

# **ST. STEPHEN'S CO-OPERATIVE CREDIT UNION LTD**

## **BY-LAWS**

### **INTERPRETATION**

In these By-laws, unless the context otherwise requires expressions defined in the Act or the regulations shall have the meaning so defined, and words importing the singular shall include the plural and vice-versa, and words importing the masculine gender shall include the feminine gender and words importing persons shall include bodies corporate.

In these By-laws:-

"Act" means the Co-operative Societies Act, 1990-23;

"Regulations" mean the Co-operative Societies Regulation 1993; and "By-laws" mean the registered By-laws made by the Society in exercise of any power conferred by the Act, and includes a registered amendment of the By-laws.

### **NAME**

1. The name of the Society shall be the **St. Stephen's Co-operative Credit Union Ltd** (hereinafter referred to as "the Society").

### **REGISTERED ADDRESS**

2. The registered address of the Society shall be #9 Thomas Daniel Building Hincks Street, or at such other place as may from

time to time be determined by the Society, and notified to the Registrar within seven (7) days.

### **OBJECTS**

3. The objects of the Society shall be:-
- (a) To promote thrift among its members by providing means whereby savings can be effected and shares in the Society can be acquired;
  - (b) To educate its members in the Co-operative Principles and methods and the efficient management of its affairs.
  - (c) To create out of the savings of its members, and otherwise, a source of credit available to its members on reasonable terms and conditions.
  - (d) To provide services to the members out of the skills and talents of the existing membership
  - (e) To do all other acts and things as are incidental or conducive to or consequential upon the attainment of the above objects.

### **AREA OF OPERATIONS**

4. The area of operations of the Society shall be the island of Barbados and such jurisdiction outside Barbados as the Laws of Barbados and that jurisdiction permits.

### **CAPITAL AND FUNDS**

5. The capital and funds of the Society shall be raised by means of: -
- (a) the savings of its members received as payments or subscriptions on shares;

- (b) the deposits of members or non-members;
  - (c) loans from members or non-members; and
  - (d) entrance and other fees, fines, interest on loans and investments and other contributions received from members and others.
6. Each share of the Society shall be of the par value of \$5.00 The number of qualifying shares which may be held by each member shall, subject to the provisions of the Act, the Regulations and the by-laws, be twenty (20) shares.
7. Subject to By Law 10, deposits may be received from members at such rate of interest per annum and on such terms and conditions as the Board may from time to time determine.
8. Subject as hereinafter provided the Board may, with the sanction of a general meeting borrow or raise money from any source in any manner the Society thinks fit.
9. The Society, in general meeting shall, in accordance with the provisions of the Act and Regulations, from time to time fix the maximum amount which it may at any one time owe in respect of loans.

### **INVESTMENT OF FUNDS**

10. The funds of the Society may be applied to the following purposes only, namely: -
- (a) the expenses of Management;
  - (b) loans to its members for provident or productive purposes;
  - (c) any other purpose authorised by the Act, Regulations and these By-laws.

11. The liability of a member to make contributions to the assets of the Society in case of liquidation shall be limited to his qualifying shares.

## **MEMBERSHIP**

12. (1) Every member of the Society shall be: -
  - (a) resident or in occupation of land within the Society's area of operations;
  - (b) and a relative of a member.(2) a member who leaves the island shall retain membership.
13. Any person who has the necessary qualifications and who is desirous of becoming a member shall apply in writing to the secretary. His application shall state his residence and occupation and shall contain such other information as the Board may from time to time decide.
14. (1) The approval of applications for membership shall be by the Board of Directors.
  - (2) Every applicant for membership shall pay an entrance (membership) fee not exceeding \$10.00 as the Board may from time-to-time fix.
  - (3) The applicant, upon acceptance and the purchase of twenty (20) qualifying share, shall be enrolled as a member and shall be entitled to any of the rights or privileges of membership.
15. A member shall cease to be a member of the society and his membership terminated: -
  - (a) on death;
  - (b) if he applies for bankruptcy or is declared bankrupt;
  - (c) on ceasing to hold twenty (20) qualifying shares in the Society;
  - (d) on the withdrawal transfer of all his shares;

- (e) on the compulsory acquisition of his shares pursuant to Section 100 of the Act;
- 16. No member shall resign while he is a borrower, or endorser (Co-maker), or a guarantor on any loan due the Society.
- 17. (1) Any member who: -
  - (a) fails to pay any contribution or debt due to the Society;
  - (b) is convicted of a criminal offence involving dishonesty; or
  - (c) in the opinion of the Board acts in any way detrimental to the interests of the Society may have his membership terminated by two-thirds vote of the directors present at a meeting called for the purpose.
- (2) Notwithstanding the above membership may be terminated by a vote of two-thirds of the members present at a general meeting by a charge communicated to the member in writing at least 10 days before the meeting.
- 18. A member whose membership has been terminated may appeal the termination pursuant to sections 102 and 105 of the Act.
- 19. Subject to Section 102 of the Act, after payment of any amount due to the society or of any contingent liability to the Society, all amounts held to the credit of members who withdraw or whose membership have been terminated, together with any interest accrued on those amounts, shall be paid to them in order of termination, but only as funds are available and within one year after withdrawal or termination.
- 20. The Society shall keep a Register of its members in accordance with Section 26 of the Act.

