



REGISTERED 1958

Bye-Laws of

**KINGSTOWN CO-OPERATIVE
CREDIT UNION LIMITED**



Article 1. PURPOSE AND EFFECT - PURPOSE

1.1 These Bye-Laws shall apply generally to the conduct of the affairs of the Kingstown Co-operative Credit Union Limited.

1.2 Effects:

These Bye-Laws shall when registered bind the Kingstown Co-operative Credit Union Limited and its members to the same extent as if they had been signed and sealed by the Credit Union and by every member and contained covenants on the part of each member and the legal representative of each member to observe the Bye-Laws.

1.3 These Bye-Laws may be amended, repealed, replaced or confirmed by the members of the Society at any Annual or Special Meeting called for such purpose:

- (a) by a two thirds (2/3) majority vote of members present and voting at that meeting; provided that a copy of the proposed amendment together with a written notice of the meeting shall have been sent to each member at least seven (7) days before the said meeting; or
- (b) where no written notice has been forwarded to each member as stated in paragraph (a) above; by a three-fourths majority of members present and voting at the meeting;
- (c) no amendment shall have any force or effect until three copies of the amended Bye-Laws, certified to be true copies by the President and Secretary of the Society, are approved by the Registrar.

Article 2. INTERPRETATION (Definition)

In these Bye-Laws unless the context otherwise requires or specifies

“Act” means the Co-operative Societies Act No. 24 of 1999 as may be amended from time to time.

“Board of Directors” or “Board” means the directing body of the Society to whom management of the affairs of the society is entrusted (and which shall be constituted in accordance with Article 6 of these Bye-Laws.

“Credit Union” or KCCU means the Kingstown Co-operative Credit Union Limited.

“Member” means any person admitted to the membership of the Credit Union in accordance with Article 4 of these Bye-Laws.

“Regulations” mean the Co-operative Societies Regulations, as may be amended from time to time.

“Society” means the Kingstown Co-operative Credit Union Limited, a society registered under the Act.

“Registrar” means the Registrar of Co-operative Societies appointed under Section 5 of the Act.

“St. Vincent” means St. Vincent and the Grenadines.

Article 3. NAME, REGISTERED ADDRESS, AND OBJECTS

3.1 The name of the Society shall be Kingstown Co-operative Credit Union Limited.

3.2 The registered address shall be Granby Street, P.O. Box 1533, Kingstown St. Vincent and the Grenadines and /or any other location in St. Vincent as may from time to time be determined by the Board of Directors and notified to the Registrar.

3.3 THE OBJECTS OF THE SOCIETY ARE:

- (a) To promote thrift among its members and to create a source of Credit for its members, in accordance with the Act, for provident and productive purposes.
- (b) To receive the savings of its members, either as payment on shares, or as deposits.
- (c) To make loans to members exclusively for provident and productive purposes in the way and manner set out in these Bye-Laws.
- (d) To deposit in any registered society or bank approved by the Registrar and to any extent which shall not exceed twenty-five percent of its share capital and deposit invest in the paid up shares of any Registered Society.
- (e) To invest in any securities issued or guaranteed by government.
- (f) To borrow money as provided by these Bye-Laws subject to the provisions of the Act and Regulations.
- (g) To draw, make, accept, endorse, discount, execute and issue promissory notes Bills of Lading, Bills of Exchange, Mortgages, Bills of Sale, Warrants, and other negotiable or transferable instruments.
- (h) To acquire by purchase, lease, exchange or donation, and to hold any movable or immovable property for the carrying out of the objects of the Society, to build upon any land so acquired and to improve, develop, mortgage, lease, transfer, assign or otherwise deal with such property.
- (i) To represent the interest of its members through the promotion of membership and growth.
- (j) To pursue all other acts and /or things as are incidental or conducive to or consequential upon the above objects.

3.4 ANTI-MONEY LAUNDERING:

The Society deplors the heinous practice of money laundering and is committed to the fight against this phenomenon. The society would do everything within its powers to adhere to and to implement measures adapted by internationally recognized organizations and, enacted domestically, to prevent, detect and combat money laundering in whatever shape or form and to ensure that the Society's facilities are not used in any way for the purpose of money laundering.

