

**FEDERATION OF ST. CHRISTOPHER (ST. KITTS) AND NEVIS**

**BY-LAWS**

**OF THE**



**NEVIS CO-OPERATIVE CREDIT UNION LIMITED**

**DECEMBER 1997**

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**NEVIS CO-OPERATIVE CREDIT UNION LIMITED**

**(Hereafter referred to as “The Society”)**

**ARTICLE 1**

Interpretation

1. 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 or vice-versa, and words importing the masculine gender shall include the feminine gender and words importing persons shall include bodies corporate.

“Act” shall mean the Co-operative Societies Act, 1995 (No.2 of 1995);

“Regulations” shall mean the Co-operative Societies Regulations, 1997 (Statutory Rules and Orders No. 40 of 1997); and

“By-Laws” shall mean the registered By-Laws made by the society in exercise of any power conferred by the Act and the Regulations, and shall include any registered amendments of the By-Laws.

**ARTICLE II**

Name

2. The name of the society shall be: The Nevis Co-operative Credit Union Limited (NCCU).

**ARTICLE III**

Registered Address

3. The registered address of the society shall be: Chapel Street, Charlestown, Nevis, West Indies 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.

## **ARTICLE IV**

### Geographical Area of Operation

4. The area of operation of the society shall be: The Island of Nevis or as subsequently amended in writing by the Registrar on receipt of an application from the society.

## **ARTICLE V**

### Objects

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

## **ARTICLE VI**

### Capital, Funds and Liability

6. The capital and funds of the society shall be raised by means of:
  - a. the savings of its members received as payment or subscription of shares
  - b. the deposit of members or non-members;
  - c. loans from members or non-members; and
  - d. entrance fees, other fees and charges, fines, interest on loans and investments, and other contributions received from members and non-members.
7. Each common 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.

8. Subject to the provisions of the Act, Regulations and By-Laws deposits may be received from members or non-members at such rates and on such terms and conditions as the Board may from time to time determine.
9. Subject to as hereinafter provided the Board may, without sanction of a general meeting, borrow or raise money from any source in any manner the Board thinks fit, provided that this sum does not exceed the liability ceiling set by the previous Annual General Meeting.
10. The members in general meetings shall, in accordance with the provisions of the Act and Regulations, from time to time fix the maximum amount which it may at any one time owe in respect of deposits and loans.
11. The funds of the society may be applied to the following purposes only, namely;
  - a. the expense of Management;
  - b. loans to its members for provident and productive purposes; and
  - c. any other purpose authorized by the Act, Regulations and these By-Laws
12. The liability of a member to make contributions to the assets of the society in case of liquidation shall be limited to his shares.

## **ARTICLE VII**

### Membership - (Age, Residence, Nationality and Common Bond)

13. Every member of the society shall be:
  - a. not younger than fourteen (14) years of age;
  - b. Nevisians who reside at home and abroad; or
  - c. non-nationals who reside or work in Nevis.
14. Any person who has the necessary qualifications and who is desirous of becoming a member shall apply in writing to the Secretary of the Board. His application shall state his residence and occupation and shall contain such other information as the Board from time to time decide.

### Joint Membership

15. (1) Persons who have the necessary qualifications for membership and are desirous of becoming joint members may apply in writing to the Secretary.

The application shall state the residence and occupation of each person, whether the tenancy will be joint tenancy or tenancy in common and shall contain such other information as the board from time to time decide.

- (2) An application of 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.
16.
  - (1) The approval of applicants for membership shall be undertaken by the Board of Directors.
  - (2) Every applicant for membership shall pay such entrance (membership) fee not exceeding twenty five dollars (\$25.00) as the Board may from time to time fix.
  - (3) The applicant, upon acceptance and the payment of at least five (5) common shares, shall be enrolled as a member and shall be entitled to any of the rights or privileges of membership.
17. 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 at least (5) common shares in the society;
  - (d) on the withdrawal or transfer of all his common shares;
  - (e) on the compulsory acquisition of his shares pursuant to Section 113 of the Act;
  - (f) on expulsion from the society as provided in Sections 28 and 29 of the Act; or
  - (g) if, the subject to as hereinafter provided, the ceases to be qualified in accordance with the By-Law 13.
18. No member shall resign or withdraw his membership while he is a borrower or endorser (co-maker), or a guarantor on any loan due to the society.
19.
  - (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 act in any way detrimental to the interest of the society,

may have his membership terminated by at least two-thirds (2/3) vote of the Directors present at a meeting called for the purpose.