## **SHARES**

- 21. Subject to the provisions of section 33 of the Act, contributions to shares shall be payable in such amounts as the member is able on

any day in which the society is open for business provided that in no case shall a contribution of less than \$5.00 be paid.

22. Notwithstanding the provisions of by-law 22, a member shall pay contributions to the value of twenty (20) shares at the time of acceptance into membership of the credit union.
23. (1) Shares may be transferred in accordance with Sections 48 and 49 of the Act and by written instrument in such form as may be prescribed, but no transfer shall be registered until such transfer fee as the Board may from time to time fix, not exceeding \$0.05 per share with a minimum of \$100.00 per transfer has been paid. Such transfer shall carry dividend credits with it.  
  
(2) Subject as hereinafter provided the amount on any share may be withdrawn on any day on which the Society is open for business provided that the Directors shall have the right at anytime to require members to give three (3) days notice in writing or in any given emergency such additional notice as the Directors may fix, of his intention to do so.
24. Except with the written approval of the Board of Directors, no member may withdraw any share if it will reduce his shareholding to an amount below his total liability to the Society as a borrower, co-maker or guarantor.
25. (1) No share shall be withdrawable during the first 12 months of membership nor so long as there is any sum owing by the Society in respect of any money borrowed by the Society, or of any deposit, payment of which has been demanded, except with the permission of the Board.  
  
(2) The Society shall have a lien on the shares, deposits, bonus or any amount standing to the credit of a member for any sum due to the society from the said member or for any loan endorsed by him and may apply any sum standing to the credit of the member towards payment of any such debt but shall not reduce his holdings to a level below that stipulated in By-law 23, except on termination of membership.  
  
(3) Where an amount to be paid to a member for dividend and/or bonus is equal to or less than \$10.00 the amount shall be credited to the member's shares.

## **DEPOSITS**

26. Deposits may be accepted from any member in demand or fixed term accounts on such terms and conditions as the board may specify from time to time.
27. Deposits may be received in the name of a minor or in trust for a minor who is a child or a ward of a member, as the Board may determine.
28. Deposits received in the name of a minor shall be held for the exclusive right and benefit of the minor and free from the control or lien of all other persons except creditors, and shall be paid together with interest thereon to the person in whose name the account shall have been issued. The receipt or acquittance of the minor or the parent or guardian shall be valid and sufficient release and discharge to the Society for the deposit or any part thereof.
29. Notwithstanding By-law 28, term deposits may be accepted from a member for a term not exceeding five years and upon such terms and conditions as are set out in Section 203 of the Act and Regulation 30. Provided, however, that deposits for a term exceeding five years, must be approved, by the Registrar.
30. At periodic intervals, the Board of Directors shall set the rate of interest to be paid on deposit accounts.
31. Deposits may be withdrawn according to the terms and conditions under which the accounts were contracted and classified, and are subject to any advance notice requirements contained in the terms of agreement of the account .

## **RECEIPTS AND DISBURSEMENTS**

32. (1) Money paid in or out on account of shares, deposits, loans, interest, entrance fees, fines or transfer fees shall be evidenced by an appropriate voucher or receipt. Each voucher or receipt shall identify the person receiving or paying out on behalf of the Credit Union, the money represented thereby.
- (2) When passbooks are used, the member's permanent official record for all transactions shall be the entries in the passbook. Every entry in the pass book shall be initialed by the person receiving or paying out the money represented thereby. When a statement of

account plan is used the member's permanent official record for transactions shall be the statement of account which will itemize all transactions and which must be issued to each member at least quarterly.

### **MEETINGS OF MEMBERS**

33. The supreme authority of the society shall be vested in the general meeting of members at which every member has a right to attend and vote on all questions.
  
34.
  - (1) Meetings of members shall be convened and held in accordance with the provisions of the Act.
  
  - (2) At least ten (10) days notice of any general, annual, or special meeting shall be given before any such meetings are held.
  
  - (3) General Meetings shall be held at least quarterly at the discretion of the Board of Directors.
  
35.
  - (1) The Annual General Meeting of members shall be held within three (3) months after the end of the financial year unless authorised by the Registrar upon a written request by the Board to convene the meeting at a date no later than six (6) months after the end of the financial year.
  
