



BYE LAWS

**THE
BYE-LAWS
OF THE
TRANQUILLITY CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED**

ARRANGEMENT OF BYE LAWS

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(1) INTERPRETATION

(a) In these Bye-Laws, unless the context otherwise requires: -

- (i) The “Commissioner” means the Commissioner for Co-operative Development;
- (ii) The words “he”, “his” and “him” shall also mean “she”, “hers” and “her”;
- (iii) “The Board” means the Board of Directors;
- (iv) “Meeting of the Society” means any General Meeting or any meeting of the Board or of the Credit, Supervisory or Education Committee;
- (v) “The Act” means the Co-operative Societies Act, Chapter 81:03 and any amendments thereto;
- (vi) “The Regulations” mean the Co-operative Societies Regulations 1971 and any amendments thereto;
- (vii) “Policies” means the policies as provided for in Bye-Law No. 27;
- (viii) “The Society” means the Tranquillity Credit Union Co-operative Society Limited.

- (ix) An “Officer” means the holder of an elected or appointed office on the Board, Supervisory Committee, Credit Committee or any other person so defined by the Board.
- (x) Wherever in these Byelaws a Special Majority is required and the computation of that Special Majority includes a fraction of a person, the fraction shall be considered a person.
- (xi) An “Inactive Member” is a member who did not purchase shares within a period of one year.
- (xii) A member in “Good Financial Standing” is a member who is neither delinquent nor inactive.
- (xiii) A “Delinquent Member” is a member who is in default of payment or installment.
- (xiv) “Term” means
 - (a) For the Supervisory Committee two (2) years
 - (b) For the Credit Committee two (2) years
 - (c) For the Board of Directors three (3) years
 - (d) One year for the substitute

Wherever a person is elected to serve for a portion of a term, such portion shall be considered a term, as stated in a, b & c above.

(xv) Relative/s means;
Spouses, children, grandchildren, parents, sister, brother, stepmother, stepfather, stepsister, stepbrother, stepchildren and adopted children, mother in law, father in law, co-habitant.

(xvi) “Vacancy” means when a member demits office by reason of resignation, expulsion, infirmity, death or by declaration of the Board/Committees as set out in these Bye Laws.

(b) These Bye Laws are supplementary to the provisions of the Act and the Regulations, and the Society shall be guided by the Act, Regulations and the Bye Laws read together.

(2) NAME, REGISTERED ADDRESS AND AREA OF OPERATIONS

(a) The Society shall be called ‘Tranquillity Credit Union Co-operative Society Limited’. The registered address of the Society shall be at #5 Maraval Road, Newtown, Port-of-Spain, or at such other place as from time to time be decided by the Board, in accordance with Bye Law 46. In the event of any change of the registered address, notice of such change shall be given within thirty (30) days thereafter to the Commissioner.

(b) The area of operations of the Society shall be the islands of Trinidad and Tobago.

(c)

(3) OBJECTIVES

The objectives of the Society shall be:-

(a) To improve the economic and social conditions of its members by:-

- i. promoting thrift and savings among members;
- ii. providing loans to members upon such terms and conditions as agreed by the Board for provident and productive purposes including loans on mortgage of freehold or leasehold property;
- iii. providing insurance coverage for shares held and loans outstanding by members;

(b) To encourage the spirit and practice of thrift, self-help and co-operation among members and to promote the development of Co-operative ideas by:-

- i. educating members in Co-operative Principles and Practice;
- ii. affiliating or collaborating with any other Co-operative Society or organization.

(c) To hold, purchase, acquire any interest in and exercise all privileges of ownership over any freehold or leasehold land as may be necessary or suitable for the conduct and operation of its business or for the carrying out of any of its objects and:

- i. may, subject to the terms of the conveyance or lease, sell, exchange, mortgage, lease, build upon or alter, pull down or re-build buildings upon any such freehold or leasehold land.

ii. to rent and may, subject to the terms of the tenancy transfer, assign, sublet or build upon, or alter, pull down or re-build buildings upon any such land.

(d) To do all such lawful things incidental or conducive to the attainment of the objects and exercise of the powers of the Society.

(4) MEMBERSHIP

4.1 QUALIFICATION

Membership shall be voluntary and open to: -

i) a) All persons (including non-permanent persons) within the employ of the following Co-operative Societies and Companies listed hereunder shall be eligible for membership in the Tranquillity Credit Union Co-operative Society Limited:

- Tranquillity Credit Union Co-operative Society Limited
- Trinidad & Tobago National Petroleum Marketing Company Limited, Branches and their subsidiaries
- NP Employees Consumer Co-operative Society Limited
- Shell Trinidad Limited
- Petroleum Company of Trinidad & Tobago Limited
- BP Trinidad & Tobago LLC
- BHP Billiton Trinidad & Tobago
- BG Trinidad & Tobago
- Petro-Canada Trinidad & Tobago Limited
- Atlantic LNG Company of Trinidad & Tobago

- Yara Trinidad Ltd.
 - The National Gas Company of Trinidad & Tobago Limited
 - Phoenix Park Gas Processors Limited
 - PCS Nitrogen Trinidad Limited
 - National Energy Corporation of Trinidad & Tobago Limited
- b) Provided, however, that those members who are no longer employed as in (i) above, may retain their membership at the discretion of the Board.
- c) Members who are in receipt of a pension, and have separated from their place of employment by means of a voluntary separation and/or retrenchment can retain membership at the discretion of the Board.
- ii) Members' relatives may become members at the discretion of the Board.
- iii) All employees of the Society.
- iv) Such other personnel of companies and institutions approved by the Board of Directors.
- v) Other registered Co-operative Societies in Trinidad and Tobago.

