right at any time to require a member to give notice not exceeding 90 days; provided, however, that no member may withdraw any shareholdings if the withdrawal would make the total value of his shares less than his total liability to the Credit Union, whether as borrower, pledgor, guarantor or otherwise.
17. The Board of Directors shall determine from time to time the maximum number of shares that may be held by any member. Provided that the total value of shares held by any member shall not exceed 20% of the total share balance of the Credit Union.
18. A member over the age of sixteen years may nominate any person to receive in the event of his death any money owed to him in respect of shares by the Credit Union. In such case the provisions of section 23 of the Ordinance shall apply.

ARTICLE V

Pass Books, Receipts and Disbursements

19.
 - (i) All financial transactions between a member and the Credit Union shall be entered into such ledgers and account forms of the Credit Union as shall be approved by the Registrar.
 - (ii) All financial transactions shall also be entered into a member's passbook if such is issued. Where a member's passbook is not issued then the Credit Union will issue each member with periodic or other statements showing such financial transactions as may be decided at a meeting of members. The time interval for the issue of such statements will be on a 3-month basis or as may be determined by the Board of Directors and notified to all members from time to time.
 - (iii) If a passbook or statement is lost or stolen, immediate notice must be given to the Treasurer or Board of Directors, and written application made for the issue of a passbook or statement as appropriate, showing the relevant financial transactions, which must be paid for at the member's expense. 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 passbook or statement.
20. All receipts and disbursements shall be supported by the proper vouchers, and all disbursements in excess of HK\$500.00 shall not be made by cash.

ARTICLE VI

Loans

21. Every loan shall be made exclusively to a member and for a provident or productive purpose.
22. All applications for loans shall be on a printed form provided by the Credit Union, and shall set forth the purpose for which the loan is desired, the security, if any, offered, and such other information as may be required by the Credit Committee. If the facts stated on the application are found to be misrepresented, or the money used for some other purpose than that for which it was borrowed, the loan shall become immediately due and payable. The Credit Committee may, by notice in writing to the members, demand payment of the loan with interest, if any, before the agreed date of repayment.

23. All applications for loans and the reports of the Credit Committee thereon shall be kept for a period of not less than seven years before destruction.
24. All loans granted shall be secured by the promissory note of the borrower, and by such additional security, if any, as the Credit Committee may require.
25. The rate of interest to be charged on loans shall be fixed from time to time by the Board of Directors, but shall in no event exceed one (1) per cent per month on unpaid balances, inclusive of all charges incidental to making the loan.
26. No Director or member of the Supervisory Committee or the Credit Committee may obtain a loan from the Credit Union in excess of the value of his shares except upon the unanimous vote of a majority of the Board, the Supervisory Committee and the Credit Committee, sitting together, such director or member not being present at the taking of the vote. The meeting shall be called by the President.
27. Subject to the Loan Policy laid down by the Board of Directors from time to time, the amount of each loan, the time for which it is granted, the terms of its repayment and the form and value of the security, if any, shall be determined by the Credit Committee. Other conditions being equal, preference shall always be given to urgent loans of small amount.
28. A borrower may repay his loan prior to maturity, in whole or in part, on any business day.
29. (i) If by reason of sickness or some other cause, a member finds that he will be unable to discharge his obligations to the Credit Union and notifies the Treasurer in writing before the loan is due, the Credit Committee may, subject to the policy of the Board, extend the time fixed for payment on such conditions as it thinks fit.
(ii) Provided that where it is shown to the satisfaction of the Credit Committee, that a member for reasons beyond his control, was unable to give notice as required in Section 29(i) prior to default on a loan, the Credit Committee may in their discretion proceed as if the requisite notice had been received.

ARTICLE VII
Board of Directors

30. The business of the Credit Union shall be conducted by a Board of Directors which shall be elected at the Annual Meeting of the Credit Union and shall consist of thirteen (13) members all of whom shall be members of the Credit Union. Each member shall hold office until his successor is elected and shall be eligible for re-election.
31. (i) Regular terms of office for Directors shall be for periods of three (3) years. Each year, at the Annual Meeting there shall retire from office the number nearest one third of the Directors.
(ii) The Directors who shall retire in any year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those who retire shall (unless they otherwise agree among themselves) be determined by lot.
(iii) The Credit Union shall, at its Annual Meeting, fill the vacated offices of the retiring Directors by electing persons thereto from among its members.

