



BY-LAWS
OF
**THE MON REPOS EASTERN CO-OPERATIVE
CREDIT UNION (1968) LIMITED**

2015 VERSION



ARRANGEMENT OF BY-LAWS

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BY-LAWS

OF

THE MON REPOS EASTERN CO-OPERATIVE CREDIT UNION (1968) LIMITED

(Hereafter referred to as 'THE SOCIETY')

I INTERPRETATION

1. In these By-Laws, unless the context otherwise requires, expressions defined in the Act or the Regulations shall have 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 the feminine gender and words importing persons include bodies corporate.

In these By-Laws

"Act" means the Co-operative Societies Act, No. 28 of 1999;

"Regulations", means the Co-operative Societies Regulations No. 90, 1999; and

"By-Laws" means the registered By-Laws made by the Society in exercise of any power conferred by the Act, and included a registered amendment of the By-Laws.

II NAME

2. The name of the Society shall be The Mon Repos Eastern Co-operative Credit Union (1968) Limited.

III REGISTERED ADDRESS

3. The registered address of the Credit Union shall be: The Mon Repos Eastern Co-operative Credit Union, Credit Union Building, Mon Repos or such other place in the state of Saint. Lucia generally, as may from time to time be determined by the Board of Directors. Any change should be notified to the Registrar within (7) days.

IV GEOGRAPHICAL AREA OF OPERATIONS

4. The area of operations of the Credit Union shall be all districts in Saint Lucia or as subsequently amended in writing by the Registrar on receipt of an application from the Society.

V OBJECTIVES

The objects of the Society shall be:

- (a) to promote thrift among its members by providing ways and means whereby savings can be effected and whereby shares in the Society can be acquired;
- (b) to educate its members in the Co-operative principles and methods, in family financial management and in the efficient management of its affairs;
- (c) to create out of the savings of its members and other business of the society a source of credit available to its members, on reasonable terms and conditions for provident and productive purposes; and
- (d) to undertake all other acts and things as are incidental or conducive to or consequential upon the attainment of the above objects.

VI CAPITAL, FUNDS AND LIABILITY

5. The capital and funds of the Society shall be raise by means of:
 - (a) the savings of its members received as payments or subscriptions on shares;
 - (b) loans from members and non-members;
 - (c) entrance fees, other fees and charges, fines and revenue for services rendered to members and non-members.

6. Each share of the Society shall be of the par value of five dollars (\$5.00) and the maximum number of shares which may be held by each member shall not exceed one-fifth (1/5) of the total shares of the Society.

7. Deposits may be received from members and non-profit organizations, within the sphere of operations.
 - (i) Deposit may be received on behalf of minors.

8. Subject to as hereinafter provided the Board may, without sanction of a general meeting, borrow or raise money from any source in any manner the Board thinks fit, provided that this sum does not exceed the maximum liability ceiling set by the previous Annual General Meeting.

9. The funds of the Society may be applied to these purposes only, namely:
 - (a) the expenses of Management;
 - (b) loans to its members for provident or productive purposes;
 - (c) in real property subject to the approval of the Registrar; and
 - (d) any other purpose authorized by the Act, or Regulations.

10. The Members in Grand 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 deposits and loans.
11. (1) Subject to the Act, the liability of a current member of the society is limited to the paid shares and the unpaid amount of subscription for shares.

(2) The liability of a past member or the estate of a deceased member for debts of the Society as they existed on the date on which such member ceased to be a member or died shall continue for a period of two (2) years after the cessation of membership or death.

VII MEMBERSHIP (Age, Residence, Nationality And Common Bond)

12. Every member of the Credit Union shall be:
 - (a) not younger than eighteen (18) years of age;
 - (b) Membership in the Society shall be limited to all citizens of Saint Lucia and O.E.C.S Nationals residing, working full- time or who own Real estate in Saint Lucia.
13. Any person who has the necessary qualifications and who is desirous of becoming a member shall apply in writing to the Secretary of the Board. His application shall state his residence and occupation and shall contain such other information as the Board may from time to time decide.