4.2 ADMISSION

- (a) Application for membership shall be made on the prescribed form to the Secretary and shall be entertained where the applicant is recommended by a member in good standing. Approval of all applications shall be decided by the Board. The negative votes of two members of the Board shall disqualify any application from the membership.
- (b) Membership shall commence from the date of approval by the Board subject to payment of a non-refundable entrance fee of twenty dollars (\$20.00) and purchase of one (1) full share. All entrance fees shall be credited to the Reserve Fund.

- (c) A first copy of these Bye Laws shall be given free of charge to each person admitted to membership. Any additional copies required by the member will be supplied at a cost to be determined by the Board.

4.3 TERMINATION

- (a) Membership shall be terminated by the death or insanity of a member; by written resignation or expulsion in accordance with these Bye Laws or by loss of the qualification required for membership required under Bye law 4.1.
- (b) A member shall have the right to resign from the Society provided that he is not indebted to the Society directly or indirectly.

4.4 EXPULSION

- (a) If any member violates these Bye Laws or otherwise acts in a manner prejudicial or inimical to the good repute or interest of the Society, the Board may, by a two-thirds ($\frac{2}{3}$) majority vote of its members present at a meeting convened for the purpose, expel the member from the Society. A concise statement in writing of the grounds alleged for such expulsion must first have been served upon the member and he must also have been given a reasonable opportunity of being heard in his own defense. The member shall also be entitled to be represented at any hearing by a person of his choice.
- (b) The member shall be at liberty to call witnesses in his defense.

- (c) An appeal from the findings of the Board may be made by an expelled member by letter in writing addressed to the Secretary to reach him within fifteen (15) days of the date of service of the Order of Expulsion upon him.
- (d) Where an expelled member lodges an appeal against his expulsion with the Secretary, the Board shall convene a Special General Meeting within thirty (30) days of the receipt of the notice of the appeal. The special general meeting shall review the facts and issues involved and shall have power by a vote of a majority of members present to confirm or disallow the expulsion of the appellant.
- (e) Where the Board fails to hold a Special General Meeting within the thirty (30) days allowed under this Bye Law, the expulsion of the appellant shall automatically be rescinded.
- (f) Pending the determination of any appeal as aforesaid, an expelled member shall continue to enjoy all the rights of membership.
- (g) An expelled member shall be entitled to receive any dividends, patronage refunds or other interest payable to members up to date on which he ceased to be a member by virtue of his expulsion.
- (h) If any person who is a witness in any proceedings under the Bye Law or has any direct or indirect interest therein shall sit in the position of Chairman at any Board or Special General Meeting held under this Bye-Law or be present when any charge or appeal is being determined, the whole of such proceedings shall be null and void and of no effect.

- (i) At the hearing of any appeal under this Bye Law, the appellant shall be at liberty to call witnesses in his defense and to be represented by a person of his choice.
- (j) A member shall have the right to appeal to the Commissioner against the findings of the Board or the Special General Meeting on the grounds that he was denied the right to a fair hearing or that the procedures for the hearing and determination of the charge or appeal were contrary to the laws of natural justice or that the penalty imposed on him was harsh or oppressive or not warranted at all.
- (k) Upon such an appeal being lodged with the Commissioner within fourteen (14) days of the service of the Order of Expulsion or the findings of the special general meeting upon the member, the Commissioner or a person nominated by him shall hear and determine the appeal. The findings of the Commissioner shall be final and binding upon the Society and the appellant.

(5) UNCLAIMED SHARES/DIVIDENDS/BONUS

- (a) If the whereabouts of any member are not known to the Society and no claim is made within one (1) year from the date of his last transaction with the Society, the Board may transfer his shares and/or interest, after deducting any sum due to the Society, to an unclaimed shares account. Any sums remaining unclaimed in this account for four (4) years may be transferred to the Reserve Fund.

- (b) The Board may entertain claims made in respect of any sums transferred to the Unclaimed Shares Account or Reserve Fund upon the production of such proof, as it may deem satisfactory.

(6) LIABILITY

- (a) The liability of a member for the debts of the Society shall be limited to the value of shares held by him.
- (b) The liability of a past member for the debts of the Society as they existed at the time when he ceased to be a member shall continue for a period of two (2) years from the date of his ceasing to be a member.
- (c) The estate of a deceased member shall be liable for a period of two (2) years from the date of his decease for the debts of the Society as they existed at the time of his death.

(7) NOMINATION OF BENEFICIARY(IES)

(a) APPOINTMENT OF NOMINEE

Every member of the Society shall in writing under his hand and attested by two (2) witnesses and delivered to the office of the Society during his life time, nominate any person or persons to whom or to whose credit the shares or interest or the value of such shares or interest held to his account with the Society, may in the event of his death be paid or transferred. A member shall not be entitled to appoint more than one (1) nominee in respect of each share he holds.

(b) REVOCATION

Any member may from time to time revoke or vary such nomination in writing under his hand similarly attested and delivered. All such nominations, revocations or variations shall be recorded in a Register of Members. No revocation or variation of a nomination shall be valid unless done in the manner prescribed above.

(c) FEES

No fee shall be payable for the first nomination made by a member. For each subsequent revocation, nomination or variation, the nominator shall pay a fee of twenty dollars (\$20.00).

(d) PAYMENT TO NOMINEE

On receiving satisfactory proof of the death of the nominator, the Board shall pay to the nominee/s, in the manner directed by the nomination, the sum representing the full value of the shares and interest of the deceased member less any sum due to the Society, subject to Bye Law 7e.

(e) LIMIT

Provided further, the Society shall, unless prevented by order of a Court of competent jurisdiction, pay to such nominee or nominees or legal personal representative as the case may be a sum not exceeding the amount prescribed in the Act due to the deceased member from the Society. All other monies due to the deceased member from the Society shall fall into his estate.

(f) INTESTACY

If a member dies intestate, without having made any nomination, the Board may without a grant of Letters of Administration pay a sum not exceeding the amount prescribed in the Act to such person or persons as may appear to it, on sufficient evidence, to be entitled to receive the same within one (1) year. If such member is not survived by mother, spouse or lawful issue or any person who under the provisions of the Matrimonial and Property Act 1972 is entitled to the said sum, the Board shall deal with it as the Administrator General may direct.

