



# THE COMMUNAL CO-OPERATIVE CREDIT UNION LTD. BYE-LAWS

**Amended August 24 2022**

*To Grow With Us, Save With Us*



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## ARTICLE I: INTERPRETATION

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

“**Act**” shall mean the Co-operative Societies Act, 2011 (No. 8 of 2011), and the Co-operative Societies (Amendments) Act, 2017 (No. 20 of 2017);

“**AML/CFT**” shall mean Anti-Money Laundering/Combating the Financing of Terrorism;

“**Annual General Meeting**” shall mean a mandatory meeting of The Society held every year pursuant to Section 42 of the Act;

“**Apex Body**” shall mean the Grenada Co-operative League Ltd. established under Section 221 of the Act;

“**Associate**” shall mean – notwithstanding whether at the relevant time any of the persons in question, not being individuals, have not yet come into existence or have ceased to exist –

- (a) any co-operative society which holds twenty percent (20%) or more of The Society’s shares in accordance with Section 100 of the Act; or
- (b) any co-operative society in which a co-operative society holds twenty percent (20%) or more of shares and to which voting rights are attached;
- (c) any company or co-operative society over which a co-operative society has control; or
- (d) any company or co-operative society of which any of the persons referred to in (b) is a director, is a manager or has control;
- (e) a member of the Board or Committee, an employee of a co-operative, or a business partner;
- (f) a trust or estate in which that person has a substantial beneficial interest or in respect of which he or she serves as a trustee in a similar capacity;
- (g) a spouse;
- (h) a child, whether born in or out of wedlock, a step-child or an adopted child;
- (i) a parent, including a step-parent or adoptive parent;
- (j) a sibling, including a step-sibling or adoptive sibling; or
- (k) any other relative of that person or of his or her spouse if that relative has the same place of residence of that person;



**“Beneficiary”** shall mean a person(s) to or among whom the net assets of a member shall be transferred upon his death;

**“Board”** shall mean the Board of Directors to whom the management of the affairs of The Society is entrusted;

**“Bonus”** shall mean a share of the surplus divided among the members of The Society, in proportion to the volume of business done with The Society and from which the surplus of The Society was derived;

**“Bye-Laws”** shall mean the registered bye-laws made by The Society pursuant to Sections 14, 51 and 52 of the Act, and includes any registered amendment of the bye-laws;

**“Capital Base”** shall mean the paid-up capital, being equity shares paid up in cash, and invested as risk capital by members of The Society, which are redeemable only upon transfer to another member in accordance with the Act, and institutional capital less any amount by which that total has become impaired by operating or other losses in accordance with Section 2 of the Act;

**“CARICOM Member State”** shall mean a Member State of the Caribbean Community established by the Revised Treaty of Chaguaramas signed at Nassau, The Bahamas, on 5<sup>th</sup> July, 2001, to which Grenada is a party, and as amended by the Protocol signed at Paramaribo, Suriname on 17<sup>th</sup> February, 2005;

**“Collateral”** shall mean the security pledged as a guarantee for the payment of a loan, if the member defaults;

**“Co-Maker”** shall mean a member, who signs a promissory note along with the primary borrower and has access to the loan proceeds, to whom the responsibility of repayment of a loan shall be transferred in the event of default;

**“Committee”** shall mean a group of members appointed by the Board or elected by the membership of The Society to fulfil a specific function or purpose;

**“Co-operative Social Responsibility”** shall mean the activities, duly approved by the Board, designed to positively impact, economically, socially and environmentally, society at large in the achievement of societal goals;

**“Deposit”** shall mean any sum of money placed in an account at The Society on agreed terms and conditions;

**“Director”** shall mean a member of the Board who is elected in accordance with Section 72 of The Act;

**“Dividend”** shall mean a share of the surplus of The Society divided among the members in proportion to his share capital;

**“Dormant Account”** shall mean any account on which no transaction or related activity has been effected by the member, and in which property the member



has not indicated an interest in writing or otherwise, for a period not less than twelve (12) consecutive months;

**“Doubtful Loan”** shall mean any loan where a borrower has defaulted, in excess of thirty (30) days, on the agreed terms of repayment;

**“GARFIN”** shall mean the Grenada Authority for the Regulation of Financial Institutions;

**“Guarantor”** shall mean a member, who signs a promissory note along with the primary borrower but does not have access to the loan proceeds, to whom the responsibility of repayment of a loan shall be transferred in the event of default;

**“Inactive Account”** shall mean any account on which no transaction or related activity has been effected by the member for a period not less than six (6) consecutive months;

**“Institutional Capital”** shall mean the aggregate of The Society’s qualifying shares, earnings retained after distribution of surplus and statutory and other non-distributable reserves and donations;

**“Member”** shall mean a natural person or co-operative society joining in the application for the registration of The Society and admitted to membership after registration in accordance with Section 26 of the Act and these Bye-Laws;

**“Minor”** shall mean an individual under the age of fourteen (14) years;

**“Operating Expenses”** shall mean expenditure involving administrative, governance, maintenance and related costs incurred during the conduct of the business of The Society;

**“Other Equity Shares”** shall mean the common stock or risk capital, including Qualifying Shares, purchased by a member of The Society as his ownership stake in the safety, soundness and competitiveness of The Society;

**“Qualifying Shares”** shall mean the mandatory, non-withdrawable minimum shares, which form part of the institutional capital, to be purchased by an approved applicant to be admitted and to enjoy the full rights and privileges of admission into membership of The Society;

**“Quorum”** shall mean the minimum number of members required to be present at a meeting to conduct and validate the business of such meeting;

**“Registrar”** shall mean the Grenada Authority for the Regulation of Financial Institutions established under the Act;

**“Regulations”** shall mean the Co-operative Societies Regulations, 1997 (Statutory Rules and Orders No. 63 of 1997) made pursuant to Section 247 of the Act;

**“Share Capital”** shall mean the value of Qualifying and Other Equity Shares issued by The Society subject to Section 97 of the Act;



“**Special General Meeting**” shall mean a meeting of the membership of The Society duly called to discuss a specific matter; and

“**Tenancy in Common**” shall mean a shared tenancy in which each member has a distinct and separately transferrable interest.



## ARTICLE II: NAME

2. The name of The Society shall be: The Communal Co-operative Credit Union Ltd.

## ARTICLE III: REGISTERED ADDRESS

3. The registered address of The Society shall be Halifax Street, St. George's, Grenada or at such place as may from time to time be determined by The Society and notified to the Registrar within seven (7) days thereof.

## ARTICLE IV: GEOGRAPHICAL AREA OF OPERATIONS

4. The area of operations of The Society shall be: the State of Grenada.

## ARTICLE V: OBJECTS

5. The objects of The Society shall be:
  - (A) To promote thrift among members by providing ways and means whereby savings can be effected and shares in The Society can be acquired;
  - (B) To create, out of the savings of members, non-members and other business of The Society, a source of credit available to members, on reasonable terms and conditions for provident and productive purposes;
  - (C) To educate members in the co-operative principles and methods, financial management and efficient management of the affairs of The Society;
  - (D) To establish meaningful partnerships with organizations and other stakeholders with shared values so as to make a difference in communities, especially those directly affecting members;
  - (E) To fulfil the mandates of Co-operative Social Responsibility and demonstrate a commitment to helping members and people in general lead more rewarding lives;





- (F) To provide support, as best as possible via the initiatives and programmes of The Society duly approved by the Board, to members who are experiencing physical or emotional difficulties or are at risk, thus requiring care, support and or protection; and
- (G) To undertake all other acts and things as are incidental or conducive to or consequential upon the attainment of the above objects.

## ARTICLE VI: CAPITAL, FUNDS AND LIABILITY

- 6. The capital and funds of The Society shall be raised by means of:
  - (A) The shares and deposits of members;
  - (B) Loans from members and non-members;
  - (C) Entrance fees, and other fees and charges, fines, and interest on loans;
  - (D) Interest and dividends on investments;
  - (E) Reserves and surpluses accumulated after the distribution of the annual surplus; and
  - (F) Contributions and grants received from members and others.
- 7. Subject to as hereinafter provided, the Board may, without the sanction of a General Meeting, raise money from any source and in any manner it thinks fit, provided that this sum does not exceed the maximum liability ceiling set by the previous Annual General Meeting.
- 8. The members in a General Meeting shall, in accordance with the provisions of the Act, from time to time fix the maximum amount that The Society may at any given time owe in respect of deposits and loans.
- 9. The funds of The Society may be applied to the following purposes:
  - (A) The personnel and operating expenses of management;
  - (B) Loans to members for provident and productive purposes;
  - (C) Investments; and
  - (D) Any other purpose authorized by the Act and these Bye-Laws and approved by the Board.