Joint Account

14. (1) Persons who have the necessary qualifications for membership and are desirous of becoming joint members may apply in writing to the Secretary. The application shall state the residence and occupation of each person, whether the tenancy will be joint tenancy or a tenancy in common and shall contain such other information as the Board from time to time decide.
- (2) An application of a joint membership to withdraw from the Society or to vary the composition of the joint membership must be signed by all the persons comprising the joint membership.
15. (1) The approval of applicants for membership shall be undertaken by the Board of Directors.
- (2) Every applicant for membership shall pay such entrance (membership) fee not exceeding five (5) dollars as the Board may from time to time fix.
- (3) The applicant, upon acceptance and the payment of at least one (1) share, shall be enrolled as a member and shall be entitled to any rights or privileges of membership.
16. A person ceases to be a member of the Society:
 - (a) on death;
 - (b) if he applies for bankruptcy or is declared a bankrupt;
 - (c) on ceasing to hold at least one (1) share in the Society;
 - (d) on the withdrawal or transfer of all his shares;

- (e) on the compulsory acquisition of his shares pursuant to Section 113 of the Act;
 - (f) on expulsion from the Society as provided in Sections 28 and 29 of the Act;
or
 - (g) if, subject to as hereinafter provided, he ceases to be qualified in accordance with By-Law 13.
17. No member shall resign while he is a borrower, an endorser (co-maker), or a guarantor on any loan due the Society.
18. (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 at least two-thirds ($2/3$) vote of the directors present at a meeting called for the purpose. The member shall be given due notice of the meeting together with the grounds for the termination and is given the opportunity to make answer.
- (2) Notwithstanding the above membership may be terminated by a vote of at least two-thirds ($2/3$) of the members present at a general meeting by a charge communicated to the member in writing at least ten (10) days before the meeting.
19. A member whose membership has been terminated may appeal the termination pursuant to Section 31 of the Act.

20. Subject to Section 31 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 has been terminated, shall be paid to them in order of termination, but only as funds are available and within one year after withdrawal or termination.
21. The Society shall keep a Register of its members in accordance with Section 25 of the Act.

VIII SHARES

22. Twenty equity shares (20) must be paid in full at the time of application.
23. Notwithstanding the provisions of By-Law 22, a member shall pay contributions to the value of at least (100) equity shares within the first twenty-four (24) months of membership.
24. (1) Shares may be transferred in accordance with Sections 95-98 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 twenty dollars (\$20.00) with a minimum of five dollars (\$5.00) per transfer, has been paid. Such transfer shall carry dividend credits with it.

(2) Subject to 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 any time to require a member to

give thirty (30) days notice in writing or in any given emergency such additional notice as the Directors may fix, of his intention to do so.

25. Except with the written approval of the Board, no member may withdraw any share if it will reduce his shareholding to less than his liability to the Society as borrower, co-maker or guarantor.
26.
 - (1) No share shall be withdrawable during the first three (3) months of membership nor so long as there is any sum owing to 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, dividend; 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.
 - (3) Where an amount to be paid to a member for dividends and/or bonus is equal to or less than ten dollars (\$10.00), the amount shall be credited to the member's shares.

IX DEPOSITS

27. Ordinary deposits of not more than ten thousand dollars (\$10,000.00) in any one (1) transaction may be accepted from any member, without an accepted declaration of the source of funds.

28. Deposits may be received in the name of a minor or in trust for a minor who is a child or ward of a member, in such way or manner as the Board may determine.
29. 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 shall be valid and sufficient release and discharge to the society for the deposit or any part thereof.
30. Deposits will earn interest on the first of the month following such deposits, provided that amounts paid in on the first day of any month shall be place on interest from that day.
31. (1) Notwithstanding By-Law 28, deposits may be accepted from a member or persons who are not members , term deposit shall not exceed five(5) years and shall be accepted upon such terms and conditions as are set out in Section 117 of the Act and Regulation 34.

(2) Deposits for a term exceeding five (5) years must be approved by the Registrar.

