



The & Light & Power  
Employees Co-operative  
Credit Union Ltd.

# BY-Laws

Revised July 11, 2020



**The Light & Power Employees  
Cooperative Credit Union Ltd**

**BY-Laws**



## TABLE OF CONTENTS

Name .....	9
Registered Address.....	9
Objects .....	9
Area of Operation .....	9
Capital and Funds .....	9
Membership .....	10
<i>Ordinary Membership</i> .....	10
<i>Joint Membership</i> .....	11
<i>Admission of Members</i> .....	11
<i>Termination of Membership</i> .....	12
Shares .....	12
Deposits .....	13
Receipts and Disbursements .....	13
Meetings of Members .....	14
Quorum .....	15
Elections .....	16
Tenure of Office .....	17
Termination from Office .....	18
Board of Directors .....	18
<i>President</i> .....	20
<i>VicePresident</i> .....	20
<i>Secretary</i> .....	21
<i>Treasurer</i> .....	21
Credit Committee .....	21
Supervisory Committee .....	23
Loans to Members .....	24
Doubtful Loans .....	27
Reserve Fund .....	27
Dividends and Bonus .....	27
Investment of Funds .....	27
Annual Accounts and Reports and Audits .....	27

Financial Year .....	28
Seal and Execution of Documents .....	28
Books and Forms .....	28
Inspection of Records .....	28
Disputes .....	29
Amendment to the By-	
Laws.....	29
Interpretation .....	29
Dissolution .....	29



**The Light & Power Employees  
Cooperative Credit Union Ltd**

**BY-Laws**





By-Laws of

THE LIGHT & POWER EMPLOYEES CO-OPERATIVE CREDIT UNION LTD  
(hereafter referred to as "The Society")

**NAME:**

1. The name of the Society shall be:  
THE LIGHT & POWER EMPLOYEES CO-OPERATIVE CREDIT UNION LTD

**REGISTERED ADDRESS:**

2. The registered address of the Society shall be:  
THE BUSINESS COMPLEX, BUSH HILL, THE GARRISON, ST MICHAEL  
Or at such other place as may from time to time be determined by the Society, and notified to the Registrar within seven (7) days.

**OBJECTS:**

3. The objects of the Society shall be:
  - (a) to promote thrift among its members by providing means whereby savings can be effected and shares in the Society can be acquired;
  - (b) to educate its members in the Co-operative principles and methods and the efficient management of its affairs;
  - (c) to create out of the savings of its members, and otherwise a source of credit available to its members on reasonable terms and conditions; 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 OPERATION:**

4. The area of operations of the Society shall be:  
THE ISLAND OF BARBADOS

**CAPITAL AND FUNDS**

5. The capital and funds of the Society shall be raised by means of:
  - (a) the savings of its members received as payments or subscriptions on shares;
  - (b) the deposits of members;
  - (c) loans from members
  - (d) entrance and other fees, fines, interest on loans and investments and other contributions received from members and others
  - (e) the deposits of other co-operative bodies; and
  - (f) with the approval of the Registrar, deposits of bodies corporate.

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 be subject to the provisions of the Act, the Regulations and the By-laws.
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 a general meeting shall, in accordance with the provisions of the 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) 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) Membership of the Society is open to all persons subject to the provisions of the Act, the Regulations and the By-laws

## **ORDINARY MEMBERSHIP**

12. (2) Ordinary membership in the Society shall be open, without restriction to age, race, sex, religion or other affiliation to:
  - (a) retired and present employees of the Barbados Light & Power Company Limited and their families; employees and pensioners of the Light & Power Holdings Limited, its predecessors, successors or subsidiaries or associated companies and their families.
  - (b) such other persons who are recommended for membership by a bona fide member of the Society in good standing, as prescribed by the Board.
  - (c) the beneficiary of a deceased member;
  - (d) present and former employees of the Reddy Kilowatt Co-operative Society Ltd. and of the Society;
  - (e) family members of employees of the Reddy Kilowatt Co-operative Society Ltd. and of the Society;
  - (f) established contractors with the company as long as they remain such.