## ARTICLE VII: MEMBERSHIP

- 10. A person shall hold membership in The Society pursuant to the Act and these Bye-Laws and any such applicant for membership shall be:



- (A) A person fourteen (14) years of age or older;
  - (B) A citizen or legal resident of Grenada;
  - (C) Non-nationals who reside or work in Grenada;
  - (D) A citizen of a CARICOM Member State; or
  - (E) A registered co-operative society;
- 11.** Subject to these Bye-Laws, where individuals have separate and independent membership in The Society, joint accounts may be held, provided that:
- (A) Any applicant for joint membership must first be a member of The Society before becoming a joint account holder and will be required to complete and submit the prescribed application form; and
  - (B) Any application to close or alter a joint account in The Society must be signed by all the holders of the joint account, unless the account expressly provides that any one (1) member can sign.
- 12.** Any person qualified to apply for membership in The Society shall be required to complete and submit the prescribed application form, pay any applicable fees, and purchase and hold the requisite Qualifying Shares, as well as satisfy any other requirements that the Board may determine from time to time.
- 13.** The consideration of applicants for membership shall be undertaken by the Board or its designee, who shall reserve the right to approve or reject such applications for membership and must notify the applicant accordingly.
- 14.** Every applicant for membership shall pay an entrance (membership) fee that the Board may from time-to-time fix.
- 15.** Upon approval of membership, purchase of the requisite Qualifying Shares and payment of all applicable fees, the applicant shall be enrolled as a member and shall be entitled to enjoy all of the following rights and privileges and responsibilities of membership:
- (A) The right to own shares, make deposits, access loans and other services offered by The Society;
  - (B) The right to hold individual and joint accounts;
  - (C) The power to appoint his beneficiary or beneficiaries;
  - (D) The right to enjoy surpluses of The Society;
  - (E) The right to attend, speak and vote at any Annual General Meeting or Special General Meeting of The Society and to issue notice of motion;
  - (F) The responsibility to know and uphold the values, policies and rules of The Society;
  - (G) The responsibility to monitor and critique the annual priorities and performance of The Society; and
  - (H) All other rights, privileges and responsibilities as set out in the Act and these Bye-Laws.



- 16.** Notwithstanding Bye-Law 15, a member who has not yet attained the age of eighteen (18) years may enjoy all the rights and privileges and responsibilities of membership and be subject to all the liabilities of membership, provided that the execution of any legal instrument is done by his parent or guardian and he may not obtain credit from The Society.
- 17.** The membership of a member in The Society ceases:
- (A) On death;
  - (B) On withdrawal of his membership pursuant to Bye-Law 18;
  - (C) On dissolution of the co-operative society;
  - (D) On ceasing to hold the requisite Qualifying Shares pursuant to Bye-Law 27;
  - (E) On the transfer of all of his shares;
  - (F) On the compulsory acquisition of his shares pursuant to Sections 117 and 119 of the Act;
  - (G) On termination of his membership or expulsion from The Society as provided in Sections 31 and 32 of the Act; or
  - (H) If, subject to as hereinafter provided, he ceases to be qualified in accordance with Bye-Law 10.
- 18.** A member of The Society may, at any time, withdraw from membership of The Society, in such a manner as may be prescribed by these Bye-Laws, but subject to the provisions of the Act and these Bye-Laws, provided that:
- (A) Withdrawal of membership from The Society shall be by written notice to the Board or its designee; and
  - (B) Withdrawal of membership from The Society shall not affect any existing liability of the member to The Society.
- 19.** The Board, by a vote of at least two-thirds (2/3) of the Directors present at a meeting so called, may order the termination of membership of a member of The Society, provided that:
- (A) Such grounds for termination include:
    - (i) Refusal to pay any compulsory contribution or debt to The Society;
    - (ii) Charge, arrest, indictment or conviction for a criminal offence or financial crime;
    - (iii) Application for or declaration of bankruptcy; or
    - (iv) Actions detrimental to the interests of The Society;
  - (B) The Board, within a period of one (1) year, shall purchase from the member, at par value, all shares held by the member in The Society;
  - (C) The Board shall pay to the member, all deposits held to the member's credit, together with any interest accrued on such deposits, and the amount outstanding on loans made to The Society by the member, with any interest accrued on such loans;
  - (D) The Secretary of The Society, within ten (10) days from the date on which such order is made, shall notify the member of the order in writing;



- (E) The member may appeal the order to the next General Meeting of The Society by giving written notice of his intention to appeal, to the Secretary, within thirty (30) days from the date the member received notice of the order;
  - (F) A majority of the members present at such meeting shall confirm or rescind the order.
- 20.** The members at a General Meeting of The Society, by a vote of two-thirds (2/3) of the members present on such resolution at such meeting, may terminate the membership of a member, provided that at least ten (10) days' notice of such General Meeting is given to the member.
- 21.** The Board, by notice in writing, may suspend a member for a period not exceeding three (3) months, if the Board is satisfied that the member is guilty of misconduct.
- 22.** Any member, whose membership has been suspended pursuant to Bye-Law 21, may appeal against the suspension to the Registrar in the prescribed manner and the Registrar shall confirm or set aside the resolution suspending the membership.
- 23.** A member, whose membership has been terminated in accordance with Bye-Law 19 or Bye-Law 20, may:
- (A) Not enjoy any of the rights and privileges and responsibilities of membership in The Society, but shall remain liable for any amounts owed to The Society;
  - (B) Appeal against the termination to the Registrar in the prescribed manner and the Registrar shall confirm or set aside the resolution terminating the membership;
  - (C) Not appeal the termination of his membership to the Registrar, if such termination was due to the member's failure to pay fees or to fulfill other financial obligations to The Society;
  - (D) Be re-admitted to membership only by a two-thirds (2/3) majority vote of members present at a General Meeting.
- 24.** The Society shall keep a register of members in accordance with Section 28. (2) of the Act.



## ARTICLE VIII: SHARES

- 25.** Subject to the provisions of Section 98 of the Act, The Society shall issue shares, which shall be:
- (A) At the par value of five dollars (\$5.00);
  - (B) Considered as the share capital of The Society;
  - (C) Not withdrawable, but may be sold or transferred to a fellow member subject to the provisions of Bye-Law 33 and Bye-Law 37;
  - (D) Redeemable, if membership ceases upon the death of the member or due to the withdrawal or termination of membership pursuant to the Act and these Bye-Laws;
  - (E) Unlimited in number;
  - (F) Restricted to a maximum of twenty percent (20%) of the total share capital held by any member, except by a registered co-operative society pursuant to Section 100 of the Act and approved by the Board; and
  - (G) Eligible for dividend payment, subject to the provisions of Bye-Law 111. (D) and Bye-Law 111. (E).
- 26.** There shall be two (2) classes of shares issued by The Society: Qualifying Shares and Other Equity Shares.
- 27.** Each member shall purchase and hold one hundred (100) Qualifying Shares upon approval of his membership.
- 28.** Notwithstanding Bye-Law 27, subject to the provisions of the Act, a member may elect, on application, to pay contributions to the value of his full subscription of Qualifying Shares in such amounts as the member is able, on any day that The Society is open for business, provided that in no case a contribution of less than the par value of one (1) share, pursuant to Bye-Law 25. (A), is paid and his subscription of Qualifying Shares is fully paid up within three (3) months of his approval for membership.
- 29.** A member shall not exercise the rights and privileges and responsibilities of membership of The Society, referred to in Bye-Law 15, until the full subscription of Qualifying Shares has been paid.
- 30.** In addition to Qualifying Shares, each member shall be required to purchase a minimum of one hundred (100) Other Equity Shares within five (5) years of this bye-law coming into force.
- 31.** A share certificate, in a form approved by the Board, shall be issued to each member.