X PASSBOOKS, 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 Society, 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 itemise all transactions and which must be issued to each member at least quarterly.
- (3) If a passbook is lost or stolen, immediate notice must be given to the Manager or Treasurer or Board of Directors, and written application made for the issue of a duplicate book which must be paid for at the members' expense.

XI 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 subject to 41 (e) of the By-Laws.
34.
 - (1) Meetings of members shall be convened and held in accordance with Sections 35-47 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 from time to time at the discretion of and at a place determined by the Board.
35. (1) The Annual General Meeting of members shall be held within three (3) months after the end of the financial year unless authorized 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 Meeting shall be:
- (a) to confirm the minutes of the previous annual General Meeting and of any intervening Special Meeting;
 - (b) to consider the report of the Board of the immediate preceding year's work of the society;
 - (c) to consider the financial statement presented by the Board for the preceding year, together with comparative statements for the year preceding it;
 - (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 directors to forthwith notify the auditor or 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) to approve the budget;
 - (i) where necessary to amend the By-Laws;
 - (j) to elect Directors, a Credit Committee and a Supervisory Committee for the ensuing year;

- (k) to appoint auditors for the ensuing year;
- (l) 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) day from the date the notice of the decision was received; and
- (m) 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) of the members or fifteen percent (15%) whichever is the less, it shall be the duty of the Board to convene such 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 is described in the notice shall be dealt with at such meeting.
- (2) Notwithstanding By-Law 38 (1) the Board shall at the request of the Supervisory Committee and pursuant to Section 40 (1-3) of the Act, convene a Special General Meeting of members.
- (3) If the Board fails to convene a meeting with the stipulated time from the receipt of a demand or a request as aforesaid, the Supervisory Committee will have the right to convene the meeting by notice within
- (a) twenty (20) days after the expiry of the period of twenty (20) days, in accordance with Section 40 (3) and 63 of the Act and Regulations 16 (f) and 16 (g) where, the meeting is demanded by members: or

- (b) seven (7) days after the expiry of the period of fourteen (14) days, where the meeting is requested by the Supervisory Committee.
 - (4) The 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 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 notice published in not less than two (2) issues of a newspaper circulated in St. Lucia and by posting the notice in a place that is prominent and accessible to members; or
 - (b) by a written notice delivered to each member in person or mailed to each member at his address as the same appears in the records of the Society.
- (2) The accidental omission to give notice to/or the non-receipt of a notice by any member shall not invalidate the meeting.

XII **QUORUM**

38. (1) The following percentages of a Society's membership shall form a quorum for the purposes of the Annual, General, or Special Meeting:
- (a) where a Society consists of less than 500 members, one-third (1/3) of the members or thirty (30) whichever is less;
 - (b) where a Society consist of 501-5000 members, one-fifth (1/5) of the members or one hundred (100) whichever is less;
 - (c) where a Society consists over 5000 members, one-tenth (1/10) of the members or two hundred (200) whichever is less.

Provided that when any meeting is summoned by the Registrar, any members present at such meeting shall be deemed to form a quorum.

- (2) If within one (1) hour after the time fixed for any meeting other than a meeting convened by the Registrar, the members present are not sufficient to form a quorum, such meeting shall be considered as dissolved if convened on the demand of members; in all other cases, it shall stand adjourned to a date not more than thirty (30) days thereafter and at a time and place to be determined by the Board. For reconvening an aborted meeting at least three (3) days notice shall be given. If at the adjourned meeting a quorum is not present at the time appointed for the meeting, the members present shall form a quorum.