- (g) Retired and present employees of the Light & Power Holdings Limited and established Business houses within a five (5) mile radius of the Credit Union.

The Board of Directors will determine the eligibility of all applicants for membership. Any member who has not attained the age of 16 years will be guided by the provisions of Section 82A of the Act in all respects.

- 13. Any person who has the necessary qualifications and who is desirous of becoming a member shall apply in writing to the Secretary. His application shall state his residence and occupation and shall contain such other information as the Board may from time to time decide.

#### **JOINT MEMBERSHIP**

- 14. (1) (a) 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.
- (b) 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.

#### **ADMISSION OF MEMBERS**

- 14. (2) (a) Application for membership shall be governed by the following:
    - i. The approval of the Board of Directors;
    - ii. Every applicant for membership shall pay an application fee of ten dollars (\$10.00) or a fee as the Board may from time to time fix. Upon acceptance to the Society, the member immediately subscribe for 20 qualifying shares in the amount of \$100.00;
    - iii. As a member he shall be entitled to any rights and privileges of membership;
    - iv. No person shall be a member of more than one Credit Union unless the first Credit Union has agreed in writing thereto;
    - v. Where a person becomes a member of more than one Credit Union the second or any subsequent Credit Unions shall so inform the Registrar within fourteen (14) days of the grant of membership.
  - (b) Persons who have the necessary qualifications for membership and who are desirous of becoming joint members may apply in writing to the Secretary of the Board. The application shall state the residence and occupation of each person, whether the tenancy will be a joint tenancy or tenancy in common and shall contain such other information as the Board may from time to time decide.
  - (c) An application of a joint member to withdraw from the Society or to vary the composition of the joint membership, must be signed by all persons comprising the joint membership.
- 14. (3) A body may be enrolled as a Member of the Society subject to the terms and conditions set out by the Board and approval of the Registrar.

## **TERMINATION OF MEMBERSHIP**

15. A person ceases to be a member of the Society:
  - (a) on death;
  - (b) if he applies for bankruptcy or is declared bankrupt;
  - (c) on ceasing to hold the minimum qualifying number of shares in the Society;
  - (d) on the withdrawal or transfer of all his shares;
  - (e) on the compulsory acquisition of his shares pursuant to sec. 100 of the Act;
  - (f) on expulsion from the society as provided in section 102 and 103 of the Act; and
  - (g) if, subject as hereinafter provided, he ceases to be qualified in accordance with By-law 12 (2).
16. No member may resign while he is a borrower, an endorser (co-maker), or guarantor on any loan due to the society.
17. (1) Any member who:
  - (a) fails to pay any contribution or debt due to the Society,
  - (b) is convicted of a criminal offence involving dishonesty, or
  - (c) in the opinion of the Board acts in any way detrimental to the interests of the Society may have his membership terminated by two-thirds vote of the Directors present at a meeting called for the purpose.(2) Notwithstanding the above membership may be terminated by a vote of two-thirds of the members present at a general meeting by a charge communicated to the member in writing at least 14 days before the meeting.
18. A member whose membership has been terminated may appeal the termination pursuant to sections 102 and 105 of the Act.

## **SHARES**

19. Contributions to shares shall be payable at any time and in such amounts as the member is able, provided that in no case shall a contribution of less than \$5.00 be paid.
20. The Society shall keep a Register of its members in accordance with Section 26 of the Act.
21. Subject to the provisions of Section 33 of the Act, contributions to shares shall be payable in such amounts as the member is able on any day in which the society is open for business provided that in no case shall a contribution of less than \$5.00 be paid.
22. Notwithstanding the provision of By-law 19, on acceptance of membership in the Society, a member shall pay contributions to the value of 20 qualifying shares, the value of which shall be \$100.00
23. (1) Shares may be transferred in accordance with Sections 48 and 49 of the Act and by written instrument in such form as may be prescribed, but no transfer shall be registered until such transfer fee as the Board may from time to time fix, not exceeding \$0.25 per share with a minimum of \$5.00 per transfer has been paid. Such transfer shall carry dividend credits with it.

