



BY-LAWS OF
ARIZA CREDIT UNION LTD

By-Laws

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BACKGROUND

These By-laws are made under the Co-operative Societies Act No. 8 of 2011; and are the written rules approved by the Board of Directors and Members of the Ariza Credit Union Limited (ACU) to control its internal affairs.

I INTERPRETATION

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

“Act” means the Co-operative Societies Act, No. 8 of 2011 as amended by Act No.20 of 2017 or any other amendments thereof.

“Board of Directors” or “Board” means the directing body, to whom the management of the affairs of the Credit Union is entrusted.

“By-Laws” means the registered By-Laws made by Ariza Credit Union Limited in exercise of any power conferred by the Act and includes a registered amendment of the By-Laws.

“Candidate-member” means a person who has paid for less than twenty-five qualifying shares or who is less than fourteen years of age.

“CARICOM Member State” means a Member State of the Caribbean Community established by the Revised Treaty of Chaguaramas signed at Nassau, The Bahamas, on 5th

July 2001 and passed into the laws of Grenada by Act No.10 of 2006.

“Citizens” shall be construed in accordance with the provisions of Chapter VII of the Constitution of Grenada.

“Committee” refers to a small group of members appointed by the Board or elected by the membership for a specific function or purpose.

“Credit Union” means a co-operative society organized and owned by a group of people, with a shared field of membership, for provident and productive purposes, and providing cooperatively pooled financial services to its members, including savings and lending business.

“Default” refers to the failure of a member to repay a debt including interest or principal on a loan. It occurs when the member is unable to make timely payments, misses payments, or avoids or stops making payments.

“Delinquent Loan” means a loan where a borrower has defaulted on the agreed terms of repayment.

“Deposits” refer to a sum of money placed in an account at the Credit Union on agreed terms.

“Director” means a member of the Board of Directors.

“Dividend” refers to a share of the surplus divided among members, in proportion to the share capital held by them.

“Doubtful loan” means a loan that is twelve or more months in default.

“Equity shares” refer to the common stock or risk capital purchased by the individual or institutional members, as their ownership stake in the Credit Union.

“Good financial standing” means that the member has complied with all the requirements of membership, shares, savings and or loan repayment and is not subject to any form of sanction.

“Institutional capital” refers to the aggregate of the Credit Union’s statutory or other non-distributable general reserve, earnings after distribution of surplus and such other funds which may be received by way of non-refundable donations for no specified purpose, which are not available for distribution.

“Minor” means a person under the age of fourteen years.

“OECS Economic Union Member State” means a Member State of the Organization of Eastern Caribbean States (OECS) economic union, for the creation of a single financial and economic space within which goods, people, and capital would move freely; established by the Revised Treaty of Basseterre signed at Castries, St. Lucia, on 18th June 2010 and passed into the laws of Grenada by the Immigration (Amendment) Act No. 7 of 2012.

“Officer” includes the President, Vice-President, Secretary, Treasurer or Director or any other person empowered to give directions in regard to the business of the Credit Union.

“Person” means natural or legal person.

“Prescribed Class” means any group of persons eligible for membership but not permitted to hold or to continue to hold office once they have joined such a grouping. That

is, candidates for political office, ministers of religion, persons found to be delinquent with their creditors, staff of the Department of Co-operatives.

“Qualifying shares” refers to the mandatory, non-withdrawable minimum shares to be purchased by an approved applicant to be admitted, and to enjoy the full rights and privileges of becoming a member of the Credit Union.

“Registrar” shall be construed in accordance with section 5 (1) and (2) of the Act.

“Quorum” refers to the minimum number of members that must be present at the Annual General Meeting or Special Meeting to make the proceedings of that meeting valid.

“Regulations” means the Co-operative Societies Regulations, SRO No. 63 of 1997; and any other Regulations made under the Act.

II NAME

1. The name of the Credit Union shall be Ariza Credit Union Limited.

III REGISTERED ADDRESS

2. The registered address of the Credit Union shall be:
Bruce Street, St. George’s, Grenada;
OR
such other place as may from time to time be determined by the Credit Union and notified to the Registrar within seven (7) days.

IV AREA OF OPERATIONS

3. The area of operations of the Credit Union shall be that of citizens or residents of the State of Grenada, descendants of citizens of the State of Grenada irrespective of place of birth or residence, citizens of the OECS Economic Union Member States and citizens of CARICOM Member States.

V OBJECTS

4. The Credit Union shall provide quality services to its members by means of the following objects:
 - (a) Create wealth through the pooling of deposits, savings, investments and other financial services on a co-operative basis;
 - (b) Promote thrift among members and candidate-members by providing ways and means whereby deposits and savings can be effected and shares in the Credit Union can be acquired;
 - (c) Educate members in the co-operative principles and methods, in financial management and in the efficient management of their and the Credit Union's affairs;
 - (d) Create out of the deposits and savings of members and other business of the Credit Union, a source of credit available to members, on reasonable terms and conditions, for provident and productive purposes;
 - (e) Establish meaningful partnerships with organizations and other stakeholders with shared values to make a difference in communities;
 - (f) Meet its corporate social responsibility and support its commitment to helping members and people in general lead more rewarding lives;
 - (g) Provide support to members who are in the lurch or at risk;
 - (h) Undertake all other acts as are incidental or conducive to, or consequential upon, the attainment of the above objects.