- (2) Notwithstanding the above, membership may be terminated by a vote of at least two-third (2/3) of the members present at a general meeting by a charge communicated to the member in writing at least ten (10) days before the meeting.
20. A member whose membership has been terminated may appeal the termination pursuant to Section 31 of the Act;
21. Subject to Section 31 of the Act, after payment of any amount due to the society or of any contingent liability to the society, all amounts held to the credit of the members who withdraw or whose membership has been terminated, together with the 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.
22. The society shall keep a Registrar of its members in accordance with Section 25 of the Act.

## **ARTICLE VIII**

### Shares

23. Subject to the provisions of Section 90 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 one dollar (\$1.00) be paid.
24. (1) There shall be at least one (1) class of shares held by the society, namely: Common Shares, which shall be:
- ( i) issued at the par value of \$5.00 and purchased by the member;
  - ( ii) considered as the equity capital of the society;
  - ( iii) not withdrawable on demand;
  - ( iv) redeemable if the account is closed under policy, in accordance with Section 90 of the Act;
  - ( v) a minimum of five (5) shares held per member at entry;
  - ( vi) unlimited in number
  - ( vii) restricted to a maximum of 20% of the total share capital held by any one (1) member; and
  - (viii) eligible for dividend payment in the form of cash or surplus shares.

- (2) Subject to the approval of the Board of Directors, Equity Shares may be introduced as a second class of shares and shall be:
  - ( i) derived from part or all of the dividends paid on common shares;
  - ( ii) issued at the par value of \$1.00 and purchased by credit union on behalf of its members;
  - ( iii) redeemable under policy, not on demand; and
  - ( iv) unlimited in number.
- (3) Notwithstanding the provision of By-Law 23, a member shall pay contributions to the value of at least twenty (20) common shares within the first six (6) months of membership and unless such time is extended by the Board such member shall pay a fine of one dollar (\$1.00) per month on each share or part thereof outstanding, providing each member to be fined above has been personally contacted by an officer of the society on at least two (2) occasions.
25. Common shares may be transferred in accordance with Section 95-98 of the Act and by written instrument in such form as may be prescribed, but no transfer shall be registered until such transfer fees as the Board may from time to time fix, not exceeding twenty dollars (\$20.00) with a minimum of five dollars (\$5.00) per transfer, has been paid. Such transfer shall carry dividend credits.
26. Except with the written approval of the Board, no member shall withdraw any share if it will reduce his shareholding to less than his liability to the society as borrower, co-maker or guarantor.
27. (1) No common 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 permission of the Board.
  - (2) The society shall have lien on the shares, deposit, dividend, bonus or any amount standing to the credit of a member for any sum due to the society from the said member or for any loan endorsed by him and may apply any sum standing to the credit of the member towards payment of any such debt.
  - (3) Where an amount to be paid to a member for dividends and/or bonus is equal to or less than ten dollar (\$10.00), the amount shall be credited to the member's shares.

## **ARTICLE IX**

### Deposit

28. Ordinary deposits of not more than ten thousand dollars (\$10,000) in any one (1) transaction may be accepted from any member, without an accepted declaration of the source of funds.
29. Deposits may be received in the name of a minor or in trust for a minor who is a child or ward of a member, in such way or manner as the Board may determine.
30. Deposits received in the name of a minor shall be held for the exclusive rights and benefits 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 of acquittance of the minor shall be valid and sufficient release and discharged of the society for the deposit or any part thereof.
31. Deposits will earn interest on the first month following such deposit, provided that amounts paid in on the first day of any month shall be placed on the interest from that day.
32.
  - (1) Notwithstanding By-law 28, terms 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 117 of the Act and Regulations 34.
  - (2) Deposits for a term exceeding five (5) years must be approved by the Registrar.
  - (3) Subject to as hereinafter provided amount on any deposit may be withdrawn on an day on which the society is open for business provided that the Directors shall have the right at any time to require a member to give thirty (30) days notice in writing or in any given emergency such additional notice as the Directors may fix, of his intentions to do.
33. The rate of interest payable on ordinary, demand or term deposits shall be fixed from time to time by the Board.

