



**REVIEW OF BYE-LAWS
OF
ARIZA CREDIT UNION**



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INTRODUCTION

At the AGM of the Ariza Credit Union held in June 2023, it was decided that a special meeting will be held to review and approve the revised bye-laws. This is necessary following changes made after the Annual General Meeting of 2021.

The following presents in tabular form the various sections and items to which changes were made based on comments and recommendations from GARFIN. The information is presented in three columns detailing what was approved, the comments and recommendations from GARFIN and the changes made

The intention of the changes was to ensure conformity with the 2011 Co-operative Societies Act and thus any provision (old or new) which did not conform to the Act was removed or amended.



INTERPRETATION SECTION



INTERPRETATION SECTION

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>Abandoned property refers to money and other personal assets lodged in the Credit Union and for which an owner cannot be located after a specified period of time. This includes share certificates, savings accounts, and fixed term deposits.</p>	<p>Section 246 of the Act specifies the period of 15 years and describes what constitutes the property. If a definition is required in the by-laws, it should be consistent with the Act and not left as for a period of time.</p>	<p>Abandoned property refers to any general deposit, demand, savings, or matured time deposits, together with any interest or dividend, but excluding any lawful charges; and any funds paid toward the purchase of shares or other interests in the Credit Union together with any interest or dividend excluding any lawful charges where there has been no activity relating to the property for a period of fifteen (15) years except for the posting of interests and dividends.</p>
<p>Annual General Meeting (AGM) is a compulsory yearly general meeting of the members of the Credit Union required under the Co-operative Societies Act No. 8 of 2011 or its amendments. This meeting is in addition to any other meetings held during the year. At this meeting dividends are decided, the Credit Union's financial statements are considered, the Directors' and Auditors' reports and reports of the Supervisory and Compliance Committee and Credit Committee are placed before members who are provided with an opportunity to question the reports, and the performance of the Credit Union.</p>	<p>The sentence this meeting is in addition to any other meetings held during the year is not necessary. If in the definition it is deemed necessary to include the functions of the AGM, then the election of Directors, Credit and Supervisory Committees has to be included.</p>	<p>Annual General Meeting (AGM) refers to a compulsory yearly general meeting of the members of the Credit Union required under the Co-operative Societies Act No. 8 of 2011 or its amendments.</p>
<p>Candidate-member means a person who has paid for less than twenty-five (25) qualifying shares or who is less than fourteen (14) years of age.</p>	<p>Section 28 of the Act is specific on membership and qualification for membership. There is no provision for candidate members. Additionally, this may be difficult to manage as you would have to make provisions as to how long a person can remain a candidate member and what happens to their investments if they fail to transition to full membership.</p>	<p>Removed from the Byelaw.</p>

INTERPRETATION SECTION

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No definition of Chief Executive Officer	Recommended insertion: Chief Executive Officer means a person who is employed by the Board and to whom responsibility and authority for the day-to-day management of the Credit Union is delegated and who is accountable to the Board.	Chief Executive Officer means a person who is employed by the Board and to whom responsibility and authority for the day-to-day management of the Credit Union is delegated and who is accountable to the Board.
Conflict of interest refers to the situation when the vested interests of a Director, Committee Member, Officer, or Employee raise a question of whether their actions, judgment, and/or decision-making can be unbiased. It arises when such a person chooses to knowingly exploit their position for personal gain.	This definition should be tied to Section 82 of the Act. It may be difficult to prove that a person has chosen to knowingly exploit his or her position for personal gain.	Conflict of interest refers to the situation when a Director, Committee Member, Officer, or Employee has a vested or pecuniary interest direct or indirect in any contract, proposed contract or other matter which raises a question of whether their actions, judgment, and/or decision-making can be unbiased. It also includes where a director or committee member is seeking to have an outcome favourable to themselves or to a member or members of staff, and in that process attempts to prejudice decision-making of the board or to mislead the board based on representations or solicitation or information obtained through personal ties to one or more employees.
Corporate Secretary refers to a senior executive officer appointed by the Board of Directors with responsibility for ensuring that Board and Committee members have the proper advice and resources for discharging their fiduciary duties to members and stakeholders and for ensuring that the records, or action minutes taken during a Board or committee meeting reflect the proper exercise of those fiduciary duties.	There is no provision for this in the Act as it relates to elected Officers. Essentially, this person would be an employee and would therefore be subject to the direction of the Board and Management. Staff Positions should not be specified in the by-laws but can be a policy.	The term has been removed from the definition section and all references within the bye-laws.

INTERPRETATION SECTION

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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 co-operatively pooled financial services to its members; including savings, lending, and investment business.	This is merely a repetition of the Act.	Credit Union shall be construed in accordance with section 2 (1) of the Act and its amendments.
Eligible nominee refers to members of the Credit Union who have satisfactorily completed the training provided for volunteers within the period specified and are eligible to be considered to serve on the Board or Committees.	Section 53 [4] of the Act, makes provisions as to who can be elected. The requirement for a potential candidate to have attended training is a Policy decision and should not be included in the bye-laws. The policy can also require that a person attends relevant training after election.	Eligible nominee refers to members of the Credit Union who have satisfied the criteria established in the Co-operative Societies Act and/or its amendment and meet the policy requirements and/or standards of the Board and are eligible to be considered to serve on the Board or Committees.
Executive Management refers to the Chief Executive Officer, and other senior managers at the highest organizational leadership level of the Credit Union, who, under the immediate authority of the Chief Executive Officer are responsible for operational day by day business functions.	In keeping with section 53 [5], this should be specified in the Policy of the Credit Union and not the bye-laws.	Definition removed from Interpretation Section and references within the bye-laws.
Extraordinary General Meeting is a meeting specifically called by a group of members or the Directors to discuss a particular, urgent item of the Credit Union's business	Section 43 of the Act makes provision for Special General Meetings. There is no provision for Extraordinary General Meetings.	This definition has been removed and the term removed wherever found in the draft bye-laws.
General Meeting refers to an ordinary meeting of the members of the Credit Union convened with due notice having been give and a quorum established.	In keeping with Section 42[3]. This definition can be amended to say - A meeting of members other than an Annual or Special General Meeting.	General Meeting refers to a meeting of members other than an Annual or Special General Meeting.

INTERPRETATION SECTION

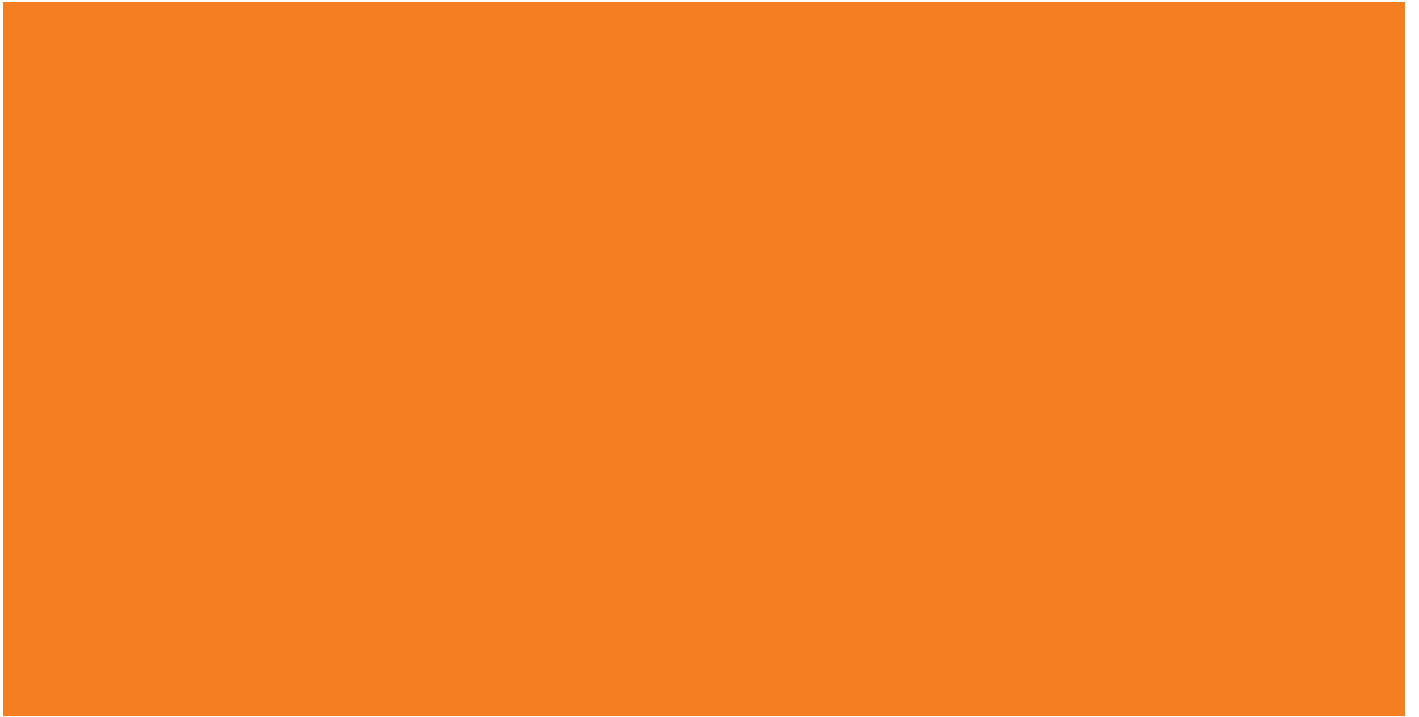
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Legal person refers to a company that has full legal rights and responsibilities according to the law.	There is currently no provision for this in the Act other than for co-operative societies.	Removed from interpretation section.
Member means a natural or legal person, co-operative society, non-profit organization, or company admitted to membership after registration in accordance with the Bye-laws.	Similar to that stated for Legal Person that this is currently no provision for this in the Act other than for co-operative societies.	Member means a person or co-operative society admitted to membership after registration in accordance with the Act and these Bye-laws.
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.	This is not necessary as members of this Community are included and already fall under the definition of CARICOM Member State	The term has not been removed. CARICOM and the OECS Economic Union are two separate legal entities and not all member states of the OECS Economic Union are member states of CARICOM.
Officer means (i) the President, Vice-President, Secretary, Treasurer and Chief Executive Officer of the Credit Union (ii) A Director or any other person (including an employee) who performs functions and is empowered to give directions in regard to the business of the Credit Union, (iii) any other person designated as an Officer by the Bye-laws or the Board.	This definition, in accordance with Section 54[1] and [2] [a] needs to be re-worded. The Act already establishes that the President, VP, Treasurer and Secretary are Officers. It should probably say Officer means the President, Vice-President, Secretary, Treasurer, Chief Executive Officer, and any other persons appointed by the Board in accordance with the Act and Regulations.	Officer means the President, Vice-President, Secretary, Treasurer, Director or any other person(s) empowered under the Act, the Regulations and the Bye-laws to give directions in regard to the business of the Credit Union.