VI MEMBERSHIP

5. (1) A person shall hold membership in the Credit Union pursuant to the Act and the written policy approved by the Board of Directors.

(2) Applicants for membership shall be:

- a. A citizen or resident of Grenada;
- b. A descendant of a citizen of Grenada, irrespective of place of birth and residence;
- c. A citizen of a Member State of the OECS Economic Union;
- d. A citizen of another CARICOM Member State;
- e. Fourteen (14) years of age and older;
- f. A registered co-operative society subject to the approval of the Registrar;
- g. A non-profit organization provided that the majority of the members of the non-profit organization are also members of the Credit Union;
- h. A company incorporated in Grenada provided that the majority ownership of the company is held by members of the Credit Union.

(3) A person who is less than fourteen (14) years of age or who has not yet purchased qualifying shares shall be considered a candidate-member.

6. (1) In order for an eligible applicant to join the Credit Union, the person must complete and submit the prescribed application form and other required membership documents, agree to purchase and maintain at least twenty-five (25) qualifying shares in the Credit Union and to pay all applicable fees or such other sums as the Board of Directors may from time to time fix.

(2) Applicants shall become members of the Credit Union upon approval by the Board of Directors or its designee.

The Board or its designee shall reserve the right to approve or reject applications for membership.

(3) Upon approval of membership, the purchase of the minimum qualifying shares and payment of all applicable fees, the person shall be enrolled as a member and be entitled to any of the rights or privileges of membership subject to sections 41(3) and 83 of the By-laws.

VII CESSATION OF MEMBERSHIP

7. A person ceases to be a member of the Credit Union:
 - a. On death;
 - b. On ceasing to hold the minimum qualifying shares;
 - c. On withdrawal of membership;
 - d. On transfer of all their shares;
 - e. On the compulsory acquisition of their shares;
 - f. On termination of membership or expulsion from the Credit Union; or
 - g. Subject to as hereinafter provided, the person ceases to be qualified in accordance with these By-laws.

VIII TERMINATION/WITHDRAWAL AND EXPULSION

8. (1) The Board of Directors may, by at least 2/3 votes of the Directors present at the meeting called for the purpose, terminate the membership of any member for cause pursuant to the written policy approved by the Board and in keeping with the Act. All members shall be given written notice of such policies.

- (2) Grounds for termination may include:
 - (a) Refusal to pay any compulsory contribution or debt to the Credit Union;
 - (b) Conviction for a criminal offence;
 - (c) Actions which in the opinion of the Board is detrimental to the interests of the Credit Union resulting in a loss to the Credit Union, a violation

of the membership agreement or any written policy or procedure adopted by the Board, inappropriate behavior such as physical or verbal abuse of Credit Union members or Staff, on or off the Credit Union's property arising from or connected to official dealings.

(d) On application for bankruptcy or being declared bankrupt.

(3) Any person whose membership has been terminated by the Board shall have the right to request a hearing before the Board to reconsider the termination.

(4) Notwithstanding the above, membership may be terminated for cause, pursuant to the written policy approved by the Board, and in accordance with the Act, by a vote of at least two-thirds (2/3) of the members present at a General Meeting. All members shall be given written notice of such policies.

(5) A member may be suspended by the Board by notice in writing for a period not exceeding ninety days (90) days if the member is guilty of misconduct pursuant to the written policies approved by the Board and pursuant to the Act.

(6) A member whose membership has been terminated or suspended may appeal the termination/suspension pursuant to the written policies approved by the Board and in keeping with the Act.

(7) A person whose membership has been terminated, whether by withdrawal or termination, shall have no further rights in the Credit Union, but is not released from any obligation owed to the Credit Union.

(8) A member who has been terminated as provided herein, may be re-admitted to membership upon approval

by a majority vote of the Board after application and proof that the applicant remains within the Credit Union's field of membership, has adequately explained, addressed or remedied the conditions leading to termination and shall abide by the terms and conditions of membership. Not more than one (1) such application for readmission may be made by any person within any twelve-month period.

(9) A person may be readmitted to membership by a two thirds majority vote of members present and voting at a general meeting pursuant to the Act.

9. Subject to the Act, after payment of any amount due to the Credit Union or of any contingent liability, all amounts held to the credit of members who withdraw or whose membership has been terminated, together with any interest accrued on those amounts, shall be paid to them in order of withdrawal/ termination.
10. A member wishing to withdraw from membership of the Credit Union while a borrower, an endorser (co-maker), or a guarantor on any loan due to the Credit Union shall be required to pay off all sums due and owing; prior to the effective date of withdrawal.
11. (1) The Credit Union shall keep registers of its members and candidate- members in accordance with the Act and written policies approved by the Board.

(2) Any member who ceases to be a member, withdraws from membership, whose membership has been terminated or in the opinion of the Board acts in any way detrimental to the interests of the Credit Union, shall be removed from the Register.