## **ARTICLE X**

### Passbooks, Receipts and Disbursements

34.
  - (1) Money paid in or out on account of shares, deposit, loans, interest, entrance fees, fines or transfer fees shall be evidenced by an appropriate voucher or receipt. Each voucher or receipt shall identify the person

receiving or paying out, on behalf of the society, the money represented thereby.

- (2) When passbooks are used, the member's permanent official record for all transaction shall be the entries in the passbook. Every entry in the passbook shall be initialled by the person receiving or payment out the money represented thereby. When a statement of account plan is used, the member's permanent official record for transactions shall be the statement of account which will itemize all transactions and which must be issued to each member at least quarterly.
- (3) If a pass book is lost or stolen, immediate notice must be given to the Manager or Treasurer or Board of Directors, and written application made for the issue of a duplicate book which must be paid for at the member's expense.

## **ARTICLE XI**

### Meeting of Members

35. 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.
36.
  - (1) Meetings of members shall be convened and held in accordance with Sections 35-47 Of the Act.
  - (2) At least ten (10) days notice of any general, annual or special meeting shall be given before any such meetings are held.
  - (3) General Meetings shall be held from time to time at the discretion of and at a place determined by the Board.
37.
  - (1) The Annual General Meeting of members shall be held within three (3) months after the end of the financial year unless authorized by the Registrar upon a written request by the Board to convene the meeting at a date no later that six (6) months after the end of the financial year.
  - (2) The functions of the Annual general Meeting shall be:
    - (a) to confirm the minutes of the previous Annual General Meeting and of any intervening Special General Meeting;
    - (b) to receive and approve the report of the Board of Directors for immediate preceding year's works of the society;

- (c) to review the budget presented by the Board for the preceding year, together with comparative statements for the year preceding it;
- (d) to consider the report of the Auditor;
- (e) to approve the financial statements and the Auditor's Report or, if accounts are not approved, to cause the directors to forthwith notify the Auditor 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 set the maximum liability for the ensuing year;
- (j) to elect Directors, a Credit Committee and a Supervisory Committee for the ensuing year;
- (k) to appoint the Auditors for an ensuing year;
- (l) to hear and decide upon any complaints brought by members aggrieved by a decision of the Board, provided that notice of such complaint to be brought before the meeting has been given to the Secretary in writing within thirty (30) days from the date the notice of the decision was received; and
- (m) to transact any other general business of the society.

38. (1) A Special General Meeting of members may be convened at any time by the Board, and on receipt of a demand stating the object of the proposed meeting, signed by at least twenty-five (25) of the members or fifteen percent (15%) whichever is the less, it shall be the duty of the Board to convene such meetings within twenty (20) days of the receipt of the request. The purpose of the Special General Meeting shall be set forth in the notice and only such business as is described in the notice shall be dealt with at such meeting.

(2) Notwithstanding By-Law 38(1) the Board shall at the request of the Supervisory Committee and pursuant to Section 40(1-3) of the Act, convene a Special General Meeting of members.

- (3) If the Board fails to convene a meeting 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 40(3) and 63 of the Act and Regulation 16(f) and 16(g) where, the meeting is demanded by members; or
    - (b) seven (7) days after the expiry of the period 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.
39. (1) At least ten (10) days notice of any general meeting shall be given in any of the following ways namely;
- (a) by written notice delivered to each member in person or mailed to each member at his address as the same appears in the records of the society; or
  - (b) by a notice published in now less than two (2) issues of news papers circulated in the Federation of St.Christopher and Nevis and by posting the notice in a place that's prominent and accessible to members
- (2) The accidental omission to give notice to/or the none receipt of a notice by any member shall not validate the meeting

## **ARTICLE XII**

### Quorum

40. (1) The following percentages of a society's membership shall form a quorum for the purpose of Annual General or Special General Meeting:
- (a) where a society consists of less than 500 members, one-third (1/3) of the members or thirty (30) whichever is less;

- (b) where a society consist of 501-5000 members, one fifth (1/5) of the members or one hundred (100) whichever is less
- (c) where a society consist of over 5000 members, one tenth (1/10) of the members or two hundred (200) whichever is less;

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

- (2) If within one (1) hour after the time fixed for any meeting other than a meeting convene by the Registrar, the members present are not sufficient to form a quorum, such meeting shall be considered dissolved if convened on the demand of the 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 a 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.