- (2) Subject as hereinafter provided the amount on any share may be withdrawn on any day on which the Society is open for business provided that the Directors shall have the right at any time to require a member to give 14 days notice in writing or in any given emergency such additional notice as the Directors may fix, of his intentions to do so.
24. Except with the written approval of the Board, no member may withdraw any shares if it will reduce his shareholding below his liability to the Society as borrower, co-maker or guarantor.
25. (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 \$10.00 the amount shall be credited to the member's shares.

## **DEPOSITS**

26. Ordinary deposits may be accepted from any member, and other co-operative society or body corporate in accordance with the Act, the Regulations, 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.
27. 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 manners as the Board may determine.
28. Deposits received in the name of a minor shall be held for the exclusive right and benefit of the minor and free from the control or lien of all other persons except creditors, and shall be paid together with interest thereon to the person in whose name the account shall have been issued. The receipt or acquittance of the minor shall be valid and sufficient release and discharge to the Society for the deposit or any part thereof.
29. (1) Notwithstanding By-law 26, term deposits may be accepted from a member or non-member for a term not exceeding five years and upon such terms and conditions as are set out in Section 203 of the Act and Regulation 30.
- (2) Deposit for a term exceeding five years must be approved by the Registrar.
30. 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**

31. (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 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 passbook 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

32. 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 subject to Section 50 of the Act vote on all questions.
33. (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.
34. (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 not later than six (6) months after the end of the financial year.
- (2) The functions of the Annual General Meetings shall be:
- (a) to confirm the minutes of the previous Annual General Meeting and of any intervening Special General Meeting;
  - (b) to consider and approve the report of the Board of Directors on the immediate preceding year's work of the Credit Union;
  - (c) to consider the financial statements presented by the Board for the immediate preceding year, together with the financial statements of the previous year,
  - (d) to consider the report of the auditor,
  - (e) to approve the financial statements and the auditor's report or if accounts are not approved to cause the Directors to forthwith notify the auditor of any error or misstatement;
  - (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 a Board of Directors, a Credit Committee and a Supervisory Committee for the ensuing year;
  - (j) to appoint auditors for the ensuing year;
  - (k) to hear and decide upon any complaints brought by members aggrieved by a decision of the Board, provided that notice of such complaint to be brought before the meeting has been given to the Secretary in writing within thirty (30) days from the date of notice by the Board was received; and
  - (l) to transact any other general business of the Society.
35. (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 25 whichever is the least. 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 35 (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 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; 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.
36. (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 by posting a notice in a place that is prominent and accessible to members; or
  - (b) by a written notice handed to each member or posted to him at his registered address;
- (2) The accidental omission to give notice to/or the non-receipt of a notice by any member shall not invalidate the meeting.

## **QUORUM**

37. (1) One-fourth of the total number of the members of the Society or 25 whichever is the least, shall form a quorum for the purpose of the Annual, General or Special 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 aborted meeting at least three (3) days' notice



shall be given. If at the reconvened meeting a quorum is not present at the time appointed for the meeting the members present shall form a quorum.