IX CAPITAL, FUNDS AND LIABILITY

12. The capital and funds of the Credit Union shall be raised by means of:

- a) Profitable operations and other income generating ventures;
 - b) Members investment in shares;
 - c) The shares, savings and other deposits of members or non-members;
 - d) Loans from members or non-members;
 - e) Entrance fees, other fees and charges, fines and interest on loans;
 - f) Interest/ dividends on investments;
 - g) Reserves and retained earnings pursuant to the distribution of the annual surplus; and
 - h) Contributions/grants received from members and others.
13. 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 such sum does not exceed the maximum liability ceiling set by the Annual General Meeting.
14. The members in General Meeting shall, in accordance with the provisions of the Act and Regulations, from time to time fix the maximum amount which the Credit Union may at any time owe in respect of deposits and loans.
15. The funds of the Credit Union may be applied to the following purposes:
- (a) The expenses of management; (operational expenses)
 - (b) Loans to members for provident or productive purposes;
 - (c) Investment; and
 - (d) Any other purpose(s) authorized by the Act, Regulations, these By-Laws and approved by the Board.
16. The liability of a member to make contributions to the assets of the Credit Union in case of liquidation shall be limited to their shares.

X SHARES

17. (1) The Credit Union shall issue shares to members which shall be considered its equity capital. These shares shall be:

- (a) Issued at the par value determined by the Board;
- (b) Considered as the equity capital of the society;
- (c) Not be withdrawable on demand;
- (d) Redeemable if the account is closed under written policy approved by the Board and in accordance with the Act;
- (e) Unlimited in number;
- (f) Restricted to a maximum of twenty per cent (20%) of the total share capital held by any one member; and
- (g) Eligible for dividend payment in the form of cash or additional shares.

(2) Members investment in shares shall be considered their equity investment in the Credit Union.

(3) Shares shall be of two types:

- (a) Qualifying shares;
- (b) Other equity shares.

(4) The Board may establish, by resolution, a limit on the number of shares which may be owned by a member.

18. Subject to the provisions of the Act, contributions to shares shall be payable in such amounts as the member is able, on any day in which the Credit Union is open for business, provided that in no case shall a contribution of less than the value of one equity share be paid.

19. Notwithstanding the provisions of By-laws 18, a person shall pay contributions to the value of twenty-five (25) qualifying shares within the first six months of candidate-

membership and these shall form the person's minimum contribution to the equity capital of the Credit Union.

20. Each qualifying share shall be of the par value of twenty dollars (\$20.00) which, together with the maximum number of shares to be held by each member, shall be subject to ratification by the membership at the Annual General Meeting where a motion is presented and passed to that effect.
21. In addition to qualifying shares, each member shall be required to purchase a minimum of fifty (50) equity shares within the first five (5) years of membership.
22. Shares may be transferred with the approval of the Board or its designee pursuant to the Act and by written instrument, in such form as may be prescribed by written policies or approved by the Board. The Board shall decide from time to time a share transfer fee.

XI SAVINGS

23. The Credit Union promotes thrift and encourages consistent savings throughout the lifetime of members. Members' savings can be used to secure their borrowings and those of others through guarantees or co-making.
24. Except with the written approval of the Board or its designee, no member may withdraw any savings and /or deposits if it will reduce their balance to less than their liability to the Credit Union as borrower, co-maker or guarantor.
25. No withdrawal shall be made from long-term savings [lifetime savings] during the first twelve (12) months of membership, or as long as there is any sum owing to the Credit Union, in respect of any money borrowed from the Credit Union, or of any deposit or payment which has been

demanded, except with the permission of the Board or its designee.

XII DEPOSITS

26. (1) Subject to the provisions of the Act, the Regulations, and the By-laws deposits may be received from members or non-members at such rate or on such terms and conditions as the Board from time to time determines.
- (2) Deposits must be accompanied by an acceptable declaration of source of funds.
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 manner 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 acquaintance of the minor shall be valid and sufficient release and discharge to the Credit Union for the deposit or any part thereof.
29. Deposits shall earn interest from the date of such deposits.
30. (1) Notwithstanding By-Law 26, term deposits may be accepted from a member or non-member for a term not exceeding five (5) years and upon such terms and conditions as are approved by the Board and pursuant to the Act.
- (2) Deposits for a term exceeding five (5) years must be approved by the Registrar.
31. The rate of interest payable on ordinary or term deposits

shall be fixed from time to time by the Board of Directors.

32. The Credit Union 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 Credit Union from the said member or for any loan endorsed by him/her and may apply any sum standing to the credit of the member towards payment of any such debt.

XIII JOINT ACCOUNTS

33. Where persons hold separate and independent membership joint accounts may be held. The application for a joint account must state whether the tenancy will be joint tenancy or a tenancy in common and shall contain such information as the Board may approve.

XIV PASSBOOKS, RECEIPTS AND DISBURSEMENTS

34. (1) Money paid in or out on amount of shares, deposits, loans, interest, entrance fees, fines or transfer fees shall be evidenced by an appropriate voucher or receipt or such other form as may be determined by the Board from time to time. 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.
- (3) 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 will be available upon request or via online access.
- (4) If a passbook is lost or stolen, immediate notice must be given to the Credit Union and application made for the issue of a duplicate book which must be paid for at

the members' expense.

XV MEETING OF MEMBERS

35. (1) The supreme authority of the Credit Union shall be vested in the General Meeting of members at which every member has a right to attend and vote on all questions.

(2) A co-operative society, non-profit organization or company who is a member of the Credit Union shall exercise their voting rights through one of its members duly appointed as a delegate by a resolution of its Board of Directors.