### **ARTICLE XIII**

#### Elections

- 41. (1) The following procedures shall apply to the conduct of elections in keeping with section 33-37 and 50 of the Act and Section 12 of the Regulations:
  - (a) not less that thirty (30) days prior to each Annual General Meeting, the Board may appoint a Nominating Committee of three (3) persons of which not more than one (1) may be a member of the existing Board.
  - (b) The Nominating Committee shall nominate at the Annual General meeting, one member for each vacancy for which elections are to be held.
  - (c) After the nominations have been placed before the members, the Chairman shall call for nominations from the floor.
  - (d) All elections shall be by ballot 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 shall declare all the nominees elected.

- (2) No member may be elected to the Board, the Credit Committee or the Supervisory Committee unless:
- (a) he is eighteen (18) years or over;
  - (b) he is a citizen or resident of St. Christopher and Nevis;
  - (c) he holds one hundred (100) fully paid common shares or five hundred (\$500) in the society;
  - (d) he has been a member of the society for at least one (1) year;
  - (e) he has saved regularly, an additional sixty (\$60.00) per quarter or an additional two hundred and forty dollars (\$240) in the past year; and
  - (f) he is not a delinquent borrower and is otherwise in good financial standings.

#### **ARTICLE XIV**

##### Tenure of office

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

43. At the first Annual General Meeting of the society subsequent to the issuance of the Certificate of Continuance, the entire Board of Directors, the Credit Committee and the Supervisory Committee shall be elected and at the Annual General Meeting in every subsequent year, one-third (1/3) of the directors or if their number is not three (3) or a multiple of three (3), then the whole number nearest the one-third (1/3) shall retire from office provided, however, that the smallest number of persons shall serve for one year.

## **ARTICLE XV**

### Termination of Office

44. (1) Any member of the Board, Supervisory Committee or Credit Committee shall be deemed to have vacated his office if:
- (a) he resigns by giving notice to the Board, or, if a member of other committees, to the respective Committee;
  - (b) he applies for bankruptcy or is declared bankrupt;
  - (c) he becomes of unsound mind and has been so found by a court in St. Christopher and Nevis;
  - (d) he is convicted of any offence involving dishonesty; or
  - (e) he is a member of a prescribed class.
- (2) The Board, the Credit Committee, the Supervisory Committee, or any member thereof may be removed from office before the expiration of their or his period of office by a three-fourths (3/4) of members present at a Special General Meeting at which at least the ten (10) days notice specifying the intention to propose the resolution had been duly given.
- (3) Any such member or officer must be informed in writing of the charges against him at the time of the notice and at such meeting shall have reasonable opportunity to answer such charges. At such a meeting, the members shall proceed to the election of a new Board, Credit Committee or Supervisory Committee or to fill the vacancy occurring. Any member so appointed shall be subject to retirement at the same time as if he had become a member of the Board, Credit Committee or Supervisory Committee on the day in which members in whose place he is appointed was last elected to the Board or the Committee.

## ARTICLE XVI

### Board of Directors

45. (1) Subject to the provisions of the Act and the Regulations the general direction, control and management of the society shall be entrusted to a Board of Directors (herein referred to as “The Board”).
  - (2) The Board shall be elected at the Annual General Meeting and shall consist of seven (7) members, in keeping with section 50(2) of the Act.
  - (3) The Board shall arrange the deposit of funds of the society in its bank account at latest the day after they are collected, unless collection takes place on a Saturday or any day preceding a holiday.
  - (4) The Board shall be responsible for making adequate arrangements for the safe keeping of funds of the Society until they are deposited in the bank in accordance with By-Law 45(3) above.
46. (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 to 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 43 be deemed to have vacated his office if he fails to attend three (3) consecutive regular meetings of the Board without giving satisfactory explanation to the Board within seven (7) days of his absence from the third meeting.
47. (1) Where there are vacancies on the Board and there is a quorum of Directors, the remaining Directors may exercise all the power of the Directors or fill the vacancies within thirty (30) days until the next Annual General Meeting.
  - (2) Where there is not a quorum of Directors the remaining directors shall call a General Meeting for the purpose of electing members to fill the vacancies.
  - (3) Where there are no Directors twenty-five (25) members, one fifth (1/5) whichever is less, may appoint in writing at least five (5) persons as Directors for the purpose of calling a General Meeting to elect members to fill the vacancies.