INTERPRETATION SECTION

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<p>Prescribed Class means any group of persons eligible for membership but not permitted to hold or to continue to hold elected office or a senior management position in the Credit Union once they have joined such a grouping. That is, candidates for political office, members of the executive of an active political party, ministers of religion, persons found to be delinquent with their creditors, staff of the regulating agency or body, auditing firm, apex body or another Credit Union.</p>	<p>This should be guided by the Regulations as required in the Interpretation section of the Act.</p>	<p>No amendment made. This definition was taken from the draft harmonized regulations.</p>
<p>Qualifying share refers to the mandatory, non-withdrawable minimum shares that form part of the institutional capital purchased by an approved applicant to be admitted, and to enjoy the full rights and privileges of admission, into membership of the Credit Union.</p>	<p>The words into membership of the Credit Union should come after the word admitted. The word admission should be deleted. It would then read an approved applicant to be admitted into membership of the Credit Union and to enjoy the full rights and privileges of membership.</p>	<p>Qualifying share refers to the mandatory, non-withdrawable minimum shares that form part of the institutional capital purchased by an approved applicant to be admitted into membership of the Credit Union, and to enjoy the full rights and privileges of membership.</p>
<p>Quorum refers to the minimum number of members that must be present at the Annual General Meeting, Special Meeting, Board or Committee Meeting to make the proceedings of that meeting valid.</p>	<p>The word General should be inserted between Special and Meeting to read Special General Meeting.</p>	<p>Quorum refers to the minimum number of members that must be present at the Annual General Meeting, Special General Meeting, Board or Committee Meeting to make the proceedings of that meeting valid.</p>
<p>Secured loan means a loan for which the member/borrower has committed to the Credit Union collateral funds and other property that are of equivalent value to one hundred percent or more of the value of the loan and that are sufficient, safe, and realizable, to secure the loan from loss.</p>	<p>A loan does not have to be 100% guaranteed to be secured. Determination of Sufficient, Safe and Realizable could be a judgement call.</p>	<p>Secured loan refers to a loan for which the member/borrower as a condition of borrowing has committed to the Credit Union collateral funds and other property that are of equivalent value to one hundred percent or more of the value of the loan in order to secure the loan from loss. Previous definition taken from the loan policy.</p>

INTERPRETATION SECTION

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<p>Special Meeting is a meeting called to discuss specific matters stated in the notice of the meeting. It is a meeting of members outside the usual annual general meeting</p>	<p>Given Section 43 of the Act, this definition is not necessary, except the intent is to outline what happens at a Special General meeting.</p>	<p>Term removed from interpretation section.</p>
<p>Unsecured loan means a loan issued or outstanding for which the member/borrower has committed to the Credit Union collateral funds and other property that are less than one hundred percent of the value of the loan and/or that are insufficient, unsafe, and unrealizable, to secure the loan from loss.</p>	<p>Determination of insufficient, unsafe, and unrealisable, could be judgmental.</p>	<p>Unsecured loan refers to a loan provided on the creditworthiness of the member/ borrower without pledging any collateral as security in the event of default or non-payment. It is also a loan issued or outstanding for which the borrower has committed to the Credit Union collateral funds and other property that are less than one hundred percent of the value of the loan and/or that are inadequate to secure the loan from loss.</p> <p>Previous definition taken from loan policy.</p>

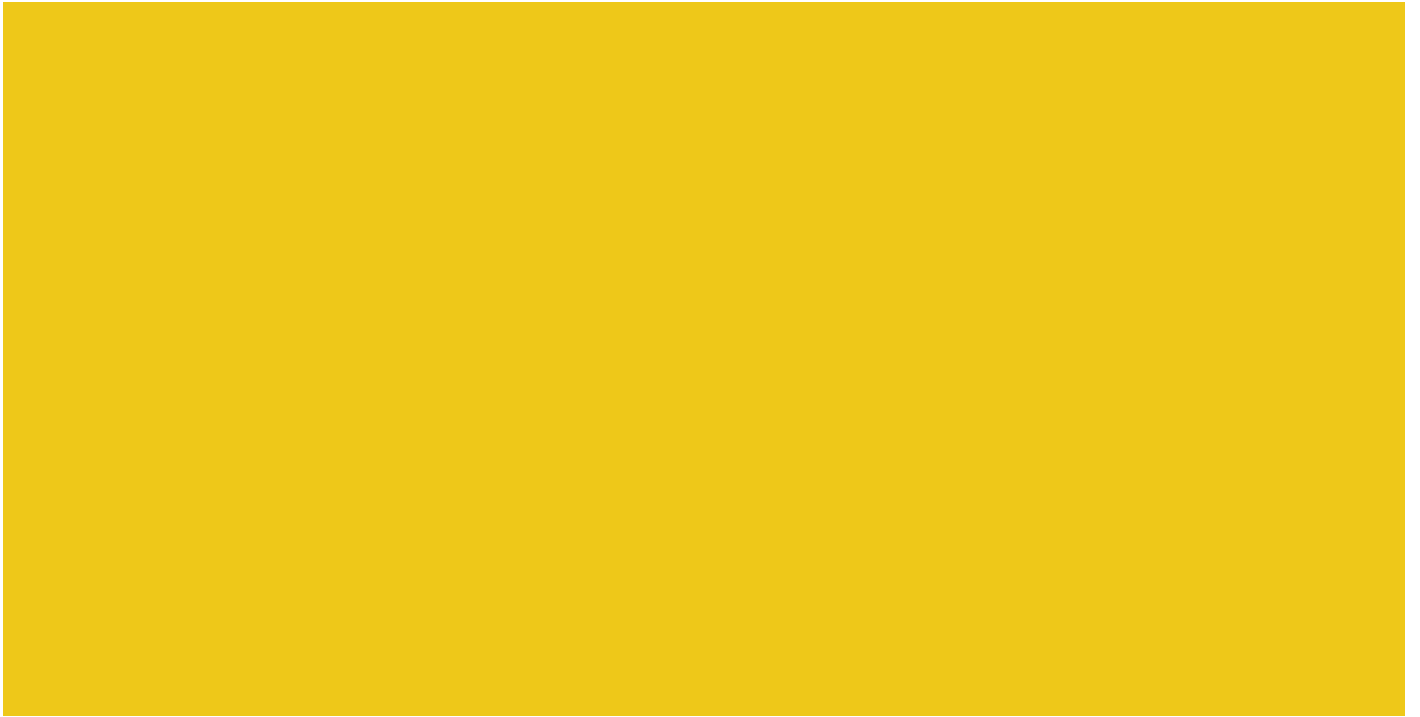


IV. AREA OF OPERATIONS



AREA OF OPERATIONS

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<p>The area of operations of the Credit Union shall be that of citizens or legal 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.</p> <p>Note that there was no amendment made to this section of the bye-laws. This has always been in the bye-laws of the PSCCU and continued.</p>	<p>There seems to be some confusion here. Area of Operations is different to Field of Membership or Membership Limitations. Area of operations cannot be citizens or legal residents of the State of Grenada etc. This definition as is, fits with field of membership.</p>	<p>The Ariza Credit Union Limited is a member-owned financial co-operative controlled by its members and operated under the co-operative principles set out in section 3(1) of the Co-operative Societies Act No. 8 of 2011 or its amendments. The Credit Union shall extend its services to citizens or legal 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</p>

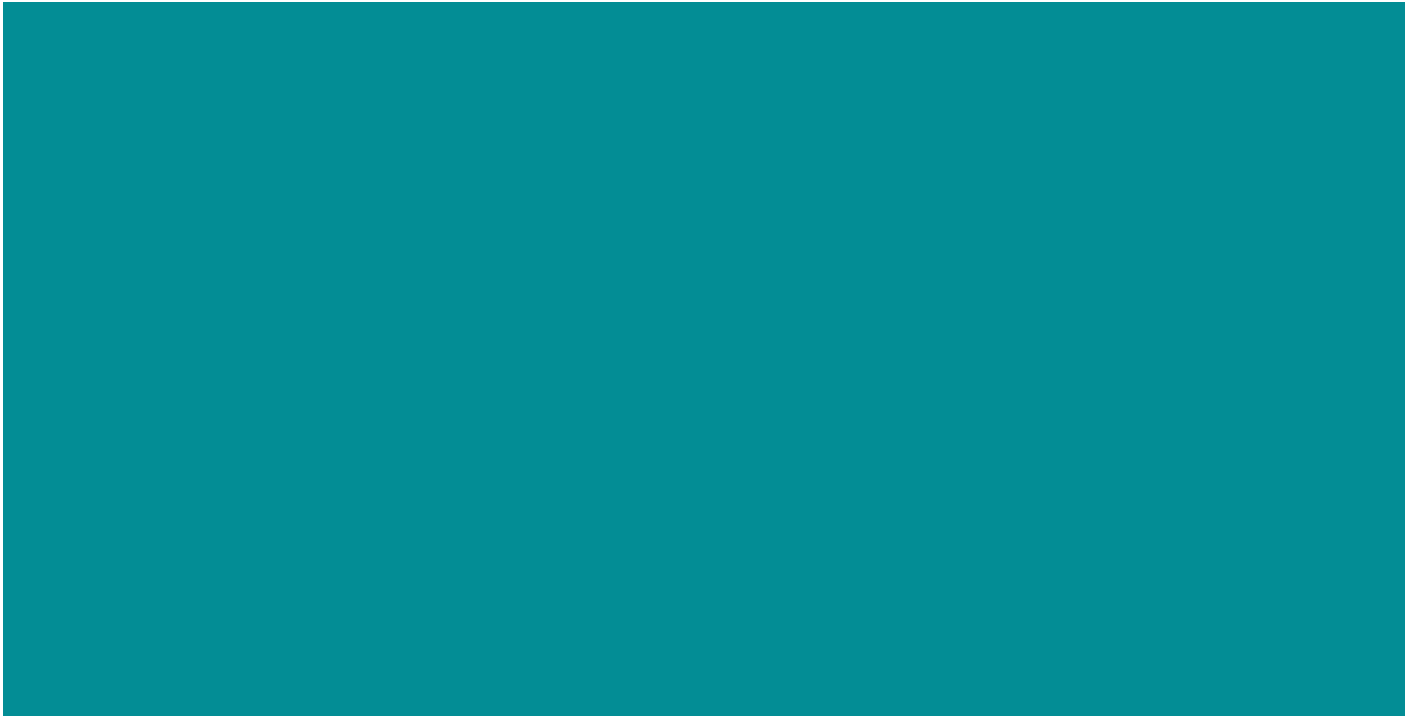


V.
OBJECTS



OBJECTS

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<p>(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.</p>	<p>The term candidate members should be omitted unless provided for in the Act.</p>	<p>(b) Promote thrift among members by providing ways and means whereby deposits and savings can be effected and shares in the Credit Union can be acquired.</p>



VI. GOVERNANCE



GOVERNANCE

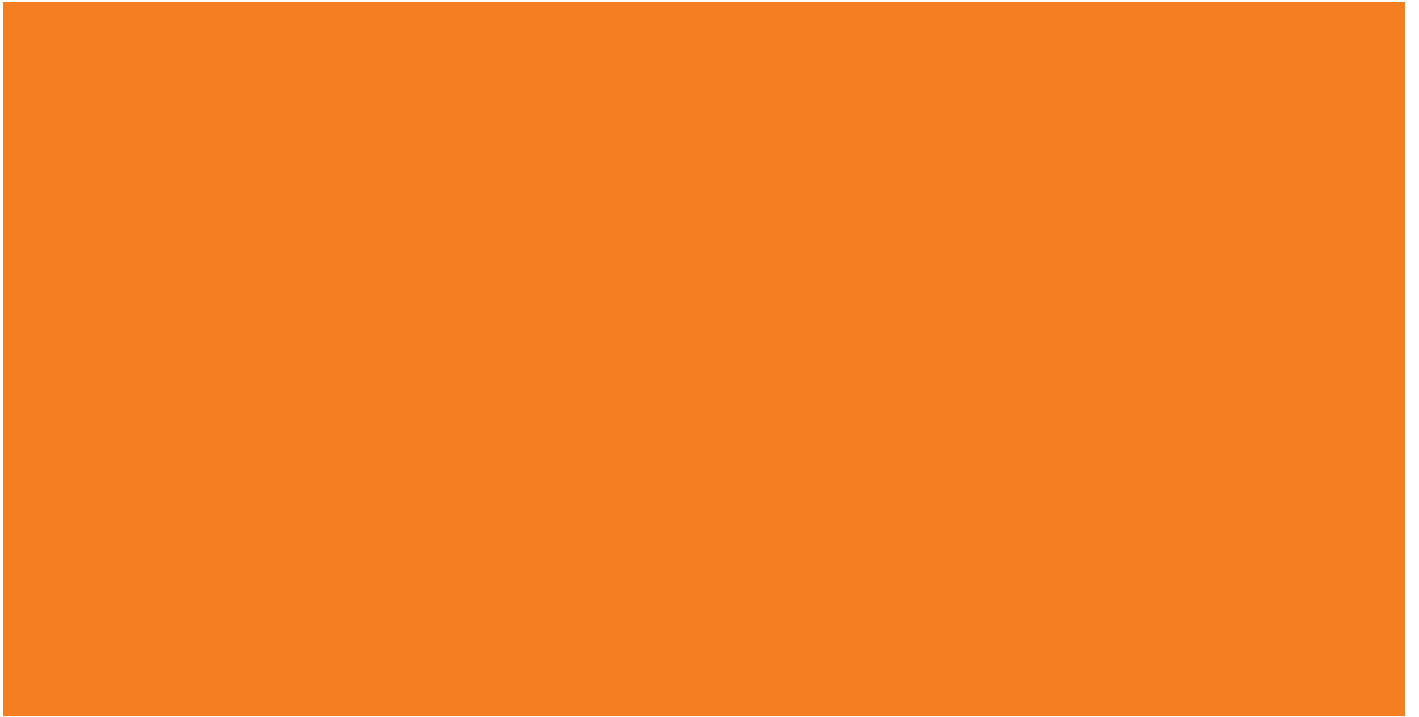
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(4) At least three of the members elected to serve on the Board should possess a first degree and or five years' experience in either Business, Accounting, Auditing, Law, Information Communication Technology (ICT), Finance, Corporative/Credit Union Studies, or such related fields.	This is seeking to impose requirements in addition to the fit and proper criteria required by the Act. The Credit Union's policies can specify the qualifications of employees. It can also recommend what is ideal for Board members but should not be prescribed in the bye-laws. All members who meet the fit and proper criteria in the Act are eligible to serve.	Removed from the bye-laws.
(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. Provided that the Board may elect or appoint additional Officers or delegate duties to an appointed Corporate Secretary or a Senior Executive Officer.	Should be reworded to say 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 and any other Officers deemed necessary in accordance with the Act and Regulations.	7. (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 and any other Officers deemed necessary in accordance with the Act and Regulations.
<p>President</p> <p>(2) The President shall preside at all meetings of the members, at all meetings of the Board and Joint Committee, and, together with the Director(s) or Officer(s) appointed by the Board shall sign all conveyances of property. The President shall perform such other duties as customarily appertain to the Office of President or as he may be directed by the Board, not inconsistent with the Act, the Regulations, or these Bye-laws</p>	The Act makes no reference to a Joint Committee This should read The President shall preside at all meetings of the members, the Board, and meetings of the Board with other Committees and together with the Director[s] or Officer[s] appointed by the Board, sign all conveyances of property.	<p>President</p> <p>(2) The President shall preside at all meetings of the members, the Board, and meetings of the Board with other committees and, together with the Director(s) or Officer(s) appointed by the Board sign all conveyances of property. The President shall perform such other duties as customarily appertain to the office of President or as may be directed by the Board, not inconsistent with the Act, the Regulations, or these Bye-Laws.</p>

