



**BY-LAWS OF LIFETIME  
CO-OPERATIVE CREDIT  
UNION LIMITED**

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## **BY-LAWS OF LIFETIME CO-OPERATIVE CREDIT UNION LIMITED**

(Hereafter referred to as “The Society”)

### **NAME**

1. The name of the Society shall be Lifetime Co-operative Credit Union Limited.

### **REGISTERED ADDRESS**

2. The registered address of the Society shall be 1<sup>st</sup> Flock Dockland Place, Cavan Lane, Bridgetown 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 affected 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; and
  - (d) 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 other jurisdictions outside of Barbados as the Laws of Barbados and those jurisdictions permit.

## **CAPITAL AND FUNDS**

5. Capital and funds of the Society shall be raised by means of:
  - a) The savings of its members received as payments or subscriptions on any class of shares;
  - b) The deposits of members or subject to the by-laws, from bodies corporate;
  - c) Loans from members or subject to the by-laws, from bodies corporate; and
  - d) Entrance and other fees, fines, interest on loans and investments and other contributions received from members and others.
6. Subject to the provisions of the Act, the Regulations and these By-laws, each member shall hold ten (10) qualifying shares.
7. Subject to the provisions of the Act, Regulations and By-laws deposits may be received from members or non-members at such rate 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 deposits and loans.
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; and
  - 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 shares.

## **MEMBERSHIP**

12.
  - (1) A person may be eligible for membership with the Society if he or she is:
    - (a) a current or former employee, agent or representative of a BS&T company, a Neal & Massy company, a related company of BS&T or Neal & Massy, or a company formerly related to BS&T or Neal & Massy;
    - (b) an employee or former employee of the Society;
    - (c) a relative of a member; or
    - (d) a person recommended for membership by any two members who are in good financial standing.
  - (2) For the purposes of this By-Law, an employee means a permanent employee, whether full-time or part-time
  - (3) For the purposes of By-law 12(1) (c), a relative means a husband, wife, mother, father, sister, brother, son, daughter, aunt, uncle, nephew, niece or grand-child of the said member.
13.
  - (1) Any person who has the necessary qualifications and who is desirous of becoming a member shall apply in writing to the Secretary. His applications shall state his residence and occupation and shall contain such other information as the Board may from time to time decide.
  - (2) The approval of applicants for membership, except regular contractors of the Company, shall be by a majority decision of the Board. Regular Contractors must be approved by the Board of Directors and the Supervisory Committee. No applicant shall be admitted and enrolled as a member or be entitled to any of the rights or privileges of membership until he has paid an entrance fee of five dollars (\$5.00) or as the Board may from time to time fix, and subscribe for at least one share of the Society.

## **JOINT MEMBERSHIP**

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 a joint tenancy or a tenancy in common and shall contain such other information as the Board may 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.

(3) Joint membership shall consist of not more than two (2) persons

15.

1) The approval of applications for membership shall be by the majority of the Board of Directors.

2) Every applicant for membership shall pay an entrance (membership) fee of five dollars (\$5.00) or as the Board may from time to time fix.

3) The applicant, upon acceptance and the purchase of ten (10) qualifying shares, shall be enrolled as a member and shall be entitled to any of the 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 ten qualifying shares in the Society;

d) On the withdrawal or transfer of all his shares, after having submitted notice in writing to the Secretary;

e) On the compulsory acquisition of his shares pursuant to Section 100 of the Act;

f) On expulsion from the Society as provided in Section 102 and 103 of the Act;

g) If, subject as hereinafter provided, he ceases to be qualified in accordance with By-law 12 or;

h) On withdrawal after submitting one month's notice in writing to the Secretary.

17. No member shall resign while he is a borrower, an endorser (co-maker), or guarantor on any loan due the Society.

18. Any member who:

- (1)
    - (a) fails to pay contributions or debts 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 ten (10) days before the meeting.
19. A member whose membership has been terminated may appeal the termination pursuant to Sections 102 and 105 of the Act.
20. 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.
21. The Society shall keep a Register of its members in accordance with Section 26 of the Act.

## **SHARES**

22. The Directors may establish various classes of shares from time to time.
  - (a) There shall be at least one (1) class of shares held by all members, namely qualifying shares, which shall be:
    - 1) issued at par value of \$5;
    - 2) held by all members;
    - 3) considered the capital of The Society;
    - 4) redeemable if the account is closed;
    - 5) unlimited in number
    - 6) eligible for dividend payment in accordance with these By-Laws;
  - (b) Subject to the provisions of Section 33 of the Act, contributions to shares other than qualifying 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 five dollars (\$5) be paid.