32. (i) At the first meeting of the Board of Directors; which shall be held immediately following the meeting at which they were elected, the Board shall elect from their own members, a President, a Vice-President, a Secretary and a Treasurer.
- (ii) PRESIDENT: The duties of the President shall be to preside at meetings of the members, of the Board of Directors, and any meeting in which the Board participates, to countersign all cheques, notes, drafts, and other orders for the disbursement of funds of the Credit Union, and shall perform such other duties as customarily appertain to the office of President or as he may be directed to perform by resolution of the Board of Directors, not inconsistent with the Ordinance and these Bylaws.
- (iii) VICE-PRESIDENT: The Vice-President shall, in the event of the absence or disability of the President or his refusal to act, perform the duties of the President.
- (iv) SECRETARY: It shall be the duty of the Secretary to keep a correct record of all meetings of members, the Board of Directors, and the Officers. He shall give notice of all meetings of the members, of the Board and of the combined meetings of the Board and Committees, in the manner prescribed by these Bylaws, and shall perform such other duties as he may be directed to perform by resolution of the Board of Directors not inconsistent with the Ordinance and these Bylaws.
- (v) TREASURER: Except as the Board otherwise prescribes, the Treasurer shall be the general manager of the Credit Union under the control and direction of the Board of Directors. Before entering upon his duties, a surety bond for the faithful performance of his duties shall be furnished in such amount as shall be determined by the Board of Directors as provided for in Article VII, Section 35(i)(d) the premium of which shall be paid by the Credit Union. Subject to such limitations and control as may be imposed by the Board of Directors it shall be the duties of the Treasurer:-
- (a) to have custody of all funds, security, valuable papers and other assets of the Credit Union, except his own surety bond which shall be in the custody of such other person as the Board of Directors may designate;
 - (b) to sign all cheques, notes, drafts and other negotiable or transferable instruments drawn by the Credit Union as required in the process of its business;
 - (c) to keep and maintain a full and complete record of all the transactions of the Credit Union and to have custody of all books of accounts, vouchers, bonds, securities etc., to be at all times open to the inspection of the Supervisory Committee.
 - (d) to prepare a Financial Report within thirty (30) days of the close of each month which Report shall be posted in the office of the Credit Union.
 - (e) to prepare within sixty (60) days of the close of each year a Financial and Statistical Statement which shall then be certified by at least two members of the Supervisory Committee in accordance with Article IX, Section 50(iii) and shall be posted in a prominent place in the office of the Credit Union for at least a month.
 - (f) to receive all monies paid in to the Credit Union and within forty-eight hours after receipt, deposit all funds in his possession in the Bank or Banks prescribed by the Board of Directors;
 - (g) to see that all Promissory Notes, Drafts, or any negotiable instruments drawn in favour of the Credit Union, are properly prepared; and
 - (h) to perform all such other duties as pertain to the office of the Treasurer.
- (vi) Honorary Advisors: The Board of Directors may appoint honorary advisors to provide professional guidance in areas such as finance, auditing and law etc.

33. (i) Any member who without due excuse approved by the Board fails to attend at three (3) consecutive regular meetings of the Board shall be deemed to have vacated his office. The Board shall fill the vacancy in the manner prescribed in sub-section (ii) of this section.
- (ii) Any vacancy on the Board of Directors shall be filled within fourteen (14) days by vote of a majority of the remaining directors. Where an appointment is made other than for the purpose of filling a temporary vacancy caused through illness, absence from Hong Kong or any other cause, the Director so appointed shall retire at the same time as if he had become a Director on the day on which the person in whose place he is appointed was last elected.
34. (i) The Board of Directors shall meet as often as the business of the Credit Union may require, and in any case not less frequently than once a month. At any meeting of the Board, a simple majority of the Directors shall constitute a quorum. Meetings of the Board shall be called by the President. The President shall also call a meeting of the Board upon the written request of any three (3) Directors.
- (ii) Minutes of meetings of the Board of Directors shall be recorded forthwith by the Secretary in the Minute Book, and shall be signed by the President, and shall contain the following particulars:-
- (a) the names of the Directors present and the date of the meeting;
- (b) the name of the President or other presiding member; and
- (c) a short statement of all matters discussed and decisions made, and a record as to whether each decision was made unanimously or by a majority.
35. (i) The Board of Directors shall have the general direction and control of the affairs of the Credit Union, and more particularly shall act for the Credit Union, and be responsible to it for the performance of the following duties: -
- (a) to act upon all applications for membership;
- (b) to determine from time to time the interest rates on loans. When by action of the Board the interest rates on future loans are reduced, similar action may be taken with regard to interest rates on unpaid balances of existing loans;
- (c) to determine from time to time the maximum amount which may be loaned to any individual member; this amount should at no time exceed 10% of the aggregate amount of the share balance, the reserve fund and other funds of the Credit Union.
- (d) To fix from time to time the amount of surety bond which shall be required in respect of all officers handling money and shall authorize the payment of the premium or premiums thereof by the Credit Union;
- (e) to recommend dividends, and to recommend amendments to the Bylaws;
- (f) to fill vacancies on the Board of Directors and the Credit Committee;
- (g) to determine from time to time the maximum number of shares that may be held by any member subject to the provision of Article IV section 17 of these Bylaws;
- (h) to invest the funds of the Credit Union;
- (i) to submit the accounts of the Credit Union to the Registrar for examination in pursuance of the provisions of the Ordinance;
- (j) to appoint the person who with the Treasurer shall have joint control of the securities;