Article 4. MEMBERSHIP

- 4.1 Membership of the Society is available to citizens and/or residents of St. Vincent and the Grenadines who are not undischarged bankrupts, are of sound mind and who are not less than sixteen years of age.
- 4.2 Application for membership must be made in writing in the form prescribed by the Society. Each application must be acted on by the Board of Directors at the next duly convened board meeting.
- 4.3 Upon application for membership as provided in Section 4.2 above the applicant shall pay an entrance fee as stipulated in the schedule of fees and shall subscribe to a minimum of five (5) shares. Upon acceptance of each application by the board and payment in full towards the value of (5) shares the applicant shall be registered as a member.
- 4.4 Where the individuals concern have separate and independent membership in the Society, they may be allowed to hold joint account subject to the approval of the Board.
- 4.5. The Society shall keep a Register of members wherein shall be entered
 - (a) the name, address and occupation of each member

(b) the date on which each member became a member and the date, if any on which he ceased to be a member.

4.6 No person shall exercise the rights of a member unless he has made full payment towards the value of five (5) shares and has been duly registered as a member.

4.7 No person who is engaged in any trade, profession, activity or transaction opposed to the interest of the Society shall be eligible to become or continue as a member.

4.8 No member may resign while a borrower, an endorser or guarantor on any loan due to the Society. A member who withdraws all his share holdings ceases to be a member.

4.9 The Directors, officers, committee members and employees shall not disclose in any manner reports of examination or operation and records, or a portion thereof, or any information regarding any of the members or prospective members except as required or permitted by law.

4.10 TERMINATION OF MEMBERSHIP

4.10.1 If a member acts in contravention of these Bye-Laws or acts in any way detrimental to the interest of the Society, the membership of such member may be terminated by the Board by at least two-thirds vote of the directors present at a meeting called for that purpose.

4.10.2 When the Board terminates the membership of a member, the Secretary of the Society shall within ten days from the date on which the order is made, notify the member of the order. Upon receipt of such notice the member may within thirty days give written notice to the Secretary of his intention to appeal to the next general meeting.

4.10.3 Where a member appeals pursuant to Paragraph 4.10.2 a majority of the members present at the general meeting shall confirm or rescind the order.

- 4.10.4 Where pursuant to Paragraph 4.10.1 where the order is confirmed, the Board shall within one year of such confirmation purchase at par value all the shares of the member and pay to the member all amounts held by the Society to his credit together with any interest accrued and any amount outstanding on loans made to the society by the member together with any interest accrued on those amounts.
- 4.10.5 Where the address of a member whose membership is terminated is unknown to the Society, the Society shall transfer all amounts due to the member to its Reserve Fund giving particulars to the Registrar regarding the member's name, last know address and the amount transferred. The Society shall pay those amounts to the person entitled to them upon satisfactory proof of his claim.
- 4.10.6 A member's membership may also be terminated by members of the Society provided the member is given at least ten days notice of the general meeting where his membership would be considered and the termination is approved by a majority of at least two-thirds of the members who are present at the meeting and cast votes on the resolution.
- 4.10.7 When a person's membership is terminated pursuant to Paragraph 4.10.1 or 4.10.6, except for the failure to pay fees, assessments rent or occupancy charges or to fulfill other financial obligations to the Society, he may in each case appeal the termination to the Registrar and the Registrar shall confirm or set aside the resolution terminating the membership.
- 4.10.8 Where a member appeals the termination of his membership pursuant to Paragraph 4.10.1 he continues to be member until the termination is confirmed by the meeting of members or by the Registrar.

- 4.10.9 Where a person's membership has been terminated pursuant to Paragraph 4.10.1 or 4.10.6 above, he may be re-admitted to membership only by a two-thirds majority vote of members present and voting at a general meeting.
- 4.11 Where a member is guilty of misconduct, the Board may by notice in writing suspend that member for a period of up to three months.
- 4.12 Withdrawn or expelled members shall have no further rights in the Society but are not by such withdrawal or expulsion released from any liability of the Society existing at the date of such withdrawal or expulsion.
- 4.13 A person ceases to be a member:
- (a) on death;
 - (b) on ceasing to hold at least five (5) shares;
 - (c) on his being found to be of unsound mind;
 - (d) on expulsion from the Society;
 - (e) on the withdrawal or transfer of all his shares.

Article 5 MEETING OF MEMBERS AND VOTING RIGHTS

- 5.1 The supreme authority in the Society is vested in the general meeting of members at which every member has a right to attend and vote on all questions.
- 5.2 Where the Society holds membership in another Society its voting rights in that other Society shall be exercised through one or more of its members as the case may be duly appointed for such purpose.
- 5.3 The members of the Society shall vote by a show of hands or where the majority of the members entitled to vote at a meeting so demands, by secret ballot. Each member is entitled to one vote only. However in the event of a tie the chairman of the meeting shall be entitled to a second or casting vote.