  - (2) The functions of the Annual General Meetings shall be:-
    - (a) to confirm the minutes of the previous Annual General Meeting and of any intervening Special General Meeting;
  
    - (b) to consider the report of the Board of Directors on the immediate preceding year's work of the credit union;
  
    - (c) to consider the financial statements presented by the Board for the immediate preceding year, together with the financial statements of the previous year;
  
    - (d) to consider the report of the auditor;



- (e) to approve the financial statements and the auditor's report or if accounts are not approved to cause the director to forthwith notify the auditor of any error or mis-statement;
- (f) to receive and approve the reports of the Credit and Supervisory Committees;
- (g) to allocate the surplus from the preceding year, subject to the Act, and the Regulations made thereunder;
- (h) where necessary to amend the Bylaws;
- (i) to elect a Board of Directors, a Credit Committee and a Supervisory Committee for the ensuing year;
- (j) to appoint auditors for the ensuing year;
- (k) to hear and decide upon any complaints brought by members aggrieved by a decision of the Board, provided that notice of such complaint to be brought before the meeting has been given to the secretary in writing within thirty (30) days from the date the notice of the AGM was received; and
- (l) to transact any other general business of the society.

36. (1) A Special General Meeting of members may be convened at any time by the Board, and on receipt of a demand stating the object of the proposed meeting, signed by at least twenty-five (25) members or 10% of the member whichever is the less, it shall be the duty of the Board to convene such a meeting within twenty (20) days of the receipt of the request. The purpose of the Special General Meeting shall be set forth in the notice and only such business as described in the notice shall be dealt with at such meeting.
- (2) Notwithstanding by-law 38 (1) the Board of Directors shall at the request of the Supervisory Committee and pursuant to Section 215 (4) of the Act, convene a Special General Meeting of members.
- (3) If the Board fails to convene a meeting within the stipulated time from the receipt of a demand or a request as aforesaid, the Supervisory Committee shall convene the meeting by notice within: -

(a) twenty (20) days after the expiry of the period of twenty (20) days, in accordance with section 87 of the Act where, the meeting is demanded by members; and

(b) seven (7) days after the expiry of the period of fourteen (14) days where the meeting is requested by the Supervisory Committee.

- (4) Such notice 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 to convene the meeting demanded. Any cost incurred by the convening of the meeting shall be borne by the Society.
- (5) The Supervisory Committee shall have the right to chair the Meeting or to appoint the chair, at any meeting called by them.
- (6) The Registrar may at any time call a special meeting for the purpose of enabling members to secure any information regarding the affairs of the society that they are entitled to receive and to deal with any matters affecting the society.
37. (1) At least ten (10) days' notice of any General Meeting shall be given in any of the following ways namely: -
- (a) by a written notice handed to each member or posted to him at his address in the register of members; or
  - (b) by posting a notice in a place that is prominent and accessible to members and publishing the notice in not less than two issues of a newspaper circulated in Barbados.
  - (c) issues of a newspaper circulated in Barbados.
- (2) The accidental omission to give notice to/or the non-receipt of a notice by any member shall not invalidate the meeting.

### **QUORUM**

38. Where the society consists of not more than forty(40) members, one-half of the number of the members, or ten (10)

members, whichever is the less shall form a quorum for the purposes of the Annual, General, or Special General Meeting, and where the society consists of more than forty (40) members, one-fourth of the total number of the members of the society or 15 whichever is the less, shall form a quorum for the purpose of the Annual, General or Special General Meeting:-

- (1) Provided that when any meeting is summoned by the Registrar, any members present at such meeting shall be deemed to form a quorum.
- (2) For reconvening an abortive meeting at least five (5) days notice shall be given. If at the reconvened meeting a quorum is not present at the time appointed for the meeting, the members present shall form a quorum.

## **ELECTIONS**

39. (1) (a) Not less than thirty (30) days prior to each Annual General Meeting, the Board may appoint a nominating committee of not less than three (3) persons of which not more than one may be a member of the existing Board.
- (b) The nominating committee shall nominate at the Annual General Meeting one member for each vacancy for which elections are to be held.
  - (c) After the nominations have been placed before the members, the returning officer shall call for nominations from the floor.
  - (d) All elections shall be by ballot and shall be determined by a majority vote except where there is no contest.
  - (e) Where two (2) or more candidates receive an equal number of votes; the members present may by resolution provide that a second ballot be cast.
  - (f) Where the number of nominees does not exceed

the number of persons to be elected, the chairman of the meeting called to elect persons shall declare all the nominees elected.

(2) No member may be elected to the Board, the Credit Committee or the Supervisory Committee unless:-

- (a) he is 18 years or over;
- (b) he is a citizen or resident of Barbados;
- (c) he holds twenty (20) fully paid qualifying shares in the society.
- (d) he has been a member of the Society for at least one year; and
- (e) he is in good financial standing.