- (k) to employ, fix the compensation, and prescribe the duties of such employees as may in their discretion be necessary;
 - (l) to authorize borrowings on behalf of the Credit Union subject to the provisions of the Ordinance and these Bylaws;
 - (m) to supervise the collection of loans to members, and with the approval of the meeting of members, cause bad debts to be written off the books of the Credit Union;
 - (n) to maintain at all times an active programme of credit union education and to maintain relation with other registered Credit Unions aimed to promote the best interests of the Credit Union, and of the credit union movement;
 - (o) apart from such business as pertains to a meeting of members, to provide for the management of the Credit Union in all things not inconsistent with the Ordinance and these Bylaws;
 - (p) to perform such other duties as the members in meeting of members may from time to time authorize.
- (ii) The Board of Directors shall keep a copy of the latest Financial Report of the Credit Union together with the audit report, hung in a conspicuous place at the registered office of the Credit Union.
36. (i)
- (a) The Board of Directors may cause the constitution of the Assets Management Committee (the "AMC") to be elected amongst the Directors of the said Board. The AMC can nominate consultant(s) with no voting power to serve in AMC. The Board delegates the AMC with the authority to manage the money fixed by the Board and every investment. The AMC shall not invest any of the funds of the Credit Union unless the investment is approved in a meeting by a two-third majority of the AMC consisting of four Directors or of such greater number, not exceeding six, as decided by the Board. The AMC shall decide on all the investment which amount, in total, shall not exceed the amount to be fixed by the Board from time to time.
 - (b) The AMC shall, under the delegated power, decide on the investment at a meeting before which all members of the AMC shall be duly informed. Provided also that the AMC shall notify the Board of the specific form and amount of the investment before the investment has been duly effected.
- (ii) In the event that the AMC is not constituted, the Board of Directors shall, by virtue of By-law 35(i)(h) invest the funds of the Credit Union. The Board shall not invest any of the funds of the Credit Union unless the investment is approved by a two-third majority of the said Board, provided also, that all members constituting the Board have been previously notified in writing of the specific form of the investment proposal for consideration at that meeting.
37. (i) The Board of Directors may appoint an Assistant Treasurer and a person or persons to assist the Treasurer.
- (ii) The person so appointed shall perform his duties under the supervision of the Treasurer, who shall be deemed the responsible person. When the appointment is made, the Credit Union shall furnish a surety bond for the faithful performance of the appointed person's duties in such amount as the Board of Directors shall prescribe, the premium of which shall be paid by the Credit Union. The Assistant Treasurer shall, in the event of the absence or disability of the Treasurer or his refusal to act, perform the duties of the Treasurer.
- (iii) No member of the Board of Directors shall receive any salary or wages as a member of the said Board; but the Treasurer may be paid such compensation as the meeting of members may determine.
- (iv) Every Director shall, before taking part in any business of the Board, be required to disclose any personal interest arising out of that business, and after considering such disclosure, it shall be for the Board of Directors to decide whether such Board member shall take part in the discussion and vote upon the item of business in which he has disclosed an interest.

- 38. The President may call a combined meeting of the Board of Directors, the Credit and Supervisory Committees and the Education Committee to review the operation of the Credit Union. Provided that, at such combined meetings, no resolution on the policy of the Credit Union or on the duties described in section 35 of these Bylaws may be proposed or voted upon.