GOVERNANCE

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<p>Secretary</p> <p>(5) The Secretary shall perform the duties normally assigned to that position by the Act and its Regulations or the Board may authorize the Corporate Secretary to perform any of the duties of the Secretary.</p>	<p>Delete may authorize the Corporate Secretary.</p>	<p>Secretary</p> <p>(5) The Secretary shall perform the duties normally assigned to that position by the Act and its Regulations.</p>
<p>8. (1) The Directors shall meet as often as the business of the Credit Union may require, but not less than once every month sitting together or via electronic or other means approved by the Board. Due notice of such meetings shall be given to the members by the Corporate Secretary.</p>	<p>Delete Due notice of such meetings shall be given to the members by the Corporate Secretary.</p>	<p>8. (1) The Directors shall meet as often as the business of the Credit Union may require, but not less than once every month sitting together or via electronic or other means approved by the Board. Due notice of such meetings shall be given to the members by the Secretary.</p>
<p>(2) At a sitting of the Board a simple majority of members shall constitute a quorum</p>	<p>At a sitting of the Board... amend this to read At any meeting of the Board.</p>	<p>(2) At any meeting of the Board a simple majority of members shall constitute a quorum.</p>
<p>10. 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. Provided that at all times there shall be a Committee for each of the following: finance, investments, audit, human resources, and Information Technology.</p>	<p>Section 57 [1] provides that the Board may establish committees, but we do not think the names of sub committees should be mandated in the Bye-laws as it is not compulsory in the Act and as it may not be always necessary to appoint any of these committees and committees should be appointed as is necessary.</p>	<p>10. 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.</p>
<p>11. 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 Bye-Laws.</p>	<p>GARFIN recommended that the number be three [3] rather than two [2]</p>	<p>11. A Committee of Directors that has powers delegated to it, must consist of at least three (3) Directors, and shall exercise these powers subject to the provisions of the Act, the Regulations, and these Bye-Laws.</p>

GOVERNANCE

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<p>12. Subject to Bye-Law 59, 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.</p>	<p>This is provided for in Section 74 of the Act additional power of directors and 35 of the Regulations. However, this proposal should be incorporated with proposed bye-law 59 as it essentially makes the same provision.</p>	<p>Removed and incorporated with proposed bye-law 59 now 56.</p>



VI. III.
CREDIT COMMITTEE



CREDIT COMMITTEE

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13. (1) There shall be a Credit Committee which 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 of the Board may be an ex-officio member of the Committee.	Clarify whether 'Officer means employee. Additionally, Delete except that the Corporate Secretary or Secretary and/or Treasurer may be an ex-officio member of the Committee.	12. (1) There shall be a Credit Committee which 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 employee of the Credit Union.
(2) At least two of the members elected to serve on the Credit committee should possess a first degree and or five years' experience in either Accounting, Business, Projects Management, Finance, Corporative/Credit Union Studies, or such related fields.	Persons elected to serve on the Credit Committee should meet the fit and proper Criteria established by the Act and Regulations. Other qualifications should not be mandated in the bye-laws.	This provision was removed.
(b) He /she fails to perform any of the duties allotted to him/her as a member of the Committee.	The interpretation has established that words of masculine gender also include the feminine therefore the inclusion of him/her is not necessary.	(b) He fails to perform any of the duties allotted to him as a member of the Committee.
15. 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.	Section 62 [2] of the Act makes provision for the removal of the entire Credit committee at a special general meeting called for the purpose. However, section 63 (1) provides that same meeting shall elect the replacements. The Board should not be filling this vacancy.	14.(1) The Credit Committee may be removed from office by a special resolution made at a Special General Meeting called for the purpose if it fails to perform its statutory duties pursuant to the Act. (2) A member of the Credit Committee may be removed from office before the expiration of his term by a resolution of the members passed by two-thirds of the votes cast at a General Meeting called for that purpose. At that meeting the members shall elect another member in place of the removed member for the unexpired portion of his term.

CREDIT COMMITTEE

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<p>16. 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.</p>	<p>This should be amended to say - A vacancy on the Credit Committee pursuant to Section 64 of the Act, may be filled by the Board etc.</p>	<p>15. Where a member of the Credit Committee fails to attend three (3) consecutive meetings without in the opinion of the Board a reasonable cause or fails to perform any of the duties allotted to him as a member of the Credit Committee, the position may be declared vacant and the Board may then appoint a qualified person to fill the vacancy; provided that such member shall hold office only until the next Annual General Meeting, at which a member shall be elected to fill the vacancy.</p>
<p>19. A majority of the Credit Committee, not including the ex-officio members referred to in Bye-Law 13(1) constitutes a quorum.</p>	<p>This should read, At meetings of the Credit Committee a majority of the elected members constitutes a quorum.</p>	<p>18. At meetings of the Credit Committee a majority of the elected members constitute a quorum.</p>
<p>20. (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 Bye-laws. The Committee shall implement and ensure the implementation of the approved loan policy, provide prudent oversight of the loan portfolio, and make recommendations to the Board in respect of the loan policy.</p> <p>(2) The Credit Committee may on such terms and conditions as the Board shall approve authorize the Chief Executive Officer, Loans Manager or other Officer or Employee of the Credit Union to approve or not approve loans to members. Provided that all persons authorized to approve or not approve loans shall submit a written monthly report to the Credit Committee on activities undertaken.</p>	<p>The inclusion of the words not approve is not necessary.</p>	<p>19. (1) The Credit Committee shall consider and approve applications for loans by members in accordance with the written policies and procedures approved by the Board and these Bye-laws. The Committee shall implement and ensure the implementation of the approved loan policy, provide prudent oversight of the loan portfolio, and make recommendations to the Board in respect of the loan policy.</p> <p>(2) The Credit Committee may on such terms and conditions as the Board shall approve authorize the Chief Executive Officer, Loans Manager or other Officers or Employees of the Credit Union to approve loans to members. Provided that all persons authorized to approve loans shall submit a written monthly report to the Credit Committee on activities undertaken.</p>

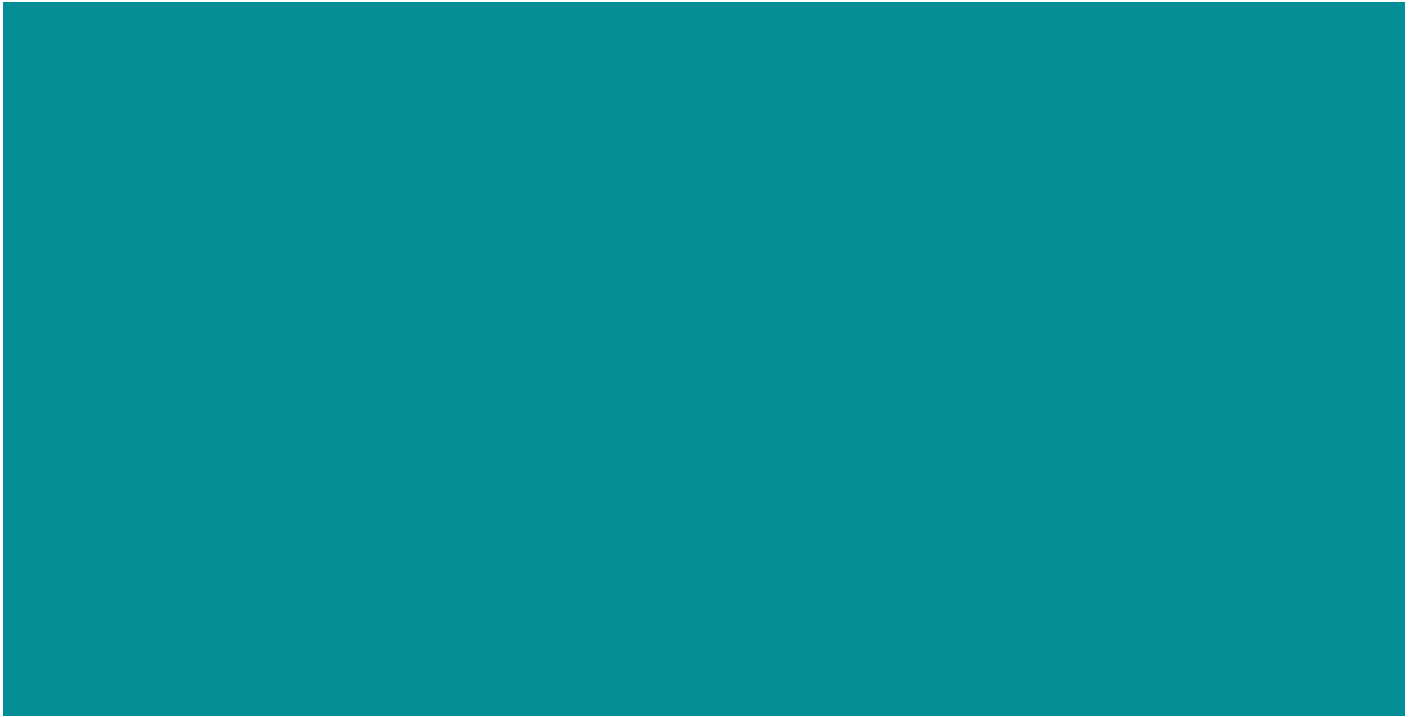


VI. IV
SUPERVISORY COMMITTEE



SUPERVISORY COMMITTEE

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22. (1) There shall be a Supervisory and Compliance Committee which 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 Credit Union.	The word Officer should be replaced with employee to be consistent with Section 65 [5] of the Act.	21. (1) There shall be a Supervisory and Compliance Committee which 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 employee of the Credit Union.
(2) At least two of the members elected to serve on the Supervisory and Compliance Committee should possess a first degree and or five years' experience in either Accounting, Auditing, Business, Finance, Corporative/Credit Union Studies, or such related fields.	Academic qualifications for Supervisory and Compliance Committee members should not be enshrined in the bye-laws. Section 67 makes provision for a senior qualified professional to be assigned to the Supervisory and Compliance Committee.	This provision was removed.
(2) Subject to (1) above, the Supervisory and Compliance Committee shall be responsible for: (a) Recommending appointment of the auditors and their terms of engagement. (b) Approving the terms of each annual audit, and (c) Receiving the audit report and management letter.	This needs to be consistent therefore shall be replaced by may. Additionally, [a] speaks to recommending while [b] speaks to approving. Would suggest that 'recommending' be used in both cases. In [c] receiving' should be replaced by reviewing. This Committee is charged with oversight, not making original decisions on behalf of the credit union.	25 (2) Subject to (1) above, the Supervisory and Compliance Committee may be responsible for: (a) Recommending appointment of the auditors and their terms of engagement. (b) Recommending the terms of each annual audit, and (c) Reviewing the audit report and management letter.