23. Notwithstanding the provisions of By-law 22, new members shall pay contributions to the value of ten (10) qualifying shares upon application for membership. Existing members who did not hold this requisite number of qualifying shares before the enactment of this By-Law, may at the discretion of the Board, be granted a six-month moratorium after the date of enactment to purchase ten qualifying shares.
- 24.
- (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, has been paid. Such transfer shall carry dividend credits with it.
  - (2) Subject as hereinafter provided any share other than qualifying shares may be redeemed 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 ten (10) days' notice in writing or in any given emergency such notice as the Directors may fix.
25. Except with the written approval of the Board, no member may withdraw any share if it will reduce his liability to the Society as borrower, co-maker or guarantor.
- 26.
- (1) No share shall be withdrawable during the first twelve (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, dividends, 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 dividend and or bonus is equal to or less than ten dollars (\$10.00) the amount shall be credited to the member's deposits.
  - (4) The Supervisory Committee must be notified of any such proposed action.

## **DEPOSITS**

27. Ordinary deposits may be accepted from any member in accordance with the Act, the Regulations, the By-Laws, Anti-Money Laundering and Anti-Terrorism Regulations and such other legislation or guidelines as may be prescribed and on such terms and conditions as are determined by the Board from time to time.
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 ways or manners 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. Unless otherwise stated, deposits will earn interest from the day of deposit.
- 31.
- (1) Notwithstanding By-law 27, term deposits may be accepted from a member or non-member for a term not exceeding five (5) years and upon such terms and conditions as are set out in Section 203 of the Act and Regulation 32.
  - (2) Provided, however, that deposits for a term exceeding five (5) years must be approved by the Registrar.
32. The rate of interest payable on ordinary or term deposits shall be fixed from time to time by the Board of Directors.

## **RECEIPTS AND DISBURSEMENTS**

- 33.
- (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 initialled 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.

## **MEETINGS OF MEMBERS**

34. 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.
- 35.
- (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 from time to time at the discretion of the Board at a place determined by them.

36.

- (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 function of the Annual General Meeting 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 statement 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 Directors 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 By-laws;
  - (i) to elect Directors, a Credit Committee and Supervisory Committee for the ensuing year;
  - (j) to appoint Auditors for the coming 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 decision was received ; and

- (1) to transact any other general business of the Society.

37.

- (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 10% of the members or fifty (50) 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 described in the notice shall be dealt with at such meeting.
- (2) Notwithstanding By-law 37 (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 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 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) 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.

38.

- (1) At least ten (10) days notice of any General Meeting shall be given in any of the following ways namely:
  - (a) by a notice published in not less than two (2) issues of a newspaper circulated in Barbados and posted in a place that is prominent and accessible to members, and in the Company's newsletter; or

- (b) by a written notice handed to each member or posted to him at his address in the register of members.
- (2) The accidental omission to give a notice to/or the non-receipt of a notice by any member shall not invalidate the meeting.

## **QUORUM**

39.

- (1) 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 twenty-five (25) whichever is the less, shall form a quorum for the purpose of the Annual, General or Special General Meeting, 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 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 abortive 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.

## **ELECTIONS**

40.

- 1.
  - (a) Not less than thirty (30) days prior to each Annual General Meeting, the board may appoint a nomination committee of 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 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 Supervisory Committee unless:
- (a) he is 18 years or over;
  - (b) he is a citizen or resident of Barbados;
  - (c) he holds 100 fully paid 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**

- 41.
- (1) Each member shall hold office until his successor is elected and shall be eligible for re-election.
  - (2) Directors, Members of the Credit Committee and the Supervisory Committee 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 members 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.
42. At the 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 of the Directors or if their number is not three or a 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.

## **TERMINATION OF OFFICE**

43.

- (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; or
  - (d) he is convicted of any offence involving dishonesty; and
- (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-fourths 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 a 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 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.

## **BOARD OF DIRECTORS**

44.

- (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.
- (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 44 (3) above.

45.

- (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 joint member may be a Director, provided however, that only one joint member may be a Director at any one time except where the joint member also holds membership in his own name.
- (3) A simple majority of members shall constitute a quorum.
- (4) Any member or the Board shall in addition to By-law 42 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.

46.

- (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 or, fill the vacancies until the next Annual General Meeting within twenty-one (21) days.
- (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, fifty (50) members may appoint in writing five (5) persons as Directors for the purpose of calling a General Meeting to elect members to fill the vacancies.

47. The Board of Directors may appoint from among its numbers 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 55 (5) of the Act.