#### **TENURE OF OFFICE**

40. (1) Each member shall hold office until his successor is elected and subject to the Act, Regulations and these by-laws all retiring members shall be eligible for re-election.
- (2) Directors may hold office for two consecutive terms of three (3) years before retiring for a minimum of one (1) year.
- (3) Where persons are to be elected for varying terms, the member receiving the highest number of votes cast is to be declared elected for the longest or longer term.
- (4) Where two (2) or more candidates receive an equal number of votes, the members present may by resolution provide that a second ballot be cast or where the meeting does not decide to hold a second ballot, the chairman of the meeting called to elect the candidates, shall draw lots and the candidate whose lot is drawn is to be declared elected and or elected for the longest or longer term.
- (5) Where candidates are elected unopposed the members present may by resolution provide that a ballot be cast to determine the term of office for each candidate or where the meeting does not decide the Chairman of the meeting shall draw lots to determine the tenure of office for each candidate.

- (6) At the first Annual General Meeting of the Society the entire Board of Directors, the Credit Committee and the Supervisory Committee shall be elected and at the Annual General Meeting in every subsequent year, one-third of the Directors or if their number is not three or multiple of three then the whole number nearest the one-third shall retire from office provided however, that the smallest number of persons shall serve for one (1) year.
- (7) Officers who resign before their term of office expires shall not be eligible for re-election under a year.

### **TERMINATION FROM OFFICE**

41. (1) Any member of the Board, Credit or Supervisory Committee shall be deemed to have vacated his office if: -
  - (a) he resigns by giving notice, if he is a member of the Board, to the Board of Directors, or if a member of the other committees to the respective committee;
  - (b) he applies for bankruptcy or is declared bankrupt;
  - (c) he becomes of unsound mind and has been so found by a court in Barbados;
  - (d) he is convicted of any offence involving dishonesty; and
  - (e) he ceases to be in good financial standing.

### **BOARD OF DIRECTORS**

42. (1) Subject to the provisions of the Act and the Regulations the general direction, control and management of the society shall be entrusted to a Board of Directors (herein referred to as "The Board").
- (2) The Board shall be elected at the Annual General Meeting and shall consist of five (5) members.
- (3) The Board shall arrange the deposit of all funds of the Society in its Bank Account at latest the day after they are collected, unless the collection takes place on a Saturday or any day preceding a holiday, in which case the deposit shall be made at latest on the next day that the bank is open for business.

- (4) The Board shall be responsible for making adequate arrangements for the safe keeping of funds of the Society until they are deposited in the bank in accordance with By-law 53 (5b).
43.
  - (1) The Directors shall meet as often as the business of the society may require, but not less frequently than once per month. Due notice of such meetings shall be given to the other members by the Secretary.
  - (2) A simple majority of members shall constitute a quorum.
  - (3) Any member of the Board shall in addition to By-law 43 be deemed to have vacated his office if he fails to attend three (3) consecutive regular meetings of the Board without giving satisfactory explanation to the Board within seven (7) days of his absence from the third meeting.
44.
  - (1) Where there is a vacancy on the Board and there is a quorum of Directors, the remaining Directors may exercise all the powers of the Directors and shall, where a quorum continues to exist, fill the vacancies within twenty-one (21) days until the next Annual General Meeting, providing that the person with the next highest number of votes is given first choice and is available.
  - (2) Where there is not a quorum of Directors the remaining Directors shall call a General Meeting for the purpose of electing members to fill the vacancies.
  - (3) Where there are no Directors, 25 members may appoint in writing 5 persons as Directors for the purpose of calling a General Meeting to elect members to fill the vacancies.
45. The Board of Directors may appoint from among its number any committee that it considers necessary and may by resolution delegate to any such Committee such powers that it considers necessary for the efficient conduct of the affairs and business of the Society.
46. A Committee of Directors that has powers delegated to it, must consist of at least three (3) Directors and shall exercise these powers subject to the provisions of the Act, the Regulations and these By-laws.