ARTICLE VIII
Credit Committee

- 39. (i) The Credit Committee shall consist of three (3) members, all of whom shall be members of the Credit Union. Each member shall hold office until his successor is elected and shall be eligible for re-election.
(ii) Regular terms of office for Credit Committee members shall be for periods of three years. At the Annual Meeting in every subsequent year, one member of the Credit Committee shall retire from office.
(iii) The committee member who shall retire in any year shall be the person who has been longest in office, but, as between persons who become committee members on the same day, the person to retire shall be determined by lot, unless the committee members otherwise agree among themselves.
(iv) At the Annual Meeting at which a committee member retires, the Credit Union shall fill the vacated office by electing a person thereto from among its members.
- 40. (i) Any member of the Credit Committee who without due excuse approved by the Committee fails to attend at three (3) consecutive regular meetings of the Committee shall be deemed to have vacated his office.
(ii) The Board of Directors shall, within fourteen (14) days, appoint another member of the Credit Union to fill the vacancy. Where an appointment is made other than for the purpose of filling a temporary vacancy caused through illness, absence from Hong Kong or any other cause, the member so appointed shall retire at the same time as if he had become a member on the day on which the person in whose place he is appointed was last elected.
- 41. (i) The Credit Committee shall elect from their members, a Chairman and a Secretary which offices shall not be held by the same person. The Chairman should preside at meetings of the Committee. In the absence of the Chairman, the Committee shall elect one of its members to act as temporary Chairman.
(ii) The Secretary of the Committee shall prepare and maintain full and correct records of all action taken by the committee.
- 42. The Credit Committee shall hold such meetings as the business of the Credit Union may require, and not less frequently than once per month. Meetings of the Credit Committee shall be called by the Chairman of the Committee. Two members of the Credit Committee shall constitute a quorum for any meeting of the Credit Committee.

- 43. (i) Subject to the instructions of the Board of Directors, the Credit Committee shall determine the security, if any, which shall be required for each loan and the terms upon which it shall be repaid. When there are pending more loans than can be granted with the funds available, preference shall be given in all cases to the applications for urgent loans of small amounts if the need and credit factor are nearly equal.
 - (ii) No loan except as hereinafter provided shall be made unless such loan has received the unanimous approval of the members of the Committee who were present when it was considered, and who at least must be a majority of the Committee.
 - (iii) The Credit Committee shall inquire into the character and financial position of each applicant for a loan and his sureties, if any, to ascertain his ability to repay fully and promptly the obligations incurred by them, and to determine whether the loan sought is for a provident or productive purpose, and will be of probable benefit to the borrower. The Committee shall endeavour diligently to assist applicants in solving their financial problems.
- 44. (i) The Credit Committee, with the prior approval of the Board, may appoint one or more members of the Credit Committee as a loan officer or loan officers to act under the Committee's supervision. Each loan officer shall furnish to the Committee a record of each loan whether or not approved by him within seven days of the date of filing of the application, and such record shall become a part of the records of the Committee. All loans not approved by a loan officer shall be referred to the Committee for consideration.
 - (ii) The Board of Directors shall fix the maximum loan which may be given by loan officers, and the maximum period of such loan.
45. The Credit Committee shall send a report of their activities to the Board of Directors each month.

ARTICLE IX
SUPERVISORY COMMITTEE

- 46. (i) The Supervisory Committee shall consist of three members, none of whom shall be members of the Board of Directors or Credit Committee, and all of whom shall be members of the Credit Union.
- (ii) Regular terms of office for Supervisory Committee members shall be for periods of three years. At the Annual Meeting in every subsequent year, one member of the Supervisory Committee shall retire from office.
- (iii) The Committee member who shall retire in any year shall be the person who has been longest in office, but, as between persons who become Committee members on the same day, the person to retire shall be determined by lot, unless the Committee members otherwise agree among themselves. Committee members shall be eligible for re-election.
- (iv) At the Annual Meeting at which a Committee member retires, the Credit Union shall fill the vacated office by electing a person thereto from among its members.