VI. V
JOINT COMMITTEE

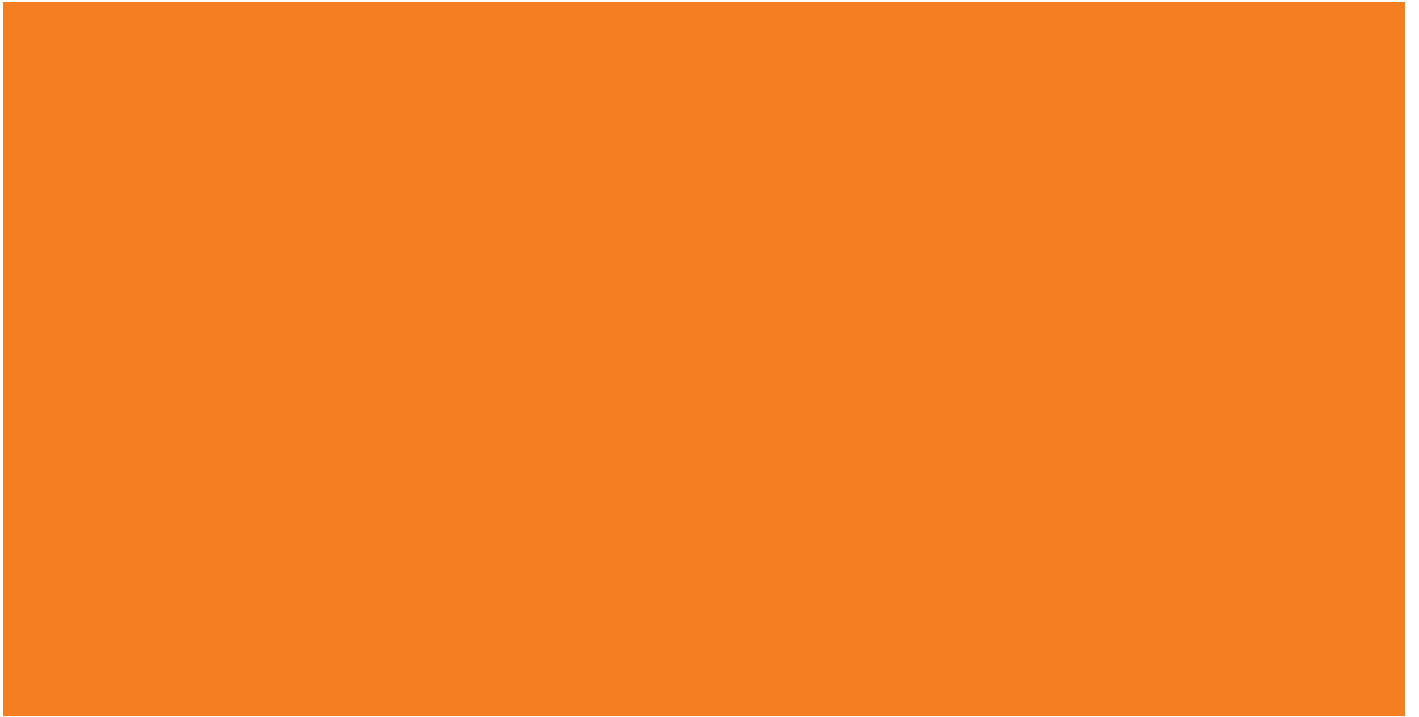


JOINT COMMITTEE

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/ Approved by GARFIN
<p>VI.IV JOINT COMMITTEE</p> <p>28. (1) There shall be a Joint Committee of the Credit Union comprising all members of the Board of Directors, the Credit Committee, the Supervisory and Compliance Committee. The Chief Executive Officer shall be an ex officio member of the Joint Committee.</p> <p>(2) A Meeting of the Joint Committee shall be held no less than once per quarter.</p> <p>(3) The President of the Board of Directors shall be the Chairman of the Joint Committee.</p> <p>(4) A quorum for the meetings of the Joint Committee shall comprise a simple majority of the members of the Board of Directors, Credit Committee and Supervisory and Compliance Committee present.</p> <p>(5) It shall be the duties of the Joint Committee to:</p> <ul style="list-style-type: none"> (a) Ensure decisions of the Board, Committees and Management are in keeping with the Act, the Bye-laws, policies, procedures, and decisions of the AGM. (b) Ensure Officers of the Credit Union conduct the affairs of the Credit Union in keeping with the Act, the Bye-laws, policies, procedures, and decisions of the AGM. (c) Review and approve the annual audited financial statements and reports to the Annual General Meeting. (d) Review reports of the internal and external auditors, the compliance officer and the Regulator and ensure compliance with directives and guidelines made. 	<p>Whereas occasional joint meetings of the elected committees of the Credit Union, is desirable, this section as is, can compromise the independence of the respective committees and create conflicts.</p> <p>Section 53 [1] of the Act, provides for the Credit Union to be managed by a Board of Directors. Section 59 provides for the election of the Credit Committee and Section 60 sets out the responsibilities of the Credit Committee. Section 65 provides for the election of the Supervisory and Compliance committee and 66 sets out its responsibilities.</p> <p>This proposal particularly paragraph [5] seeks to involve other Committees in the original decision-making processes, which are the responsibilities of the Board. This compromises the independence of a committee charged with implementing the policies of the Board [e.g. Credit Committee] and a committee charged with overseeing the Board's decision making and reviewing implementation of decisions. The proposal is effectively asking committees to be part of any decision made and then to review and critique that decision. See also Section 66 [3] and Section 69.</p> <p>Would recommend that this Section as is, not be included in the bye-laws.</p>	<p>Section removed.</p>

JOINT COMMITTEE

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/ Approved by GARFIN
<p>(e) Review and approve new and/or amended policies; and monitor the implementation of approved policies and procedures.</p> <p>(f) Review and approve or not approve loan applications in respect of members of the Board of Directors, Committees, Officers, Management, and Staff of the Credit Union.</p> <p>(29) The Joint Committee shall undertake such other functions as approved by the Board and the AGM that are conducive to the smooth and effective operation of the Credit Union.</p> <p>(30) The Joint Committee shall keep minutes of its meetings and submit a written report to the Annual General Meeting.</p>		



VI. VIII
TERMINATION OF OFFICE



TERMINATION OF OFFICE

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final version/Approved by GARFIN
<p>(2) A 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 a special meeting at which at least ten (10) days' notice specifying the intention to propose the resolution has been duly given.</p>	<p>Insert General between Special and Meeting to read Special General Meeting.</p>	<p>(2) A 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 a Special General Meeting at which at least ten (10) days' notice specifying the intention to propose the resolution has been duly given.</p>



VI. IX.

**INDEMNIFICATION OF
DIRECTORS AND COMMITTEE
MEMBERS**



INDEMNIFICATION OF DIRECTORS AND COMMITTEE MEMBERS

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>34. The Credit Union shall 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.</p>	<p>Given the provisions of Section 76 of the Act, would recommend in this paragraph the word shall be deleted and that this paragraph be preceded by the words: In accordance with the Act and Regulations, the Credit Union may indemnify.....</p> <p>Indemnification should depend on the circumstances and should not be automatic as implied by the word shall.</p>	<p>30. In accordance with the Act and Regulations 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.</p>



VI. XIII.
**ANTI-MONEY LAUNDERING
AND COUNTER TERRORISM
FINANCING**

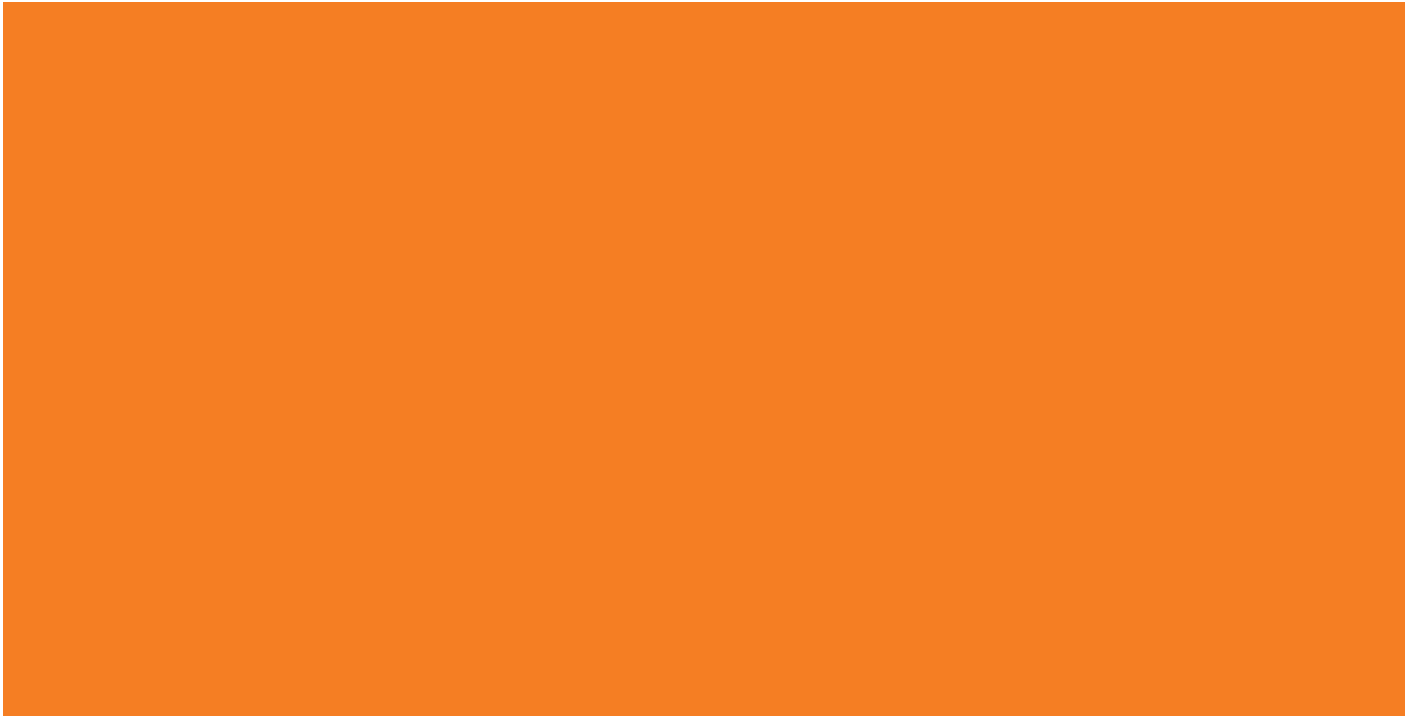


ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>(2) Subject to the provisions of the Act and Regulations the Credit Union shall comply with the provisions of any existing laws dealing with:</p> <p>(a) Anti-money Laundering under the Proceeds of Crime Act</p> <p>(b) Anti-Terrorism</p> <p>(c) The Grenada Authority for the Regulation of Financial Institutions (GARFIN)</p> <p>(d) Any other relevant financial services legislations.</p>	<p>Proposed Bye-law 41 [2] should be renumbered as 39 [1] and reworded</p> <p>39. [1]. The Credit Union shall comply with:</p> <p>a. The Co-operative Societies Act and Regulations;</p> <p>b. Applicable legislation relating to Anti-money Laundering, Countering the Financing of Terrorism and the Proceeds of Crime.</p> <p>c. Guidelines issued by the Grenada Authority for the Regulation of Financial Institutions [GARFIN]; and</p> <p>d. Any other relevant financial services legislation.</p>	<p>35. (1) The Credit Union shall comply with:</p> <p>e. The Co-operative Societies Act and Regulations;</p> <p>f. Applicable legislation relating to Anti-money Laundering, Countering the Financing of Terrorism, and the Proceeds of Crime.</p> <p>g. Guidelines issued by the Grenada Authority for the Regulation of Financial Institutions [GARFIN]; and</p> <p>h. Any other relevant financial services legislation.</p>

ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>39. (1) Pursuant to the Act and Regulations the Board of Directors shall approve suitable policies and measures to counter money laundering and to combat the financing of terrorism.</p> <p>(2) The Credit Union shall designate a Compliance Officer with responsibility for monitoring and promoting compliance with the Anti-Money Laundering and Counter Terrorism Financing legislation, policies, and procedures.</p> <p>(3) The Credit Union shall provide appropriate Anti-Money Laundering training to all members of staff making same available to Credit Union members.</p>	<p>Proposed Bye-law 39 [1] should be renumbered as 39[2].</p> <p>39. [2] Pursuant to the Act and Regulations, the Board shall approve suitable policies and measures to counter money laundering and the financing of terrorism.</p> <p>[3] The Credit Union shall designate a Compliance Officer with responsibility for promoting and monitoring compliance with applicable Anti-Money Laundering and Countering the Financing of Terrorism legislation, relevant policies, and procedures.</p> <p>[4] The Credit Union shall provide appropriate Anti-Money Laundering and Countering the Financing of Terrorism training to all members of staff and members where appropriate.</p>	<p>(2) Pursuant to the Act and Regulations the Board shall approve suitable policies and measures to counter money laundering and the financing of terrorism.</p> <p>(3) The Credit Union shall designate a Compliance Officer with responsibility for promoting and monitoring compliance with applicable Anti-Money Laundering and Countering the Financing of Terrorism legislation, relevant policies, and procedures.</p> <p>(4) The Credit Union shall provide appropriate Anti-Money Laundering and Countering the Financing of Terrorism training to all members of staff and members where appropriate.</p>



VI. XIV.
**COMPLIANCE WITH LAWS
AND REGULATIONS**

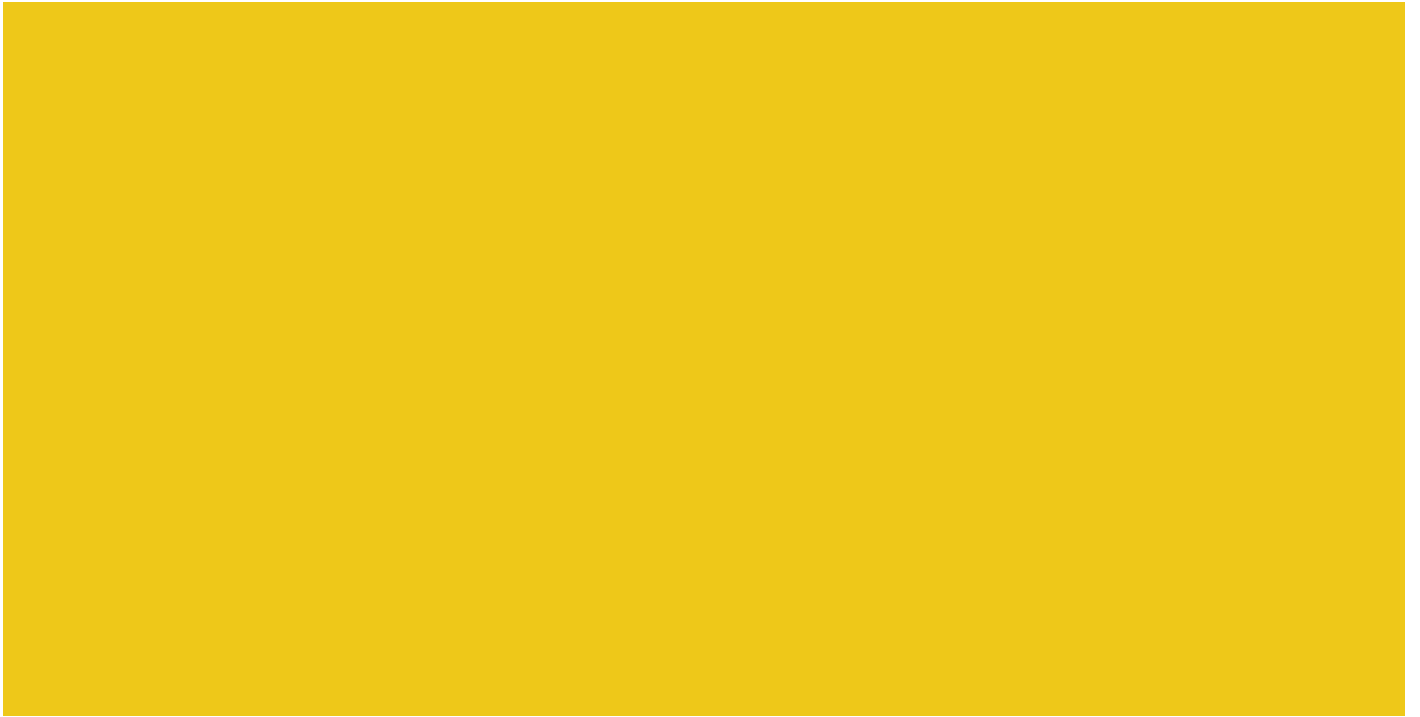


COMPLIANCE WITH LAWS AND REGULATIONS

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
41. [1] If any provision in these Bye-laws conflicts with any applicable laws or regulations, such provision is deemed to be amended to conform to the applicable law or regulation.	Replace such provision is deemed to be amended to conform to the applicable law or regulation and insert the applicable law or regulation takes precedence.	37. 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 Bye-laws. If any provision in these Bye-laws conflicts with any applicable laws or regulations, the applicable law or regulation takes precedence.
<p>(2) Subject to the provisions of the Act and Regulations the Credit Union shall comply with the provisions of any existing laws dealing with:</p> <p>(a) Anti-money Laundering under the Proceeds of Crime Act.</p> <p>(b) Anti-Terrorism.</p> <p>(c) The Grenada Authority for the Regulation of Financial Institutions (GARFIN)</p> <p>(d) Any other relevant financial services legislations.</p>	41. [2] is deleted and becomes 39 [1]	Recommended action taken.
(3) The Board shall comply with and shall ensure that directives and guidelines issued by the Registrar are adopted and implemented.	41 [3] becomes 41 [2].	Recommended action taken.

COMPLIANCE WITH LAWS AND REGULATIONS

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>(4) The Board shall cooperate with the apex body (the Grenada Co-operative League Limited) in the performance of its duties under the Act and Regulations.</p> <p>(5) The Board shall ensure the formulation and implementation of effective plans, programs, and other measures with respect to membership awareness and development.</p> <p>(6) The Board may enter strategic relationships with organisations and entities that are conducive to effective performance of its duties in accordance with the Act and the furtherance of the co-operative movement.</p>	<p>The Proposed current 41. [4], 41.[5] 41.[6] do not properly fit under the Section headed Compliance with Laws and Regulations and should be placed elsewhere.</p>	<p>A new section has been created for 41 (4), (5) (6).</p> <p>VI.XIV CO-OPERATION WITH THE REGISTRAR, THE APEX BODY, AND RELATED MATTERS</p> <p>38. (1) The Board shall comply with and shall ensure that directives and guidelines issued by the Registrar are adopted and implemented.</p> <p>(2) The Board shall cooperate with the apex body (the Grenada Co-operative League Limited) in the performance of its duties under the Act and Regulations.</p> <p>(3) The Board shall ensure the formulation and implementation of effective plans, programs, and other measures with respect to membership awareness and development.</p> <p>(4) The Board may enter strategic relationships with organisations and entities that are conducive to effective performance of its duties in accordance with the Act and the furtherance of the co-operative movement.</p>



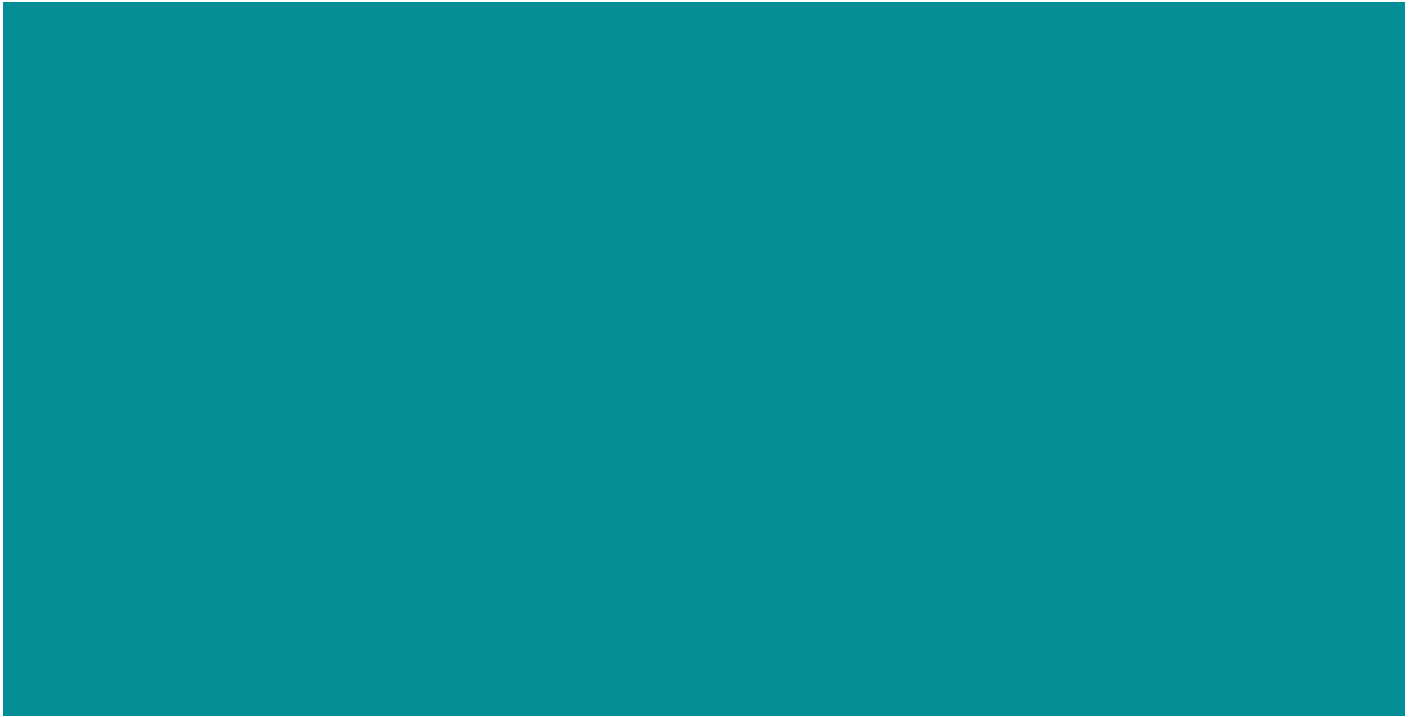
VII. MEMBERSHIP



MEMBERSHIP

Approved AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>c. A citizen of a Member State of the OECS Economic Union.</p> <p>d. A citizen of another CARICOM Member State.</p> <p>(3) A person who has not yet attained the age of fourteen (14) years and/or a person fourteen (14) years and older who has completed the application process but has not yet purchased qualifying shares shall be considered a candidate-member.</p> <p>(2) In the case of a co-operative society, non-profit organization, or company they must complete and submit the prescribed application form and other required membership documents, agree to purchase, and maintain the minimum qualifying shares, and to pay all applicable fees or such other sums as the Board of Directors may fix.</p> <p>(4) Upon approval of membership, the purchase of the minimum qualifying shares and payment of all applicable fees, the person, co-operative society, non-profit organization, or company shall be enrolled as a member, be given a unique membership or personal identification number, and be entitled to any of the rights or privileges of membership subject to the provisions of these Bye-laws and as approved by the Board of Directors.</p>	<p>Proposed article [c] may not be necessary as the Member States of the OECS are also Member States of CARICOM</p> <p>Proposed articles [g], [h], [i]. These proposals do not conform to the Act. In addition, why would approval for a co-operative society to become a member be required from the Registrar (f) but not for non-profits and companies?</p> <p>[3] As observed earlier, the law does not make provisions for Candidate members and how will these be managed?</p> <p>The observations of the words non-profit organization or company have already been dealt with.</p> <p>The observations relating to Candidate Members have already been made.</p>	<p>Article d. remained as proposed. Articles g, h, and i removed.</p> <p>(2) In the case of a co-operative society it must complete and submit the prescribed application form and other required membership documents, agree to purchase, and maintain the minimum qualifying and other equity shares, and to pay all applicable fees or such other sums as the Board may fix.</p> <p>(4) Upon approval of membership, the purchase of the minimum qualifying shares and payment of all applicable fees, the person or co-operative society, shall be enrolled as a member, be given a unique membership or personal identification number, and be entitled to any of the rights or privileges of membership subject to the provisions of these Bye-laws and as approved by the Board.</p> <p>Section 7 removed.</p>