48. The Board may appoint from amongst its number or from among the general membership, any Committee that it considers necessary and may by resolution delegate to any such committee such power that it considers necessary for the efficient conduct of the affairs and business of the society subject to Section 53 of the Act.
49. 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.
50. 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.
51. The disclosure required by By-law 50, must be made in case of a Director in keeping with Section 78(2) of the Act.
52. The disclosure required by By-Law 50, must be made in the case of an officer who is not a Director; in keeping with Section 78(3) of the Act.
53. Subject to Section 78(5) of the Act, a Director shall not take part in discussions to consider, or vote on a resolution to approve a contract in which he has a personal interest.
54. 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 relationship or by reason only that a Director with an interest in the contract is present at or is counted to determine the presence of a quorum at a meeting of Directors or a Committee of Directors that authorized the contract.
55. Subject to By-law 9, the Board may borrow from any source and on such security and terms of repayment as it considers fit, provided that the total amount borrowed does not exceed the aggregate of four (4) times the retained earnings and reserves of the society and is within the maximum liability limit which was fixed by a resolution of members at a general meeting, and approved by the Registrar.
56. (1) At the meeting of the Board which shall be held within ten (10) days of their election, the Board shall elect from their own number a President, a Vice President, a Secretary, a Treasurer and an Assistant Secretary/Treasurer

President

- (2) The duties of the President shall be:-

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

#### Vice President

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

#### Secretary

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

### Treasurer

- (5) Subject to such limitations and control as may be imposed by the Board, it shall be the duty of the Treasurer to:
- (a) receive all monies due and payable to the society and issue receipts for the same;
  - (b) deposit all monies received in the name of the society in such bank or depository as specified by the Board;
  - (c) sign all cheques, notes, bills of exchange and other documents necessary to effect the business of the society;
  - (d) record all transactions effected by the society in the books provided 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 as the Board may request;
  - (g) prepare and forward to the Registrar such financial and other reported as may be required;
  - (h) keep separate accounts of all monies belonging to the society;
  - (i) produce a current statement of the society monies held on demand;
  - (j) make payment as authorized by the Board and obtain receipts of the same;
  - (k) ensure that all promissory notes, drafts, negotiable instruments drawn in the favor of the society are properly prepared; and
  - (l) do such other duties are pertain to the office of Treasurer.

### Assistant Secretary/Treasurer

- (6) The Assistant Secretary/Treasurer shall, in the absence or disability of the Secretary or Treasurer, or their refusal to act, perform the duties of the Secretary or Treasurer and/or such other duties as the Board may from time to time prescribe.

57. The Board shall employ a Manager to implement its policies and manage the day-to-day business of the society, and may authorize him and other senior employees to perform any of the duties of the Secretary and Treasurer, including signing of cheques.
58. A meeting of officers, members of the Board, Credit and Supervisory Committees shall be held no less than once per quarter. The Secretary of the Board of Directors shall be responsible for the calling of this meeting.

## **ARTICLE XVII**

### Credit Committee

59. The Credit Committee shall be elected at the Annual General Meeting and shall consist of five (5) members, none of whom shall be a member of the Board, or Supervisory Committee or an Officer of the society, except that the Secretary or Treasurer may be an ex-officio member of the Committee.
60. Any member of the Credit Committee shall in addition to By-Law 44 be deemed to have vacated his office if:
  - (a) he fails to attend three (3) consecutive regular meetings of the Committee without, in the opinion of the Board, having a reasonable cause; or
  - (b) he fails to perform any of the duties allotted to him as a member of the Committee.
61. The Committee may be removed from office by a special resolution made in a Special General Meeting called for that purpose if it fails to submit a report to the Board pursuant to Section 59 of the Act.
62. Any vacancy on the Committee may be filled by the Board, but such members shall hold office only until the next Annual General Meeting, at which a member shall be elected to fill the vacancy for the unexpired time.
63.
  - (1) The Credit Committee shall choose from there number, a Chairman and a Secretary. These offices shall not be held by the same person.
  - (2) The Secretary of the Committee shall prepare and maintain full and correct records of all action taken by the Committee and shall submit a report to the Board pursuant to Section 59 of the Act. The report shall state:
    - (a) the number of loan applications received;
    - (b) the number and category of loans granted;