(8) CAPITAL (Source of Funds)

The source of funds of the Society shall include the following:

- (a) Shares subscribed by members.
- (b) Deposits from members only.
- (c) Loans from both members and non-members.
- (d) Any sums capitalised from the annual surplus of the Society with the authority of the General Meeting.
- (e) Grants and Donations from National and International Agencies as well as other Co-operative Societies.
- (f) Funds – mobilised through special projects.

(9) SHARES

a) VALUE

- (i) Shares shall be valued at five dollars (\$5.00) each and may be purchased outright or by installments.

- (ii) No member may hold at any time more than one fifth ($1/5$) of the total paid-up share capital of the Society.

b) TRANSFER

- (i) Shares may be transferred in writing from one (1) member to another. All transfers shall be in the form prescribed by the Board. A fee of twenty-five dollars (\$25.00) shall be paid for each transfer.
- (ii) No transfer of a share shall be valid and effective unless and until such transfer has been registered on the direction of the Board.
- (iii) No transfer of shares shall be registered if the request is made by a member who is indebted to the Society without special order of the Board.
- (iv) All share transactions shall be at par value.
- (v) On the death of a member, the Board may, subject to Bye Law 9 (c), transfer his shares to the person nominated by him if qualified to be a member or to the heir or legal representative if so qualified.

c) LIEN ON SHARES AND DEPOSITS

The Society shall have a lien on the shares, deposits and dividends or bonus of a member for any sum due to the Society by such member or for any loan endorsed by him.

d) WITHDRAWAL OF SHARES

- (i) Notwithstanding anything to the contrary contained in these Bye Laws, a member may withdraw any portion of his share capital not pledged to the Society in respect of loans received or endorsed by him or in respect of any other indebtedness to the Society.
- (ii) The Board may require a member to give notice not exceeding six (6) months of his intention to withdraw the whole or any part of his shares.

(10) SAVINGS DEPOSITS

- (a) In order that the capital may be relatively permanent and subject to few withdrawals, a member may deposit money into his account in the Society subject to the terms and conditions specified by the Board.
- (b) On the first day of each quarter interest at the rate fixed by the Board shall accrue on savings deposits. Interest so accrued will thereafter attract interest as is the case of an actual deposit. No interest shall be paid on fractional parts of the minimum deposit, as the board may determine from time to time.
- (c) The Board may require a member wanting to make a withdrawal to give a written notice not exceeding seven (7) days.

(11) APPLICATION OF FUNDS

- (a) The funds of the Society shall be used exclusively for achieving the stated objectives of the Society.
- (b) The Society may also use its funds to hold, purchase, take on lease in its own name any freehold or leasehold lands, and may sell, exchange, mortgage, lease or build upon the same, with power to alter and pull-down buildings and again rebuild.

(12) INVESTMENTS

The Society may invest or deposit its funds: -

- (a) In any bank approved by the Commissioner;
- (b) In any securities issued or guaranteed by the Government of the Republic of Trinidad and Tobago.
- (c) In the shares or on the security of any other Society, provided that no such investment shall be made in the shares of any other Society other than one with limited liability; or
- (d) In any other manner permitted by the Commissioner.

(13) DISTRIBUTION OF SURPLUS

Out of the annual net surplus of the Society, at least ten percent (10%) shall be credited to the Reserve Fund. From the remaining net surplus the General Meeting shall have power to order the following payments/ allocations: -

- (a) An amount of not more than five percent (5%) may be credited to an Education Fund.
- (b) Dividends shall have no limits or ceilings on the amount paid to shareholders. A minimum of 2% of dividends shall be credited to members' share annually.
- (c) An honorarium to any unsalaried officer.

The balance of the net surplus may be used at the discretion of the General Meeting for the constitution of an Institutional Capital Fund, Share Transfer Fund, Dividend Equalization Fund, Building Fund, Special Reserve Fund, a Capital Reserve Fund, a Pension Fund or part may be carried forward to the succeeding year.

(14) PROVISION FOR CO-OPERATIVE OR CHARITABLE PURPOSE

With the approval of the Commissioner, the General Meeting shall have power after making the prescribed payment to the Reserve Fund to: -

- (a) Set aside a sum not exceeding twenty percent (20%) of its net surplus; and

At any time utilize that sum in contributing to any co-operative or charitable purpose.

(15) INTERIM BONUS

(a) A bonus or rebate may be paid to members before the end of a financial year only with the approval of the Commissioner.

(b) It is hereby expressly declared that on no account shall any dividends be paid to members except after the end of a financial year as authorized by the General Meeting.

(16) RESERVE FUND

(a) The Reserve Fund shall be indivisible, and no member shall be entitled to any specific share thereof.

(b) The Reserve Fund may, subject to the approval of the Commissioner, be used in the business of the Society or may be invested in accordance with the provisions of the Act.

(c) The Reserve Fund may, with the approval of the Commissioner, be applied to meet bad debts or losses sustained through extraordinary circumstances over which the Society has no control.

(17) EDUCATION FUND

i) The Education Fund shall be used for the education and training of the members and staff of the Society or any other organizations or person/s who qualify under the Society's education policy.

ii) The Education Fund shall be administered by the Education Committee under the directives of the Board.