- 32.** A member shall not be liable to The Society or its creditors beyond the amount of his paid-up subscription of shares and any other financial obligations.
- 33.** In accordance with Section 101 of the Act, the Board or its designee may approve the sale or transfer of Other Equity Shares between members by written instrument in such form as may be prescribed by the Board, but such transfer shall not be registered until such transfer fee, as the Board may from time-to-time fix, has been paid.
- 34.** A member, pursuant to the Act and these Bye-Laws, may sell or transfer his Other Equity Shares, provided that:
- (A) For an individual account, it will be made on the signature of the member;
  - (B) For a joint account:
    - (i) It will be made on the signature of any one of the members, unless the account expressly provides that all members must sign;
    - (ii) On the death of any member(s), the surviving member(s) shall be entitled to all the Other Equity Shares of the account since joint tenancy is assumed, unless it is expressly provided in writing and confirmed by all parties upon the opening of the account that the Equity Shares in the account are held on trust for the benefit of the other member(s) or that upon the death of any member(s), their co-equal portion(s) of the Equity Shares in the account is to go to the estate of the deceased member(s) or the named beneficiary pursuant to Bye-Law 15. (C);
    - (iii) In the event that the account holders expressly provided in writing and confirmed by all parties that the Other Equity Shares in the account are held on trust for the benefit of the other member(s), the surviving member(s) shall not be entitled to such Other Equity Shares and shall deliver same to the Personal Representative of the estate of the deceased member(s) or the named beneficiary pursuant to Bye-Law 15. (C);
  - (C) No member, except with the written approval of the Board, shall transfer or sell any of his Other Equity Shares if it will reduce the value of his shareholdings to less than his liability to The Society as a borrower, co-maker or guarantor;
  - (D) The Society shall have a lien on the Other Equity Shares, which may not be removed except with the explicit approval of the Board, of a member for any sum due to The Society by the said member or for any loan endorsed by him and may apply the value of any such Other Equity Shares standing to the credit of the member towards the discharge of the debt so due, and of any expenses relating to the debt or its discharge, and the defaulting member shall cease to have any further claim in respect of such Other Equity Shares.
- 35.** Subject to the provisions of Sections 117 to 119 of the Act, Other Equity Shares, not including Qualifying Shares, may be acquired on any day that The Society is open



for business, provided that The Society shall be required to give ninety (90) days' notice of its intention to so do.

- 36.** Where a member has become of unsound mind, or incapable of managing his affairs as determined and certified by a registered medical practitioner or Court, The Society, subject to the provisions of Section 102 of the Act, may:
- (A) Transfer the shares or interest of such member to his named beneficiary, pursuant to Bye-Law 15. (C), or may pay to such named beneficiary, a sum representing the value of the shares or interest of such member, if no committee, receiver, or guardian has been appointed; or
  - (B) Pay a sum representing the value of the shares or interest of such member to the Registrar of the Supreme Court or to the person who appears to have the care of the member or the management of the member's affairs, if no such beneficiary has been appointed.
- 37.** No member may transfer or sell his Other Equity Shares during the first six (6) months of membership, except with the permission of the Board or its designee.

## ARTICLE IX: DEPOSITS

- 38.** Deposits shall be accepted by The Society from members and non-members in the manner and form and subject to any conditions that may be prescribed in Section 207 of the Act, AML/CFT guidelines, these Bye-Laws and on any other terms and conditions as the Board may fix from time to time, provided that:
- (A) Ordinary deposits in excess of the threshold prescribed in law must be accompanied by a declaration of the source of funds; and
  - (B) Frequent deposits, notwithstanding Bye-Law 38. (A), below the threshold prescribed in law, within a short period of time, may also require a declaration of the source of funds.
- 39.** Deposits may be received in the name of a minor, or in trust for a minor who is a child or ward of a member, in such way or manner as the Board may determine, provided that:
- (A) Such deposits shall be held for the exclusive right and benefit of the minor, be free from the control or lien of all other persons except creditors, and shall be paid together with interest thereon to the parent or guardian, for use of the minor; and
  - (B) The receipt or acquittance of a minor, or his parent or guardian, for any payment received pursuant to Bye-Law 39. (A) shall be a good and sufficient discharge of the liability of The Society in respect of that money.



- 40.** Where a person under legal disability, other than minority, is entitled to receive money from The Society, such money may be paid by The Society to the Registrar of the Supreme Court, to the credit of such person under such disability, and the receipt of the Registrar of the Supreme Court, or of the person under disability, shall be good and sufficient discharge of the liability of The Society in respect of that money.
- 41.** Deposits into interest-bearing accounts shall earn interest at such rate and such frequency as the Board may determine from time to time.
- 42.** The Society shall have a lien on the deposits, which may not be removed except with the explicit approval of the Board, of a member for any sum due to The Society by the said member or for any loan endorsed by him and may apply any such deposits standing to the credit of the member towards the discharge of the debt so due, and of any expenses relating to the debt or its discharge, and the defaulting member shall cease to have any further claim in respect of such deposits.
- 43.** A member, pursuant to the Act and these Bye-Laws, may transfer his deposits, provided that:
- (A) For an individual account, it will be made on the signature of the member;
  - (B) For a joint account:
    - (i) It will be made on the signature of either one of the members, unless the account expressly provides that both members must sign;
    - (ii) On the death of any member(s), the surviving member(s) shall be entitled to all the deposits of the account since joint tenancy is assumed, unless it is expressly provided in writing and confirmed by all parties upon the opening of the account that the deposits in the account are held on trust for the benefit of the other member(s) or that upon the death of any member(s), their co-equal portion(s) of the deposits in the account is to go to the estate of the deceased member(s) or the named beneficiary pursuant to Bye-Law 15. (C);
    - (iii) In the event that the account holders expressly provided in writing and confirmed by all parties that the deposits in the account are held on trust for the benefit of the other member(s), the surviving member(s) shall not be entitled to such deposits and shall deliver same to the Personal Representative of the estate of the deceased member(s) or the named beneficiary pursuant to Bye-Law 15. (C);
- 44.** Any inactive or dormant account(s) of members shall be dealt with in accordance with the policies of The Society that the Board may determine from time to time.





## ARTICLE X: RECEIPTS, STATEMENTS, PASSBOOKS AND DISBURSEMENTS

- 45.** Being mindful of the need to ensure transparency and accountability in the execution of any transaction with members and non-members, The Society shall ensure that:
- (A) Any money paid in or out on account of shares, deposits, loans, loan interest, entrance fees, fines, transfer and other fees and or dividends shall be evidenced by an appropriate receipt in a form as approved by the Board;
  - (B) Each member or non-member is issued with a monthly statement, in a form as approved by the Board, which shall depict information relating to all transactions, wherever applicable, by the member in respect of his shares, deposits, withdrawals, loan payments, and or incurred fees and charges;
  - (C) Notwithstanding Bye-Law 45. (B), as approved by the Board or its designee, the member or non-member's permanent official record for all such transactions, in addition to his monthly statement, shall be the entries in his passbook or a statement of account issued quarterly. Furthermore, when a passbook is used, every entry therein shall be initialed by the person receiving or issuing money for the transaction represented thereby;
  - (D) Each member or non-member, at his choosing, may be issued with an International Debit Card to facilitate access to any funds held by The Society to his credit;
  - (E) If a passbook or International Debit Card is lost or stolen, the member or non-member must forthwith inform The Society and an application made for a replacement at the member or non-member's expense as deemed appropriate.

## ARTICLE XI: MEETING OF MEMBERS

- 46.** The supreme authority of The Society shall be vested in the General Meeting, which every member has the right, pursuant to Bye-Law 15. (E), to attend and vote on all questions.
- 47.** Meetings of members shall be convened in accordance with Sections 36 to 46 of the Act ensuring:
- (A) At least ten (10) days' notice of any General, Annual or Special Meeting shall be given before any such meeting is held;
  - (B) A General Meeting shall be held from time to time at the discretion of and at a place determined by the Board.