(3) All resolutions authorizing an individual(s) to act as provided above shall be lodged with the Secretary five (5) days prior to the holding of the General Meeting.

36. (1) Meetings of members shall be convened and held in accordance with guidelines from the Board of Directors and pursuant to the Act.

(2) At least ten (10) days' notice of any General, Annual, or Special Meeting shall be given by the Secretary before any such meetings are held.

(3) General Meetings may be held from time to time at a place and by a means 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 no later than six (6) months after the end of the financial year.

(2) Annual and Special meetings shall be presided over by the President of the Board or his or her designee. The presiding officer shall determine the order of business which shall include but not be limited to:

(a) Confirmation of the minutes of the previous Annual General Meeting and of any intervening

- Special General Meeting;
- (b) Consideration of the report of the Board of Directors for the immediately preceding year's work of the Credit Union;
 - (c) Consideration and approval of the financial statements presented by the Board for the immediately preceding year, together with comparative statements for the year preceding it;
 - (d) Consideration and approval of the report of the Auditor or if the accounts are not approved, to cause the Directors to forthwith notify the Auditor of any error or mis-statement;
 - (e) Receipt and approval of the reports of the Credit Committee and Supervisory and Compliance Committee;
 - (f) Allocation of the surplus from the preceding year, subject to the written policies of the Board and pursuant to the Act and Regulations made thereunder;
 - (g) Approval of the budget for the ensuing year(s);
 - (h) Where necessary amendment of the By-Laws;
 - (i) Election of Directors, a Credit Committee, and a Supervisory and Compliance Committee for the ensuing year;
 - (j) Appointment of auditors for the ensuing year;
 - (k) 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;
 - (l) Fix the maximum borrowing limit for the ensuing financial year; and
 - (m) Transacting any other general business of the Credit Union.

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 two hundred (200) of the members or ten percent (10%) whichever is the less. It shall be the duty of the Board to convene such a meeting within twenty (20) days of the receipt of the request. The purpose of the special general meeting shall be set forth in the notice and only such business as is described in the notice shall be dealt with at such meeting.

- (2) Notwithstanding (1) above the Board shall at the request of the Supervisory and Compliance Committee and pursuant to 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 and Compliance 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, 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 and Compliance 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 Credit Union.
- (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 Credit Union that they are entitled to receive and to

deal with any matter affecting the Credit Union.

39. (1) At least ten (10) days' notice of any General Meeting shall be given by the Secretary using any of the following means:
- (a) Notice published in not less than two (2) issues of a newspaper circulated in Grenada and by posting the notice in a place that is prominent and accessible to members; or
 - (b) Written notice delivered to each member in person or mailed to each member at his/her address as the same appears in the records of the Credit Union;
 - (c) Notice delivered via email, text, radio or televised advertisement; and
 - (d) Notice posted to the Credit Union's website.

(2) The accidental omission to give notice to, or the non-receipt of a notice by any member shall not invalidate the meeting.

XVI QUORUM

40. (1) The quorum for the purposes of the Annual General or Special Meeting shall be one tenth (1/10) of the membership or two hundred (200) whichever is less. Provided that when any meeting is summoned by the Registrar, any members present at such meeting shall be deemed to form a quorum.

(2) If within one (1) hour after the time fixed for any meeting other than a meeting convened by the Registrar, the members present are not sufficient to form a quorum, subject to the approval of the Registrar or his/her representative, the members present shall form a quorum.

(3) If within one (1) hour after the time fixed for any meeting convened on the demand of members, the

members present are not sufficient to form a quorum, such meeting shall be considered as dissolved;

(4) In all other cases the meeting 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 the reconvening of an aborted meeting at least three (3) days' notice shall be given by the Secretary. If at the reconvened meeting, a quorum is not present at the time appointed for the meeting, the members present shall form a quorum.

XVII ELECTIONS

41 No member may be elected to the Board, the Credit Committee or the Supervisory and Compliance Committee unless they:

- a. Are eighteen (18) years or over;
- b. Are a citizen or resident of Grenada;
- c. Are residing permanently in Grenada;
- d. Hold twenty-five (25) fully paid qualifying shares;
- e. Have been a member for at least five (5) years;
- f. Saved regularly, at least \$50.00 per quarter in the past year;
- g. Are in good financial standing; and
- h. Have completed the training organized by the Credit Union and is part of the core group from which nominees would be drawn.

42. (1) Not less than sixty (60) days prior to each Annual General Meeting, the Credit Union shall send general notice informing the membership that training will be provided to all persons wishing to serve on any of the Committees. The training will be provided without charge to the member and the members so trained shall comprise a core group from which nominees would be

drawn.

- (2) Not less than thirty (30) days prior to each Annual General Meeting the Board shall appoint a Nominating Committee of five (5) persons of which not more than one (1) may be a member of the existing Board. The Nominating Committee will nominate from the core group of trained members at least one (1) member, for each vacancy for which elections are being held; and determine that the members nominated are agreeable to serving if elected.
- (3) The Nominating Committee shall make available to members and the Annual General meeting the names of all persons trained from the core group who were not nominated to fill any of the vacancies.
- (4) After the Report of the Nominations Committee has been placed before the members at the Meeting, the Chairman may seek an adoption of the Report or call for nominations from the floor. Nominations may only be from the core group of trained members. If there are nominations, and the number of nominees exceed the number of vacancies to be filled, elections shall be held conducted by the appointed Elections Officer.
- (5) All elections shall be determined by majority vote and shall be by secret ballot, except where there is only one (1) nominee for the office, in which case a voice vote or show of hands will be acceptable. In the case of a tie vote, succeeding ballots shall be taken. There shall be no voting by proxy.