## **ELECTIONS**

38. (1) (a) Not less than thirty (30) days prior to each Annual General Meeting, the Board shall appoint a Credentials Committee of at least three (3) persons who are not nominees for any vacancy. The Credentials Committee shall receive all nominations.
- (b) The Credentials Committee should satisfy itself that the persons nominated:
- i. Shall be qualified pursuant to the Act and By-Laws of the Society to be a Director or appointed officer;
  - ii. Consent indicating their willingness to serve as a director or other officer if elected
- (c) The Credentials Committee shall present all valid nominations at the Annual General Meeting for the vacancies for which elections are to be held.
- (d) All elections shall be by ballot.
- (2) In the event that there is an insufficient number of persons who may have been pre-nominated to fill the vacancies on the Board, Supervisory Committee or Credit Committee,
- (a) in the case of a vacancy on the Board, the Board may fill a vacancy in accordance with By-Law 44 (1).
  - (b) in the case of a vacancy on the Credit Committee, the Board may fill a vacancy in accordance with By-Law 59.
  - (c) in the case of a vacancy on the Supervisory Committee, the Supervisory Committee may fill a vacancy in accordance with By-Law 70.
- (3) Where a person who has been nominated for a vacancy on the Board or any other Committee is successfully elected to the Board or that Committee, he shall be ineligible for election to any other Committee.
- (4) No member may be elected to the Board, the Supervisory Committee or the Credit Committee unless:
- (a) he is over 18 years;
  - (b) he is a citizen or a resident of Barbados;
  - (c) he holds 20 qualifying shares in the Society in accordance with the Act, the Regulations and the By-Laws
  - (d) he has been a member of the Society for at least one (1) year; and
  - (e) he is otherwise not in breach of Section 57 of the Act
- (5) Nominated members and their consent to be nominated shall be established by the following procedure :
- (a) At least twenty-one (21) days before the date set for the election a nomination in writing by at least one member shall be given to the Society proposing the member for election.

- (b) The nomination is to be accompanied by a letter of consent indicating their willingness to be elected and to serve as a director or other officer if elected.
  - (c) On receipt of a nomination referred to in By-Law 38 (6) the Secretary shall at the time of publishing notice of a general meeting of members, include in the notice a statement that the member nominated has offered himself for election to the Board of Directors, the Supervisory Committee of the Credit Committee.
- (6) The Board of Directors shall appoint a person who is not a member of the Board, the Credit Committee of the Supervisory Committee or a candidate for any vacancy, to chair the elections.
- (7) The Chairman of elections shall:
- (a) Make any announcements of the withdrawal of candidates or the absence of candidates vying for the Board of Directors, Supervisory Committee or the Credit Committee
  - (b) Declare the voting process open
  - (c) Manage the voting process and ensure that at the conclusion of voting for the Board of Directors, Supervisory Committee or the Credit Committee all positions that all ballot boxes are sealed in his presence
  - (d) Receive and secure all remaining unused ballot boxes and papers
  - (e) Manage the ballot counting process in the pre-designated counting area
  - (f) Manage the process for any additional voting required in the event of a tied vote and
  - (g) Announce the results of the elections for the Board of Directors, Supervisory Committee and Credit Committee.

## **TENURE OF OFFICE**

39. The Board of Directors shall be elected at the first meeting and thereafter at the Annual General Meeting of the Society in each year as herein provided.
40. (a) The Board of Directors shall be elected at the first meeting and thereafter at the Annual General Meeting of the Society in each year as herein provided. At the Annual General Meeting of the Society, subsequent to the issuance of the Certificate of Continuance, the entire Board of Directors shall be elected at the Annual General Meeting
- (b) Each member shall hold office until his successor is elected or appointed
  - (c) Directors may hold office for two (2) consecutive terms of three (3) years each, before retiring for a minimum of one (1) year
  - (c) Members of the Supervisory and Credit Committees may hold office for two (2) consecutive terms of three (3) years each, before retiring for a minimum of one (1) year.
  - (e) Where persons are to be elected for varying terms, the member receiving the highest number of votes cast, is to be declared elected for the longest or longer term.
  - (f) Where two 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 shall draw lots and the candidates whose lot is drawn, is to be declared elected for the longest or longer term.

- (g) 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 member or where the meeting does not decide, the Chairman shall draw lots to determine the tenure of office for each candidate.