- 48.** The Annual General Meeting of members shall be held within three (3) months after the end of the financial year referred to in Bye-Law 117, unless authorized by the Registrar upon a written request by the Board to convene the meeting at a later date, and such meeting shall fulfil the following functions:
- (A) To confirm the minutes of the previous Annual General Meeting and of any intervening Special General Meeting(s);
  - (B) To receive and approve the report of the Board for the immediately preceding year's work of The Society;
  - (C) To review the financial statements presented by the Board for the preceding year, together with comparative statements for the year preceding it;
  - (D) To consider the report of the Auditor;
  - (E) To approve the financial statements and the Auditor's Report or, if accounts are not approved, to cause the Directors to forthwith notify the Auditor of any error or misstatement;
  - (F) To receive and approve the reports of the Credit Committee and the Supervisory and Compliance Committee;
  - (G) To allocate the surplus from the preceding year, subject to the Act and Bye-Law 111;
  - (H) To receive and approve the budget for the current financial year;
  - (I) To amend the Bye-Laws, if necessary;
  - (J) To set the maximum liability for the ensuing year;
  - (K) To elect members to the Board, the Credit Committee and the Supervisory and Compliance Committee for the ensuing year, if necessary;
  - (L) To appoint an Auditor for the ensuing year;
  - (M) To hear and decide upon any complaints brought by the members aggrieved by a decision of the Board, provided that notice of such complaint to be brought before the meeting must have been given in writing to the Secretary within thirty (30) days from the date the notice of the decision was received;
  - (N) To fix the maximum borrowing limit for the ensuing financial year; and
  - (O) To transact any other general business of The Society.
- 49.** A Special General Meeting of members may be convened by the Board at any time, provided that:
- (A) A written request for such meeting, specifying the purpose of such meeting, is signed by at least twenty-five (25) members or fifteen percent (15%) of the membership of The Society, whichever is less;
  - (B) The Board shall convene such meeting within twenty (20) days of the receipt of such request and set forth in the notice the purpose of the Special General Meeting and only the business specified in the request shall be dealt with;
  - (C) The Registrar may at any time call a Special General Meeting for the purpose of enabling members to secure information regarding the affairs of The Society that they are entitled to receive and to deal with any matters affecting The Society.



50. The notice of any General Meeting shall be no less than ten (10) days and can be given in any of the following ways:
- (A) By a written notice delivered to each member in person or mailed to each member at his address as the name appears in the records of The Society; or
  - (B) By a notice published in not less than two (2) issues of a newspaper circulated in Grenada and by posting the notice in a place that is prominent and accessible to members;
  - (C) Notwithstanding Bye-Law 50. (A) and Bye-Law 50. (B), the accidental omission to give or the non-receipt of notice by any member shall not invalidate the meeting.

## ARTICLE XII: QUORUM

51. Subject to the provisions of Section 48 of the Act, a quorum of The Society's membership for the purposes of the Annual General Meeting or Special General Meeting shall be:
- (A)
    - (i) One-third ( $1/3$ ) of the membership or fifty (50) members, whichever is less where The Society consists of less than five hundred (500) members; or
    - (ii) One-fifth ( $1/5$ ) of the membership or one hundred (100) members, whichever is less, where The Society consists of five hundred and one to five thousand (501-5000) members; or
    - (iii) One-tenth ( $1/10$ ) of the membership or three hundred (300) members, whichever is less, where The Society consists of over five thousand (5000) members;
  - (B) Where a quorum is not present within thirty (30) minutes after the time fixed for the commencement of any General Meeting of members:
    - (i) The Registrar or the Registrar's representative may direct that the meeting proceeds, if the Registrar is satisfied that the meeting was convened in accordance with the Act, and that the members present were properly notified, and constitute at least seventy-five percent (75%) of the number required for a quorum;
    - (ii) Such meeting shall be considered dissolved, if convened on the request of members pursuant to Bye-Law 49. (A); or
    - (iii) In all other cases, such meeting shall stand adjourned to a date not more than thirty (30) days thereafter and at a time and place to be determined by the Board;
  - (C) Notwithstanding Bye-Law 51. (A), when any meeting of The Society is summoned by the Registrar, any members present at such meeting shall be deemed to form a quorum;



- (D) For the reconvening of an adjourned meeting pursuant to Bye-Law 51. (B) (iii), at least three (3) days' notice shall be given. Furthermore, if at the adjourned meeting a quorum is not present at the time appointed for the meeting, the members present shall form a quorum.

## ARTICLE XIII: ELECTIONS

- 52.** The following procedures, in keeping with Sections 36 to 38 of the Act, shall apply to the conduct of elections:
- (A) Not more than thirty (30) days after each Annual General Meeting, the Board shall appoint a Nominations Committee consisting of five (5) members, among whom not more than one (1) member may be a Director;
  - (B) The Nominations Committee shall identify from among the membership of The Society, interested members who satisfy the requirements of Bye-Law 52. (F), and recommend that such members be provided relevant training, and shall nominate at the Annual General Meeting, no more than two (2) members for each vacancy to be filled;
  - (C) Notwithstanding Bye-Law 52. (B), any such member who has undergone the requisite training and satisfy the requirements of Bye-Law 52.(F), but was not nominated by the Nominations Committee, may be nominated from the floor;
  - (D) All elections shall be by ballot and shall be determined by a majority vote, except where there is no contest;
  - (E) Where the number of nominees does not exceed the number of members to be elected, the Chairman shall declare the nominees elected;
  - (F) No member may be elected to the Board, the Credit Committee or the Supervisory and Compliance Committee unless:
    - (i) He is at least eighteen (18) years of age;
    - (ii) He is a citizen or legal resident of Grenada or any CARICOM Member State
    - (iii) He is deemed fit and proper to hold such role by virtue of his successful completion of the personal questionnaire and declaration for fit and proper test as required by the Registrar;
    - (iv) He holds a full subscription of Qualifying Shares pursuant to Bye-Law 27;
    - (v) He holds at least one hundred and forty (140) Other Equity Shares;
    - (vi) He has been a member of The Society for at least one (1) year;
    - (vii) He has saved regularly an additional three hundred dollars (\$300.00) per quarter or twelve hundred dollars (\$1,200.00) in the past year;
    - (viii) He is not, nor has been, a delinquent borrower and is otherwise in good financial standing;
    - (ix) He has not been the subject of a criminal investigation charge, arrest, conviction, or indictment or sentenced by a Court in any country for an



- offence involving fraud, dishonesty or the promotion, formation, or management of a body corporate or any offence under the Act; and
- (x) He is not part of the management of another credit union or similar body, an employee of The Society, the Regulatory Agency, the Auditing Firm, or the Apex Body.

## ARTICLE XIV: TENURE OF OFFICE

- 53.** Pursuant to the provisions of Section 58 of the Act, members of The Society shall hold office subject to the following:
- (A) Each member shall hold office until his successor is elected and may be eligible for re-election;
  - (B) Directors and members of the Credit Committee and Supervisory and Compliance Committee may hold office for two (2) consecutive terms of three (3) years each or six (6) consecutive years, before retiring for a minimum of one (1) year;
  - (C) Where persons are to be elected for varying terms, the member receiving the highest or higher number of votes cast is to be declared for the longest or longer term;
  - (D) Where two (2) or more nominees received an equal number of votes, the members present, by resolution, may provide that a second ballot be cast or where the meeting does not decide to hold a second ballot, the Chairman shall draw lots and the nominee whose lot is drawn is to be declared elected for the longest or longer term;
  - (E) Where nominees are elected unopposed, the members present may, by resolution, provide that a ballot be cast to determine the term of office for each nominee or where the meeting does not decide to hold a ballot, the Chairman shall draw lots to determine the tenure of office of each nominee.
- 54.** At the first Annual General Meeting of The Society subsequent to the commencement of the Act, the entire Board, the Credit Committee and the Supervisory and Compliance Committee shall be elected, provided that at the Annual General Meeting in every subsequent year, one-third (1/3) of the Directors or, if their number is not three (3) or a multiple of three (3), the whole number nearest one-third (1/3) shall retire from office and the smallest number of persons shall serve for one (1) year.



## ARTICLE XV: TERMINATION OF OFFICE

- 55.** Any member of the Board, the Credit Committee or the Supervisory and Compliance Committee shall be deemed to have vacated his office, if:
- (A) He resigns by giving notice to the Board, or to the respective Committee, if a member of the Credit Committee or the Supervisory and Compliance Committee;
  - (B) He applies for bankruptcy or has been declared bankrupt;
  - (C) He becomes of unsound mind and has been so found by a Court in Grenada;
  - (D) He is convicted of any offence involving dishonesty or fraud; or
  - (E) He becomes a member of a prescribed class referred to in Bye-Law 52. (F)(x).
- 56.** Any member of the Board, the Credit Committee, or the Supervisory and Compliance Committee may be removed from office before the expiration of his period of office subject to the following:
- (A) By a two-thirds (2/3) majority of the members present at a Special General Meeting, provided that at least ten (10) days' notice, specifying the intention to propose the resolution, has been duly given for such meeting;
  - (B) Pursuant to Bye-Law 56. (A), any such member must be informed in writing of the charges against him at the time of the notice and at such meeting shall have reasonable opportunity to answer such charges; and
  - (C) The members present at such meeting shall proceed to the election of a new Board, Credit Committee or Supervisory and Compliance Committee or to fill any vacancy occurring and any member so appointed, shall be subject to retirement at the same time, as if he had become a member of the Board, the Credit Committee or the Supervisory and Compliance Committee on the day in which the member, in whose place he is appointed, was last elected.