- (6) Where the number of nominees does not exceed the number of persons to be elected, the Chairman shall declare all the nominees elected.
- (7) The Board of Directors may adopt policies and procedures providing for electronic voting by the membership in lieu of written ballots. Prior written notice of such policies and procedures shall be given to the membership at least sixty (60) days before becoming effective.

XVIII TENURE OF OFFICE

43. (1) Each elected member shall hold office until his/her successor is elected or appointed 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 by a casting vote decide which candidate is to be declared elected for the longest 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 by casting vote determine the tenure of office for each candidate.

44. At first Annual General Meeting of the Credit Union subsequent to the issuance of the certificate of continuance, the entire Board of Directors, the Credit Committee and the Supervisory and Compliance 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 (1) year.

XIX TERMINATION OF OFFICE

45. (1) Any member of the Board, Supervisory and Compliance Committee or Credit Committee shall be deemed to have vacated their office if they: -
- (a) Resign by giving notice to the Chairman of the Board or of the respective Committee;
 - (b) Apply for bankruptcy or is declared bankrupt;
 - (c) Become of unsound mind and has been so declared by a court in Grenada;
 - (d) Are convicted of any offence involving dishonesty; or
 - (e) Become a member of a prescribed class.
- (2) Any member of the Board, the Credit Committee or the Supervisory and Compliance Committee may be removed from office for cause before the expiration of their period of office by a three-fourths (3/4) majority of the members present at special meeting at which at least ten (10) days' notice specifying the intention to propose the

resolution has been duly given.

(3) Any such member or officer must be informed in writing of the charges against them 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 and Compliance Committee or to fill the vacancy occurring. Any member so appointed shall be subject to retirement at the same time as if he/she had become a member of the Board, Credit Committee or Supervisory and Compliance Committee on the day in which the member in whose place they are appointed was last elected to the Board or the Committee.

XX BOARD OF DIRECTORS

46. (1) Subject to the provisions of the Act and the Regulations the governance, general direction, management and control of the business affairs, funds and records of the Credit Union along with the formulation of policies 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 no more than nine (9) members.

(3) The Board shall have the duties and act in accordance with the provisions of section 56 and 74 of the Cooperative Societies Act No.8 of 2011 or any amendments thereto; and shall perform all such duties provided therein.

47. (1) The Directors shall meet as often as the business of the Credit Union may require, but not less than once

per quarter sitting together or via electronic or other means approved by the Board. Due notice of such meetings shall be given to the other members by the Secretary.

- (2) A simple majority of members shall constitute a quorum.
 - (3) Any member of the Board shall in addition to By-Law 45 be deemed to have vacated their office if they fail to attend three (3) consecutive regular meetings of the Board without giving satisfactory explanation to the Board within seven (7) days of their absence from the third meeting.
48. (1) Where there are vacancies on the Board and there is a quorum of Directors, the remaining Directors may exercise all the powers of the Directors or fill the vacancies until the next Annual General Meeting.
- (2) Where there is not a quorum of Directors the remaining Directors shall call a General Meeting for the purpose of electing members to fill the vacancies.
- (3) Where there are no Directors twenty-five (25) members may appoint in writing five (5) persons as Directors for the purpose of calling a general meeting to elect members to fill the vacancies.
49. The Board may appoint from among its members and other members of the Credit Union any number of Committees that it considers necessary for the efficient conduct of the affairs and business of the Credit Union.
50. A Committee of Directors that has powers delegated to it, must consist of at least two (2) Directors and shall exercise these powers subject to the provisions of the Act, the Regulations and these By-Laws.
51. Subject to the Act and written policies approved by the Board, a Director or Officer of the Credit Union who is party to a contract with the Credit Union shall disclose

such in writing or request to have entered in the minutes of meeting of Directors, the nature and extent of their interest.

52. Subject to the Act and written policies approved by the Board of Directors, a Director shall not take part in discussions to consider or vote on a resolution to approve a contract in which he/she has a personal interest.
53. A contract, approved by the Directors or members in which a Director or Officer disclosed a material interest, which is reasonable and fair to the Credit Union at the time it was approved, is neither void or voidable by reason only of the relationship or 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.
54. 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 Credit Union and is within the maximum liability limit which was fixed by a resolution of members at a general meeting and approved by the Registrar.
55. (1) At the meeting of the Board which shall be held within seven (7) days of their election, the Board shall elect from their own number a President, Vice President, Secretary and Treasurer.

President

- (2) The President shall preside at all meetings of the members and at all meetings of the Board, and, together with the Treasurer/Secretary or CEO, shall sign all conveyances of property. The President shall perform such other duties as customarily appertain to the office of President or as he or she

may be directed by the Board, not inconsistent with law or these by-laws.

Vice-President

- (3) The Vice-President shall have and exercise all the powers, authority, and duties of the President during the absence of the President or his or her inability to act.