Approved AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>(7) Each candidate-member shall:</p> <p>(a) Be within at least five (5) years of reaching the age requirement for membership or one (1) year of securing the minimum qualifying shares requirement.</p> <p>(b) In the case of a minor provide a sponsor letter from his parent or guardian.</p> <p>(c) Agree that the candidate-membership is limited to a maximum period; and within that period, he shall make efforts towards application for full, active membership in the Credit Union.</p> <p>(d) Acknowledge that candidate-membership does not imply that he will be automatically qualified or admitted as an active member.</p> <p>(e) Acknowledge that his candidate-membership may be terminated if he fails to secure active membership within the time allotted or engages in conduct detrimental to the Credit Union.</p> <p>(8) Pursuant to the Act and Regulations and subject to approval by the Board of Directors and the Registrar; the Credit Union may establish a junior Credit Union consisting solely of candidate-members who are minors.</p>		<p>(8) Pursuant to the Act and Regulations and subject to approval by the Board and the Registrar; the Credit Union may establish a junior Credit Union consisting solely of members who are minors.</p>

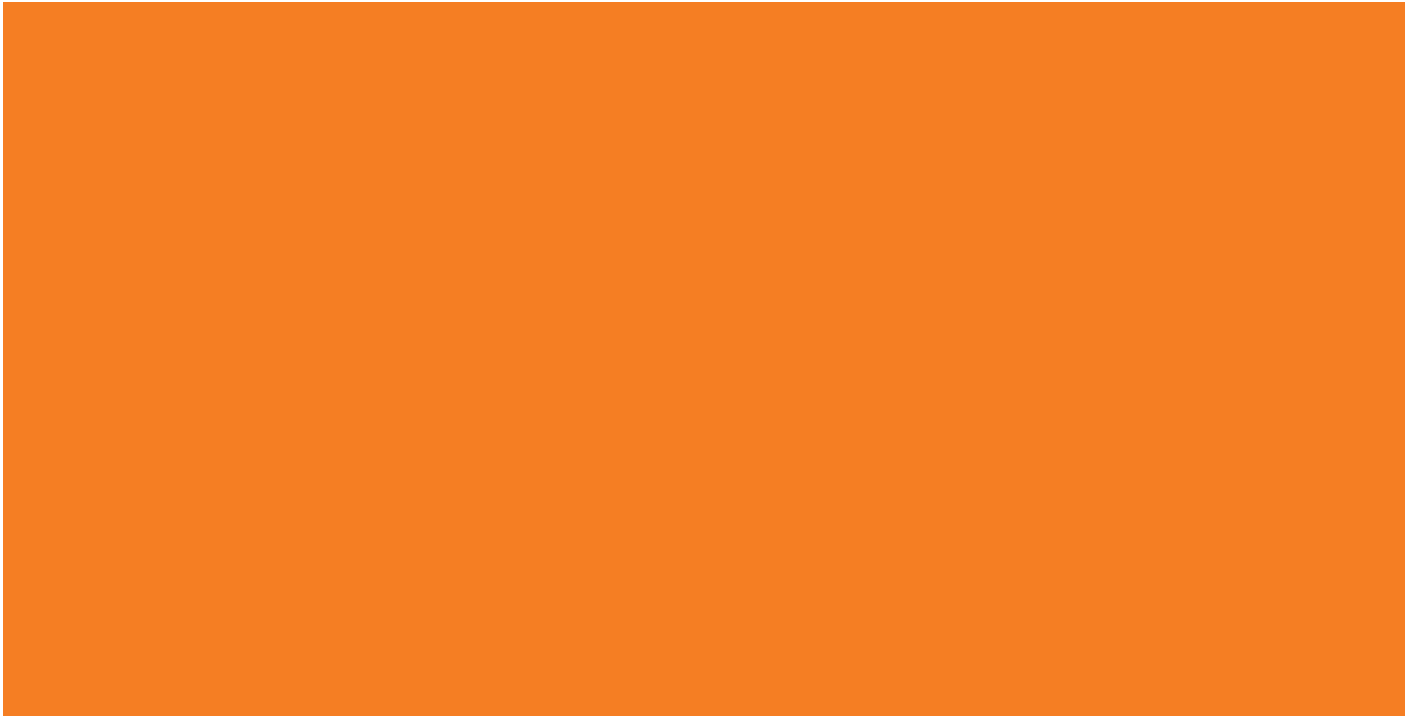


VII. II CESSATION OF MEMBERSHIP



CESSATION OF MEMBERSHIP

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
On the fixed number of members or percent ownership of the non-profit organization or company, as approved by the Board, being held by persons other than members of the Credit Union.	Reference to non-profit or company - Similar observations.	All references to non-profit or company removed.



VI. III.
**TERMINATION OF
MEMBERSHIP**



TERMINATION OF MEMBERSHIP

Approved from AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>(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 a member for cause pursuant to the written policy approved by the Board and in keeping with the Act. All members shall be given access to such policies.</p>	<p>The inclusion of All members shall be given access to such policies is not necessary. Is it the intention that members will have access to all Board policies or only some selectively?</p>	<p>43. (1) The Board may, by at least two-thirds (2/3) votes of the Directors present at a meeting called for the purpose, terminate the membership of a member for cause pursuant to the written policy approved by the Board and in keeping with the Act.</p>
<p>(3) Any person whose membership has been terminated by the Board shall have the right to request a hearing before the Board and/or Joint Committee to reconsider the termination. The request for such a hearing must be received by the Board within thirty (30) days of the date of receipt of notice by the Member of the termination.</p>	<p>This proposal does not conform to the provisions of Section 31 [b] and [c] of the Act.</p>	<p>(4) Any person whose membership has been terminated by the Board may appeal the order to the next Annual General Meeting by giving written notice of his intention to appeal to the Secretary within thirty (30) days of the date of receipt of the notice of the termination order.</p>
<p>(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 and Regulations, by a vote of at least two-thirds (2/3) of the members present at a General Meeting. The policy shall be accessible to all members, however a member so charged would be provided with a copy of the applicable policy.</p>	<p>Any policy of the Board in relation to termination cannot be in contravention of the Act. This proposed bye-law needs to be in accordance with Section 32 of the Act.</p>	<p>Notwithstanding the above, membership may be terminated for cause, in accordance with the Act and Regulations, by a vote of at least two-thirds (2/3) of the members present and casting votes at a General Meeting.</p>

TERMINATION OF MEMBERSHIP

Approved from AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>(6) A member whose membership has been terminated or suspended may within thirty (30) days appeal the termination/suspension to the Registrar pursuant to the written policies approved by the Board and in keeping with the Act and Regulations.</p>	<p>This proposal needs to be cognizant of the fact that not all terminations can be appealed to the Registrar as provided in Section 34 [2].</p>	<p>A member whose membership has been terminated or suspended may within thirty (30) days appeal the termination/suspension to the Registrar pursuant to the written policies approved by the Board and in keeping with the Act and Regulations. Provided that a member whose membership has been terminated for failure to pay fees, assessments, rent or occupancy charges, or to fulfill other financial obligations shall not be eligible to appeal the termination of his membership.</p>
<p>(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 any additional or special conditions as may be required or imposed. Not more than one (1) such application for readmission may be made by any person within any twelve-month period.</p>	<p>Section 35 of the Act provides for the membership to agree by voting on a terminated member's readmission. Does this proposal intend to outline the conditions for readmittance before the membership votes.</p>	<p>(9) A person may be readmitted to membership by a two thirds (2/3) majority vote of members present and voting at a general meeting pursuant to the Act and policies approved by the Board.</p>
<p>(2) The Board may within a period of one year following the termination of a member, purchase from the member, at par value, all shares held in the Credit Union.</p>	<p>Section 31[2] [a] makes it mandatory. may should be deleted and shall inserted.</p>	<p>(2) The Board shall within a period of one year following the termination of a member, purchase from the member, at par value, all shares held in the Credit Union.</p>
<p>(6) After the expiry of the period of ninety (90) days, and the funds remain unclaimed it shall become a permanent part of a special reserve or development fund of the Ariza Credit Union.</p>	<p>Section 31 [3] [4] provide that those unclaimed funds be transferred to Statutory Reserves and not a development fund or special reserve.</p>	<p>(6) After the expiry of the period of ninety (90) days, and the funds remain unclaimed it shall be transferred to statutory reserves.</p>

TERMINATION OF MEMBERSHIP

Approved from AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
49. (1) The Credit Union shall keep registers of its members and candidate-members in accordance with the Act, Regulations and written policies approved by the Board.	Same observations on Candidate Members.	46. (1) The Credit Union shall keep registers of its members in accordance with the Act, Regulations and written policies approved by the Board.

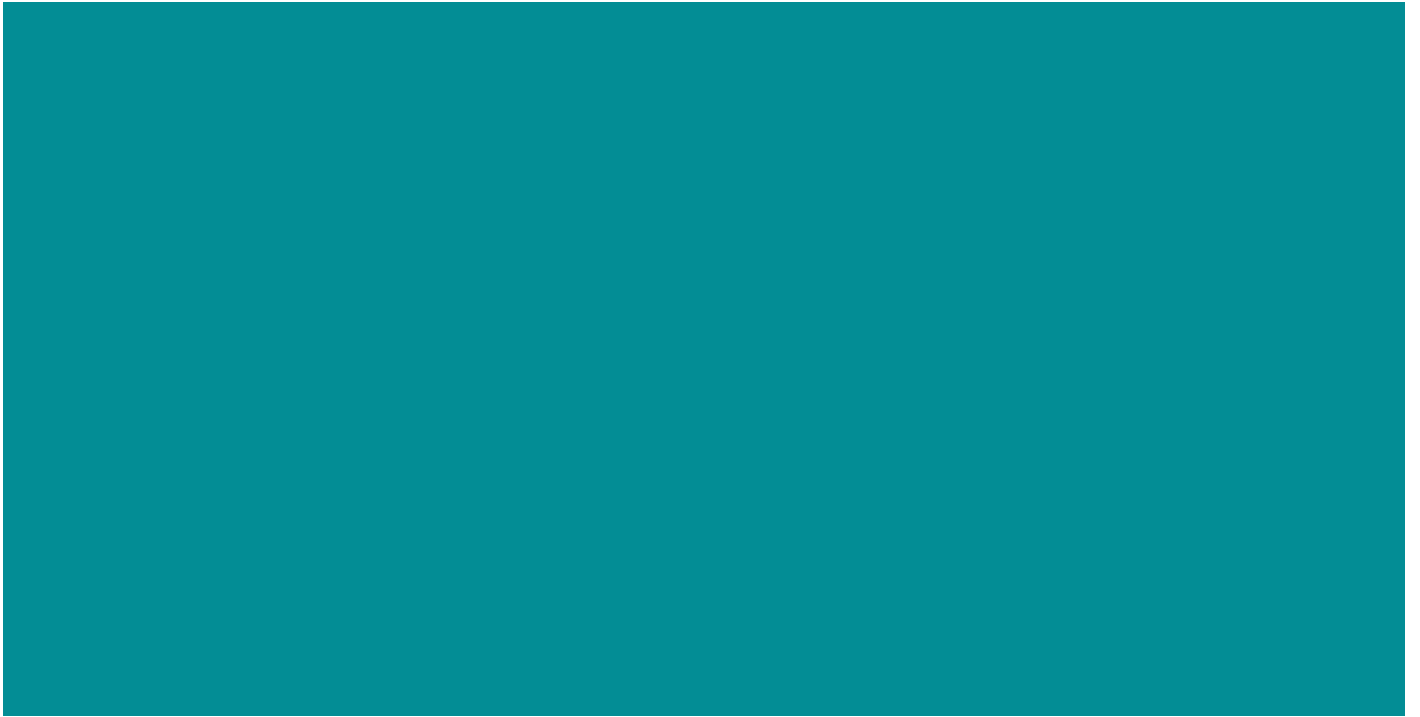


VII. IV.
MEETINGS OF MEMBERS



MEETING OF MEMBERS

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>(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.</p> <p>(3) All resolutions authorizing an individual to act as provided above shall be lodged with the Corporate Secretary five (5) days prior to the holding of the General Meeting.</p> <p>(4) A member authorized to act subject to 2 and 3 above shall in addition to such authorization be eligible to vote in his individual capacity.</p>	<p>Refer to previous observations on the subject.</p>	<p>All references to non-profit or company removed.</p>
<p>At least ten (10) days' notice of any General, Annual, Special or Extraordinary Meeting shall be given by the Corporate Secretary before any such meetings are held.</p>	<p>Special General Meetings are provided for by the Act. There is no reference to extra-ordinary general meetings. Notice of meetings is to be given by the elected Secretary.</p>	<p>(2) At least ten (10) days' notice of any General, Annual or Special General Meeting shall be given by the Secretary before any such meetings are held.</p>
<p>(1) At least ten (10) days' notice of any General Meeting shall be given by the Corporate Secretary using any of the following means:</p>	<p>Notice of meetings is to be given by the elected Secretary.</p>	<p>(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.</p>