## ARTICLE XVI: BOARD OF DIRECTORS

- 57.** Following an Annual General Meeting, the Board of Directors shall convene within ten (10) days of such meeting and shall elect from their own number a President, Vice President, Secretary, Treasurer and Assistant Secretary/Treasurer and perform a review of the Annual General Meeting as well as the decisions and recommendations emanating from such meeting.
- 58.** Subject to the provisions of Section 56 of the Act, the general direction, control and management of The Society shall be entrusted to the Board, pursuant to the following:



- (A) The Board shall be elected at the Annual General Meeting and shall consist of not less than seven (7) members, but no more than nine (9) members in keeping with Section 53. (2) of the Act;
- (B) A joint member may become a Director, provided that only one (1) such joint member is a Director at any given time;
- (C) The Board shall arrange the deposit of all funds in the account(s) of The Society, referred to in Bye-Law 115, in a timely manner after they are collected;
- (D) The Board shall be responsible for making adequate arrangements for the safe keeping of such funds of The Society until they are so deposited in the account(s) of The Society in accordance with Bye-Law 58. (C);
- (E) The Directors shall meet, virtually or in-person, as prevailing circumstances may warrant, and as often as the business of The Society may require, but not less frequently than once per month, provided that due notice of such meetings shall be given by the Secretary;
- (F) A simple majority of the members of the Board shall constitute a quorum;
- (G) Any member of the Board shall, in addition to Bye-Law 55, be deemed to have vacated his office, if:
  - (i) He fails to attend three (3) consecutive regular meetings of the Board without giving satisfactory explanation to the Board within seven (7) days of his absence from the third meeting;
  - (ii) He fails to perform any of the duties allotted to him as a member of the Board; or
  - (iii) He is no longer qualified in accordance with Bye-Law 52. (F).

**59.** Where there are vacancies on the Board:

- (A) The remaining Directors may exercise all the powers of the Board, or fill the vacancies within thirty (30) days, until the next Annual General Meeting, if there is a quorum of Directors; or
- (B) The remaining Directors shall call a General Meeting for the purpose of electing members to fill the vacancies, if there is not a quorum of Directors; or
- (C) Twenty-five (25) members, or one-fifth (1/5) of the membership of The Society, whichever is less, may appoint in writing at least five (5) members as Directors for the purpose of calling a General Meeting to elect members to fill the vacancies, if there are no Directors.

**60.** The Board may appoint, from among its number and or from the general membership of The Society, any Committee that it deems necessary and:

- (A) By resolution, subject to Section 54. (2) of the Act, delegate such powers that it considers necessary for the efficient conduct of affairs and business of The Society to any such Committee;
- (B) Any such Committee, pursuant to Bye-Law 60. (A), must consist of at least three (3) Directors and shall exercise such powers subject to the provisions of the Act and these Bye-Laws;



- (C) Any member so appointed on such Committee shall hold office for a period not exceeding one (1) year.
- 61.** A Director who is a party to a contract or proposed contract with The Society shall:
- (A) Disclose in writing to The Society, or request to have entered in the Minutes of meetings of the Board, the nature and extent of his interest in keeping with Sections 81 and 82 of the Act; and
  - (B) Not take part in any discussion to consider, nor vote on any resolution to approve such contract in which he has a personal interest.
- 62.** Any such contract, pursuant to Bye-Law 61, where a Director disclosed a material interest that was reasonable and fair to The Society at the time it was approved, once approved by the Board is neither void nor voidable by reason only of that relationship or by reason that a Director with an interest in the contract was present at or is counted to ascertain a quorum at the meeting in which such contract was approved.
- 63.** Subject to Bye-Law 7, the Board may borrow from any source, pledge the requisite collateral and agree to terms of repayment as it considers fit, provided that the total amount borrowed does not exceed the aggregate of four (4) times the accumulated surplus and reserves of The Society, and is within the maximum liability limit, so fixed by resolution at a General Meeting, and approved by the Registrar.
- 64.** Pursuant to Section 54 of the Act, the Officers of the Society shall be the President, Vice President, Secretary, Treasurer and Assistant Secretary/Treasurer and their respective duties shall be as follows:
- (A) **President**
    - (i) To preside at meetings of the Board and the Board, Credit Committee and Supervisory and Compliance Committee combined;
    - (ii) To sign and execute jointly with the Secretary all deeds and conveyances of real or personal property and such other documents as the Board may specify; and
    - (iii) To perform such other duties, as customarily appertain to the office of the President or as he may be directed to perform, by resolution of the Board, not inconsistent with the Act and these Bye-Laws;
  - (B) **Vice President**
    - (i) To perform the duties of the President in his absence or disability or refusal to act and such other duties as the Board may from time to time prescribe;
  - (C) **Secretary**
    - (i) To keep minutes of any meeting of the Board and The Society;
    - (ii) To conduct any correspondence on behalf of The Society;





- (iii) To keep charge of all records, books, papers and other documents of The Society;
- (iv) To issue notice(s), in accordance with the Act and these Bye-Laws, for all meetings of the Board, the Board, Credit Committee and Supervisory and Compliance Committee combined and general membership of The Society;
- (v) To sign and execute jointly with the President all deeds and conveyances of real or personal property and such other documents as the Board may specify; and
- (vi) To perform such other duties, as prescribed by these Bye-Laws or as directed by a resolution of the Board, not inconsistent with the Act and these Bye-Laws;

**(D) Treasurer**

- (i) To receive all monies due and payable to The Society and issue receipts for same;
- (ii) To deposit all monies received in the name of The Society in such bank depository as approved by the Board;
- (iii) To sign all cheques, notes, bills of exchange and other documents necessary to effect the business of The Society;
- (iv) To record all transactions effected by The Society in the books and files, referred to in Bye-Law 122, provided for such purpose;
- (v) To keep charge of all documents, books and vouchers for all payments made, and receipts issued on behalf of The Society;
- (vi) To keep separate accounts of all monies belonging to The Society;
- (vii) To produce a current statement of The Society's monies held on demand;
- (viii) To make payments as authorized by the Board and obtain receipts for same;
- (ix) To ensure all promissory notes, drafts and negotiable instruments drawn in favor of The Society are properly prepared;
- (x) To prepare the annual statement of account and balance sheet, monthly financial statement and other statements that the Board may request from time to time;
- (xi) To prepare and forward to the Registrar such financial and other reports as may be required;
- (xii) To submit the monthly financial statement to the Supervisory and Compliance Committee within twenty-one (21) days of the end of each month; and
- (xiii) To perform such other duties, as prescribed by these Bye-Laws or as directed by a resolution of the Board, not inconsistent with the Act and these Bye-Laws;



(E) **Assistant Secretary/Treasurer**

- (i) To perform the duties of the Secretary or Treasurer in their absence or disability or refusal to act and such other duties as the Board may from time to time prescribe.
65. The Board, pursuant to Bye-Law 64. (A) (i) and Bye-Law 64. (C) (iv), shall convene a meeting of the Board, Credit Committee and Supervisory and Compliance Committee not less than once per quarter
  66. The Society, subject to the Act, shall reimburse Directors for expenses incurred, and approved by the Board, in the course of performing any service on behalf or for the benefit of The Society.
  67. The Society may pay Directors such honorarium as may from time to time be recommended by the Board and approved by the members at a General Meeting.
  68. Pursuant to Sections 54. (2) and 67. (1) of the Act, the Board, in the exercise of the powers of The Society, shall appoint a General Manager, Risk and Compliance Manager and other employees to implement its policies and manage the day-to-day operations of The Society and may authorize the General Manager and such other employees to act as its designee, subject to the policies of the Board.
  69. Subject to the provisions of Section 76 of the Act, The Society may indemnify each Director against costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by that Director with respect to a civil, criminal or administrative action or proceeding, to which he is made a party by reason of being or having been a Director of The Society.

## ARTICLE XVII: CREDIT COMMITTEE

70. The Credit Committee shall be elected at the Annual General Meeting and shall consist of at least five (5) members, but no more than seven (7) members, none of whom shall be a member of the Board or the Supervisory and Compliance Committee or an employee of The Society, except that the Secretary, Treasurer and General Manager may be ex-officio members of the Committee.
71. Following an Annual General Meeting, the members of the Credit Committee shall convene within ten (10) days of such meeting and shall elect from their own number a Chairman and Secretary, who shall not be the same person, and perform a review of the Annual General Meeting as well as the decisions and recommendations emanating from such meeting.