Treasurer

- (4) Subject to such limitation and control as may be imposed by the Board, the Treasurer shall have oversight and ensure proper custody of all funds, securities, valuable papers, and other assets of the Credit Union. The Treasurer shall cause to be maintained full and complete records of all assets and liabilities of the Credit Union in accordance with the forms and procedures prescribed by law.

Secretary

- (5) The Secretary shall cause to be prepared and maintained full and correct records of all meetings of the members and of the Board. He or she shall give or cause to be given, in the manner provided by these by-laws, proper notice of all of the meetings of the members and shall perform such other duties as he or she may be directed to perform by resolution of the Board, not inconsistent with law or these bylaws.

56. (1) The Board shall employ a General Manager, who shall be the Chief Executive Officer (CEO).

- (2) The CEO shall be responsible for the management of all aspects of operations and activities in accordance with Credit Union policies and procedures as established by the Board of Directors. He/she shall be responsible for ensuring financial stability in the best interest of the members, the employees and the Credit

Union. The CEO shall provide strategic direction, vision, leadership and management in long-range planning and policy development to the Board of Directors to ensure that Credit Union goals and objectives are being met.

(3) The Board may authorize the CEO and/or other designated employee(s) to perform any of the duties of the Treasurer and Secretary, in accordance with written policies and procedures established from time to time.

57. A Meeting of Officers, Directors of the Board, Credit Committee and Supervisory and Compliance Committee shall be held no less than once per quarter. The Secretary of the Credit Union shall be responsible for the calling of this meeting.

XXII CREDIT COMMITTEE

58. The Credit Committee shall be elected at the Annual General Meeting and shall consist of five (5) members, none of whom shall be a member of the Board, the Supervisory and Compliance Committee or an Officer of the Credit Union, except that the Secretary or Treasurer may be an ex-officio member of the Committee.

59. Any member of the Credit Committee shall in addition to By-Law 45 be deemed to have vacated his/her office if:

(a) He/she 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 /she fails to perform any of the duties allotted to him/her as a member of the Committee.

60. The Credit Committee may be removed from office by a special resolution made in a Special General Meeting

called for the purpose if it fails to perform its statutory duties pursuant to the Act.

61. Any vacancy on the Credit Committee may be filled by the Board, but such member shall hold office only until the next Annual General Meeting, at which a member shall be elected to fill the vacancy for the unexpired term.
62. The Credit Committee shall choose from their number, a Chairman and a Secretary. These offices shall not be held by the same person.
63. The Credit Committee shall hold such meetings as the business of the Credit Union may require, but not less frequently than once per month. Due notice of such meetings shall be given to the other members of the Committee by the Secretary.
64. A majority of the Credit committee, not including the ex-officio members referred to in By-Law 58, constitutes a quorum.
65. (1)The Credit Committee shall consider and approve or not approve all applications for loans by Members in accordance with written policies and procedures approved by the Board of Directors and these by-laws.

(2) The Credit Committee shall submit a monthly report to the Board and an annual report to the Members at the Annual General Meeting on the loan portfolio pursuant to written policies and in accordance with the Act.
66. (1) No loan proceeds shall be issued unless approved by the Credit Committee, or by the extraordinary Credit Committee (Joint Committee).

(2) An extraordinary Credit Committee shall comprise the members of the Board, the Credit Committee and

Supervisory and Compliance Committee and shall be convened if an Officer, Director, Credit Committee or Supervisory and Compliance Committee member or employee requires a loan in excess of his total holdings in equity shares, deposits and accumulated savings, or if a loan is referred to it by the Credit Committee.

- (3) A quorum of the extraordinary Credit Committee shall be a simple majority of the Board, the Credit Committee and the Supervisory and Compliance Committee sitting together or via electronic or other means approved by the Board; provided that each committee is represented. A meeting of the Joint Committee is not properly constituted unless a quorum of the members of the Credit Committee is present. At such meetings loans shall be approved by a vote of two-thirds (2/3) of the members present.
- (4) No member of the Credit Committee, the Board, the Supervisory and Compliance Committee or any Loans Officer shall be present at the discussion of the approval of, or approve a loan to themselves or to a person for whom he/she is proposed as surety or any other person with whom he/she has a fiduciary relationship.
- (5) When more loan applications are pending than can be granted within the funds available, preference shall be given in all cases to applications for smaller loans if the need and credit factors are nearly equal.

XXIII SUPERVISORY AND COMPLIANCE COMMITTEE

67. The Supervisory and Compliance 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, the Credit Committee or an officer of the Society.
68. Any member of the Supervisory Committee shall be deemed in addition to the provision of By-Laws 45, to have

vacated their office, if:

(a) He/she fails to attend three (3) consecutive meetings of the Committee without in the opinion of the other members having a reasonable cause therefore; or

(b) He/she fails to perform any of the duties allotted to them as a member of the Committee.