#### **TERMINATION FROM OFFICE**

- 41. (1) Any member of the Board, Supervisory, or Credit Committee shall be deemed to have vacated his office if:
  - (a) he resigns by giving notice, if he is a member of the Board, to the Board of Directors, or if a member of the other committees to the respective Committee;
  - (b) he applies for bankruptcy or is declared bankrupt;
  - (c) he becomes of unsound mind and has been so found by a court in Barbados;
  - (d) he is convicted of any offence involving dishonesty; or
  - (e) he ceases to be a member of the Society;
  - (f) he ceases to be a member in accordance with the Act, the Regulations and the By-Laws; or
  - (g) he is a member of a prescribed class
  - (h) he fails to attend three (3) consecutive meeting of the Board, the Supervisory Committee or Credit Committee without giving satisfactory explanation to the Board or the relevant Committee in writing within seven (7) days of his absence from the third meeting
  - (i) He is delinquent with his creditors, including this Society or any other co-operative society
- (2) The Board, the Supervisory Committee, the Credit Committee, or any member thereof may be removed from office before expiration of their or his period of office by a special resolution passed by a majority of at least three-fourth ( $\frac{3}{4}$ ) of the members present at a Special General Meeting at which at least ten (10) days notice specifying the intention to propose the resolution had been duly given.
- (3) Any such member or officer must be informed in writing of the charges against him at the time of the notice and at such meeting shall have reasonable opportunity to answer such charges. At such meeting, the members shall proceed to the election of a new Board, Supervisory Committee, or Credit 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, Supervisory Committee, or Credit Committee on the day in which the member whose place he is appointed was last elected to the Board or the Committee.

#### **BOARD OF DIRECTORS**

- 42. (1) Subject to the provisions of the Act, the Regulations and the By-Laws 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 safekeeping of funds of the Society until they are deposited in the bank in accordance with By-law 42 (3) above.
43. (1) The Directors shall meet as often as the business of the Society may require, but not less frequently than once per month. Due notice of such meetings shall be given to the other members by the Secretary.
- (2) A 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 of the Board shall in addition to By-law 41 be deemed to have vacated his office if he fails to attend three (3) consecutive regular meetings of the Board without satisfactory explanation to the Board within seven (7) days of his absence from the third meeting in writing.
44. (1) Where there is a vacancy on the Board, and there is a quorum of Directors, the remaining Directors:
- (a) may exercise all the powers of the Directors, or
- (b) may fill the vacancy until the next meeting
- (2) Where there are no Directors, 25 members may appoint in writing 5 persons as Directors for the purpose of calling a General Meeting to elect members to fill the vacancies.
45. The Board of Directors may appoint from among its number any committee that it considers necessary and may by resolution delegate to any such committee such powers that it considers necessary for the efficient conduct of the affairs and business of the Society, subject to Section 55 (5) of the Act.
46. A Committee of Directors that has powers delegated to it, must consist of at least three (3) Directors and shall exercise these powers subject to the provision of the Act, the Regulations and these By-laws.
47. A Director or officer of the Society who is a party to a contract or proposed contract with the Society shall disclose in writing to the Society or request to have entered in the minutes of Meeting of Directors, the nature and extent of his interest.
48. The disclosure required by By-law 47, must be made in case of a Director:
- (a) at the meeting at which the proposed contract is first considered;
- (b) at the first meeting after he becomes interested in the proposed contract;
- (b) if he becomes interested after the contract is made at the first meeting after he becomes so interested; or
- (c) on becoming a Director, at the first meeting after he becomes a Director.
49. The disclosure required by By-law 47, must be made in the case of an officer who is not a Director:
- (a) forthwith after he becomes aware that the contract or proposed contract is to be considered 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 an interest in a contract prior to his becoming an officer.
50. 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.
51. A contract, approved by the Directors or members in which a Director or officer disclosed a material interest, which is reasonable and fair to the Society at the time it was approved is neither void or voidable by reason only of that relationship or by reason only that a Director with interest in the contract is present at or is counted to determine the presence of a quorum at a meeting of Directors or Committee of Directors that authorised the contract.
52. 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 80 per cent 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.
53. (1) At the first meeting of the Board of Directors which shall be held within 7 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 as he may be directed to perform by resolution of the Board of Directors, not inconsistent with the Act, the Regulations and these By-laws;
- (d) such other duties as the Co-operatives 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 meeting 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 meeting 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, the Regulations and these By-laws.