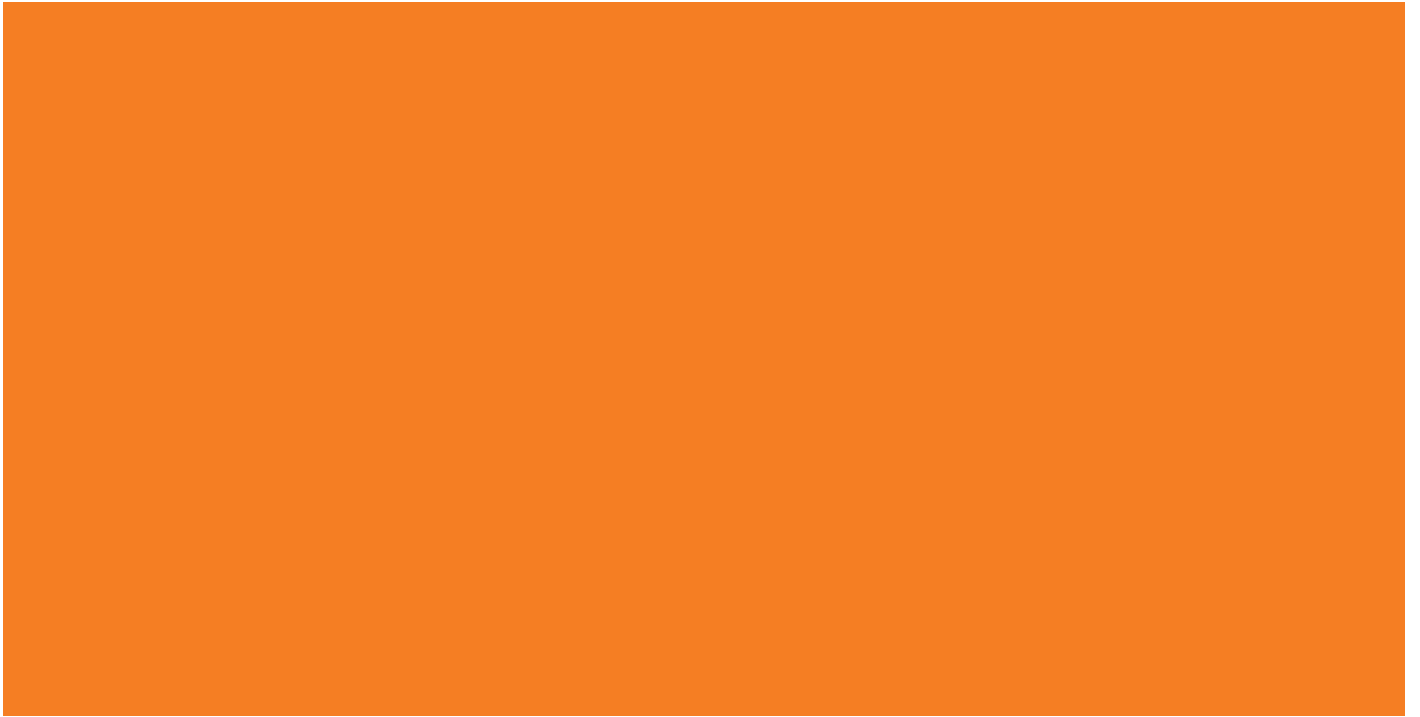


VII. V.
QUORUM



QUORUM

Approved from AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>55. (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.</p>	<p>A proposed quorum of 200 members needs further discussion on its adequacy given the increasing total membership of the credit union</p>	<p>52. (1) The quorum for the purposes of the Annual General or Special Meeting shall be one fifth (1/5) of the membership or three hundred (300) 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.</p>
<p>(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 representative, the members present shall form a quorum.</p>	<p>Section 48 [4] of the Act states Where a quorum is not present 30 minutes after the time fixed for the commencement of the general meeting and subsection [b] states the members present were properly notified and constitute at least 75% of the amount required for a quorum.</p>	<p>(2) If within thirty (30) minutes 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, the members present may adjourn the meeting to a time and a place to be determined by the Board, but not later than thirty (30) days after the date of the adjourned meeting.</p>



VII. VI.
ELECTIONS



ELECTIONS

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>(a) Is a citizen of Grenada, the OECS or CARICOM either residing permanently in Grenada or available through electronic and other means to participate fully in the affairs of the Board or Committees.</p>	<p>This appears to be different from the condition of membership proposed in 43 [2].</p> <p>If absentee directors and committee members is permitted, how will the credit union manage this and ensure that participants are bonafide?</p>	<p>(a) Is a citizen or legal resident of Grenada.</p>
<p>57. (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 content and level of the training would be as approved by the Board of Directors and will be provided without charge to the member, and the members so trained may constitute a pool of eligible members having completed the eligibility criteria and from which nominees would be drawn.</p> <p>(2) A member having received the training at (1) would be eligible for consideration or nomination to serve on the Board or Committees for a period of five (5) years after having received the training.</p>	<p>The intent of these proposals needs to be clarified. Whereas training is necessary, it should be encouraged but not made compulsory before election as it can be provided after.</p>	<p>Relevant sections removed from final approved bye-laws</p>



VIII.
FINANCES



Approved AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>59. 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.</p>	<p>This is a repetition of proposed bye-law 12.</p>	<p>Necessary action taken and section removed</p>
<p>70. 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.</p> <p>71. (1) The Credit Union shall establish regular savings accounts [lifetime savings and transactional savings account] for each member who thereafter can open other available accounts [retirement savings, education savings] in order to manage his liquid assets more securely.</p> <p>(2) It shall be the responsibility of the member to make regular deposits or carry out transactions on the regular savings account [lifetime savings and/or transactional savings] or other account and to maintain active account(s).</p>	<p>What is the distinction between Lifetime savings and transactional savings?</p>	<p>Sections removed from bye-laws.</p>
<p>72. 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.</p>	<p>This could be placed under membership.</p>	<p>Recommended action taken.</p>

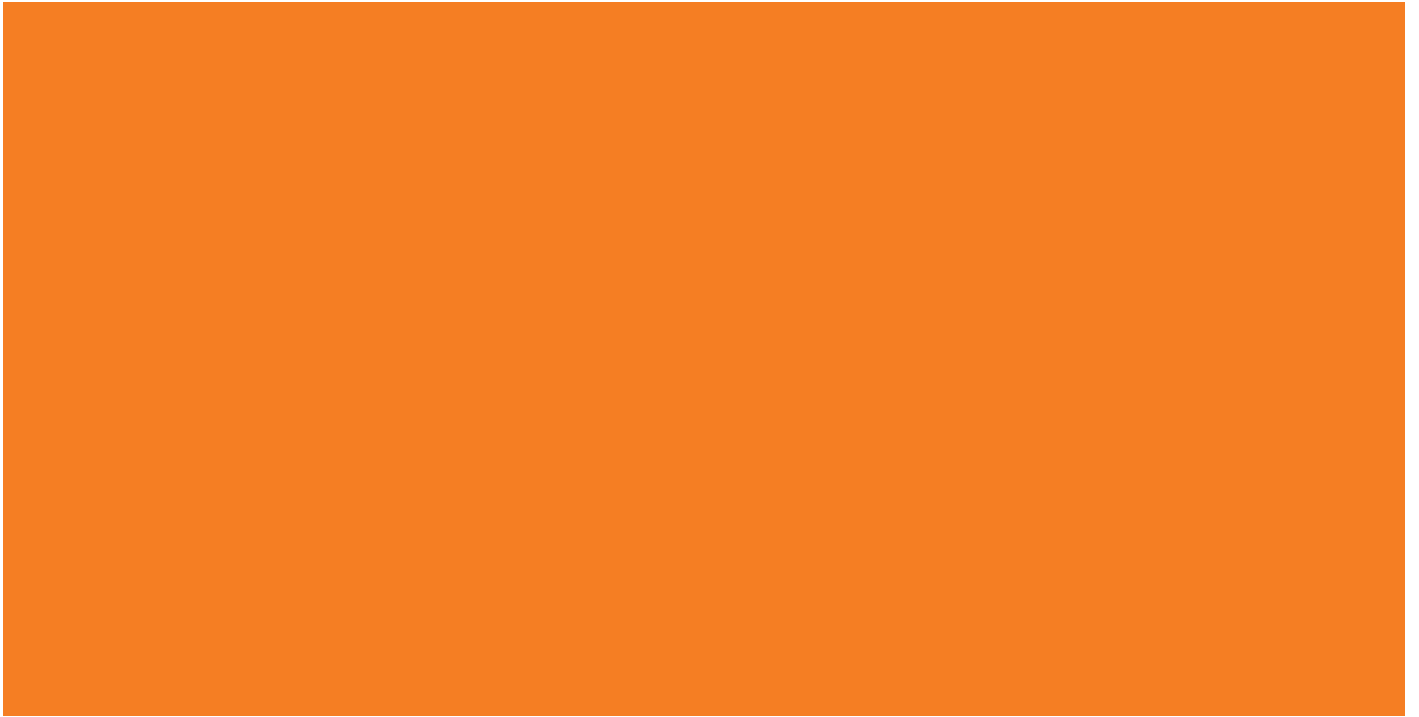


VIII.
**RESERVE FUNDS AND
LIQUIDITY RESERVE**



RESERVE FUNDS AND LIQUIDITY RESERVE

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<p>(4) The Credit Union shall create a liquidity reserve in which ten percent (10%) of all members' shares and deposits taken is kept.</p> <p>(5) At no time shall the institutional capital be less than seven percent (7%) of the total assets of the Credit Union and its capital base is not less than ten percent (10%) of its total assets or as approved by the Board of Directors.</p>	<p>Should include or as determined by the Registrar to acknowledge that the Registrar can vary these percentages as the need arises.</p>	<p>(4) The Credit Union shall create a liquidity reserve in which ten percent (10%) or such amount as determined by the Registrar, of all members' shares and deposits taken is kept.</p> <p>(5) At no time shall the institutional capital be less than seven percent (7%) or such amount as determined by the Registrar, of the total assets of the Credit Union and its capital base is not less than ten percent (10%) of its total assets or as approved by the Board or as determined by the Registrar.</p>



VIII. IX.
**ANNUAL ACCOUNTS,
REPORTS AND AUDITS**



ANNUAL ACCOUNTS, REPORTS AND AUDITS

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>The Board shall comply with the provisions of the Act and shall:</p> <p>(a) Cause the books of the Credit Union to be audited annually.</p> <p>(b) Approve the audited financial statements of the Credit Union and place the comparative financial statements before the members at every Annual Meeting of members; and</p> <p>(c) Furnish the Registrar with a copy of the audited financial statements placed before the members within thirty (30) days of the Annual General Meeting.</p>	<p>Should the Registrar be given the audited statements before or after the meeting?</p>	<p>No amendments made.</p>