(18) GENERAL MEETINGS

- (a) The supreme authority of the Society shall be vested in properly constituted General Meetings of members at which every member has the right to attend and vote on all questions.
- (b) The Annual General Meeting shall be convened by the Board not later than one (1) month after the report on the audit of the accounts of the Society is received by the Board. At least fourteen (14) days' notice shall be given to all members. The notice shall state the date, time and venue of the meeting and the business to be transacted thereat.
- (c) A Special General Meeting shall be convened by the Secretary on the request of the President, the Board, the Supervisory Committee, the Commissioner or his representative or on receipt by the Secretary of a written demand signed by not less than ten percent (10%) or thirty (30) members, whichever is less, stating the purpose of the meeting.
- (d) A Special General Meeting shall be held within thirty (30) days of the receipt of the request or demand.
- (e) The quorum for any Annual General Meeting or Special General Meeting shall be thirty (30) members, or ten percent (10%) of the total membership, whichever is less.
- (e) No matters other than those stated on the Agenda shall be discussed at any

Special General Meeting even though a majority of the members present vote otherwise.

- (f) The requisition referred to in Bye-Law 18 (c) shall contain, inter alia, the name of the member, in printed form, the member's signature, account number and a form of national identification.

(19) NOTICE OF MEETINGS

- (a) All members shall be given at least fourteen (14) days notice of any General or Special General Meeting.
- (b) Notices of all General Meetings may be given or served to the addresses of members as recorded in the books of the Society. Members who fail to supply their addresses or any change therein or who are out of the country shall not be entitled to receive notices of any meeting.
- (c) Notice of the Annual General Meeting or any Special General Meeting shall be deemed to have been given or served upon every member of the Society if a notification thereof be struck up in a conspicuous place at the registered office or place of business of the Society for at least fourteen (14) days previous to such meeting and in addition, if notice thereof be published once a week in two (2) daily newspapers circulating in the territory during at least fourteen (14) days prior to such Annual General or Special General Meeting.

(20) ADJOURNMENT/DISSOLUTION OF GENERAL MEETINGS

- (a) If after thirty (30) minutes of the time fixed for any Annual General or Special General Meeting other than a Special General Meeting convened at the request of the Commissioner, the members present are not sufficient to form a quorum, such meeting shall stand adjourned to a date not less than fourteen (14) days thereafter and members shall be notified accordingly at least seven (7) days before the date thereof, such notification to be made in the same manner as for a General Meeting. The decisions of the adjourned meeting shall be final, conclusive and binding on all members irrespective of the number of members present not constituting a quorum.
- (b) In the case of a meeting called on the demand of the required number of members, such meeting shall be dissolved if after thirty (30) minutes of the time fixed for the said meeting, the members present are not sufficient to form a quorum.
- (c) If the Secretary fails to call a Special General Meeting within thirty (30) days from the receipt of a demand by the required number of members, the members applying for such a meeting shall have the right to convene and hold the meeting by notice which must contain the objectives of the proposed meeting and a statement to the effect that the meeting has been convened on the failure of the Secretary to convene the meeting demanded.

Notwithstanding anything to the contrary in these Bye Laws, any number of members present at an Annual General or Special General Meeting called by or on the demand of the Commissioner shall be deemed to constitute a quorum and all decisions at any such meeting shall be final, conclusive and binding on all members of the Society.

(21) VOTING

- (a) Save as is otherwise provided in these Bye Laws or as is requested by members, decisions at any meeting of the Society shall be made by a majority of the votes cast by members present.
- (b) Each member who has attained the age of fourteen (14) years shall have but a single vote irrespective of his share holdings and there shall be no voting by proxy.
- (c) A member being a Society shall cast a single vote through a duly delegated agent.
- (d) The Chairman of any meeting of the Society shall, in the event of an equality of votes have a casting vote in addition to his original vote.
- (e) No person may be present or vote at any meeting of the Society when any matter is being decided in which he has a direct or indirect interest.
- (f) In respect of every resolution put to the vote the Chairman shall declare: -
 - i. Whether it has been carried or lost:
 - ii. Whether the voting was by show of hand or by ballot; and

- iii. Whether the decision was unanimous or by a particular majority, and in respect of all such declarations the minutes shall be conclusive evidence thereof.

(22) **POWERS AND DUTIES OF ANNUAL GENERAL MEETING**

The powers and duties of the Annual General Meeting shall be:

- (a) To consider the accounts and reports presented by the Board and Committees for the preceding year together with any comments thereon made by the Auditor and/or the Commissioner;
- (b) To discuss, record and approve changes in the budget for the current financial year;
- (c) To allocate surplus from the previous year subject to the Act, Regulations made thereunder and these Bye Laws;
- (d) To approve payment of a dividend subject to the maximum recommended by the Board;
- (e) To approve and/or amend any Rules made by the Board under Bye Law 27;
- (f) To elect by ballot, a Board of Directors, a Credit Committee and a Supervisory Committee. Such elections shall be by secret ballot;
- (g) To elect two substitutes each for the Board and the Credit and Supervisory

Committees for a term of one (1) year. The substitutes shall take office on the Board or any Committee in respect of vacancies arising during the year;

- (h) To consider and decide upon proposals for amendments to the Bye Laws;
- (i) To approve the maximum liability of the Society;
- (j) To approve or vary the quantum of honorarium recommended by the Board for any unsalaried officer;
- (k) To appoint an Auditor for the ensuing term from the list of Auditors approved by the Commissioner;
- (l) To deal with any other business duly brought forward.

(23) GENERAL RULES FOR THE BOARD AND COMMITTEES
GOVERNANCE

a) DEFINITION

There shall be a Board of Directors, which shall be entrusted with the governance/general management of the affairs of the Society.

b) COMPOSITION

- (i) The Board shall consist of twelve (12) members to serve for a term of three (3) years and to be elected at an Annual General Meeting, none of whom shall be eligible for service on the Credit Committee.
- (ii) Provided that at the first General Meeting to be held within one (1) month after approval of these Bye Laws one third ($\frac{1}{3}$) of the members of the Board shall be elected to serve until the first Annual General Meeting, one third ($\frac{1}{3}$) of the members to serve until the second Annual General Meeting, and one third ($\frac{1}{3}$) of the members to serve until the third Annual General Meeting.
- (iii) The Board shall at its first meeting to be held within seven (7) days after the date of each Annual General Meeting elect from its own members a President, Vice President, Secretary, Assistant Secretary and Treasurer. If the Board employs a General Manager, that person may perform the duties of the Treasurer of the Society.