47. A director or officer of the Society who is a party to a contract or proposed contract with the Society shall disclose in writing to the society or request to have entered in the minutes of Meetings of Directors, the nature and extent of his interest.
48. The disclosure required by By-law 47, must be made in case of a director: -
- (a) at the meeting at which the proposed contract is first considered;
  - (c) at the first meeting after he becomes interested in the proposed contract;
  - (d) if he becomes interested after the contract is made at the first meeting after he becomes so interested or;
  - (d) on becoming a director, at the first meeting after he becomes a director.
49. The disclosure required by By-law 47, must be made in the case of an officer who is not a director: -
- (a) forthwith after he becomes aware that the contract or proposed contract is to be considered or has been considered at a Meeting of Directors;
  - (b) if the officer becomes interested after the contract is made, forthwith after he becomes so interested; or
  - (c) immediately after he becomes an officer, where he has interest in a contract prior to his becoming an officer.
50. Subject to Section 75(6) of the Act, a director shall not be present nor take part in discussions to consider, or vote on a resolution to approve a contract in which he has a personal interest.
51. A contract, approved by the directors or members in which a director or officer disclosed a material interest, which is reasonable and fair to the society at the time it was approved is neither void or voidable by reason only of that relationship or by reason only that a director with an interest in the contract is present at or is counted to determine the presence of a quorum at a Meeting of Directors or Committee of Directors that authorised the contract.
52. (1) Subject to By-law 9, the Board of Directors may borrow from any source

and on such security and terms of repayment as it considers fit, provided that the total amount borrowed does not exceed the maximum liability limit which was fixed by a resolution of members at a general meeting.

- (2) The Board, the Credit Committee, the Supervisory Committee, or any member thereof may be removed from office before the expiration of their or his period of office by a resolution passed by a majority of at least three-fourth of the members present at a Special General Meeting at which at least ten (10) days' notice specifying the intention to propose the resolution had been duly given.
  - (3) Any such member or officer must be informed in writing of the charges against him at the time of the notice and at such meeting shall have reasonable opportunity to answer such charges. At such meeting, the members shall proceed to the election of a new Board, Credit Committee or Supervisory Committee or to fill the vacancy occurring. Any member so appointed shall be subject to retirement at the same time as if he had become a member of the Board, Credit Committee or Supervisory Committee on the day in which the member in whose place he is appointed was last elected to the Board or the Committee.
53. (1) At the first meeting of the Board of Directors, which shall be held within (14) days of their election, the Board shall elect from their own number a President, a Vice-President, a Secretary, and a Treasurer.

### **PRESIDENT**

- (2) The duties of the President shall be: -
  - (a) to preside at meetings of the members and of the Board of Directors;
  - (b) to sign and execute jointly with the Secretary, all deeds and conveyances of real or personal property and such other documents as the Board may specify.
  - (c) perform such other duties as customarily appertain to the office of the President or as he may be directed to perform by resolution of the Board of Directors, not inconsistent with the Act, the Regulations and these By-laws;



- (d) such other duties as the Co-operative Societies Act and Regulations may require to be performed by the Chairman of the Board.

### **VICE PRESIDENT**

- (3) The Vice President shall, in the absence or disability of the President or his refusal to act, perform the duties of the President and/or such other duties as the Board of Directors may from time prescribe.

### **SECRETARY**

- (4) It shall be the duty of the Secretary to: -
- (a) attend all meetings of the Board and the Society;
  - (b) keep minutes of any meeting of the Board or the Society;
  - (c) conduct any correspondence on behalf of the Society;
  - (d) keep charge of all records, books, papers and other documents of the Society except those referred in bylaws 55-5e.
  - (e) issue notices for all meetings of the Board and general membership of the Society, in accordance with the Regulations and By-laws;
  - (f) sign and execute jointly with the President, all deeds and conveyances of real or personal property and such other documents as the Board may specify;
  - (g) perform such other duties as are prescribed by the by-laws or as directed by a resolution of the Board that are not inconsistent with the Act and these By-laws.

### **TREASURER**

- (5) It shall be the duty of the Treasurer to: -

- (a) receive all monies due and payable to the Society and issue receipts for the same;
- (b) deposit all monies received in the name of the society in such bank or depository as specified by the Board;
- (c) sign all cheques, notes, bills of exchange and other documents necessary to effect the business of the Society;
- (e) record all transactions effected by the Society in the books provided for the purpose;
- (e) keep charge of all documents, books and vouchers for all payments made, and receipts issued on behalf of the Society;
- (f) prepare the annual statement of account, balance sheet; monthly financial statements and other statements as the Board may request;
- (g) prepare and forward to the Registrar such financial and other reports as may be required;
- (h) keep separate all monies belonging to the society;
- (i) produce a current statement of the Societies' monies on demand;
- (j) make payments as authorised by the Board and obtain receipts for the same;
- (k) see all promissory notes, drafts, negotiable instruments drawn in favour of the Society are properly prepared and;
- (l) do all other such duties as pertain to the office of Treasurer.

54. The Board may employ a Manager and may authorize him or another senior employee to perform any of the duties of the Treasurer, including the signing of cheques.

55. A meeting of officers, members of the Board of Directors, Credit and Supervisory Committees shall be held at least once per quarter. The Secretary of the Credit Union shall be responsible for the calling of this meeting.