47. In the event of a vacancy in the membership of the Supervisory Committee, the remaining members of the Committee shall appoint another member of the Credit Union to fill such vacancy. Where an appointment is made other than for the purpose of filling a temporary vacancy caused through illness, absence from Hong Kong or any other cause, the committee member so appointed shall retire at the same time as if he had become a committee member on the day on which the person in whose place he is appointed was last elected.
48. (i) The Supervisory Committee shall elect from their members a Chairman and a Secretary which offices shall not be held by the same person.
(ii) The Secretary of the Committee shall maintain and have custody of full and correct records of all action taken by the Committee.
(iii) The Supervisory Committee shall meet at least once a month. The Chairman shall call special meetings of the Supervisory Committee at any time and shall do so upon the request of any other member of the Supervisory Committee.
49. Two members shall form a quorum for any meeting of the Supervisory Committee.
50. (i) The Supervisory Committee shall:-
(a) at frequent intervals inspect the securities, cash and accounts of the Credit Union;
(b) carry out an examination of the affairs and audit the accounts of the Credit Union and verify the balance sheet of the accounts at least once in each quarter of every financial year;
(c) if it deems it to be necessary in the interests of the Credit Union, by the unanimous vote of all its members suspend any Director of the Board or any member of the Credit Committee from the functions of his office and call a special meeting of the Credit Union within 14 days thereafter to consider a report of the Committee on such suspension;
(d) receive and investigate any complaint made by any member affecting the proper running of the Credit Union.
(e) by a majority vote of its members, call a special meeting of the members to consider any violation of these Bylaws or any practice of the Credit Union which, in the opinion of the Committee is unsafe and unauthorized;
(f) within thirty days of the close of each financial year, make or cause to be made, an audit of the accounts of the Credit Union. The Committee shall submit the report of the audit together with the financial statement to the Annual Meeting for its approval;
(g) at least once a year verify the passbooks and accounts of all members with the records of the Treasurer.
(ii) In the process of their examinations and audits, the committee shall examine all applications for loans made during the period under examination and satisfy itself that for each loan made an application is on file and that each application states the purpose for which the loan is made, the description of the security, if any, offered, and that it bears the approval of the Credit Committee.
(iii) Within sixty (60) days of the end of each year, the Treasurer shall submit for attestation by at least two (2) members of the Supervisory Committee, the financial statement for that year which he is required by these Bylaws to prepare.
51. The Supervisory Committee shall send a report of their activities to the Board of Directors each month.

ARTICLE X
EDUCATION COMMITTEE

- 52. (i) Immediately following the Annual Meeting of the members, the Board of Directors shall appoint an Education Committee of at least three members. The Committee shall appoint a Chairman and a Secretary from their own members and maintain records and minutes of meetings.

- 53. The Education Committee shall work under the direction of the Board of Directors. Its principal duties shall be:-
 - (i) to educate new members in the understanding of these Bylaws, and the spirit and practice of the credit union movement;
 - (ii) to keep both members and the public informed of the services provided by the Credit Union;
 - (iii) to educate the members in practical ways of using their money wisely; and
 - (iv) to promote membership.

ARTICLE XI
Meeting of Members

- 54. (i) The supreme authority in the Credit Union is vested in the meeting of members at which every member has a right to attend.
- (ii) The first meeting of members after registration of the Credit Union shall be called the first meeting, and shall have the same powers as are herein given to the Annual Meeting.

- 55. (i) Each member shall have one vote only and there shall be no voting by proxy; provided that in the case of an equality of votes, the President shall have a second or casting vote.
- (ii) Unless otherwise provided for in these Bylaws and the Ordinance, any question submitted for the decision of the members present at a meeting shall be decided by a majority of votes.
- (iii) At any meeting a resolution put to the vote shall be decided by a show of hands unless voting by ballot is demanded by at least five (5) of the members present before declaration of the result by the show of hands, and in such case, voting by ballot shall be taken.
- (iv) Only members who have completed sixteen years of age shall have the right to vote and to be elected.