## **TREASURER**

- (5) The Treasurer shall act as General Manager of the Society under the control and direction of the Board of Directors. Subject to such limitations and control as may be imposed by the Board of Directors, it shall be the duty/responsibility of the Treasurer to:
  - (a) receive all monies due and payable to the Society and issue receipts for the same;
  - (b) deposit all monies 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 affect 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 statements and other statements as the Board may request;
  - (g) prepare and forward to the Registrar, such financial and other reports as may be required;
  - (h) keep separate all monies belonging to the Society;
  - (i) produce a current statement of the Society's monies on demand;
  - (j) make payment as authorised by the Board and obtain a receipt of the same;
  - (k) see all promissory notes, drafts, negotiable instruments drawn in favour of the Society are properly prepared; and
  - (l) do all other such duties as pertaining to the office of Treasurer.
- 54. 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.
- 55. A meeting of officers, members of the Board of Directors, Credit and Supervisory Committees shall be held at least once per year. The Secretary of the Credit Union shall be responsible for the calling of the meeting.

## **CREDIT COMMITTEE**

- 56. The Credit Committee shall be elected at the Annual General Meeting and shall consist of 3 members, none of whom shall be a member of the Board of Directors, or the Supervisory Committee or an officer of the Society, except that the Secretary or Treasurer may be an ex-officio member of the Committee.
- 57. Any member of the Credit Committee shall in addition to By-law 41 be deemed to have vacated his office if:

(a) he fails to attend three (3) consecutive regular meeting 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.

58. The Committee may be removed from office by a special resolution made in a Special General Meeting called for that purpose if it fails to submit a report to the Board of Directors pursuant to Section 209 (1) (c) of the Act.

59. Any vacancy on the Committee may be filled by the Board of Directors, but such member shall hold office only until the next annual general meeting, at which a member shall be elected to fill the vacancy for the unexpired term.

60. (1) The Credit Committee shall choose from their number, a Chairman and a Secretary. These offices may not be held by the same person.

(2) The Secretary of the Committee shall prepare and maintain full and correct records of all action taken by the Committee and shall submit a report monthly to the Board of Directors pursuant to Section 209 (1) (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; and

(e) the number and amount of delinquent loans.

61. The Credit Committee shall hold such meetings as the business of the credit union may require, but not less frequently than once per month. Due notice of such meetings shall be given to the other members of the Committee by the Secretary.

62. A majority of the Credit Committee, not including the Secretary or Treasurer, constitutes a quorum.

63. Subject to Section 206 of the Act, the Credit Committee shall:

a. consider and approve applications for loans to members upon such terms and conditions as specified by the Board in its Loan Policy and Procedures.

b. make recommendations to the Board in respect of the Loan Policy and procedures.

c. consider reports that are submitted to it from Loans Officers pursuant to By-Law 64 (2).”

64. (1) The Board may, by resolution, delegate the Manager or other employee to approve loans to members on such terms and conditions as the Board specifies. A person so delegated shall be referred to as a Loans Officer.

(2) Any employee authorised by the Board to approve loans shall in accordance with section 208 (3) of the Act, 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 Loans Officer shall be subject to review by the Credit Committee.

(4) No individual shall authorise the disbursement of funds of the Credit Union for any loan which has been approved by him in his capacity as a Loans Officer.