- 72.** Any member of the Credit Committee shall, in addition to Bye-Law 55, be deemed to have vacated his office, if:
- (A) He fails to attend three (3) consecutive regular meetings of the Committee without, in the opinion of the Board, having a reasonable cause;
  - (B) He fails to perform any of the duties allotted to him as a member of the Committee; or
  - (C) He is no longer qualified in accordance with Bye-Law 52. (F).
- 73.** The Credit Committee, subject to the provisions of Section 62. (2) of the Act, may be removed from office by a special resolution made in a Special General Meeting called for this purpose, if it fails to submit such report, referred to in Bye-Law 76. (A), to the Board.
- 74.** 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 time a member shall be elected to fill the vacancy for the unexpired term.
- 75.** The duties of the Chairman and Secretary of the Credit Committee shall be as follows:
- (A) **Chairman**
    - (i) To preside at meetings of the Credit Committee;
    - (ii) To perform such other duties, as customarily appertain to the office of the Chairman or as he may be directed to perform, by resolution of the Board, not inconsistent with the Act and these Bye-Laws;
  - (B) **Secretary**
    - (i) To prepare and maintain full and correct records of all actions taken by the Credit Committee;
    - (ii) To issue notice of all meetings of the Credit Committee;
    - (iii) To perform such other duties, as customarily appertain to the office of the Secretary or as he may be directed to perform, by resolution of the Board, not inconsistent with the Act and these Bye-Laws.
- 76.** The Credit Committee shall hold such meetings as the business of The Society may require, but not less than once per month and shall perform the following duties:
- (A) To submit to the Board, on a monthly basis, a report pursuant to Section 62. (1) (c) of the Act and the approved credit risk management policy of The Society, which shall include:
    - The attendance records of its members;
    - The number of loan applications received;
    - The number in each category of loans granted and their respective values;
    - The collateral obtained for any loans granted;
    - The details of all loans granted via exceptional approval;
    - The number of loan applications denied and the reasons thereof;



- The number and value of delinquent loans, classified loans, written-off loans, deferred loans and related-party loans;
  - The loan recovery rate;
  - The recovery actions taken in respect of delinquent loans; and
  - The recommendations proposed pursuant to its oversight capacity;
- (B) To submit an annual report on matters referred to in Bye-Law 76. (A) and on loan portfolio quality and trends to the Annual General Meeting.
- 77.** A majority of the Credit Committee, not including the ex-officio members referred to in Bye-Law 70, shall constitute a quorum.
- 78.** The Credit Committee shall implement The Society's credit risk management policy as approved by the Board and in doing so shall:
- (A) Enquire carefully into the character and financial condition of each loan applicant, including his sureties, to ascertain his ability to repay fully and promptly any obligation incurred by him;
  - (B) Determine whether the loan sought is for a provident or productive purpose and will be of profitable benefit to the loan applicant;
  - (C) Endeavour to assist each loan applicant in solving his financial challenges;
  - (D) Consider all applications for loans, and where applicable make recommendations to the Board in respect of such applications, and approve loans to members upon such terms and conditions as stipulated therein;
  - (E) Delegate authority to approve loans to the General Manager, Credit Manager, Loans Officer or other employee of The Society, subject to such limitations and control as may be imposed by the Board;
  - (F) Provide prudent oversight of the loan portfolio of The Society;
  - (G) Ensure no loan is disbursed unless the loan application is approved by the Credit Committee; and
  - (H) Ensure no employee, referred to in Bye-Law 78. (E), shall have authority to disburse funds of The Society for any loan he has approved.
- 79.** The Society, subject to the Act, shall reimburse members of the Credit Committee for expenses incurred, and approved by the Board, in the course of performing any service on behalf or for the benefit of The Society.
- 80.** The Society may pay members of the Credit Committee such honorarium as may from time to time be recommended by the Board and approved by the members at a General Meeting.
- 81.** The Credit Committee, at its discretion, may refer loan applications to the members of the Board of Directors, Credit Committee and Supervisory and Compliance Committee if a vote of the Credit Committee, when its number is even, is split or in other circumstances as deemed necessary.



## ARTICLE XVIII: SUPERVISORY AND COMPLIANCE COMMITTEE

- 82.** The Supervisory and Compliance Committee shall be elected at the Annual General Meeting and shall consist of at least five (5) members, none of whom shall be a member of the Board or the Credit Committee or an employee of The Society, except that the General Manager and Risk and Compliance Manager may be ex-officio members of the Committee.
- 83.** Following an Annual General Meeting, the members of the Supervisory and Compliance Committee shall convene within ten (10) days of such meeting and shall elect from their own number a Chairman and Secretary who shall not be the same person and perform a review of the Annual General Meeting as well as the decisions and recommendations emanating from such meeting.
- 84.** Any member of the Supervisory and Compliance Committee shall, in addition to Bye-Law 55, be deemed to have vacated his office, if:
- (A) He fails to attend three (3) consecutive regular meetings of the Committee without, in the opinion of its members, having a reasonable cause;
  - (B) He fails to perform any of the duties allotted to him as a member of the Committee; or
  - (C) He is no longer qualified in accordance with Bye-Law 52. (F).
- 85.** A member of the Supervisory and Compliance Committee may be removed from office by a special resolution passed by a vote of two-thirds (2/3) of the members present in a Special General Meeting called for this purpose.
- 86.** Any vacancy on the Supervisory and Compliance Committee may be filled:
- (A) By its remaining members, but such member shall hold office only until the next Annual General Meeting, at which time a member shall be elected to fill the vacancy for the unexpired term, if the vacancy arises pursuant to Bye-Law 55 or Bye-Law 84; or
  - (B) By the vote cast at such meeting pursuant to Section 71 of the Act and such member shall be elected to fill the vacancy for the unexpired term.
- 87.** The duties of the Chairman and Secretary of the Supervisory and Compliance Committee shall be as follows:
- (A) **Chairman**
    - (i) To preside at meetings of the Supervisory and Compliance Committee;
    - (ii) To perform such other duties, as customarily appertain to the office of the Chairman or as he may be directed to perform, by resolution of the Board, not inconsistent with the Act and these Bye-Laws;



(B) **Secretary**

- (i) To prepare and maintain full and correct records of all actions taken by the Supervisory and Compliance Committee;
- (ii) To issue notice of all meetings of the Supervisory and Compliance Committee;
- (iii) To perform such other duties, as customarily appertain to the office of the Secretary or as he may be directed to perform, by resolution of the Board, not inconsistent with the Act and these Bye-Laws.

**88.** The Supervisory and Compliance Committee shall meet at least once a month and shall perform the following duties:

- (A) Keep minutes of its meetings;
- (B) Examine the books of The Society not less than twice in the period between Annual General Meetings of The Society;
- (C) Confirm the cash instruments, property and securities of The Society not less than twice in the period between Annual General Meetings of The Society;
- (D) Confirm the shares, deposits and other balances or holdings of members not less than twice in the period between Annual General Meetings of The Society;
- (E) Ensure passbooks, statements of account, e-statements and accounts of members are verified against the records of The Society at least once a year, and for at least ten percent (10%) of the membership of The Society;
- (F) Verify the assets of The Society and monitor whether such assets are adequately protected;
- (G) Appraise the policies and operating procedures of The Society and make recommendations to the Board and the Credit Committee accordingly;
- (H) Monitor the management of The Society and ensure all actions and decisions, relating to the affairs of The Society, of the Board, the Credit Committee and employees of The Society are in accordance with the Act, these Bye-Laws and the policies of The Society as approved by the Board;
- (I) Receive and investigate any complaints made by any member in respect of the proper management of The Society;
- (J) Ensure that all advances, loans, deposits and other transactions involving Directors, Credit Committee and Supervisory and Compliance Committee members and employees of The Society are in keeping with the Act, these Bye-Laws and the policies of The Society as approved by the Board;
- (K) Submit a written report to the Board, within seven (7) days of each meeting, on the results of its examination and enquires pursuant to Section 66. (l) (e) of the Act; and
- (L) Submit a written report, on the results of its examination and enquires pursuant to Section 66. (l) (e) of the Act, to the members at the next Annual General Meeting of The Society.