XIII ELECTIONS

39. (1) The following procedures shall apply to the conduct of elections in keeping with Sections 33-37 and 50 of the Act and Section 12 of the Regulations:
- (a) not less than thirty (30) days prior to each Annual General Meeting, the Board may appoint a Nominating Committee of three (3) persons of which not more than one (1) 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 Chairman shall call for nominations from the floor.
 - (d) all elections shall be by ballot, or showing/raising of hands and shall be determined by a majority vote except where there is not contest.
 - (e) no member who is delinquent for ninety (90) days or more in respect to debts owed to the Society shall be allowed to vote.
 - (f) where the number of nominees does not exceed the number of persons to be elected, the Chairman 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 eighteen (18) years or over;
 - (b) he is a citizen or resident of St. Lucia;
 - (c) he holds twenty (20) fully paid shares;
 - (d) he has been a member of the Society for at least one (1) year; and

- (e) he has saved regularly, at least sixty dollars (\$60.00) per quarter in the past year;
- (f) he is not a delinquent borrower and is otherwise in good financial standing.

XIV TENURE OF OFFICE

40. (1) Each member shall hold office until his successor is elected and may be eligible for re-election.
- (2) Directors, may hold office for two (2) 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 or higher 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 shall draw lots and the candidate whose lot is drawn is to be declared 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 shall draw lots to determine the tenure of office for each candidate.

41. At the first Annual General Meeting of the Society subsequent to the issuance of the Certificate of Continuance, 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 (1/3) of the directors or if their number is not three (3) or a multiple of three (3), then the whole number nearest the one-third (1/3) shall retire from office provided, however, that the smallest number or persons shall serve for one (1) year.

XV TERMINATION OF OFFICE

42. (1) Any member of the Board, Supervisory Committee or Credit Committee shall be deemed to have vacated his office if:
- (a) he resigns by giving notice to the Board, 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 St. Lucia;
 - (d) he is convicted of any offence involving dishonesty; or
- (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 three-fourths (3/4) majority of the members present at a Special General Meeting at which at least the 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 a 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.

XVI BOARD OF DIRECTORS

43. (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 seven (7) members, in keeping with Section 50 (2) of the Act.
- (3) The Board shall arrange the deposit of all funds of the Society in its Bank Account at least once a week, except when such funds exceed the amount of cash on hand approved by the Board.
- (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 45 (3) above.

44. (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.
45. (1) Where there are vacancies on the Board and there is a quorum of directors, the remaining directors may exercise all the powers of the directors or fill the vacancies until the next Annual General Meeting.
- (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, twenty-five (25) members, one-fifth (1/5), whichever is less, may appoint in writing at least five (5) persons as directors for the purpose of calling a General Meeting to elect members to fill the vacancies.
46. The Board 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, subject to Section 53 of the Act.

47. 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.
48. 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 or directors, the nature and extent of his interest.
49. The disclosure required by By-Law 50, must be made in case of a director in keeping with Section 78 (2) of the Act.
50. The disclosure required by By-Law 50, must be made in the case of an officer who is not a director; in keeping with Section 78 (3) of the Act.
51. Subject to Section 78 (5) of the Act, a director shall not take part in discussions to consider, or vote on a resolution to approve a contract in which he has a personal interest.
52. 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 the relationship or by reason only that a director with an interest in the contract is present at or is counted to determine the presence or a quorum at a meeting of directors or a committee of directors that authorised the contract.
53. Subject to By-Law 9, the Board may borrow from any source and on such security and terms or repayment as it considers fit, provided that the total amount borrowed

does not exceed the aggregate or four (4) times the retained earnings and reserves of the Society and is within the maximum liability limit which was fixed by a resolution of members at a general meeting, and approved by the Registrar.

54. (1) At the meeting of the Board which shall be held within ten (10) days of their election, the Board shall elect from their own number a President, a Vice President, a Secretary, and a Treasurer.
- (2) The duties of the President shall be:-
- (a) to preside at meetings of the members and of the Board;
 - (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, not inconsistent with the Act, the Regulations and these By-Laws; and
 - (d) such other duties as the 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 may from time to 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;
- (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; and
- (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) Subject to such limitations and control as may be imposed by the Board, 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;
 - (d) record all transactions effected by the Society in the books provided or 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 accounts of all monies belonging to the Society;
- (i) produce a current statement of the Society's monies held on demand;
- (j) make payments as authorized by the Board and obtain receipts for the same;
- (k) ensure that all promissory notes, drafts, negotiable instruments drawn in favour of the Society are properly prepared; and
- (l) do such other duties as pertain to the office of Treasurer.