65. The Credit Committee or Loans 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 provident or productive purposes and will be of a profitable benefit to the applicant. It shall endeavour diligently to assist applicants in solving their financial problems.

66. (1) No loan shall be made unless approved by:

(a) the Credit Committee, or

(b) the Extra-Ordinary Credit Committee in accordance with By-law 66 (2), or

(c) by an employee(s) authorised under By-Law 64 (1).

(2) 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.

(3) 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 members of the Credit Committee is present. At such meetings, loans shall be approved by a vote of two-thirds of the members present.

(4) No member of the Credit Committee, the Board, the Supervisory Committee or any Loans 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 surety or any other person with whom he has a fiduciary relationship.

67. When there are more pending loan applications than can be granted within the funds available, preference shall be given in all cases to applicants for smaller loans if the need and credit factors are nearly equal.

#### **SUPERVISORY COMMITTEE**

68. The Supervisory Committee shall be elected at the Annual General Meeting and shall consist of 5 members none of whom shall be a member of the Board of Directors, the Credit Committee, or an officer of the Society.

69. Any member of the Supervisory Committee shall be deemed in addition to the provision of By-law 41, 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 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.



70. Any vacancy on the Committee may be filled by the remaining members of the Committee who may appoint a qualified member until the next Annual General Meeting at which a member shall be elected to fill the unexpired term.
71. (1) The Supervisory Committee shall choose from their number a Chairman and a Secretary. These offices shall not be held by the same person.
- (2) The Supervisory Committee shall meet at least monthly to:
- (a) examine the books of the Society;
  - (b) appraise the policies and operating procedures to make recommendations to the Board and the Credit Committee;
  - (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 passbooks and accounts of the members to be verified with the records 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, if any offered and that it bears the approval of the Credit or Extra-ordinary 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 20 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 the month as required by Section 127 (2) of the Act.
72. The Supervisory Committee shall keep minutes of its meeting and shall:
- (a) within seven (7) days of each meeting report the results thereof to the Board of Directors; and submit a written report to the Annual General Meeting.
73. 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 has committed 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 misappropriation or misdirection, suspend The Board or any member of the Board and shall

forthwith request the Board to summon a general meeting of members to be held within fourteen (14) days after the suspension for the purpose of dealing with the charge.

At such general meeting, such person may be removed as provided in By-law 41 (2) and (3).

## **LOANS TO MEMBERS**

74. Loans shall be made to members only and for provident and productive purposes. A member who has not attained the age of 16 years is not entitled to obtain credit from the Society. All loans made shall be applied by the borrowing members to such purpose as the Committee has approved.
75. The terms and conditions on which loans may be made to members shall be fixed from time to time by the Board, provided always that in no case shall a sum greater than the lesser of:
- (a) ten per cent (10%) of the aggregate of the Society's capital; or
  - (b) ten per cent of the aggregate of the members' ordinary deposits and reserves
76. The rates of interest on loans shall be fixed from time to time by the Board, and the interest payable on loans shall be assessed on the unpaid balance.
77. No loans shall be made to a member who is not in good standing, that is to say, is not the holder of at least 20 fully paid shares in the Society, or is in arrears in the payment of a current loan or instalment thereon or is otherwise a defaulter.
78. (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 or authorised staff shall consider every application for a loan, and if they are satisfied with the trustworthiness of the applicant, the sufficiency of the security offered in accordance with existing policies, and the prospects of advantage to the borrower in the way of increased production or economy or otherwise they, 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 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) Loans when approved by the Committee, shall be granted to members who are able to obtain two (2) sureties approved by the Committee, or who can give other security to the satisfaction of the Committee, or Loan Officer.