c) ELIGIBILITY/INELIGIBILITY

- i) To be eligible for nomination or election to the Board, Credit, Supervisory or any other Committee of the Society, a member must be in good standing in the Society or in any other financial institution in which he or she may be a member. If any member of the Board, Credit, Supervisory or other Committee is not in good standing at any time for a period of two (2) months, the Board shall declare the seat of that member vacant.
- ii) A member who is a member of the Board, Credit or Supervisory Committee, or who is the General Manager or Internal Auditor of another Credit Union

shall not be eligible for nomination or election to the Board, Credit or Supervisory Committee of the Society. If a member of the Board, Credit or Supervisory Committee becomes the General Manager or Internal Auditor of another Credit Union, the seat of the member shall be declared vacant on the receipt by the Board of evidence satisfactory to the Board of such election or appointment as the case may be, except for serving on any secondary bodies.

- iii) No relatives are to serve together simultaneously on the Board, Credit or Supervisory Committee.
- iv) Any person who is a member of the Board, a member of the Credit Committee, or who is nominated for election to the Board or Credit Committee, or whose spouse, child, parent, brother or sister is the General Manager or the Internal Auditor of the Society, shall not be eligible to be nominated or to be elected to the Supervisory Committee.
- v) Any person who is a member of the Board, a member of the Supervisory Committee, or who is nominated for election to the Board or Supervisory Committee, or whose spouse, child, parent, brother or sister is the General Manager or the Internal Auditor of the Society, shall not be eligible to be nominated or to be elected to the Credit Committee.

d) POWERS AND DUTIES OF THE BOARD

The Board shall exercise all the powers of the Society except those reserve to the General Meeting of the members and in particular, shall have the following powers and duties:-

- (i) To make decisions on applications for membership.
- (ii) To enter into loan agreements and authorize expenditure; and to appoint agents to act for and on behalf of the society.
- (iii) To see that the accounts are accurately kept, to prepare or cause to be prepared, not later than one (1) month after the close of the financial year, statements of accounts and a balance sheet and submit these to be audited.
- (iv) To decide on a plan of operation together with a budget before the end of each financial year; to ensure at each Board meeting that the plans and budget are reviewed and or revised according to actual operations.
- (v) To deal with complaints.
- (vi) To appoint Board members to represent the Society and vote on its behalf at any meeting of any other Society of which it is a member.
- (vii) To expel members in accordance with these Bye Laws.
- (viii) To prescribe the security to be given by any employee or officer of the Society.
- (ix) To review annually the Bye Laws and if necessary, propose amendments to the Annual General Meeting.
- (x) To enter into contracts on behalf of the Society. Such contracts shall bear on behalf of the Society the signatures of the President and the Secretary.

Any contracts so signed and/or executed shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such President or Secretary or that they or any of them were disqualified, be as valid and binding on the meeting and the members thereof as if every such person had been duly appointed and was duly qualified.

- (xi) To determine the rate of interest on savings and deposits accounts.
- (xii) To determine the rate of interest on loans to members.
- (xiii) To recommend the rate of dividends, bonuses, patronage or rebate of interest to be paid to members.
- (xiv) To formulate rules and policies for the Society.
- (xv) To have charge of investments and all property of the Society.
- (xvi) To keep all property of the Society insured against loss.
- (xvii) To appoint an Education committee.
- (xviii) To authorize the initiation, compromise or abandonment of legal or arbitration proceedings.
- (xix) To decide the extent and enter into such arrangements or agreements with accredited financial or other institutions as may from time to time be necessary to properly manage the Society. These agreements may include

but are not limited to bank account and fixed deposit, mortgage agreement and overdraft facilities.

- (xx) To appoint such sub committees as may be necessary and to determine their terms of reference.
- (xxi) To delegate such authority as may from time to time be found necessary for the efficient operation of the Society.
- (xxii) To take all such practical and expedient measures for the good management, supervision and administration of the affairs of the society for which no provisions have been made in these Bye Laws.

e) LIMITATIONS

- (i) No person may be a member of the Board and salaried employee of the Society at the same time. A member of the Board who takes up paid employment with the Society shall automatically relinquish his seat on the Board.
- (ii) Any person who is in the paid employment of the Society shall not be eligible for election.
- (iii) Any member who is in the paid employment of the Society may be nominated for election to the Board and, if contesting, that member shall resign his post officially before the vote is taken.

- (iv) The Payment of an honorarium to an officer as approved by the Annual General Meeting or of any allowances for the performance of specific tasks assigned to him by the Board shall not be deemed to be a salary paid to the officer.

f) DISQUALIFICATION

A Board or Committee member shall cease to hold office if he:-

- (i) Ceases to be a member of the Society
- (ii) Applies for bankruptcy or is declared bankrupt;
- (iii) Becomes of unsound mind;
- (iv) Is employed by the Board and is in receipt of a salary or wage;
- (v) Is convicted of any offence involving dishonesty or any criminal offense;
- (vi) Fails to attend three (3) consecutive meetings without tendering a valid and proper excuse thereof.
- (vii) Is found guilty of breach of code of ethics after due process
- (viii) Contravenes Bye Law 23J

g) MEETINGS

- (i) The Board shall meet as often as the business of the Society may require but not less than once each month. At all meetings of the Board seven (7) members shall constitute a quorum.
- (ii) A meeting of the Board shall be convened by the Secretary on the direction of the President or at the request of a majority of the Board members.
- (iii) The Secretary of the Society shall on the request in writing of the

Commissioner or his representative, summon a Special meeting of the Board at which the Commissioner or his representative shall be at liberty to attend and discuss any matter touching the affairs of the Society. Any number of members present at a meeting of the Board convened on the request of the Commissioner shall be deemed to constitute a quorum.