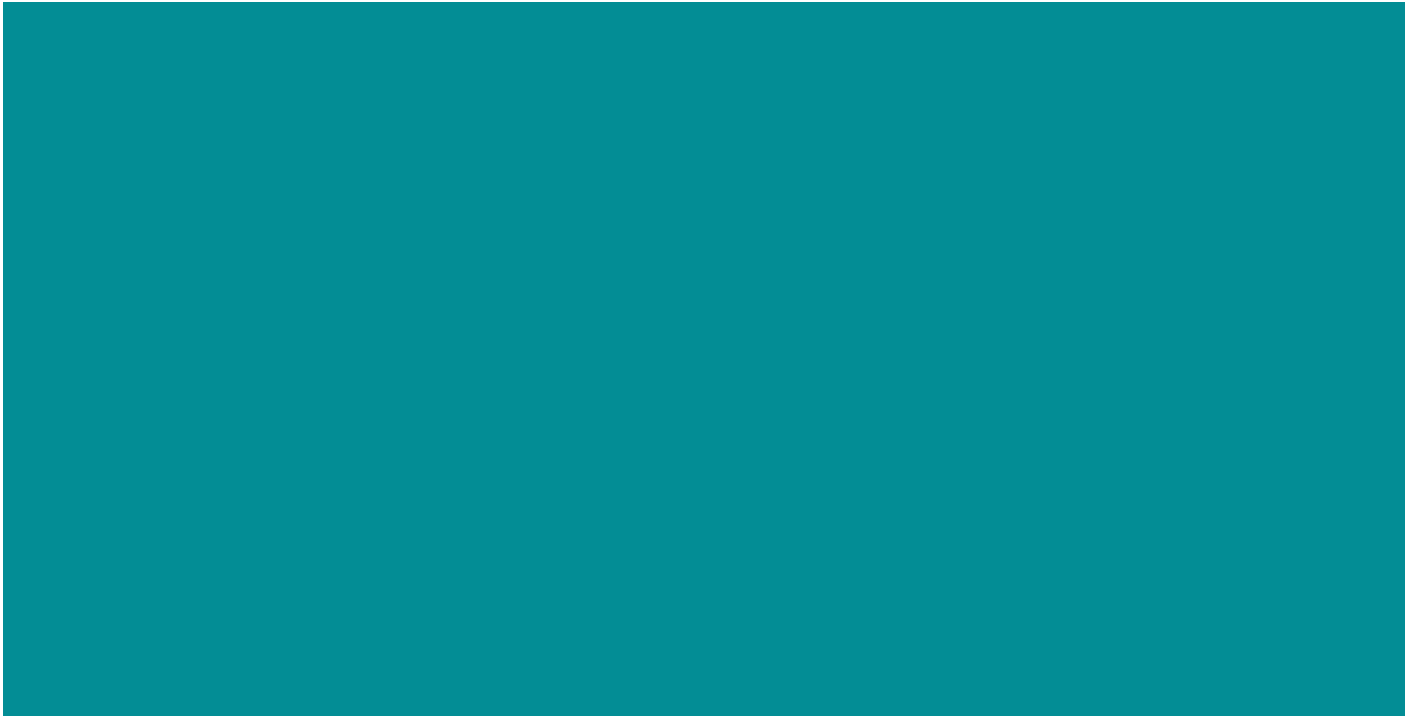


IX. II
LOANS TO MEMBERS



LOANS TO MEMBERS

Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>97.(1) No loan shall be made to a member in excess of the aggregate value of his savings, deposits, accumulated dividend, and interest unless adequate security is provided for the amount of the loan in excess of that value.</p>	<p>Is this proposing that all loans shall be 100% secured by member's holdings and other collateral?</p>	<p>94.(1) Loans shall be made to a member in accordance with the approved loan policy giving due consideration to the aggregate value of his savings, deposits, accumulated dividend, and interest.</p> <p>(2) Subject to (1) and in accordance with the loans policy adequate collateral security must be provided by the member for loans requiring such security.</p> <p>(3) Subject to (1) no loan shall be made to a member or an associate in excess of the maximum amount set by the Board; provided always that in no case shall a sum greater than twenty percent (20%) of the capital base of the Credit Union be lent to any one member.</p>



XI
**PROFESSIONAL AND
MANAGERIAL STAFF**



Approved by AGM 2021	Comments/Observations for Review from GARFIN	Final Version/Approved by GARFIN
<p>XI PROFESSIONAL AND MANAGERIAL STAFF</p> <p>109. (1) The Board shall exercise the powers of the Credit Union directly or indirectly through the employees and agents of the Credit Union; and shall direct the management of the business and affairs of the Credit Union.</p> <p>(2) The Board shall appoint or designate a Corporate Secretary whose main responsibility shall be to ensure that Board members have the proper advice and resources for discharging their fiduciary duties to Members in keeping with the Co-operative Societies Act No 8 of 2011, No. 17 of 2017, its amendments and the Regulations and its amendment.</p> <p>(3) The Corporate Secretary shall:</p> <ol style="list-style-type: none"> a. Be responsible for ensuring that the records, or minutes of the Board's actions during a Board meeting, reflect the proper exercise of those fiduciary duties. b. Prepare and maintain full and correct records of all meetings of the members and of the Board. c. Give or cause to be given, in the manner provided by these bye-laws, proper notice of all of the meetings of the members. d. Manage and facilitate all Board and Committee meetings logistics, arrange for the recording of minutes of all Board and Committee meetings; facilitate board communications. e. Facilitate the orientation of new Directors and assist in Director training and development. f. Maintain key corporate documents and records. 	<p>Section 53 [2] of the Act authorizes the Board to employ persons. Proposed 109 to 110 and 111 [1]. seek to enshrine staff positions in the Bye-laws, and these can be changed as is necessary. These proposals should properly be done in the Board's policies and organizational charts. These should be deleted.</p>	<p>106. (1) The Board shall exercise the powers of the Credit Union directly or indirectly through the employees and agents of the Credit Union; and shall direct the management of the business and affairs of the Credit Union.</p> <p>(2) The Board shall appoint or designate persons as officers or employees and shall specify their duties and delegate powers to manage the business and affairs of the Credit Union.</p> <p>(3) Pursuant to the Act and subject to the prevailing Labour Laws of Grenada, the Board shall:</p> <ol style="list-style-type: none"> (a) Establish the management, technical, administrative, and other employee positions considered necessary. (b) Fix the remuneration and related policy for all employee positions. (c) Approve in policy the responsibilities, terms and conditions including leave, suspension and termination of the CEO and all other employees of the Credit Union. (d) Cause the performance appraisal of every employee to be completed at least once per financial year.

PROFESSIONAL AND MANAGERIAL STAFF

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<p>g. Be responsible for corporate disclosure and compliance with local laws and compliance.</p> <p>h. Monitor corporate governance developments and assist the Board in tailoring governance policies and practices to meet the Board’s needs and member’s expectations.</p> <p>i. Perform such other duties as he may be directed to perform by resolution of the Board, not inconsistent with law or these Bye-laws.</p> <p>(4) The Corporate Secretary shall be a fit and proper person who holds the requisite qualifications approved by the Board of Directors and who has the required knowledge and experience to discharge the functions.</p> <p>110. (1) The Board shall employ a General Manager, who shall be the Chief Executive Officer (CEO).</p> <p>(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 shall be responsible for ensuring financial stability in the best interest of the members, the employees, and the Credit Union. The CEO shall advise on 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.</p>		<p>(e) Delegate any part of the functions of the secretary or treasurer to a suitable employee.</p> <p>(f) Assign suitable employees to support the work and activities of the credit committee and the supervisory and compliance committee.</p> <p>(g) Approve any other policies, terms, and conditions under which employees of the Credit Union will function.</p>

PROFESSIONAL AND MANAGERIAL STAFF

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<p>(3) The Board may authorize the CEO and/or other designated employee(s) to perform any other duties in accordance with written policies and procedures established from time to time.</p> <p>(4) The CEO shall arrange for the provision of technical, administrative, and secretarial support services to the Credit Committee, Supervisory and Compliance Committee and all other appointed or ad hoc Committees.</p> <p>111. (1) The Board shall arrange for the appointment of Senior Executive Managers and the filling of the offices or provision of services of Chief Accountant, Internal Audit, Compliance, and Risk Management.</p>		
<p>(2) Pursuant to the Act and subject to the prevailing Labour Laws of Grenada, the Board of Directors shall:</p> <p>(a) Establish the management, technical, administrative, and other employee positions considered necessary.</p> <p>(b) Fix the remuneration and related policy for all employee positions.</p> <p>(c) Approve in policy the responsibilities, terms and conditions including leave, suspension and termination of the CEO and all other employees of the Credit Union.</p> <p>(d) Cause the performance appraisal of every employee to be completed at least once per financial year; and</p> <p>(e) Approve any other policies, terms, and conditions under which employees of the Credit Union will function.</p>	<p>111 [2] should be renumbered as 109.[2].</p>	<p>Recommended action taken but numbering would have changed due to earlier removals.</p>

PROFESSIONAL AND MANAGERIAL STAFF

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<p>112.(1) 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 Bye-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 Board in writing, and shall in accordance with the Act and Regulations cause an investigation to be instituted.</p> <p>(2) Subject to (1) above the Supervisory and Compliance Committee may with the approval of the Board appoint an auditor or some other body to undertake a review to investigate or assist in determining whether any of the funds, securities or other property of the Credit Union have been misappropriated or misdirected, and the remuneration of any auditor or other body so appointed shall be determined by the Supervisory and Compliance Committee and paid for by the Credit Union.</p>	<p>Proposed Bye-law 112 [1] to [5] do not fit under PROFESSIONAL AND MANAGERIAL STAFF. A separate section should be created for these proposals and could be titled 'MISAPPROPRIATION AND OTHER CONTRAVENTIONS OF THE ACT.</p>	<p style="text-align: center;">XII MISAPPROPRIATION AND OTHER CONTRAVENTIONS OF THE ACT</p> <p>107.(1) 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 Bye-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 Board in writing, and shall in accordance with the Act and Regulations cause an investigation to be instituted.</p> <p>(2) Subject to (1) above the Supervisory and Compliance Committee may with the approval of the Board appoint an auditor or some other body to undertake a review to investigate or assist in determining whether any of the funds, securities or other property of the Credit Union have been misappropriated or misdirected, and the remuneration of any auditor or other body so appointed shall be determined by the Supervisory and Compliance Committee and paid for by the Credit Union.</p>

PROFESSIONAL AND MANAGERIAL STAFF

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<p>(3) Subject to (1) and (2) above, the Supervisory and Compliance Committee if satisfied that there has been or there is suspicion of a violation of the Act and Regulations, misconduct and misappropriation of the Funds of the Credit Union would forthwith inform the Registrar in writing.</p> <p>(4) The Supervisory and Compliance Committee may in the event of a misappropriation or misdirecting of the Funds of the Credit Union, cause the Board, Board member, Committee or Committee member or such other person or persons to be suspended, after having afforded them a hearing; and shall within twenty-one (21) days of the suspension summon a Special Meeting of members to review the suspension and determine whether to remove the officer or person as provided in Bye-Law 32(2). The Registrar and the officer or person will be given written notice of the meeting.</p> <p>(5) At a meeting convened in accordance with (4) above Members after having given the officer or person a hearing, may by secret ballot ratify or rescind the suspension.</p>		<p>(3) Subject to (1) and (2) above, the Supervisory and Compliance Committee if satisfied that there has been or there is suspicion of a violation of the Act and Regulations, misconduct and misappropriation of the Funds of the Credit Union would forthwith inform the Registrar in writing.</p> <p>(4) The Supervisory and Compliance Committee may in the event of a misappropriation or misdirecting of the Funds of the Credit Union, cause the Board, Board member, Committee or Committee member or such other person or persons to be suspended, after having afforded them a hearing; and shall within twenty-one (21) days of the suspension summon a Special Meeting of members to review the suspension and determine whether to remove the officer or person as provided in Bye-Law 32(2). The Registrar and the officer or person will be given written notice of the meeting.</p> <p>(5) At a meeting convened in accordance with (4) above Members after having given the officer or person a hearing, may by secret ballot ratify or rescind the suspension.</p>



RECOMMENDATIONS



RECOMMENDATIONS

Members of the Ariza Credit Union are encouraged to:

1. Review and approve the revised bye-laws.
2. Follow-up on amendments being proposed to the Co-operative Societies Act No.8 of 2011 to reflect the needs of the co-operative sector.
3. Ensure that an Ariza Policy Manual is developed to address the policy issues raised by GARFIN and others that may be necessary for the smooth and efficient operation of the Credit Union.



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