56. (i) The Annual Meeting of members shall be convened by the Board of Directors within ninety (90) days after the end of the Financial Year.
- (ii) The Annual Meeting of members has both the right and the responsibility: -
- (a) to consider and approve the reports of the Board of Directors, the Credit, Supervisory, Education Committees and to consider the report of the Registrar;
 - (b) to consider and approve the financial statements and audit report, and to sanction the appropriation and distribution of surplus;
 - (c) to elect members of the Board of Directors, and the Credit and Supervisory Committee, and to remove them from office in accordance with these Bylaws;
 - (d) to determine what amendments shall be made in the Bylaws;
 - (e) to exercise its final authority in all other matters vitally affecting the Credit Union as a cooperative fraternal body, and as a business organization;
 - (f) to hear and decide upon any complaints brought by members aggrieved by a decision of the Credit Union. Provided that notice of such complaints to be brought before the meeting has been given to the Secretary at least two days prior to the meeting.
- (iii) The order of business at the Annual Meetings shall be:-
- (a) ascertainment that a quorum is present;
 - (b) reading and approval of the minutes of the last Annual Meeting, and any intervening special meeting and discussion of matters arising therefrom;
 - (c) unfinished business arising from previous minutes;
 - (d) reading and approval of reports of:
 - i) Board of Directors;
 - ii) Treasurer;
 - iii) Credit Committee;
 - iv) Supervisory Committee;
 - v) Education Committee;
 - vi) Any sub-committee.
 - (e) Consider recommendations by the Board, if any, for the payment of a dividend;
 - (f) election to:-
 - i) Board of Directors;
 - ii) Credit Committee;
 - iii) Supervisory Committee;
 - (g) new business;
 - (h) adjournment.

57. (i) Special meeting may be called by the Board of Directors upon their own initiative, or by the Supervisory Committee, or upon the written petition of members qualified to vote. The petition shall be signed by not less than twenty (20) per cent of the members, or twenty-five (25) members, whichever is the less and shall be addressed to the Board of Directors. The purpose of the Special Meeting shall be set forth in the notice and only such business as is described in the notice may be dealt with at such meetings.
- (ii) If the Board of Directors fails to convene a meeting within fourteen (14) days from the receipt of a demand as aforesaid, the Supervisory Committee or the members applying for such a meeting will have the right to convene the meeting by notice which must contain the object of the proposed meeting, and a statement to the effect that the meeting is convened on the failure of the Board of Directors to convene the meeting demanded.
58. At least eight (8) days before the date of any annual or special meeting, the Secretary shall post a notice of the meeting in a conspicuous place in the office and cause written notice thereof to be handed to each member in person or published on notice boards or in the staff magazine of PCCW Limited, or mailed to each member at his address as the same appears on the Records of the Credit Union.
59. (i) When the total of the voting members of a Credit Union is not more than one hundred and twenty, one-half of the number of the voting members or thirty, whichever is the less, shall form a quorum for the purposes of the Annual or a Special Meeting, and when the total of the voting members is more than one hundred and twenty, one-fourth of the total number of the voting members, or sixty, whichever is the less, shall form a quorum for the purposes of the Annual or a Special Meeting.
- (ii) If at the expiration of one hour after the time fixed for any Annual or Special Meeting, the members present are not sufficient to form a quorum, such meeting shall be considered dissolved if convened on the demand of members; in all other cases it shall stand adjourned. Provided that such an adjourned meeting should be held within ten (10) days of its adjournment and a notice to that effect shall be posted or delivered to each member by the Secretary within twenty-four (24) hours, and if at the adjourned meeting a quorum is not present within one hour from the time appointed for the meeting, the members present shall form a quorum.
60. The President of the Board of Directors, or in his absence, the Vice-President, or in the absence of both, any other member elected by a majority of those present shall preside at the Annual or Special Meeting.
61. Minutes of the Meetings shall be entered in the Minute Book and signed by the President and Secretary before the dissolution or adjournment of the meeting, and shall contain:-
- (i) Total number of members present and qualified to vote at the meeting and the name of the President or of the person who presided at the meeting;
- (ii) the time fixed for the meeting and the time the meeting commenced;
- (iii) the total number of members qualified to vote on the date on which the meeting was held;
- (iv) all resolutions passed or decisions made at the meeting; and
- (v) the time the meeting closed.
62. No political, sectarian or racial discussion shall be raised, or resolution proposed, either at any Committee, Board or meeting of members of the Credit Union.

ARTICLE XII
ELECTIONS

63. (i) Not less than thirty (30) days prior to each Annual Meeting, the Board of Directors shall appoint a Nominating Committee of three (3) members, of which not more than one may be a member of the existing Board of Directors. It shall be the duty of the Nominating Committee to nominate at the Annual Meeting one member for each vacancy for which elections are being held.
- (ii) Nominations in official forms must be submitted with the signatures of the nominators and the nominees to the Nominating Committee before the date set for closing of nominations.
- (iii) The period during which nominations may be received shall be at least fourteen days and such notice shall be publicised in advance.
- (iv) When the nominations are closed and submitted for election held at the Annual Meeting, the President shall appoint tellers to distribute, receive and tally votes for the election. The results shall be announced at the Annual Meeting.
- (v) All elections shall be determined by a majority vote and shall be by ballot except where there is only one nominee for each vacancy.
- (vi) Nominations shall be in the following order:-
- (a) nominations for members of the Board of Directors;
 - (b) nominations for Credit Committee members;
 - (c) nominations for Supervisory Committee members;
- Election may be by separate ballots following the same order as the nominations or if preferred, may be by one ballot.