69. 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.
70. (1) The Supervisory and Compliance Committee shall choose from their members a Chairman and a Secretary. These Offices shall not be held by the same person.
71. (1) The Supervisory and Compliance Committee shall meet at least once monthly and shall undertake all the duties and function in the exercise of powers bestowed upon them by the Act, these by-laws and written policies approved by the Board of Directors.
(2) 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.
72. The Supervisory and Compliance Committee shall keep minutes of its meetings and shall, pursuant to the Act and written policies:
(a) Within seven (7) days of each meeting report the results thereof to the Board; and
(b) Submit a written report to the Annual General Meeting.
73. If in the opinion of the Supervisory and Compliance Committee, the Board, the Credit Committee or any

member thereof, or any Officer or employee of the Credit Union, is guilty of a flagrant violation of the provisions of the Act, Regulations or these By-Laws, or any misconduct, malpractice, misappropriation or misdirection of the funds, securities or other property of the Credit Union, the Supervisory and Compliance Committee shall forthwith inform the Registrar in writing and may in the event of a misappropriation or misdirecting, cause such person to be suspended and shall forthwith request the Board to summon a General Meeting of members to be held within fourteen (14) days after the suspension for the purpose of dealing with the charge. At such General Meeting such person may be removed as provided in By-Laws 45(2).

XXIV REMUNERATION DIRECTORS / COMMITTEE MEMBERS

74. (1) Subject to the Act and its regulations the Credit Union shall reimburse Directors and Committee Members expenses incurred in the course of performing any service on behalf, or for the benefit of the Credit Union as approved by the Board of Directors;

(2) The Credit Union may pay to Directors and Committee Members such honorarium as may from time to time be approved prior to its payment, or any part thereof by the members in a General Meeting; provided such honorarium does not exceed an amount recommended by the Board and approved by members at a General Meeting.

XXV INDEMNIFICATION OF DIRECTORS AND COMMITTEE MEMBERS

75. The Credit Union may indemnify Directors, Officers, Committee Members and employees who have been made or are threatened with being made a party to a suit or proceeding, whether civil, administrative, or investigative, but excluding all criminal matters, arising out of their service at the Credit Union while acting in

good faith to further what they reasonably believed to be the best interests of the credit union. Any such indemnification shall be limited to reasonable expenses incurred from such suit or proceeding.

XXIII CONFLICT OF INTEREST

76. A Director, Officer, Committee Member or employee of the Credit Union may not in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting such person's corporation, partnership or association, other than the Credit Union, in which the person is directly or indirectly interested.

XXV1 LOANS TO MEMBERS

77. The Credit Union may provide loans to members for such purposes and upon such conditions as prescribed by the Board. The Board shall approve written policies with respect to the granting of loans and the extending of lines of credit, including the terms, conditions and acceptable forms of security. All loans shall be evidenced by records adequate to support enforcement and collection of the loans and periodic reviews for safety and soundness.
78. No loan shall be made to any member in excess of any maximum amount set by the Board; provided always that in no case shall a sum greater than ten percent (10%) of the aggregate of total share capital, retained earnings and reserves be lent to any one member.
79. The rate of interest on loans shall be fixed from time to time by the Board and shall in no case exceed the maximum rate permitted by law.
80. (1) The Credit Union may make loans to Directors and Committee members, provided that the loan complies with all requirements of the Act and is not on terms or conditions more favorable than those extended to

other members.

(2) The Credit Union may permit Directors and Committee members to act as co-makers, cosigners, or guarantors of loans to other members, subject to the requirements of subsection (1).

81. No loan shall be made to a member who is not in good standing, that is a member who is not the holder of at least twenty-five (25) fully paid equity shares in the Credit Union.

XXVII LOAN PROCESSING

82. (1) A member who wishes to obtain a loan shall apply in keeping with the written policies approved by the Board of Directors and shall furnish all documents necessary for the processing of the loan as may be required.

(2) The Credit Committee shall consider at a meeting every application for a loan, in keeping with the Loans Policy and shall either approve, reject or defer the loan;

(3) Loans may also be approved by the Loans Officer or other Officers designated by the Board in keeping with the written policies and the delegation of approval authority.

(4) When a loan is approved by the Credit Committee, Loans Officers or designated Officers, a notice shall be sent to the borrower to that effect and before the amount is advanced, the borrower and his/her sureties shall execute an instrument (Loan Agreement) in writing setting out the terms of repayment of the loan and containing such other terms and conditions as the Credit Committee may consider necessary.

83. (1) Any member who fails to pay any installment of a loan or whose loan becomes delinquent, may be required to pay a fine or a late charge as determined

by the Board and in keeping with the written policy approved by the Board, as long as such charge is consistent with the Act and applicable law.

(2) If a loan to a member becomes delinquent and no extension of time has been granted, the whole or balance of the loan then owing shall immediately become due and the Credit Union shall take steps for the recovery of the same in accordance with the written policies approved by the Board and pursuant to the Act.

(3) If by reason of sickness, disaster or some other cause a member is unable to discharge his/her obligations to the Credit Union, and notifies the CEO in writing before a loan payment is due, the Credit Union may extend the time fixed or payment on such conditions as it thinks fit.

(4) Where the Board is satisfied that a member who has obtained a loan has applied the proceeds thereof to a purpose other than the purpose which is stated in the application, the Board may, by notice in writing to the member demand payment of the loan before the agreed date of payment.

84. For purposes of By-Law 83 (1) interest shall be deemed to be an installment of a loan, but unless it is otherwise provided in the instrument required under By-Law 82 (4) an installment shall not be deemed to be due unless it is one (1) month in arrears.

XXVIII DELINQUENT AND DOUBTFUL LOANS

85. (1) Delinquent and doubtful loans shall be dealt with in accordance with the Act and the written policies approved by the Board.