- (c) the securities obtained, if any, for such loans;
  - (d) applications denied;
  - (e) the number and amount of delinquent loans;
  - (f) the loan recovery rate; and
  - (g) the actions taken to follow-up delinquent loans
64. The Credit Committee shall hold such meetings as the business of the society may require, but not less frequent than once per month. Due notice of such meetings shall be given to the other members of the Committee by the Secretary.
65. A majority of the Credit Committee, not including the ex-officio members referred to in By-law 59 constitutes a quorum.
66. The Credit Committee shall consider all applications for loans, make recommendations to the Board in respect of the applications and shall subject to the authorization of the Board, approve loans to members upon such terms and conditions as specified by the Board.
67. (1) The Board may, by resolution delegate the Manager and other employees 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 authorized by the Board to approve loans shall submit a written monthly report to the Credit Committee stating the number of applications received, the number of loans granted and securities obtained, if any, and the number of loans denied. Such report shall become part of the records of the Credit Committee.
- (3) A loan not approved by a loans officer shall be subject to a review by the Credit Committee.
- (4) No employee shall have the authority to disburse funds of the society for any loan which has been approved by him in his capacity as a loans officer.
68. The Credit Committee and loans officer shall enquire carefully into the character and financial condition of each applicant for a loan and his securities 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 purpose and will be of profitable benefit to the applicant. They shall endeavor diligent to assist applicants in solving their financial problems.

69. (1) No loans shall be made unless approved by a majority of the Credit Committee, if all the members are present or by the Extraordinary Credit Committee according to By-Law 69(2).
- (2) An Extraordinary Credit Committee shall comprise the members of the Board, the Credit Committee and the Supervisory Committee and shall be convened if an Officer, Director, Credit Committee member, Supervisory Committee member or employee requires a loan in excess of his total holdings in shares, deposit and accumulated earnings or if a loan is referred to it by the Credit Committee.
- (3) A quorum of the Extraordinary Credit Committee shall be a simple majority of the Board, the Credit Committee and 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 (2/3) 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 from whom he is proposed as surety or any other person with whom he has a fiduciary relationship.
70. When more loan applications are pending than can be granted within the funds available, preference shall be given in all cases to applications for smaller loans if the need and credit factors are near equal.

## **ARTICLE XVII**

### Supervisory Committee

71. The Supervisory Committee shall be elected at the Annual General Meeting and shall consist of a minimum of three (3) members none of whom shall be a member of the Board, the Credit Committee, or an officer of the society.
72. Any member of the Supervisory Committee shall be deemed in addition to the provision of By-Law 44, to have vacated his office, if;
- (a) he fails to attend three (3) consecutive meetings of the committee without in the opinion of 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.

73. 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.
74. (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 once (1) a month to:
- (a) examine the books of the society;
  - (b) appraise the policies and operating procedures to make recommendations to the Board and Credit Committee;
  - (c) confirm the cash instruments, property and securities of the society;
  - (d) confirm the shares and deposit 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 member affecting proper management of the society;
  - (h) at least once a year cause the passbooks and accounts of members to be verified with the records of the society; and
  - (i) ensure that all advances, loans, deposits and other transactions involving directors, committee members and employees are in keeping with the Act, Regulations, By-laws and Policies of the society.
- (3) Due notice of such 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 offered, if any, and that it

bears the signature of approval of the Credit or Extraordinary Credit Committee; and

- (b) loan agreement for each loan and satisfy themselves that each agreement 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 the Supervisory Committee the statement for that month as required by Section 67(1) of the Act.
75. The Supervisory Committee shall keep minutes of its meetings and shall, in keeping with Section 67(2) of the Act:
- (a) within seven days (7) of each meeting report the results thereof to the Board; and
  - (b) submit a written report to the Annual General Meeting.
76. If in the opinion of the Supervisory Committee, the Board, the Credit Committee or any member thereof or any officer or employee of the society is guilty of a flagrant violation of the provision of the Act, Regulations or these By-Laws or any mis-conduct or malpractice or misappropriation or misdirection of the funds, securities or other property of the society, the Supervisory Committee shall forthwith inform the Registrar in writing and may in the event of a 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 suspension for the purpose of dealing with the charges.

At such General Meeting such person may be removed as provided in By-Laws 44(2) and 44(3).

