

AMENDMENTS TO THE DRAFT REVISED BYE-LAWS OF ARIZA CREDIT UNION LIMITED

For consideration at the Ariza Virtual AGM, 26th August 2021.

SYNOPSIS OF AMENDMENTS TO THE BYE-LAWS OF THE ARIZA CREDIT UNION

1. INTERPRETATION SECTION

Inclusion of interpretations for the following: Account, Annual General Meeting, Associate, Beneficiary, Candidate-member, Capital base, Co-maker, Conflict of interest, Dormant Account, Electronic/Online Access, Electronic signature, Eligible nominee, Equity share, Extraordinary General Meeting, General Meeting, Immediate Family, Inactive Account, Joint Tenancy, Legal Resident, Management, Member, Minimum capital, Officer, Operating expense, Prescribed class, Qualifying share, Secured loan, Senior executive officer, Special Meeting, Statutory reserve, Tenancy in Common, Unsecured loan.

Refining of definitions of Citizen and Institutional Capital.

2. SECTION VI – GOVERNANCE

This section details the rights, capacity, powers, and privileges of the Ariza Credit Union as a body corporate.

Under this section all clauses pertaining to the governance of the Credit Union are laid out which include the roles and responsibilities of the Board of Directors, Credit Committee, Supervisory and Compliance Committee and the Joint Committee.

The Bye-laws provide for members of the Board and Committees:

- To be fit and proper persons as required by the Co-operatives Societies Act.
- For a certain amount of Directors and Committee members to hold academic qualifications at the level of a first degree and experience in identified areas.
- Details the duties of the Joint Committee – already being carried out but not detailed in the Bye-laws.

Major inclusions under this section are:

- Section VI.IX - Conflict of Interest – Bye-law 35 (1) to (8)
- Section VI.XI 37 provides for the Board to by resolution adopt a seal and its usage. Bye-law 38 provides for the use of electronic signature.
- VI.XII – Anti-money Laundering and Counter Terrorism Compliance - Bye-laws 39 and 40.
- VI.XIII – Compliance with Laws and Regulations. New addition in Bye-law 41(2) to (6).
- VI.XVI Emergency Operations. Emergency situations are identified and provides for a disaster preparedness policy and program inclusive of simulation exercises.

3. SECTION VII – MEMBERSHIP

This section covers application to approval of membership to cessation, withdrawal, and termination of membership. Note the following:

- 43 (2) g and h - amendment to enable the Board to determine the number of members of a non-profit organization or the percentage ownership of a company to be required on application for membership in the Ariza Credit Union. This also provides for individual membership to be separate and apart from that of the non-profit organization or company.
- New 43 (2) (i) to provide for the promulgation by the Board of rules/policies by the Board governing the membership of a non-profit organization or a company.
- Bye-law 44 (6) and (7) details all the rights, privileges and responsibilities of members and candidate members (these are new additions)
- 44 (8) – A provision for the Board to be able to establish a junior Credit Union if the need arises.
- VII.I Cessation of Membership. Some minor amendments have been made at Bye-law 45 to align membership qualifications.
- Bye-law 47 provides for the purchase by the Board or the sale or transfer of a members other equity shares or termination or withdrawal of membership.
- Makes provision for unclaimed funds after termination or withdrawal of membership (Refer to 47 (4) & (5). Unclaimed funds shall become a permanent part of the special reserve or Ariza development fund.
- Bye-law 49 provides for registers to be kept of members and candidate-members and the information to be held in these registers.
- Under meeting of members Bye-law 51(3) and (4) makes provision for the holding of meetings outside of the usual manner and in extreme circumstances such as a pandemic.
- VII.V Elections – note bye-law 56(b) enabling members residing outside of Grenada to serve on the Board or Committees and the exclusions in g, h, and i. 57(8) allows for electronic voting in lieu of written ballots.

4. SECTION VIII- FINANCES

In this section:

- VIII.II Shares are distinguished – qualifying shares and other equity shares. There is clarification of ordinary deposits or savings and fixed or term deposits.
- Bye-law 67 (2) to (5) a new provision for if a member is no longer capable of handling his or her financial affairs or is experiencing difficulties.
- Under VIII.III Savings note 71 (1) and (2) on establishing regular savings account and the need to make regular deposits maintaining active accounts.

- Bye-laws 73 and 74 new measures detailing actions to be taken when a savings or regular account becomes inactive or dormant and procedures for reactivating these accounts.
- Bye-laws 75 to 77 covers the closing of regular or savings accounts.
- Adjustments have also been made under section VIII.IV- Deposits. Note Bye-law 80 where amendments have been made to comply with the law in addressing deposits held in the name of a minor. Bye-law 86 contains provisions for a fixed or term deposit account that becomes dormant or appears to be abandoned.
- Section VII.V – Reserve Fund and Liquidity reserve. New addition at 87 (7) and (8) on establishing funds, facilities, accounts, or special accounts for the management of resources and arrangement for the approval and utilization of the funds in these accounts.
- Section VIII.VI provides additional actions on the Investment of Funds and the Investment policy.

5. SECTION IX - ADMINISTRATION

Section IX.I on Beneficiaries. This section was previously Nominations. It actually pertains to the distribution of members other equity shares, savings, and deposits at the Credit Union at the time of his or death to named beneficiaries. It also details procedures to be followed when there is no named beneficiary.

Section IX.IV is a new heading on the subject of Loan Repayments.

6. SECTION X – RECORDS AND RECORDS MANAGEMENT

This section ensures reliable accounting records to be kept by the Credit Union.

Bye-law 107 provides for corporate records to be open for inspection by members

Bye-law 108 outlines records to be maintained at the Credit Union Office.

7. SECTION XI - PROFESSIONAL, MANAGERIAL, AND OTHER STAFF

In this section provision is made for a Corporate Secretary. It outlines the duties of the Chief Executive Officer and the Senior Executive Managers; it addresses employee positions and compensation.

Note Bye-law 112 for in case of violation of the Act, malpractice or misappropriation by Staff, Board and Committee members,