48. 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.
49. 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.
50. The disclosure required in By-law 49, must be made in case of a Director:
- (a) at the meeting at which the proposed contract is first considered;
  - (b) at the first meeting after he becomes interested in the proposed contract;
  - (c) 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.
51. The disclosure required in By-law 49, 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.
52. Subject to Section 75(6) 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.
53. 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 be 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.
54. Subject to By-law 8, 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 10 percent of the Society's Capital and Reserve Fund and is within the maximum liability limit which was fixed by a resolution of members at a general meeting, and approved by the Registrar.



55.

- (1) At the first meeting of the Board of Directors which shall be held within fourteen (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, and
  - (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 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) The Treasurer shall;
  - (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 Society;
  - (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 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 statement and other statements as the Board may request;
  - (g) prepare and forward to the Registrar, such financial and other reports as the Registrar may require;
  - (h) keep separate all monies belonging to the Society;
  - (i) produce a current statement of the Society's monies held on demand;
  - (j) make payment as authorised by the Board and obtain receipt for the same;
  - (k) see that 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.
- 56. The Board may employ a Manager and may authorise him or another senior employee to perform any of the duties of the Treasurer, including the signing of cheques.
- 57. A meeting of Officers, Members of the Board of Directors, Credit and Supervisory Committee 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**

- 58. 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 of Directors, or the Supervisory Committee or an Officer of the Society, except that the Secretary or Treasurer may be an ex-officio Member of the Committee.
- 59. Any member of the Credit Committee shall in addition to By-law 43 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 allocated to him as a member of the committee.
- 60. 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.
- 61. 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 unexpired term.
- 62.
  - (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) the number and amount of delinquent loans.
63. 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.
64. A majority of the Credit Committee, not including the Secretary or Treasurer, constitutes a quorum.
65. The Credit Committee shall consider all applications for loans, make recommendations to the Board in respect of the applications and shall, subject to the authorisation of the Board, approve loans to members upon such terms and conditions as specified by the Board.
- 66.
- (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 Loans Officer.
  - (2) Any person authorised 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 loan which has been approved by him in his capacity as a Loan Officer.
67. 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.

68.

- (a) No loan shall be made or advanced unless approved by:
    - (i) the Credit Committee; or
    - (ii) the Extra-Ordinary Credit Committee in accordance with By-Law 68 (b); or
    - (iii) such person as is designated by the Board in accordance with By-Law 66(1).
  - (b) An Extra-Ordinary 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.
  - (c) A quorum of the Extra-Ordinary 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 of the members present.
  - (d) 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.
69. 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**

70. The Supervisory Committee shall be elected at the Annual General Meeting and shall consist of three (3) members none of whom shall be a member of the Board of Directors, the Credit Committee, or an Officer of the Society.
71. Any member of the Supervisory Committee shall be deemed in addition the provisions of By-law 43, 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 therefore; or

- (b) he fails to perform any of the duties allocated to him as a Member of the Committee.

72. 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.

73.

- (1) The Supervisory Committee shall choose from its number a Chairman and a Secretary. These offices shall not be held by the same person.
- (2) The Supervisory Committee shall meet at least once 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; and
  - (h) at least once a year cause the pass books and accounts of members to be verified with the records of the Society;
- (3) Due notice of such meeting 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, if any offered and that it bears the 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 fourteen (14) 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.
74. The Supervisory Committee shall keep Minutes of its meetings and shall:
- (a) within seven (7) days of each meeting report the results thereof to the Board of Directors; and
  - (b) submit a written report to the Annual General Meeting.
75. If in the opinion of the Supervisory Committee the Board of Directors, 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 mal-practice or mis-appropriation or mis-direction 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 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 persons may be removed as provided in By-law 43 (2) and (3).

## **LOANS TO MEMBERS**

76. Loans shall be made to members only and for provident and productive purpose. All loans made shall be applied by the borrowing members to such purpose as the Committee has approved.
77. The terms and conditions on which loans may be granted to members shall be fixed from time to time by the Board, provided always that in no case shall a sum greater than 10% of the aggregate of the Society's capital or 1% of the members' total savings and reserves, whichever is lesser be lent to any member.
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 ten (10) qualifying shares in the Society or is in arrears in the payment of a current loan or instalment thereon or is otherwise a defaulter.

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 instalment 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 authorised 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 Registrar or his staff shall be present at any meeting of the Committee when an application for a loan is under consideration. If there is a difference of opinion concerning the granting of a loan, the voting shall be taken by ballot.
  - (c) the proceedings with regard to loans at Committee meetings shall be 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) Loans when approved in accordance with these By-Laws, shall be granted to members who have provided such security as may be required from time to time by the Society.
- (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 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.

81.