- (iv) The Commissioner or his representative shall at all times be entitled to a seat at meetings of the Society and to take part in the deliberations thereof but shall not vote.
- (v) At least seven (7) days notice shall be given to members of any Board Meeting. Together with the notice, a copy of the Agenda and various documentations necessary shall be sent to Board members.
- (vi) If after half an hour of the time fixed for any meeting of the Board, a quorum is not present, the meeting may be adjourned to the same day in the following week and members shall be notified accordingly at least five (5) days in advance. The number of members present at the adjourned meeting shall be deemed to constitute a quorum.

h) PROCEDURE AT BOARD MEETINGS

The Agenda for Meetings of the Board shall include:

- (i) Confirmation of Minutes of previous meeting and Business arising therefrom.
- (ii) Disposition of correspondence including acceptance of applications for membership and continuing membership in the Society.

- (iii) Treasurer's and/or General Manager's Report.
- (iv) Report of the Credit Committee.
- (v) Report of the Supervisory Committee.
- (vi) Other Reports.
- (vii) New Business.

i) CONFLICT OF INTEREST

No Board or Committee Member shall be present when any material contract is being decided upon in which he has a direct or indirect interest.

j) CONFIDENTIALITY

All transactions of the Society with its members and all information regarding their personal affairs shall be held in the strictest confidence by all the members of the Board and Committees and Employees of the Society. All such information is to remain confidential for a period of three years after ceasing to be a member of the Board, Committees or an employee of the Society.

k) RESPONSIBILITY

In their conduct of the affairs of the Society the members of the Board and Committees shall at all times observe the Act, the Regulations and the Bye Laws and shall exercise the prudence and diligence of ordinary men of business and shall be responsible for any loss sustained through negligence or act contrary to the Act, the Regulations, the Bye Laws or Rules made thereunder. They shall report truthfully and faithfully to the membership.

(23) EXECUTIVE COMMITTEE

- (i) The Board shall at its first meeting to be held within seven (7) days of the date of each Annual General Meeting, elect from its members the Executive Committee of the Society.
- (ii) Subject to Bye-Law 23 (C) any member of the Board shall be eligible for election to any position on the Executive Committee.
- (iii) The Executive Committee of the Society shall comprise the President, Vice President, Secretary, Assistant Secretary, and Treasurer/General Manager.
- (iv) The Executive Committee shall meet at least once before the date fixed for the Board's monthly meeting to see that all decisions of the previous Board Meeting(s) have been carried out and also that the routine correspondence has been addressed. In order to facilitate the expeditious conduct of the coming meeting of the Board, the committee shall make recommendations for consideration and approval of the Board.

(25) BORROWING POWERS

- (a) The Board may borrow money on behalf of the Society to an amount not exceeding the Maximum Liability fixed by the members in General Meeting and approved by the Commissioner.
- (b) The Society may borrow money from persons who are not members for the purpose of meeting any of its obligations or discharging any of its functions or objects.

(26) SECURITY FOR FINANCIAL OFFICERS

- (i) An officer or employee whose duties involve the handling of the funds of the Society shall give security in such amount as may be determined by the Board and approved by the Commissioner.
- (ii) The ultimate responsibility for the provision of the security prescribed at (i) shall be the Society.

(27) POLICIES

- a) The Board shall have power to make such policies for the conduct of the affairs of the Society from time to time as it may deem necessary, and as would not be repugnant or contradictory to the Bye Laws of the Society, the Act or the Regulations.
- b) A book containing all such policies shall be kept open at all times for inspection by members or any persons authorized by the Commissioner.

No such policies shall be valid until ratified by the members in a general meeting and approved by the Commissioner for which purpose three (3) copies shall be forwarded to him.

(28) NOMINATING COMMITTEE

- (a) The Board shall appoint a Nominating Committee comprising of not more than five (5) members who shall include a Chairman and Secretary. The duty of the Nominating Committee shall be to recommend qualified

members who are willing to be considered for election to the Board, Supervisory or Credit Committees by the Annual General Meeting.

- (b) The Nominating Committee shall submit its report to the Board not less than twenty-eight (28) days before the date of the General Meeting. At least fourteen (14) days before the date of the General Meeting the Board shall consider the report of the Nominating Committee for submission to the General Meeting.
- (c) The Report having been presented to the General Meeting, there shall be no nominations from the floor. Where, however, it is deemed necessary for the proper constitution of the Board and/or Committees, the Returning Officer may invite nominations for election to vacant positions.

(29) MINUTES OF MEETINGS

- (a) All resolutions passed or decisions made at any meeting of the Society shall be recorded in the Minutes which shall be signed by the Secretary or other person recording same and countersigned and dated by the Chairman of the meeting at which the minutes were confirmed.
- (b) The Minutes should also contain:-
 - i. The names of the officers and the number of members present at the meeting.
 - ii. The time fixed for the meeting and the time the meeting commenced.
 - iii. The membership of the Society on the date of the meeting.
 - iv. The time that a member left the meeting.
 - v. The resolutions passed or decisions made at the meeting.

vi. Other relevant matters discussed.

(30) MOTIONS

- (a) The Chairman of any meeting of the Society may propose any motion without previous notice provided that the majority of the members present agree thereto, and provided further, that he shall propose any motion when requested by the Commissioner.

- (b) Seven (7) clear days notice shall otherwise be given to the Secretary in writing of any matter other than those on the Agenda at any such meeting, and no member shall be entitled to ask any question or initiate discussion on any matter of which such notice has not been given except with the consent of the Chairman.

- (c) Notwithstanding the provisions of (a) and (b) above, a motion of ‘no confidence’ may only be moved at a meeting specially convened for that purpose.

(31) AGE QUALIFICATION OF OFFICERS

An individual who has not attained the age of eighteen (18) years shall not be an Officer of the Society.

(32) DUTIES OF OFFICERS

PRESIDENT

- (a) The President shall summon and preside at General and Board meetings of the Society and shall in the case of an equality of votes, have a casting vote.