ARTICLE XIII A
(Repealed of 2008)

(Repealed of 2008)

ARTICLE XIII B
RESERVE FUND

- 64. (i) At the end of each financial year, the Board of Directors shall set aside as a Reserve Fund twenty per cent of the net earnings in accordance with the provisions of Section 45 of the Credit Unions Ordinance.
- (ii) The Reserve Fund may only be used in the manner set out in Section 45 of the Ordinance.

ARTICLE XIV
DISPOSAL OF SURPLUS

- 65. At the end of each financial year the net earnings of the Credit Union, as verified by the Supervisory Committee in accordance with Section 32(v)(e) of the Bylaws, shall be applied as follows:
 - (i) At least twenty per cent shall be carried to the Reserve Fund in accordance with Section 45 of the Ordinance until the Reserve Fund is equal to 10 per cent of the share balance.
 - (ii) Subject to the approval of the Annual Meeting, a dividend not exceeding 6% per annum may be issued on all fully paid shares, provided that the Annual Meeting shall not approve the payment of any dividend in excess of the rate proposed by the Board of Directors. Within one month after the dividend has been approved, the Treasurer shall credit each member's share account with the amount of dividend accruing to him.
 - (iii) Subject to the approval of the Annual Meeting some or all of the remainder of the net earnings may be used for any purpose conducive to the attainment of the objects of the Credit Union or the credit union movement and consistent with the Ordinance and these Bylaws.

ARTICLE XV
DORMANT ACCOUNTS

- 66. The shareholdings of a member whose account remains inactive for a continuous period of two (2) years may be, on a decision of the Board, subject to an inactivity fee. The inactivity fee shall amount to one-third of the dormant account balance immediately prior to imposition of the fee but not less than HK\$100.00 and not more than HK\$2,000.00. The same amount shall then be levied on the account in each successive year on the anniversary of the first imposition of the fee unless the account is reactivated. Upon the complete absorption of the member's shares, his membership ceases. Such member shall be informed by written notice sent to his last known address 14 days prior to every imposition of an inactivity fee on his account.

ARTICLE XVI
BANKING ACCOUNT

- 67. The Board of Directors shall select one or more licensed banks in which the Bank Account of the Credit Union shall be kept. All cheques shall be signed on behalf of the Credit Union by the President or Vice-President and Treasurer or Assistant Treasurer. All disbursements in excess of HK\$500.00 shall not be made by cash.
- 68. The Board of Directors may from time to time authorize the Treasurer to establish a Change Fund for disbursement of petty expenses, in an amount not exceeding \$1,000.00.

ARTICLE XVII
Power to Borrow

69. Any borrowing done by the Credit Union shall follow the provisions of Sections 43 and 44 of the Ordinance.

ARTICLE XVIII
Financial Year

70. The Financial Year of the Credit Union shall end on 31st December of each year.

ARTICLE XIX
Amendments to the Bylaws

71. (i) These Bylaws may be amended only by a resolution of two-thirds of the members present and qualified to vote, at the Annual Meeting of the Credit Union or at a special meeting thereof called for the purpose.
- (ii) A copy of the proposed amendment together with a written notice of the meeting shall have been sent to each member or handed to him in person or published on notice boards or in the staff magazine of PCCW Limited at least eight (8) days before the said meeting.
- (iii) No such amendment shall be of any effect until the same has been approved in writing by the Registrar.
- (iv) The Credit Union shall keep a book containing all such Bylaws to be available at all times for inspection by members, or any person authorized by the Registrar.

ARTICLE XX
APPENDIX

72. The Credit Union may, with the consent of the members, collect money from the members or deduct money from the shares of the members to pay dues to the Credit Union League of Hong Kong. Such dues shall be paid in accordance with the Bylaws of the Credit Union League of Hong Kong with which the credit union affiliates.
73. Anything which is not provided for in these Bylaws shall be dealt with in accordance with the Hong Kong Credit Unions Ordinance.

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