- (1) Notwithstanding By-Law 81(2), a member who fails to pay any instalment of a loan at the time fixed for payment shall, unless the time so fixed has been extended, pay such fine as the Board of Directors may from time to time fix, provided that such fines shall not exceed one (1) percent per month on the amount in arrears with a minimum of five dollars (\$5.00).
- (2) If a member fails to pay any instalment of a loan after the time fixed for payment and no extension of time for such payment has been granted, then the whole or the balance of the loan then owing shall become immediately due and payable.



- (3) When a member:
  - (a) is in default in the payment of a loan or of an instalment of a loan; and
  - (b) does not satisfy the Board that such default is due to a good cause, such a member may not be entitled to receive another loan from the Society.
- (4) If by any 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 a loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the application thereof under By-law 80 (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 instalment 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 81 (4).

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;
- (iii) exercising any rights arising by law pursuant to Section 171 (8) of the Act;  
or
- (iv) any other action which the Society deems necessary.

82. For purposes of By-law 81 (6) interest shall be deemed to be an instalment of a loan, but unless it is otherwise provided in the instrument required under By-law 80 (4) an instalment shall not be deemed to be due unless it is one (1) month in arrears.

## **DOUBTFUL LOANS**

83. 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.

## **RESERVED FUND**

- 84.
- (1) The Society shall create a Reserve Fund in pursuance of the provisions of Section 197 (2) of the Act, in which twenty-five (25) percent of the net surplus before dividend shall be carried. All entrance, transfer, nomination and other fees shall also be carried to such fund.
  - (2) The Reserve Fund shall be kept liquid and intact and shall not be used or applied, except as provided in Regulations 22 (6) and 29 (1).

## **DIVIDEND AND BONUS**

- 85.
- (1) At its Annual General Meetings the Society 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) Subject to the policy of the Credit Union, a dividend may be paid on qualifying shares and other equity shares.
  - (3) The remaining net surplus of the Society may be distributed among the members who have patronized the Society during the accounting year in proportion to business done by them during such year.

## **INVESTMENT OF FUNDS**

86. The Society shall invest its funds as provided by Section 145 (9) of the Act.

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

87. The Board of Directors 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 statement 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**

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

## **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 of a resolution of the Board and in the presence of at least one Member of the Board and 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 the Secretary or Treasurer.
  - (3) Cheques shall be signed as provided in Regulation 34.

## **BOOKS AND FORMS**

90. The Society shall keep the following books and forms:
- (a) a register of members;
  - (b) a personal ledger for each member;
  - (c) members' pass books;
  - (d) a cash receipt journal;
  - (e) deposit 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 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 sub-committee appointed by the Board and meetings of members.

## **INSPECTION OF RECORDS**

91. 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 other than the member himself, his agent or legal representative, a member of the Board, the Credit Committee, the Supervisory Committee, the Auditor or the Registrar, his staff and anyone appointed by him shall be allowed to see the personal account, loan agreement, pass book, the register or papers relating to the loan of any member without the consent of such member in writing.

## **DISPUTES**

92. All disputes shall be determined in accordance with the provisions of section 171 and 172 of the Act.

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

93. These By-laws may be amended in accordance with the provisions of Sections 94 and 95 of the Act and Regulation 19.

## **DISSOLUTION**

94.

- (i) The Society may be dissolved by a resolution of three fourths (3/4) of the members present at a meeting but only in the manner provided for in the Act.
- (ii) The funds of the Society shall be distributed in accordance with Section 159 of the Act.

## **INTERPRETATION**

95. 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 Cooperative Societies (Amendment) Act, 2007-39;

“Regulations” mean the Co-operative Societies Regulation 2008;

“By-laws” mean the registered By-laws made by the Society in exercise of any power conferred by the Act and include a registered amendment of the By-laws.

And

“Capital” means:

- (a) Qualifying shares and other equity shares that are invested as risk capital by the members; and
- (b) The Statutory Reserves as required, other non-distributable general reserves, the earnings retained after distribution of surplus and non-refundable donated capital.

## **APPROVAL OF AMENDMENTS OF BY-LAWS**

The below listed amended By-Laws were approved and registered by the Financial Services Commission on the 2<sup>nd</sup> day of May 2012.

- 1. By-Law 4
- 2. By-Law 5
- 3. By-Law 6
- 4. By-Law 12
- 5. By-Law 15
- 6. By-Law 22

7. By-Law 23
8. By-Law 24
9. By-Law 27
10. By-Law 30
11. By-Law 58
12. By-Law 85
13. By-Law 95

The below listed amended By-Laws were approved and registered by the Financial Services Commission on the 24<sup>th</sup> day of July 2012.

1. By-Law 12
2. By-Law 16
3. By-Law 79
4. By-Law 85

The below listed amended By-Law was approved and registered by the Financial Services Commission on the 11<sup>th</sup> day of August 2015.

1. By-Law 1