- (a) He shall, together with other Officers specified in these Bye Laws, sign cheques, instruments and other documents on behalf of the Society.
- (b) He shall sign the Minute Book and shall perform such other duties as prescribed by the Board from time to time

VICE-PRESIDENT

- (a) The Vice President shall perform the duties of the President in the absence or disability of that officer and such other duties as may be assigned to him by the Board.

SECRETARY

The duties of the Secretary shall be:-

- (a) To summon all Board and general meetings in consultation with the President;
- (b) To attend all general and Board meetings and to keep correct minutes of same;
- (c) To conduct the Society's correspondence;
- (d) To have charge of documents and other papers of the Society;
- (e) To keep all books or registers which are required to be kept under these Bye Laws and/or the Act.

- (f) To have custody of the Seal of the Society; and,
- (g) To do all other acts and things as may be required of him by these Bye Laws or as the Board may direct.

ASSISTANT SECRETARY

- (a) The Assistant Secretary shall assist the Secretary in the performance of his duties and carry out such other duties as may be assigned to him by the Board.

TREASURER

- (a) The treasurer shall be responsible to the Board for the financial affairs of the organisation including:
 - i. The presentation of monthly financial statements, annual budgets and budget revision, cash flows and such other financial information as the Board may require.
 - ii. Ensuring proper internal controls, policies and procedures with respect to financial instruments drawn by the Society in the proper conduct of its business.
 - iii. Ensuring the proper and punctual keeping of all books, accounts, registers, policies and other documents of the Society in accordance with International Accounting Standards.
 - iv. Ensuring best practice risk management

v. Performing any other acts and duties incidental to the office and such other duties as may be required by these bye-laws and the Act and any amendments thereto or as the Board may direct.

(33) DUTIES OF GENERAL MANAGER

- (a) The General Manager shall be responsible for conducting the day-to-day affairs of the Society and shall in all cases act in the discharge of his duties under the direction and control of the Board.
- (b) He shall be responsible for all cash coming into the Society and shall deposit within forty-eight (48) hours after receipt, all funds in his possession in the bank or banks prescribed except such sums as authorized to be kept in hand by the Board. All banking accounts shall be in the name of the Society.
- (c) He shall render a proper account of all monies received and paid by him at the end of each month or at such other times as the Board may require and shall submit a monthly report on the operations of the Society for consideration of the Board.
- (d) He shall prepare for the consideration of the Board such budgets and financial or other statements as the Board may require.
- (e) He shall be responsible for the proper and punctual keeping of all books, accounts, registers and other documents of the Society under his control.

- (f) He shall sign cheques and other documents of the Society if necessary together with one (1) or more authorized Board Members.
- (g) He shall perform such other duties as may be assigned to him by the Board.

(34) CONTRACTS OF EMPLOYMENT

Every employee of the Society shall enter into a contract of employment which shall contain such terms and conditions of service as may be mutually agreed upon between the General Manager (acting on behalf of the Board) and the Employee.

(35) SUPERVISORY COMMITTEE

- (a) The Supervisory Committee shall consist of three (3) members to be elected at the Annual General Meeting, none of whom shall be eligible for service on the Board, the Credit Committee or any other Committee.
- (b) At the first Annual General Meeting after the coming into force of this Bye-Law, the two members who shall have been elected to the Committee with the most votes shall serve for a period of two years while the remaining member shall serve for a period of one year; thereafter, all members elected shall serve for a period of two (2) years unless a member is elected to serve the unexpired term of a member.
- (c) No member shall serve for more than three (3) consecutive terms at a time.

- (d) A Chairman and a Secretary shall be chosen by and from the members of the Committee at their first meeting, which shall be held seven (7) days after each Annual General Meeting.
- (e) Two (2) members shall constitute a quorum.
- (f) Any vacancies occurring in the interim between Annual Meetings shall be filled by substitutes elected at the Annual General Meeting.
- (g) The Supervisory Committee shall:
 - i. Make an examination of the affairs of the Society, including an audit of its books at least semi-annually, and, if necessary convene a Special General Meeting and submit its report at each such meeting.
 - ii. Make an annual report of its audit and submit same to the Annual General Meeting of the members.
 - iii. By the unanimous vote of all its members if it deems such action to be necessary to the proper conduct of the affairs of the Society for justifiable cause, suspend any Board or Committee member and convene a Special General Meeting within thirty (30) days to act on such suspension. The members present at that meeting may, by majority vote, sustain such suspension and remove such member or reinstate such member.
 - iv. If it deems such action necessary, have a Special General Meeting convened of the members to consider any matter which the Committee will submit to the meeting.

- v. Attest (at least one member) the monthly financial statements prepared by the Treasurer/Manager of the Society for the consideration of the Board.

- h) The members of the Supervisory Committee shall keep themselves fully informed as to the financial condition of the Society by examining, at least every three (3) months, the share and deposit accounts and loan balances, the securities, cash and accounts and all applications for loans made during the period under examination. They shall also satisfy themselves that for each loan, proper documents are on file, that each application embodies the purpose for which the relative loan was made and that the security offered is adequate. They shall also ensure that each loan application is dealt with in accordance with the Loan Policy set by the Board. At least one (1) member of this Committee shall attest the Statement of Comprehensive Income required to be submitted to the Commissioner.

(36) CREDIT COMMITTEE

- a) The Credit Committee shall be responsible for the approval and general supervision of all loans to members but may delegate its function to employees if necessary for the efficient facilitation of credit.

- b) The Committee shall consist of five (5) members elected by the members at the Annual General Meeting.

- c) At the first Annual General Meeting after the coming into force of this Bye Law, the three members who shall have been elected to the Committee with the most votes shall serve for a period of two years while the other two members shall serve

for a period of one year; thereafter, all members elected shall serve for a period of two (2) years unless a member is elected to serve the unexpired term of a member.