55. 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.

56. A meeting of officers, members of the Board, Credit and Supervisory Committees shall be held no less than once per quarter. The Secretary of the Credit Union shall be responsible for the calling of this meeting.

XVII CREDIT COMMITTEE

57. (i) The Credit Committee shall be elected at the Annual General Meeting and shall consist of five (5) members, none of whom shall be a member of the Board, or the Supervisory Committee or an officer of the Society, except that the Manager or the Loans Officer may be an ex-officio member of the Committee.

- (ii) At the first Annual General Meeting, a bare majority of the members constituting the committee shall be elected for a term of two years and the others for a term of one year. Whenever the number of members of the committee is increased, one half of such additional members shall serve for two years and one half for one year. Thereafter, the term of office for the committee shall be two years.
58. Any member of the Credit Committee shall in addition to By-Law 44 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; or
 - (b) he fails to perform any of the duties allotted to him as a member of the Committee.
59. 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 pursuant to Section 59 of the Act.
60. Any vacancy on the Committee may be filled by the Board, 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 unexpired term.
61. (1) The Credit Committee shall choose from their number, a Chairman and a Secretary. These offices shall 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 pursuant to Section 59 (c) of the Act.

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;
- (e) the number and amount of delinquent loans;
- (f) the loan recovery rate; and
- (g) the actions taken to follow-up delinquent loans.

- 62. 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.
- 63. A majority of the Credit Committee, not including the ex-officio members referred to in By-Law 57, constitutes a quorum.
- 64. 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.
- 65. (1) The Board may, by resolution, delegate the Manager or other employee to approve loans to members upon such terms and conditions as the Board specifies. A person so delegated shall be referred to as a Loan Officer.

(2) Any person authorized by the Board 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) A loan not approved by the Loan Officer shall be subject to a review by the Credit Committee.
 - (4) No individual shall have authority to disburse funds of the credit union for any loans which has been approved by him in his capacity as a Loan Officer, except loans fully secured by shares.
66. The Credit Committee and 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 an 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. They shall endeavour diligently to assist applicants in solving their financial problems.
67. (1) No loan shall be made unless approved by the entire Credit Committee, if all the members are present or by the Extraordinary Credit Committee according to By-Law 69 (2).
- (2) An Extraordinary Credit Committee shall comprise 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 Extraordinary Credit Committee 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 meetings loans shall be approved by a vote of two-thirds (2/3) of the members present.
 - (4) No Member of the Credit Committee, the Board, the 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 surety or any other person with whom he has a fiduciary relationship.
68. When more loan applications are pending 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.

XVIII SUPERVISORY COMMITTEE

- 69. (i) The Supervisory Committee shall be elected at the Annual General Meeting to serve for two years and shall consist of five (5) members none of whom shall be a member of the Board, the Credit Committee, or an officer of the Society.
- (ii) They shall hold office until their successors are elected and shall be eligible for re-election.

70. Any member of the Supervisory Committee shall be deemed in addition to the provisions of By-Law 44, to have vacated his office, if:
- (a) he fails to attend three (3) consecutive meetings of the Committee without in the opinion of the other members having a reasonable cause therefor; or
 - (b) he fails to perform any of the duties allotted to him as a member of the Committee.
71. 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 unexpired term.
72. (1) The Supervisory Committee shall choose from their number a Chairman and a Secretary. These officers shall not be held by the same person.
- (2) The Supervisory Committee shall meet at least once (1) a month 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;
 - (c) confirm the cash instruments, property and securities of the Society;
 - (d) confirm the shares, deposits and other balances or holdings of members;
 - (e) monitor the management of the Society;
 - (f) verify the assets of the Society and monitor whether the assets are properly protected;
 - (g) receive and investigate any complaints made by any members affecting the proper management of the Society;
 - (h) at least once a year cause the pass books and accounts of members to be verified with the records of the Society; and