**89.** The Supervisory and Compliance Committee, at all times, shall have access to the books and documents of The Society and shall receive periodic reports from



such Risk and Compliance Manager, so appointed pursuant to Section 67 of the Act, pertaining to the following:

- (A) The levels of awareness, adherence, and compliance in the internal operations of The Society in general, but particularly in respect of AML/CFT policies and procedures; and
- (B) Recommendations for suitable policies and measures to counter money laundering and combat the financing of terrorism during the conduct of the business of The Society.

**90.** The members of the Supervisory and Compliance Committee may attend, as observers, meetings of the Board and its Committees and the Credit Committee.

**91.** When the Supervisory and Compliance Committee is of the opinion that the funds, securities or other property of The Society have been misappropriated or misdirected, or that the Act, Regulations, or these Bye-Laws have been contravened by the Board, the Credit Committee or any member thereof or any employee of The Society, the Supervisory and Compliance Committee shall immediately inform the Board and the Registrar in writing;

- (A) Pursuant to Section 68. (2) of the Act, the Supervisory and Compliance Committee, with the approval of the Board, shall 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 Society have been misappropriated or misdirected, or whether the Act, Regulations or these Bye-Laws have been contravened, and the remuneration of any auditor or other body so appointed shall be determined by the Supervisory and Compliance Committee and paid by The Society;
- (B) Pursuant to Section 68. (3) of the Act, in the event of misappropriation or misdirection or contravention, or a suspected misappropriation or misdirection or contravention, the Supervisory and Compliance Committee may suspend such person(s), after affording the person(s) an opportunity to be heard;
- (C) On completion of such investigation or review referred to in Bye-Law 91. (A), if the Supervisory and Compliance Committee considers that the Board, the Credit Committee or any member thereof or any employee of The Society has misappropriated or misdirected the funds or securities of The Society or has acted in contravention of the Act, Regulations and or these Bye-Laws, the Supervisory and Compliance Committee may:
  - (i) Suspend such person(s) by a unanimous vote of all its members at a meeting of the Committee called for the purpose of considering such suspension;
  - (ii) Convene a Special General Meeting of The Society, within twenty-one (21) days of such suspension in accordance with Section 68. (5) of the Act to review the suspension and consider the removal of such person(s);
  - (iii) Inform both the Registrar and the person(s) concerned in writing, without prejudice to the requirements of Section 46 of the Act or Bye-Law 50, no less than ten (10) days before any such meeting of the



Supervisory and Compliance Committee and Special General Meeting called pursuant to Section 68. (4) of the Act;

- (D) At a Special General Meeting pursuant to Bye-Law 91. (C) (ii), the members of The Society, in accordance with the purpose(s) for which the meeting was convened, by secret ballot, may:
- (i) Ratify the suspension and remove the person(s) from office after affording the person(s) an opportunity to be heard by the members at such meeting; or
  - (ii) Rescind the suspension of the person(s).
- 92.** The Society, subject to the Act, shall reimburse members of the Supervisory and Compliance Committee for expenses incurred, and approved by the Board, in the course of performing any service on behalf or for the benefit of The Society.
- 93.** The Society may pay members of the Supervisory and Compliance Committee such honorarium as may from time to time be recommended by the Board and approved by the members at a General Meeting.

## ARTICLE XIX: LOANS TO MEMBERS

- 94.** Loans shall be granted to members only, provided they are for provident and productive purposes, and must be applied to the purpose(s) so approved by the Credit Committee or its designee.
- 95.** The terms and conditions on which loans may be granted to members shall be fixed from time to time by the Board and stipulated in the credit risk management policy so approved, provided always that the aggregate borrowing of any member shall not exceed twenty percent (20%) of the capital base of The Society.
- 96.** The rate of interest on loans shall be fixed from time to time by the Board and stipulated in the credit risk management policy so approved, provided that it accrues on the monthly reducing balance basis.
- 97.** No loan shall be made to any Director, Credit Committee member or Supervisory and Compliance Committee member on any terms, relating to interest rates, discounts or waivers or any other terms, more favorable than those offered to the general membership.
- 98.** The Society shall not directly or indirectly make a loan or advance and shall not grant any waivers or relief or exceptions from the standard risk-based policies of its approved credit risk management policy to a member or group of borrowing





members or associates if the loan or advance would cause the aggregate amount of loans to the member, the group of borrowing members or associates to exceed ten percent (10%) of its capital base.

- 99.** Any loan, approved to a Director, member of the Credit or Supervisory and Compliance Committees or employee of The Society in contravention of the Act, Regulations, Bye-Laws or the credit risk management policy of The Society shall be void and must be repaid to The Society immediately.
- 100.** The Society may permit Directors, members of the Credit and Supervisory and Compliance Committees and employees of The Society to act as a co-maker or guarantor, subject to such limitations as stipulated in the credit risk management policy so approved by the Board, for loans to members.
- 101.** No loans shall be granted to any member, if:
- (A) He does not hold a full subscription of Qualifying Shares pursuant to Bye-Law 27; or
  - (B) He is or has been a delinquent borrower in the past six (6) months; or
  - (C) He has not provided the required collateral, as stipulated by the credit risk management policy approved by the Board, for the loan requested.
- 102.** Any member desirous of obtaining a loan shall complete and submit the prescribed loan application form and furnish the Credit Committee or its designee with the requisite documentation, collateral, and any other information as stipulated in the credit risk management policy approved by the Board and such process shall adhere to the following general procedures:
- (A) The Credit Committee, or its designee shall review all loan applications in accordance with the approved credit risk management policy of The Society and approve, reject or defer such loan application;
  - (B) Subject to Section 202. (2) of the Act, the members of the Board of Directors, Credit Committee and Supervisory and Compliance Committee shall convene if a Director, a Credit Committee member, a Supervisory and Compliance Committee member, or an employee of The Society requires a loan in excess of his total holdings of shares, deposits and accumulated earnings;
    - (i) A quorum of such meeting shall be a simple majority of its members, provided that there is a quorum of members of the Credit Committee present; and
    - (ii) A vote of two-thirds (2/3) of the members present at such meeting shall be sufficient to approve a loan application under consideration;
  - (C) No member of the Board of Directors, Credit Committee, Supervisory and Compliance Committee or any other employee who has been authorized to approve loans shall participate in the discussion, nor be present during such discussion, of the approval of a loan to himself, or to a member for whom he is a guarantor or co-maker, or any other member with whom he has a fiduciary relationship;



- (D) Any information shared and discussed during such reviews shall be strictly confidential and any member of the Credit Committee or employee of The Society found in breach of such confidentiality shall be liable for immediate expulsion or dismissal;
- (E) A notice, upon approval of a loan application, shall be sent to the borrower and prior to any disbursement, the borrower and his sureties, if applicable, shall execute an instrument in writing setting out the terms and conditions of the loan agreement and containing such other terms and conditions as the Credit Committee may consider necessary;
- (F) A member may repay his loan, in whole or in part, prior to maturity on any business day of The Society, except that any such repayment may incur a penalty stipulated accordingly in the credit risk management policy duly approved by the Board;
- (G) If any member fails to pay any instalment of a loan by the stipulated deadline, he shall pay a fine, except where a moratorium on such payment has been granted by the Board or its designee, so imposed and approved by the Board from time to time, provided that such fine shall be consistent with the Act and these Bye-Laws;
- (H) If a member fails to pay any instalment of a loan by or before the due date and no moratorium on such payment has been granted by the Board or its designee, the remaining balance of the loan shall become immediately due;
- (I) If the Board is satisfied that a member of The Society was dishonest in his disclosure(s) or applied the proceeds of a loan to a purpose other than the purpose for which the loan application was approved, the Board may, by notice in writing to the borrower, demand repayment of the loan before the agreed repayment date;
- (J) In the event that any loan, where no moratorium was granted by the Board or its designee, goes into default, the Board shall take steps towards its recovery including:
  - (i) Applying any Equity Shares and deposits held by The Society to the credit of the member towards the discharge of the debt so due, and of any expenses relating to the debt or its discharge, and such member shall cease to have any further claim in respect of such monies;
  - (ii) Referring the matter to the Registrar pursuant to Section 194 of the Act;
  - (iii) Exercising any rights arising by law pursuant to Sections 108, 112 and 197 of the Act; or
  - (iv) Any other action that The Society deems necessary;
- (K) If a member fails to pay any instalment of a loan by or before the due date, and no moratorium on such loan has been granted by the Board or its designee, and the Board or its designee is not satisfied that such default was due to a reasonable cause, such delinquent member shall not be entitled to receive another loan from The Society within six (6) months after final settlement of his pre-existing loan(s).