- (4) When a loan is approved by the Committee or Loan Officer, a notice shall be sent to the borrower to that effect, and before the amount is advanced, the borrower and his sureties shall execute an instrument in writing setting out the terms of repayment of the loan and containing such other terms and conditions as the Committee may consider necessary.
  - (5) A member may repay his loan prior to maturity in whole or in part on any business day if the Society.
79. (1) A member failing to pay any instalment of a loan at the time fixed shall unless the time has been extended pay such fine as the Board of Directors may from time to time fix. Such fines shall not exceed one per cent per month on the amount in arrears with a minimum of \$5.00.
- (2) If a member fails to pay an instalment of a loan within three (3) months after the time fixed for payment and no extension of time has been granted, the whole or the balance of the loan then owing shall immediately become due.
  - (3) When a member:
    - (a) is in default in the payment of a loan or of an instalment of a loan; and
    - (b) does not satisfy the Board that such default is due to a good cause, such a member shall not be entitled to receive another loan from the Society.
  - (4) If by reason of sickness or some other cause a member finds that he will be unable to discharge his obligations to the Society, and notifies the Secretary in writing before a loan is due, the Board may extend the time fixed for payment on such conditions as it thinks fit.
  - (5) Where the Board is satisfied that a member of the Society who has obtained a loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the application thereof under By-law 78 (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 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 79 (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 17 (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.
80. For purposes of By-law 79 (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 78 (4) an instalment shall not be deemed to be due unless it is one (1) month in arrears.

## **DOUBTFUL LOANS**

81. The Board of Directors shall cause a list of all doubtful loans to be made available at the registered office of the Society for any examination required by the Credit Committee, the Supervisory Committee and the auditor and shall in accordance with Regulation 27 send a copy of that list to the Registrar.

## **RESERVE FUND**

82. (1) The Society shall create a Reserve Fund in pursuance of the provisions of Section 197 (2) of the Act, in which the greater of one half ( $\frac{1}{2}$ ) per cent of assets or twenty-five per cent (25%) 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 Funds shall be kept liquid and intact and shall not be used or applied, except as provided in Regulations 27 (1) and 27 (2).

## **DIVIDEND AND BONUS**

83. (1) At its Annual General Meeting, 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 Society, a dividend may be paid on the shares of the Society.
- (3) The Society may make contributions to any charitable purpose or to a common good fund if a dividend of not less than 3 per cent has been recommended.
- (4) The remaining net surplus of the Society may be distributed among the members who have patronised the Society during the accounting year in proportion to the business done by them during such year.
- (5) 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.

## **INVESTMENT OF FUNDS**

84. The Society may invest its funds not needed for current operations as approved by the general meeting and as provided by Section 34A of the Act.

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

85. 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 statements of the Society and place the comparative financial statements before the members at every annual meeting of members; and
- (c) furnish the Registrar with a copy of the financial statements placed before the members within thirty (30) days of the Annual General meeting.

## **FINANCIAL YEAR**

86. The financial year of the Society shall end on December 31 of each year.

## **SEAL AND EXECUTION OF DOCUMENTS**

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

(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 33.

## **BOOKS AND FORMS**

88. The Society shall keep the following books and forms or equivalent computerised records:

(a) a register of members;

(b) a personal ledger for each member;

(c) members' passbooks;

(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**

89. The corporate records of the Society, as stated in section 26 (1) of the Act, shall be open to the inspection of any member having an interest in the funds of the Society. No person other than the member himself, his agent or legal representative, a member of the Board, the Credit Committee, or the Supervisory Committee, the Auditor, the Registrar or his staff or any person authorised by him and Management authorised staff of the Credit Union shall be allowed to see the personal account, loan agreement, passbook or the register or papers relating to the loan of any member without the consent of such member in writing.

## **DISPUTES**

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

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

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

## **INTERPRETATION**

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

In these By-laws:

“Act means the Co-operative Societies Act, CAP 378A;

“Regulations” means the Co-operative Societies Regulations 2008; and

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

## **DISSOLUTION**

93. The Society may be dissolved in accordance with section 145 of the Act and in the event of dissolution, the funds shall be distributed in accordance with Section 159 of the Act.