### **CREDIT COMMITTEE**

56. The Credit Committee shall be elected at the Annual General Meeting and shall consist of 3 members, none of whom shall be a member of the Board of Directors, or the Supervisory Committee or an officer of the Society, except that the Secretary/Treasurer may be an ex-officio member of the committee.
57. Any member of the Credit Committee shall in addition to BY-law 42 be deemed to have vacated his office if:-
- (a) he fails to attend three (3) consecutive regular meetings of the committee without in the opinion of the Board having a reasonable cause; and
  - (b) he fails to perform any of the duties allotted to him as a member of the committee.
58. The Committee may be removed from office by a special resolution made in a Special General Meeting called for that purpose if it fails to submit a report to the Board of Directors pursuant to section 209 (1) (c) of the Act.
59. Any vacancy on the Committee, may be filled by the Board of Directors, but such member shall hold office only until the next Annual General Meeting, at which a member shall be elected to fill the vacancy for the unexpected term.
60. (1) The Credit Committee shall choose from their number, a Chairman and a secretary. These offices may not be held by the same person.
- (2) The Secretary of the Committee shall prepare and maintain full and correct records of all action taken by the Committee and

shall submit a report to the Board of Directors pursuant to section 209(1)(C

▪ The report shall state:-

- (a) the number of loan applications received;
- (b) the number and category of loans granted;
- (c) the security obtained, if any, for such loans;
- (d) applications denied; and
- (e) number and amount of delinquent loans.

(3) Loans when approved by the Committee, shall be granted to members who are able to obtain two (2) sureties approved by the Committee, or who can give other security to the satisfaction of the Committee, or Loan Officer.

(4) When a loan is sanctioned by the Committee or Loan Officer, a notice shall be sent to the borrower to that effect and before the amount is advanced, the borrower and his sureties shall execute an instrument in writing setting out the terms of repayment of the loan and containing such other terms and conditions as the Committee may consider necessary.

(5) A member may repay his loan prior to maturity in whole or in part on any business day of the Society.

61. The Credit Committee shall hold such meetings as the business of the credit union may require, but not less frequently than once per month. Due notice of such meetings shall be given to the other members of the Committee by the Secretary.
62. A majority of the Credit Committee, not including the ex-officio members referred to in By-Law 57 constitutes a quorum.
63. The Credit Committee shall consider all applications for loans, make recommendations to the Board in respect of the applications and shall subject to the authorization of the Board, approve loans to members upon such terms and conditions as specified by the Board.

64.
  - (1) The Credit Committee may, by resolution, delegate to the treasurer, the Manager or other employee the power to approve loans to members upon such terms and conditions as the Board specifies. A person to whom such power is delegated shall be referred to as a Loan Officer.
  - (2) Any person authorised by the Credit Committee to approve loans shall submit a written monthly report to the Credit Committee stating the number of applications received, the number of loans granted and the security obtained, if any, and the number of loans denied. Such report shall become a part of the records of the Credit Committee.
  - (3) All loans not approved by the loan officer should be acted upon by the Credit Committee.
  - (4) No individual shall have authority to disburse funds of the credit union for any loan which has been approved by him in his capacity as a loan officer.
65. The Credit Committee or Loan Officer shall enquire carefully into the character and financial condition of each applicant for a loan and his sureties to ascertain their ability to repay fully and promptly any obligation incurred by them, and to determine whether the loan sought is for a provident or productive purpose and will be of profitable benefit to the applicant. It shall endeavour diligently to assist applicants in solving their financial problems.
66. No loan shall be made unless approved by the entire Credit Committee, if all the members are present or by the extra-ordinary Credit Committee according to the By-law 67(b).
  - (2) An extra-ordinary Credit Committee shall comprise of the members of the Board, the Credit Committee and the Supervisory Committee and shall be convened if an Officer, Director, Credit Committee member, Supervisory Committee member or employee requires a loan in excess of his total holdings in shares, deposits and accumulated earnings, or if a loan is referred to it by the Credit Committee
  - (3) A quorum of the extra-ordinary Credit Committee meeting shall be a simple majority of the Board, the Credit Committee and the Supervisory Committee sitting together. A meeting of the Committee is not properly constituted unless a quorum of the members of the Credit Committee is present. At such meeting loans shall be approved by a vote of two-thirds of the members present.

- (4) No member of the Credit Committee, the Board, Supervisory Committee or any Loan Officer shall be present at the discussion of the approval of or approve a loan to himself, to a person for whom he is proposed as a surety or any other person with whom he has a fiduciary relationship.
67. When there are pending more loan applications than can be granted within the funds available, preference shall be given in all cases to applications for smaller loans if the need and credit factors are nearly equal.