- 5.4 All questions arising at a meeting shall be decided by a majority of the members present and casting votes at the meeting. There shall be no voting by proxy.
- 5.5 The Annual General Meeting of members shall be held by the Board of Directors not later than four months after the end of the financial year of the Society at the time and place determined by the Board provided that the Registrar upon written request by the Board may in writing authorize the Society to hold the annual general meeting at any date not later than six months after the end of the financial year of the Society.
- 5.6 NOTICE
- 5.6.1 The society shall give at least ten days notice of any annual or special meeting to its members:
- (a) By sending the notice by mail to the member, at the address given in the register of members, or
 - (b) By placing notices in not less than two issues of a newspaper circulating in Saint Vincent and the Grenadines and posting the notice in a place that is prominent and accessible to members.
- 5.6.2 The Annual General Meeting of Members has both the right and the responsibility to:-
- (a) consider the report of the Board of Directors on the previous year's operations of the Society together with the financial statements and Auditor's Report and to sanction the appropriation and distribution of profits; provided that the Society shall not pay a dividend on its share at a rate that is greater than two percent above the savings rate set by the Eastern Caribbean Central Bank;
 - (b) hear and approve the report of the Credit, Education and Supervisory Committees;

- (c) elect members of the Board of Directors and the Credit, Education and Supervisory Committees and to remove them from office in accordance with these Bye-Laws;
- (d) elect to the management of any Registered Society such representatives as the constitution of that body may from time to time require to be elected from this Society. At least fifty (50) percent of such representative shall be elected from among the serving members of the Board of Directors of this Society;
- (e) appoint Auditors for the ensuing year subject to the approval of the Registrar.
- (f) determine what if any, amendments shall be made to the Bye-Laws;
- (g) exercise its final authority in all other matters vitally affecting the society as a co-operative fraternal body, and as a business organization;
- (h) hear resolutions;
- (i) hear any other matters that, in the opinion of the directors are in the interest of the Society.

5.6.3 The Order of Business at Annual General Meetings shall be:-

- (a) ascertainment of a quorum;
- (b) taking apologies for absence
- (c) reading and approval of the minutes of the last Annual General Meeting, and of any intervening special general meeting and discussion of matters arising therefrom;
- (d) reports of:-
 - (i) Board of Directors;

- (ii) Treasurer and Auditors;
 - (iii) Credit Committee;
 - (iv) Supervisory Committee;
 - (v) Education Committee;
 - (vi) Any sub-committee;
- (e) unfinished business;
- (f) elections to:-
- (i) Board of Directors;
 - (ii) Credit Committee;
 - (iii) Supervisory Committee;
 - (iv) Education Committee;
 - (v) Management of any Registered Society in accordance with By-Law 5.6.2(d);
- (g) other business;
- (h) adjournment.

No political, sectarian or racial discussion shall be raised, or resolution proposed either at any committee, Board or General meeting of the Society.

5.6.4 Any member who is entitled to vote at an annual general meeting may submit a proposal of any matter he proposes to raise and discuss at that meeting to the Board and request that his proposal be sent in the notice of the meeting to all members entitled to vote at that meeting.

5.6.5 Where the Board is in receipt of a request in accordance with By-Law 5.6.4 the Board shall comply except where:-

- (a) the proposal is submitted less than forty-five (45) days before the anniversary of the last annual general meeting;
 - (b) in the opinion of the Board the proposal is submitted primarily to enforce a personal claim or redress personal grievance, or to promote general economic, political, racial, religious, social or similar causes;
 - (c) the Society complied with a request made by the member under By-Law 5.6.4 within the last two years and the member either failed to present the proposal at the meeting or substantially the same proposal was presented but was defeated.
 - (d) in the opinion of the Board the rights conferred by Bye-Law 5.6.4 are being abused to secure publicity.
- 5.6.6 Where the society refuses to include a proposal in a notice of a meeting it shall, within thirty days of receiving the proposal, notify the member concern of its intention to omit the proposal stating the reason for such refusal.
- 5.6.7 Any member aggrieved by the actions of the society pursuant to Bye-Law 5.6.6 above may apply to the Registrar whose decision shall bind both parties.
- 5.6.8 The Cost of circulating any proposal with the notice of the meeting shall be borne by the member submitting such proposal unless the members present at the meeting, by a majority vote, provide otherwise.
- 5.7 Special General Meeting of members may be called by the Board of Directors at any time. The Board of Directors shall call a special meeting of members within twenty days of the receipt of a written request, specifying the purpose of the meeting. At least ten days notice of such meetings shall be given. All notices for special meeting shall state the purpose of the call for the meeting and at the said meeting no other business shall be transacted except as set forth in the call.