**103.** In the event that the value of approved loan applications pending disbursement exceeds the available funds of The Society, preference shall be given in all cases



to loan applications of a lesser principal amount, provided that the need and credit factors are nearly equal.

- 104.** For the purpose of Bye-Law 102. (G), accrued interest shall be deemed to be an instalment of a loan, but unless it is otherwise provided in the instrument required under Bye-Law 102. (E), an instalment shall not be deemed to be due unless it is thirty (30) days in arrears.

## **ARTICLE XX: DOUBTFUL LOANS**

- 105.** The Board shall cause a list of all doubtful loans to be made available at the registered office of The Society for any examination required by the Credit Committee, the Supervisory and Compliance Committee or the Auditor and shall send a copy of such list to the Registrar, if requested or deemed necessary.

## **ARTICLE XXI: STATUTORY RESERVE, DEVELOPMENT FUND AND OTHER RESERVES**

- 106.** The Society shall create a Statutory Reserve pursuant to the provisions of Section 125. (1) of the Act.
- (A) The Statutory Reserve shall be part of the institutional capital of The Society and at the end of the financial year in question, The Society shall ensure that its institutional capital is not less than seven percent (7%), or such greater percentage as may be specified by the Registrar from time to time, of its total assets;
- (B) The Society shall ensure that at the end of the financial year in question before allocation to dividends, transfers to the Statutory Reserve are made as follows:
- (i) If the institutional capital of The Society is less than seven percent (7%) of total assets, not less than thirty percent (30%) of its surplus, or such other sum as may be required to increase the institutional capital to seven percent (7%) of total assets, shall be transferred to the Statutory Reserve; or
- (ii) If the institutional capital of The Society is greater than seven percent (7%) of total assets, a sum lesser than thirty percent (30%) of its surplus may be transferred to the Statutory Reserve;
- (C) All fees and fines collected by The Society shall be allocated to the Statutory Reserve; and



- (D) The Statutory Reserve shall not be used or applied except as permitted by Sections 120. (2) and 125. (2) of the Act and shall be identifiable by the Registrar on demand.
- 107.** Pursuant to Section 126 of the Act, The Society shall establish and maintain a Development Fund, which shall be administered in conjunction with the Apex Body.
- (A) If the members of the Annual General Meeting of The Society declare a dividend subject to the provisions of Bye-Law 111, three percent (3%) of the net surplus before dividends shall be allocated to the Development Fund; or
- (B) If the members of the Annual General Meeting of The Society do not declare a dividend, one percent (1%) of the net surplus before dividends shall be allocated to the Development Fund; and
- (C) Any such allocation shall be remitted to the Apex Body.
- 108.** The Board, from time to time, may approve the establishment of any additional reserves pursuant to the Act and deemed necessary to protect the interest of the members of The Society.
- 109.** At no time shall the institutional capital and capital base of The Society be less than seven percent (7%) and ten percent (10%) respectively of the total assets of The Society. Furthermore, such minimum ratios are to be determined solely by reference to the financial year in question and without regard to the current or any other financial year.
- 110.** In the interest of strengthening institutional capital, sums may be allocated annually to the accumulated surplus after adequate provisions have been made for the Statutory Reserve, Development Fund, any other reserves pursuant to Bye-Law 108 and dividends.

## ARTICLE XXII: DIVIDEND AND BONUS

- 111.** The members in the Annual General Meeting may declare a dividend out of the net surplus after setting aside the prescribed allocations, provided that:
- (A) All or any part of any deficit previously incurred is recovered;
- (B) No dividend shall be declared unless the institutional capital of The Society is greater than seven percent (7%), or such greater percentage as may be specified by the Registrar from time to time, of the total assets of The Society;
- (C) No dividend payable shall be greater than three percent (3%) above the savings rate set by the Eastern Caribbean Central Bank;
- (D) Any dividend shall be paid only on Equity Shares fully paid up before and during the dividend period; and



- (E) Any dividend payable to a member in any financial year shall be credited directly to the member's savings account.
- 112.** The Society may make contributions to any charitable purpose or to a common good fund, subject to Section 128 of the Act and after transfers of the prescribed allocations pursuant to Bye-Laws 106 to 108, as part of its Co-operative Social Responsibility scheme.
- 113.** A bonus, after setting aside the prescribed allocations pursuant to Bye-Laws 106 to 108 and after the deduction of all expenditure, may be distributed periodically among the members of The Society and such bonus shall be credited directly to the member's savings account.

## **ARTICLE XXIII: INVESTMENT OF FUNDS**

- 114.** The Society shall invest its funds in accordance with the provisions of Section 120 of the Act and the investment policy of The Society so approved by the Board.

## **ARTICLE XXIV: BANK ACCOUNTS**

- 115.** The Board shall select one (1) or more reputable financial institutions in which the bank account(s) of The Society shall be kept. Furthermore, all cheques and financial instruments shall be signed and endorsed on behalf of The Society by any two (2) of the designated signatories as the Board shall decide.

## **ARTICLE XXV: ANNUAL ACCOUNTS, REPORTS AND AUDITS**

- 116.** The Board shall comply with the provisions of the Act and shall:
- (A) Cause the books of The Society to be audited annually;
  - (B) Approve the financial statements of The Society and place the comparative financial statements before the members at every Annual General Meeting; and



- (C) Furnish the Registrar, within thirty (30) days of the Annual General Meeting, with a copy of the audited financial statements, which was placed before the members at the Annual General Meeting, for that particular year ended.

## ARTICLE XXVI: FINANCIAL YEAR

117. The financial year of The Society shall end on 31<sup>st</sup> December.

## ARTICLE XXVII: SEAL AND EXECUTION OF DOCUMENTS

118. The Board shall adopt, for the use of The Society, a distinctive seal having the name of The Society inscribed thereon.
119. The seal shall not be affixed to any instrument, except by the authority of a resolution of the Board and in the presence of at least one (1) member of the Board.
120. Any instrument, save and except deeds and conveyances of real or personal property, required to be signed on behalf of The Society shall be duly executed by the President, the Secretary and or the Treasurer, and or other employee so authorized by the Board.
121. Pursuant to Bye-Law 64. (A) (ii), Bye-Law 64. (B) (i) and Bye-Law 64. (C) (v), any deeds and conveyances of real or personal property to be signed on behalf of The Society shall be executed by the President (or the Vice President, if the President is unable to sign due to his absence, or disability or refusal to act) and the Secretary.

## ARTICLE XXVIII: RECORDS AND FORMS

122. The Society shall keep, in hard or soft copy or other medium consistent with the Act, such books, forms, electronic and digital files as are necessary to efficiently conduct the business of The Society.



- 123.** The Society shall retain reliable accounting records and all supporting documents, in hard, electronic and or digital form, for a minimum period of seven (7) years, or for such longer period in accordance with the provisions of the Act, after closure of the account.

## **ARTICLE XXIX: INSPECTION OF RECORDS**

- 124.** The corporate records of The Society, subject to Section 22 of the Act, shall be open to inspection by any member having an interest in the funds of The Society and the Registrar.
- 125.** No person, other than the member himself, his agent or legal representative, a member of the Board, the Credit Committee or the Supervisory and Compliance Committee, the Auditor or the Registrar, his staff or anyone duly appointed by him, shall be allowed to see the personal account, loan agreement, passbook, e-statement or the register or papers relating to the loan of any member without the consent of such member in writing.

## **ARTICLE XXX: DISPUTES**

- 126.** All disputes shall be dealt with in accordance with the provisions of Sections 194 to 197 of the Act.

## **ARTICLE XXXI: AMENDMENT TO THE BYE-LAWS**

- 127.** These Bye-Laws may be amended in accordance with the provisions of Sections 51 and 52 of the Act.

## **ARTICLE XXXII: DISSOLUTION**

- 128.** The Society may be dissolved by a resolution of three-fourths (3/4) of the members, but only in a manner provided for in Sections 164 to 185 of the Act.



Passed at the Annual General Meeting of The Society this 24<sup>th</sup> day of August, 2022.

**President**

The Communal Co-operative Credit Union Ltd.

**Secretary**

The Communal Co-operative Credit Union Ltd.



Approved April 5, 2023  
Jenis M<sup>h</sup>





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# THE COMMUNAL CO-OPERATIVE CREDIT UNION LTD. BYE-LAWS



Contact Us: +1 (473) 440-1755

*To Grow With Us, Save With Us*



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