## **ARTICLE XIX**

### Loans to Members

77. Loans shall be made to members only and for provident and productive purposes. All loans made shall be applied by the borrowing member to such purpose as the Credit Committee has approved.
78. 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 be lent to any member greater than the lesser of:
- (a) ten percent (10%) of the aggregate of registered society's share capital, retained earnings and reserve; or

- (b) the aggregate of the members ordinary, demand and term deposit and the society's reserves.
79. The rates of interest on loans shall be fixed from time to time by the Board and interest payable on loans shall be assessed on the monthly unpaid balance.
80. 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 twenty (20) fully paid common shares or one hundred dollars (\$100) in the society, or is in arrears in the payment of a current loan or installment thereon or is otherwise a defaulter.

#### Loan processing

81. (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 of which the loan is required, the terms for which it is asked, whether it is desired to repay it by instalment and the name of any proposed securities or any other security, if any, to be offered and such other information as may be required.
- (2) All meetings of the Credit Committee shall be conducted as follows:
- (a) the Credit Committee shall consider at a meeting every application for a loan, and if the committee is satisfied with the trustworthiness of the applicant, the sufficiency of the security offered and the prospect of advantage to the borrower in the way of increased production or economy or otherwise it may, if authorized by the Board, approve the loan or shall, if not authorized, recommend the sanction of the loan to the Board.
  - (b) no person other than members of the Credit Committee, the Secretary, the Treasurer, the Manager and his technical staff or the Registrar and his staff shall be present at any meeting of the Committee when an application for a loan is under consideration;
  - (c) further to Section 77 of the Act the proceedings with regard to loans at Committee Meetings shall be kept secret, and any member of the Committee or Officer of the Society infringing this By-law shall be liable to immediate expulsion or dismissal.
- (3) Loans when approved by Committee, shall be granted to members who are able to obtain at least one (1) surety approved by the Committee, or who can provide additional security and other pre-requirements to the satisfaction of the Committee or loans officer.
- (4) When a loan is approved by the Committee or loans officer, notice shall be sent to the borrower to that effect and before the amount is advanced, the

borrower and his sureties shall execute an instrument in writing setting out the terms of repayment of the loan and containing such other terms and conditions as the Committee may consider necessary.

- (5) A member may repay his loan prior to maturity in whole or in part on any business day of the society.
- 82.
- (1) A member failing to pay any installment of a loan at the time fixed shall, unless the time has been extended, pay such fines as the Board may from time to time fix. Such fines shall not exceed one and a half percent (1.5%) per month on the amount in arrears with a minimum of five dollars (\$5.00).
  - (2) If a member fails to pay an instalment of a loan for three (3) months after the time fixed for payment and no extension time has been granted, the whole or balance of the loan then owing shall immediately become due.
  - (3) When a member:
    - (a) is in default in the payment of a loan or of 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, disaster or some other cause a member finds that he will be unable to discharge his obligation to the society, and notifies the Secretary in writing before a loan is due, the Board may extend the time fixed for the payment on such conditions as it thinks fit
  - (5) When the Board is satisfied that a member of the society who has obtained a loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the application thereof under By-Law 91(1), the Board may by notice in writing to the debtor, demand payment of the loan before the agreed date of payment
  - (6) Where:
    - (a) a loan or an instalment of a loan has not been paid on the date on which it became due;
    - (b) no extension for the payment thereof has been given to the debtor by the Board, under By-Law 82(4); and
    - (c) a loan has been made to a director or officer of the society in contravention of Section 115(3) and (4) of the Act

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

- (i) applying any monies standing to the credit of the member towards the payment of the debt;
  - (ii) referring the matter to the Registrar pursuant to Section 187(1);
  - (iii) exercising any rights arising by law pursuant to Section 106 and 187(6) of the Act; or
  - (iv) any other action which the society deems necessary.
83. For purpose of By-Law 82(6) interest shall be deemed to be an instalment of a loan, but unless it is otherwise provided by the instrument required under By-Law 81(4) an instalment shall not be deemed to be due unless it is one (1) month in arrears.

## **ARTICLE XX**

### Doubtful Loans

84. The Board shall cause a list of all doubtful loans to be made available at the registered office of the society for any examination required by the Credit Committee, the Supervisory Committee and the Auditors; and shall send a copy of that list to the Registrar.