### **SUPERVISORY COMMITTEE**

68. The Supervisory Committee shall be elected at the Annual General Meeting and shall consist of five members none of whom shall be a member of the Board of Directors or an officer of the Society.
69. Any member of the Supervisory Committee shall be deemed to have vacated his office, if: -
  - (1) he fails to attend three (3) consecutive meetings of the committee without in the opinion of the other members having a reasonable cause therefor; and
  - (2) he fails to perform any of the duties allotted to him as a member of the Committee.
70. Any vacancy on the Committee, may be filled by the remaining members of the Committee, who may appoint a qualified member until the next Annual General Meeting at which a member shall be elected to fill the un-expired term.
71. (1) The Supervisory Committee shall choose from their number a Chairman and a Secretary. These offices shall not be held by the same person.
  - (2) The Supervisory Committee shall meet at least monthly to:-
    - (a) examine the books of the Society;
    - (b) appraise the policies and operating procedures to make recommendations to the Board and the Credit Committee;

(3) Due notice of such meetings shall be given to the other members of the committee by the Secretary. A majority of the members of the committee shall constitute a quorum.

(4) In the process of their examination the Committee shall examine :-

(a) applications for loans made during the period and satisfy themselves that for each loan made, an application is on file and that each application states the purpose for which the loan was made, the description of the security offered, if any and that it bears the signatures of approval of the Credit or extra-ordinary Credit Committee.

(b) Loan bonds for each loan and satisfy themselves that each bond is properly filled out and signed by the borrower.

(5) Within 15 days of the end of each month the Treasurer shall submit for attestation by at least two (2) members of the Supervisory Committee the statement for that month as required by Section 127 (2) of the Act.

72. The Supervisory Committee shall keep minutes of its meetings and shall:-

(1) within seven days (7) of each meeting report the results thereof to the Board of Directors; and

(2) submit a written report to the Annual General Meeting.

73. If in the opinion of the Supervisory Committee and the Board of Directors, or any member thereof or any officer or employee of the Society is guilty of a flagrant violation of the provisions of the Act, Regulations or these by-laws or any mis-conduct or mal practice or have misappropriated or mis-directed the funds, securities or other property of the Society, the Supervisory Committee shall forthwith inform the Registrar in writing and may in the event of a mis-appropriation or mis-direction, suspend such person and shall Forthwith request the Board to summon a general meeting of members to be held within fourteen (14) days after the suspension for the purpose of dealing with the charge.

At such general meeting such person may be removed as provided in By-Law 42 (1) and 41(2).

### **LOANS TO MEMBERS**

74. Loans shall be made to members only and for provident and productive purposes. All loans made shall be applied by the borrowing members to such purpose as the committee has approved.
75. The terms and conditions on which loans may be made to members shall be fixed from time to time by the Board, provided always that in no case shall any loan be a greater sum than \$50,000.00.
76. The rates of interest on loans shall be fixed from time to time by the Board and the interest payable on loans shall be assessed on the monthly unpaid balance.
77. No loan shall be made to a member who is not in good standing, that is to say, is not the holder of at least 26 fully paid shares in the Society, or is in arrears in the payment of a current loan or installment thereon or is otherwise a defaulter.
78. (1) Members who wish to obtain a loan shall submit an application on the forms provided by the Society and shall state the amount and the purpose for which the loan is required, the term for which it is asked, whether it is desired to repay it by installments and the name of any proposed sureties or any other security, if any, to be offered and such other information as may be required.  
  
(2) (a) The Credit Committee shall consider at a meeting every application for a loan, and if the Committee is satisfied with the trustworthiness of the applicant, the sufficiency of the security offered and the prospects of advantage to the borrower in the way of increased production or economy or otherwise it may, if authorized, recommend the sanction of the loan to the Board.  
  
(b) No person other than members of the Credit Committee, the Secretary, the Treasurer, the Registrar and his staff shall be present at any meeting of the Committee when an application for a loan is under consideration.  
  
(c) The proceedings with regard to loans at Committee meetings shall be kept secret, and any member of the Committee or officer of the Society infringing this by law shall be liable to immediate expulsion or dismissal.



79. (1) A member failing to pay any installment of a loan at the time fixed shall, unless the time has been extended, pay such fine as the Board of Directors may from time to time fix. Such fines shall not exceed one percent per month on the amount in arrears with a minimum of \$5.00.
- (2) If a member fails to pay an installment of a loan within three (3) months after the time fixed for payment and no extension of time has been granted, the whole or the balance of the loan then owing shall immediately become due.
- (3) When a member: -
- (a) is in default in the payment of a loan or of an installment of a loan; and
- (b) does not satisfy the Board that such default is due to a good cause, such a member shall not be entitled to receive another loan from the Society.
- (4) If by reason of sickness or some other cause a member finds that he will be unable to discharge his obligations to the Society, and notifies the Secretary in writing before a loan is due, the Board may extend the time fixed for payment on such conditions as it thinks fit.
- (5) Where the Board is satisfied that a member of the Society who has obtained loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the application thereof under by-law 79 (1), the Board may, by notice in writing to the debtor, demand payment of the loan before the agreed date of payment.
- (6) Where:-
- (a) a loan or an installment of a loan has not been paid on the date on which it became due; and
- (b) no extension for the payment thereof has been given to the debtor by the Board, under By Law 80(4).
- (c) on expulsion from the society as provided in Section 102 and 103 of the Act and;
- (d) if, subject as hereinafter provided, he ceases to be

qualified in accordance with By-law 13.