- (i) ensure that all advances, loans, deposits and other transactions involving directors, committee members and employees are in keeping with the Act, Regulations, By-Laws and Policies of the Society.
- 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 Extraordinary Credit Committee; and
 - (b) loan bonds for each loan and satisfy themselves that each bond is properly filled out and signed by the borrower.
- 5. Within the fourteen (14) days of the end of the month the Treasurer shall submit for attestation by the Supervisory Committee the statement for that month as required by Section 67 (1) of the Act.
- 73. The Supervisory Committee shall keep minutes of its meetings and shall, in keeping with Section 67 (2) of the Act
 - (a) within seven days (7) of each meeting report the results thereof to the Board; and
 - (b) submit a written report to the Annual General Meeting.

74. If in the opinion of the Supervisory Committee, the Board, the Credit Committee 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 misconduct or malpractice or misappropriation or misdirection of 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 misappropriation or misdirection, 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-Laws 44 (2) and 44 (3).

XIX EDUCATION COMMITTEE

75. (1) The Committee of Management shall from time to time appoint a committee of five (5) persons, who may also be members of any other committee to be known as "the Education Committee". This Committee shall be in charge of education and propaganda. The Committee will advise and act in collaboration with the leaders of discussion groups, assist in the provision of literature for the use of the members, and arrange for the purchase of books and magazines, particularly in relation to the Co-operative Movement, and such literature that will be useful for education and recreation generally.
- (2) The Education Committee shall from time to time submit to the Committee of Management a report of its activities, and a requisition to cover the cost of literature, etc., according to the funds set aside for that purpose, and

be careful to see that the education fund is used for the purpose for which it is intended.

XX LOANS TO MEMBERS

76. 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 Credit Committee has approved.
77. The terms and conditions on which loans may be made to members shall be fixed from time to time by the Board, and contained in a Loan Policy, provided always that in no case shall a sum be lent to any member greater than the lesser of
- (a) ten percent (10 %) of the aggregate of the registered Society's share capital, retained earnings and reserve; and
 - (b) the aggregate of the members' ordinary deposits and the Society's reserves.
78. 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.
79. 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 twenty (20) 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.

Loan Processing

80. (1) A member who wishes 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 installment 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) All Meeting of the Credit Committee shall be conducted as follows
 - (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 by the Board, approve the loan or shall, if not authorised, recommend the sanction of the loan to the Board;
 - (b) no person other than members of the Credit Committee, the Secretary, the Treasurer, the Loan Officer and his technical staff or the Registrar and his staff shall be present at any meeting of the Committee when an application for a loan is under consideration;
 - (c) further to Section 77 of the Act 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.

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

81. (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 may from

time to time fix. Such fines shall not exceed one point five percent (1.5%) per month on the amount in arrears with a minimum of five dollars (\$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 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 three (3) consecutive installments 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, disaster or some other cause a member finds that he will be unable to discharge his obligation 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 a loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the application thereof under By-Law 91 (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 or a loan has not been paid on the date on which it became due;

- (b) no extension for the payment thereof has been given to the debtor by the Board, under By-Law 82 (4); and
 - (c) a loan has been made to a director or officer of the Society in contravention of Section 115 (3) and (4).
- (7) 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 187 (1) of the Act;
 - (iii) exercising any rights arising by law pursuant to Sections 106 and 187 (6) of the Act; or
 - (iv) any other action which the Society deems necessary.
82. For purposes of By-Law 82 (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 81 (4) an installment shall not be deemed to be due unless it is one (1) month in arrears.

XXI DOUBTFUL LOANS

83. The Board 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 shall send a copy of that list to the Registrar.

XXII RESERVE FUND, LIQUIDITY RESERVE AND DEVELOPMENT FUND

84. (1) The Society shall create a Reserve fund in pursuance of the provisions of Section 119 (2) of the Act, in which not less than twenty-five percent (25%) of the net surplus before dividends shall be carried. All entrance, transfer, and other fees and fines shall also be carried to such fund.
- (2) The Reserve Fund shall be kept intact and shall not be used or applied, except as provided in Section 34 (2) of the Act, and Regulation 31 (1) and (2).
- (3) In keeping with Section 119 (3) of the Act, the Society shall create a Liquidity Reserve in which fifteen percent (15%) of all members' shares and deposits taken is kept.
- (4) At no time shall the Reserve Fund and Statutory Reserve be less than ten percent (10%) of the total liabilities owed by the Society.
- (5) In keeping with Section 120 of the Act, the Society shall establish and maintain a Development Fund by contributing an amount not exceeding ten percent (10%) of the Society's realised surplus to the National League. That amount will be determined and agreed by the Society and the National League.