(2) The Board may cause a list of all delinquent or doubtful loans to be made available at the registered

office of the Society for any examination required by the Credit Committee, the Supervisory and Compliance Committee and the auditor and shall send a copy of that list to the Registrar.

XXIX RESERVE FUND AND LIQUIDITY RESERVE

86. Subject to the provisions of the Act and written policies approved by the Board the Credit Union:

(1) Shall create a reserve fund, in which not less than twenty percent (20%) of the net surplus before dividends shall be carried. All entrance, transfer, and other fees and fines shall also be carried to such fund.

(2) The reserve fund shall be kept intact and shall not be used or applied, except as provided in the Act and written policies.

(3) The Credit Union shall create a liquidity reserve in which ten percent (10%) of all members' shares and deposits taken is kept.

(4) At no time shall the institutional capital be less than ten percent (10%) of the total assets of the Credit Union.

(5) In the interest of strengthening institutional capital, sums may be allocated annually to Retained Earnings after adequate provisions have been made for the Reserve Fund, Liquidity Reserve and Dividends.

XXX DIVIDEND AND BONUS

87. (1) The members in Annual General Meeting may declare dividends out of the net surplus after setting aside the prescribed reserves and retiring all or any part of a deficit it has previously incurred. No dividend payable shall be greater than three percent (3%) above the savings rate set by the Eastern Caribbean

Central Bank.

(2) A dividend shall be paid only on shares fully paid up before and during the dividend period and shall be calculated on the minimum quarterly balance provided always that a member shall be deemed to have one fully paid equity share for each twenty dollars (\$20.00) paid in before the said date.

(3) The Credit Union may make contributions to any charitable purpose or to a common-good fund, provided that a dividend of not less than the minimum savings rate set by the Eastern Caribbean Central Bank has been recommended.

(4) The remaining net surplus of the Credit Union, after the payment of dividends to all classes of shares, may be distributed among the members who have borrowed from the Credit Union during the accounting year in proportion to the interest paid by them during such year.

XXXI INVESTMENT OF FUNDS

88. The Credit Union shall invest its funds in accordance with applicable law, the Co-operative Societies Act No.8 of 2011 and/or its amendments and the written policies approved by the Board of Directors.

XXXII BANKING ACCOUNT

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

XXXIII ANNUAL ACCOUNTS, REPORTS AND AUDITS

90. The Board shall comply with the provisions of the Act and shall:

(a) Cause the books of the Credit Union to be audited

annually;

(b) Approve the financial statements of the Credit Union 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.

XXXIV FINANCIAL YEAR

91. The financial year of the Credit Union shall end on December 31.

XXXV SEAL AND EXECUTION OF DOCUMENTS

92. (1)The Board shall adopt for the use of the Credit Union a distinctive seal having the name of the Credit Union inscribed thereon.

(2) Any instrument required to be signed on behalf of the Credit Union shall be duly executed and signed by at least one (1) member of the Board, the Secretary or Treasurer and sealed as necessary.

XXXVI BOOKS, FORMS AND ELECTRONIC RECORDS

93. The Credit Union shall keep as hard copies or in electronic or other medium as is consistent with practices in the financial sector in Grenada and subject to the approval of such medium by the Board of Directors and its Auditor such books, forms or electronic files as are necessary for the efficient conduct of its operations.

XXXVII INSPECTION OF RECORDS

94. (1) Subject to the provisions of the Act, the corporate records of the Credit Union, shall be open to the inspection of any member having an interest in the funds of the Credit Union.

(2) No person other than the member themselves, their agent or legal representative, a member of the Board, the Credit Committee or the Supervisory and Compliance Committee, the Auditor or the Registrar, their staff or anyone appointed by them shall be allowed to see the personal account, loan agreement or pass book or the register or papers relating to the loan of any member without the consent of such member in writing.

XXXVIII DISPUTES

95. All disputes shall be determined in accordance with the provisions of the Co-operative Societies Act No 8 of 2011 or its amendment.

XXXIX AMENDMENT TO THE BY-LAWS

96. These By-Laws may be amended in accordance with the provisions of the Co-operative Societies Act No. 8 of 2011 or its amendment, Regulations 19 and these By-laws.

XL DISSOLUTION

97. The Society may be dissolved, and the funds distributed by a resolution of three-fourths (3/4) of the members, but only in a manner provided for in the Co-operative Societies Act No. 8 of 2011 or its amendments.

XLI EMERGENCY OPERATIONS

98. In the event of an emergency sufficient to disrupt customary Credit Union operations, the Credit Union shall conduct its affairs under guidance from the Board and subject to any government directives. Emergency operations shall be conducted under a disaster or emergency recovery plan approved by the Board.

XLII CONFIDENTIALITY

99. The Directors, Officers, Committee members and employees of the Credit Union shall hold in confidence all transactions of the Credit Union with its members and all information regarding their personal affairs, except to the extent deemed necessary by the Board in connection with the making of loans and the collection thereof or as permitted or required by applicable law.

XLIII COMPLIANCE WITH LAWS AND REGULATIONS

100. All power, authority, duties and functions of the Directors, Officers, Committee members and employees of the Credit Union shall be exercised in compliance with applicable laws and regulations, the principles of the Credit Union and these by-laws. If any provision in these by-laws conflicts with any applicable laws or regulations, such provision is deemed to be amended to conform to the applicable law or regulation.