The Board shall take steps for the recovery of the same by:-

- (i) applying any monies standing to the credit of members towards the payment of the debt;
- (ii) referring the matter to the Registrar pursuant to Section 171(1) of the Act or
- (iii) exercising any rights arising By Law pursuant to Section 171(8) of the Act.
- (iv) any other action which the Society deems necessary.

80. For purposes of By-law 80(6) interest shall be deemed to be an installment of a loan, but unless it is otherwise provided in the instrument required under by-law 80(4) an installment shall not be deemed to be due unless it is three (3) months in arrears.

### **DOUBTFUL LOANS**

81. The Board of Directors shall cause a list of all doubtful loans to be made available at the registered office of the Society for any Examination required by the Credit Committee, the Supervisory Committee and the auditor and shall send a copy of that list to the Registrar.

### **RESERVE FUND**

82. (1) The society shall establish and maintain reserves in pursuance of the provisions of section 197 of the Act, in which the greater one half of one per cent of assets or 25 percent of surplus shall be deposited until the capital of the society equals 10 percent of the total assets of the society.

(2) The reserve fund shall be kept liquid and intact and shall not be used or applied, except as provided in regulation 29(1) .

### **DIVIDEND AND BONUS**

83. (1) The Society in Annual General Meeting may declare dividends out of the net surplus after setting aside the prescribed reserves, and retiring all or any part of a deficit it has previously incurred.
- (2) A dividend shall be paid on shares.
- (3) The remaining net surplus of the society may be distributed among the members who have borrowed from the society during the accounting year in proportion to the interest paid by them during such year.
- (4) Where the dividend and/or bonus payable to a member in any financial year is less than or equal to ten dollars (\$10.00) that amount shall not be paid in cash, but shall be credited directly to the member's account.
84. The Society shall invest its funds as provided by Section 34A of the Act.

### **ANNUAL ACCOUNTS AND REPORTS AND AUDITS**

The Board of Directors shall comply with the provisions of the Act and shall:-

85. (a) cause the books of the Society to be audited annually;
- (b) approve the financial statements of the Society and place the comparative financial statements before the members at every annual meeting of members; and
- (c) furnish the Registrar with a copy of the financial statements placed before the members within thirty (30) days of the Annual General Meeting.

### **FINANCIAL YEAR**

86. The financial year of the Society shall end on 31<sup>st</sup> March of each year.

## **SEAL AND EXECUTION OF DOCUMENTS**

87. (1) The Board shall adopt for the use of the Society a distinctive seal having the name of the Society inscribed thereon. The seal shall not be affixed to any instrument except by the authority of a resolution of the Board and in the presence of at least one member of the Board and the Secretary or Treasurer.

## **BOOKS AND FORMS**

88. The Society shall keep the following books and forms:-

- (a) a Register of members;
- (b) a Personal Ledger for each member;
- (c) a stock of Pass Books;
- (d) a Cash Receipt Journal;
- (e) deposit Slips;
- (f) a Cash Disbursement and Journal;
- (g) a General Ledger;
- (h) a Register of loans;
- (i) Loan Application Forms;
- (j) Loan Agreement Forms;
- (k) Payment Vouchers;
- (l) a file containing the Act, Regulations and these By-laws;
- (m) separate Minute Books for meetings of the Board, the Credit Committee, the Supervisory Committee, any other sub-committee appointed by the Board and meetings of members.

## **INSPECTION OF RECORDS**

89. The corporate records of the Society, as stated in Section 26(1) of the Act, shall be open to the inspection of any member having an interest in the funds of the Society. No person or a representative, a member of the Board, the Credit Committee or the Supervisory Committee or Officers of the Co-operatives Department shall be allowed to see the Personal Account, Loan Agreement or Pass Book or the register or papers relating to the loan of any member without the member's consent.

## **DISPUTES**

90. All disputes shall be determined in accordance with the provisions of Sections 71 and 172 of the Act.

## **DISSOLUTION**

91. (1) The Society may be dissolved but only in the manner provided for in the Act.
- (2) The funds of the Society shall be distributed in accordance with Section 159 of the Act in the event of dissolution.

## **AMENDMENT TO THE BY-LAWS**

92. The By-laws may be amended in accordance with the provisions of Sections 10A of the Act.