- d) A Chairman and a Secretary shall be chosen by and from the members of the Committee at their first meeting seven (7) days after each Annual General Meeting. The Secretary shall prepare and keep a full and correct record of all decisions taken by the Committee.
- e) Three (3) members shall constitute a quorum.
- f) The Committee shall meet not less than once a week and act in accordance with the loan policy set down by the Board. Additional meetings shall be held from time to time as business may require.
- g) The Committee shall enquire carefully into the financial position of borrowing members and their endorsers so as to ascertain their ability to repay fully and promptly the obligations assumed by them, and ascertain whether the loan promises to be of benefit to the borrower. The Committee shall determine the terms upon which the loan shall be repaid.

When there is pending more loan applications than can be granted with the funds available, preference shall be given to applications for smaller loans if the credit factors are nearly equal.

- h) The Committee shall submit a quarterly report of its activities to the Board.

(37) LOANS TO MEMBERS

- (a) The Society shall make loans exclusively to its own members and solely for a provident or productive purpose. Interest on such loans shall be fixed by the Board.
- (b) An application for a loan shall be made on the prescribed form signed by the member desiring the loan, showing name of applicant, date, amount required, time and method of repayment, the purpose for which the loan is required, the security offered (if any), and any other relevant information required by the Credit Committee.
- (c) No loan shall be made unless approved by a majority of the members of the Credit Committee who are present at the meeting at which the application is considered. If there is a difference of opinion concerning the granting of a loan, the decision shall be arrived at by ballot.
- (d) The Board may appoint Loan Officers and specify the limits of their authority. Loans to officers of the Society shall be outside of the jurisdiction of such Loan Officers.

No loan shall be made to a member who is indebted to the Society which results in the member remaining indebted to the Society on two (2) separate loans, neither of which is secured by a mortgage or charge on property owned by the member.

- (e) No loan to an officer of this Society shall exceed the amount of his holdings in the Society as represented by shares, deposits and accumulated dividends and interest thereon; nor may any officer endorse for borrowers beyond the amount of his holdings as aforesaid: provided however, that a loan (or

endorsement) in excess of such holdings may be made (or accepted) if approved by the vote of a two-thirds (2/3) majority of all the other members of the Board, Credit and Supervisory Committees sitting together or with the consent in writing of all the said members other than the borrowing officer.

The procedure to be followed in the granting of loans will be set out in a Loan Policy for guidance of members and the Credit Committee. The Board may from time to time revise the Loan Policy.

(38) EDUCATION COMMITTEE

- (a) The Board shall at its first meeting after the Annual General Meeting appoint a Committee of five (5) persons, who may also be members of the Board or any other committee, to be known as the Education Committee.
- (b) This Committee shall be in charge of education. The Committee will arrange for the purchase of books and magazines and for the maintenance of a library for the use of members. The Committee shall arrange for educational publications for circulation among members, for the exhibition of films and the holding of seminars and conferences.
- (c) The Chairman shall be appointed by the Board and the Secretary shall be chosen by and from among the members of the Committee at its first meeting after its appointment. The Committee shall be empowered to co-opt persons to be members who shall take part in all discussions but shall not have the right to vote.

- (d) The Committee shall, within 6 weeks of its first meeting submit to the Board for its approval, a budget to cover the programme of activities for the year.
- (e) The members of the Committee shall meet at least once a month and shall continue to serve until replaced.
- (f) The Committee shall submit a quarterly report on its activities to the Board.
- (g) The Committee shall submit an Annual Report of its activities to the Board for presentation to the Annual General Meeting.

(39) FINANCIAL YEAR

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

(40) SEAL

The Seal of the Society shall bear legibly engraved on it the registered Name of the Society. It shall be affixed to any instrument except by the authority of the Board and in the presence of the President and the Secretary or such other person as the Board may appoint for the purpose, and the President and Secretary or other persons as aforesaid shall sign and date every instrument to which the Seal of the Society is so affixed in their presence.

(41) BOOKS AND REGISTERS TO BE MAINTAINED

The Society shall keep and maintain such books and registers as approved by the Commissioner.

(42) COMPUTERISED STATEMENTS

Every member shall be issued with a semi-annual statement containing all his financial transactions with the Society including balances on each account contained therein.

(43) AUDIT OF ACCOUNTS

The accounts shall be audited within two (2) months of the end of the financial year.

(44) DISPUTES

Any dispute touching the affairs of the Society shall be referred to the Commissioner for decision in accordance with Section 67 of the Act and No. 53 of the Regulations.

(45) AMENDMENTS

- (a) A Resolution to amend the Bye Laws of this Society in accordance with Section 21 of the Act shall not be valid unless it was passed by a majority of not less than three-fourths of the members present at the general meeting at which the resolution was proposed.


- (b) If a resolution referred to in (a) above is not passed by the required majority the same resolution may, unaltered, be proposed at another General Meeting convened for the purpose, not earlier than one (1) month nor later than two (2) months after the General Meeting at which it was first proposed and it is then passed by a majority of members the resolution shall be valid for the purpose of Section 21 of the Act.
- (c) A copy of every resolution passed under (a) and (b) above, shall be forwarded to the Commissioner together with three (3) copies of the amendment.
- (d) No amendment shall be valid or effective until approved and registered by the Commissioner.

(46) INTERPRETATION OF BYE LAWS

Any doubts arising in respect of the meaning or interpretation of any of the provisions of these Bye Laws shall be referred to the Commissioner for clarification.

I, **ANDREA MC KENNA**, Commissioner for Co-operative Development Division (Ag.), do hereby certify that the fore-going Amendment to Bye-Laws No. I – 46 of the **TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**, Registration No. **CU-127** has been approved by me.

Dated this 12th day of December, 2019


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**Commissioner for Co-operative
Development (Ag.)
COMMISSIONER FOR
CO-OPERATIVE DEVELOPMENT**