XXIII DIVIDEND AND BONUS

85. (1) The members 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. No dividend payable shall be greater than two percentage (2%) above the savings rate set by the Eastern Caribbean Central Bank.
- (2) (a) A dividend shall be paid only on shares fully paid up before and during the dividend period and shall be calculated on the minimum quarterly balance provided always that a member shall be deemed to have one fully paid shares for each five dollars (\$5.00) paid in before the said date.
- (b) Notwithstanding By-Law 86 (1) the Society shall pay interest due on term deposits by members on the expiry date and on the terms stated in the agreement between the Society and the member.
- (3) The Society may make contributions to any charitable purpose or to a common good fund, if a dividend of not less than three percent (3%) has been recommended.
- (4) The remaining net surplus of the society shall 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.

- (5) 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 created directly to the member's share account.

XXIV INVESTMENT OF FUNDS

86. The Board of Directors shall select one or more reputable financial institutions in which the Bank Account of the Society shall be kept. All cheques shall be signed and endorsed on behalf of the Society as the Board decides.

XXV ANNUAL ACCOUNTS, REPORTS AND AUDITS

87. The Board shall comply with the provisions of the Act and shall:
- (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) within thirty (30) days of the Annual General Meeting furnish the Registrar with a copy of the financial statements to be placed before the members.

XXVI FINANCIAL YEAR

88. The financial year of the Society shall end on December 31st.

XXVII SEAL AND EXECUTION OF DOCUMENTS

89. (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 or a resolution of the Board and in the presence of at least one (1) member of the Board, the Secretary or Treasurer.
- (2) Any instrument required to be signed on behalf of the Society shall be duly executed if signed by at least one (1) member of the Board and Secretary or Treasurer.

XXVIII RECORDS AND FORMS

90. The Society shall keep the following records and forms:
- (a) a register of members;
 - (b) a personal ledger for each member;
 - (c) a stock of members' passbook;
 - (d) a cash receipt journal;
 - (e) deposit and withdrawal slips;
 - (f) a cash disbursement journal;
 - (g) a general ledger;
 - (h) a register of loans;
 - (i) loan application forms;
 - (j) loan agreement forms;
 - (k) payment and transfer vouchers;
 - (l) a file containing the Act, Regulations and these By-Laws; and

- (m) separate minute books for meetings of the Board, the Credit Committee, the Supervisory Committee, an any sub-committee appointed by the Board and meetings of members.
- (n) a schedule of current fees and charges.

XXIX INSPECTION OF RECORDS

91. The corporate records of the Society, as stated in Section 19 (2) and (3) of the Act, shall be open to the inspection of any member having an interest in the funds of the Society. No person other than the member himself, his agent or legal representative, a member of the Board, the Credit Committee or the Supervisory Committee, the Auditor or the Registrar, his staff or anyone appointed by him 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 consent of such member in writing.

XXX DISPUTES

92. All disputes shall be determined in accordance with the provisions of Sections 187-190 of the Act.

XXXI AMENDMENT TO THE BY-LAWS

93. These By-laws may be amended in accordance with the provisions of Sections 48 and 49 of the Act and Regulation 19.

XXXII DISSOLUTION

94. (1) The Society may be dissolved by a resolution of three-fourths (3/4) of the members, but only in a manner provided for in Sections 158-179 of the Act.
- (2) The funds of the Society shall be distributed in accordance with Section 172 of the Act, in the event of dissolution.

2015 VERSION

Signed on this _____ day of _____ 2015.

President

Secretary