## **ARTICLE XXI**

### Reserve Fund and Liquidity Reserve

85. (1) The society shall create a Reserve Fund in pursuance of the provision of Section 119(2) of the Act, in which not less than twenty percent (20%) of the net surplus before dividends shall be carried. All entrance fees and fines shall also be carried to such fund.
- (2) The Reserve Fund shall be kept intact and shall not be used or applied, except as provided in Section 119(2) of the Act and Regulation 31.
- (3) In keeping with Section 21(4) of the Regulations, the society shall create a Liquidity Reserve in which not less than ten percent (10%) of all members shares and deposit taken is kept.
- (4) At no time shall the Reserve Fund and other reserves be less than ten percent (10%) of the total liabilities owed by the society.

## **ARTICLE XXII**

### **Dividend and Bonus**

86. (1) The members in the Annual General Meeting may declare dividends out of the net surplus after setting aside prescribed reserves, and retiring all or any part of a deficit it has previously incurred. No dividend payable shall be greater than two percent (2%) above the savings rate set by the Eastern Caribbean Central Bank.
- (2) A dividend shall be paid only on common shares fully paid up before and during the dividend period and shall be calculated on the minimum quarterly balance provided always that a member shall be deemed to have one fully paid share for each five dollars (\$5.00) paid in before the said date.
- (3) The society may make contributions to any charitable purpose or to a common good fund, if a dividend of not less than three percent (3%) has been recommended.
- (4) The remaining net surplus of the society may be distributed among the members who have borrowed from the society during the accounting year in proportion to the interest paid by them during such year.
- (5) Where the dividend and/or bonus payable to a member in any financial year is less than or equal to ten dollars (\$10.00) that amount shall not be paid in cash, but shall be credited directly to the members share account.

## **ARTICLE XXIII**

### **Investment of Funds**

87. The society shall invest its funds as provided by Section 114 of the Act.

## **ARTICLE XXIV**

### **Banking Account**

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

## **ARTICLE XXV**

### **Annual Accounts, Reports and Audits**

89. The Board shall comply with the provision 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 comparative financial statements before the members at every Annual General Meeting of members; and
  - (c) within thirty (30) days of the Annual General Meeting furnish the Registrar with a copy of the financial statements to be placed before the members.

## **ARTICLE XXVI**

### Financial Year

90. The financial year of the society shall end on December 31<sup>st</sup>

## **ARTICLE XXVII**

### Seal and Execution of Documents

91. (1) The Board shall adopt for the use of the society a distinctive seal having the name of the society inscribed thereon.
- (2) 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 (1) member of the Board: the President, the Secretary and/or the Treasurer; or any other officer authorised by the Board.
- (3) Any instrument required to be signed on behalf of the society shall be duly executed if signed by the President, the Secretary and/or the Treasurer; or any other Officer authorised by the Board

## **ARTICLE XXVIII**

### Records and Forms

92. The society shall keep the following records and forms:
- (a) a register of members;
  - (b) a personal ledger for each member;
  - (c) stock of the members passbooks;

- (d) a cash receipt journal;
- (e) deposit and withdrawal slips;
- (f) a cash disbursement journal;
- (g) a general ledger;
- (h) a register of loans;
- (i) loan application forms;
- (j) loan agreement forms;
- (k) payment and transfer vouchers;
- (l) a file containing the Act, Regulations and these By-Laws;
- (m) separate minute books for meeting of the Board, the Credit Committee, and any sub-committee appointed by the Board and meetings of members; and
- (n) a schedule of current fees and charges.

## **ARTICLE XXIX**

### Inspection of Records

93. (1) The corporate records of the society as stated in section 19(2) and (3) of the Act, shall be open to inspection of any member having an interest in the funds of the society.
- (2) No person other than the member himself, his agent or legal representative, a member of the Board, the Credit committee or the Supervisory Committee, the Auditor or the Registrar, his staff or anyone appointed by him shall be allowed to see the personal account, loan agreement or pass book or the register or papers relating to the loan of any member without consent of such member in writing.

## **ARTICLE XXX**

### Disputes

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

## **ARTICLE XXXI**

### **Amendment to the By-Laws**

95. These By-Laws may be amended in accordance with provision of Section 48 and 49 of the Act and Regulations 19.

## **ARTICLE XXXII**

### **Dissolution**

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