5.8 QUORUM OF MEETINGS

- 5.8.1 At all Annual and Special General meetings of the Society not less than one hundred (100) members of the total membership of the Society shall constitute a quorum.
- 5.8.2 If a quorum is not present one hour after the time fixed for the commencement of the meeting, the meeting may be adjourned to a date and place not less than thirty days thereafter to be determined by the Board.
- 5.8.3 Notwithstanding their numbers the members present at the reconvened meeting shall constitute a quorum and may proceed with the meeting.
- 5.9 The President of the Society or in his absence, the Vice-President or in the absence of both, any other member of the Board elected by a majority of those present shall preside at the Annual or Special General Meeting.
- 5.10 The Minutes of the meetings shall be entered in the Minute Book and signed by the President and Secretary and shall contain.
- (i) the number and names of the members present at the meeting and the name of the President or of the person who presided at the meeting;
 - (ii) the time fixed for the meeting and the time the meeting commenced;
 - (iii) the total number of members on the date on which the meeting was held; and
 - (iv) all resolutions passed or decisions made at the meeting.

- 6.1 The Business of the Society shall be managed by a Board of Directors which shall be elected at the Annual General Meeting of the Society and shall consist of not less than five (5) or not more than thirteen (13) members all of whom shall be members of the Society. The number of members comprising the Board of Directors shall at all time be an uneven number. Each Director shall hold office for a tern of three years provided that from the commencement of the Act no persons may serve as a director of the Society for more than two consecutive terms or an aggregate of six years, unless a period of two years had elapsed from the time he demits office at the end of the six year period to the date of his subsequent election to office.
- 6.2 Election to the Board of Directors shall be held in such a manner that the term of office of not more than one-third of the members shall expire at the same Annual General Meeting. Where the number of candidates nominated does not exceed the number of directors to be elected the Chairman of the meeting shall declare all the candidates elected. In all other situation a ballot shall be taken and the candidates receiving the highest number of votes shall be elected. Where there is a tie a second ballot may be cast to break the tie.
- 6.3 At the first Meeting of a newly constituted Board of Directors, which must be held within ten (10) days of election., the Board shall elect from among themselves, a President, a Vice-President, a Secretary and a Treasurer.
- 6.4 The Directors shall not receive any compensation, apart from reimbursement of expenses, for their services as Directors, but this shall not preclude reasonable compensation for services rendered to the Society by a Director in some other capacity.
- 6.5 The Board may designate the offices of the Society, appoint persons as officers, specify the officer's duties and delegate

powers to manage the business and affairs of the Society to them.

6.6 VACANCIES ON THE BOARD

6.6.1 Any vacancy on the Board of Directors shall be filled within (14) days by vote of the majority of the remaining Directors. Any Director so elected shall hold office only until the next Annual General Meeting where elections to complete any unexpired portion of the term shall take place.

6.6.2 Any Director may be removed at anytime by resolution of two thirds of the votes casts at a general meeting called for that purpose provided that such Director shall be informed in writing of the charges against him at least fourteen (14) days before such meeting and shall have reasonable opportunity to answer such charges.

6.6.3 Any Director who without reasonable excuse approved by the Board fails to attend three (3) consecutive regular meetings of the Board shall be deemed to have vacated his/her office.

6.7 The Board of Directors shall meet at least once per month. At a meeting of the Board of Directors, a majority of the total number of Directors shall constitute a quorum. A meeting of the Board of Directors may be called by the President at any time and within fourteen (14) days of the receipt of a request in writing of at least two Directors. Where the Directors consent, a meeting of Directors may be held by means of teleconference or by any means of electronic communication by which all persons participating in the meeting are able to communicate contemporaneously with one another and such participation shall constitute presence in person at the meeting.

6.8 The decisions of the Board of Directors taken at a meeting, shall be duly recorded in Minutes and retained in the society's records. The Minutes shall contain the following particulars:-

- (a) the names of the members present and the date of the meeting;

- (b) the names of the president or other presiding member; and
 - (c) a short statement of all matters discussed and decisions made, and a record as to whether each decision was made unanimously or by a majority.
- 6.9 The Board of Directors shall have responsibility to determine the general direction of the business affairs, manage the funds and maintain the records of the Society in a manner that is consistent with safe and Sound Credit Union Practices. These responsibilities include but are not limited to:
- (a) Adopt written policies governing loans; investment; equity; personnel; collections; the conduct of officers; employees and committee members;
 - (b) To recommend dividends, to determine, the rates of interest on deposits, and to recommend amendments to the Bye-Laws;
 - (c) Employ, fix the compensation, and prescribe the duties of such employees as may in their discretion be necessary;
 - (d) To fill vacancies on the Board of Directors and the Credit, Education and Supervisory Committees;
 - (e) To determine the maximum number of shares that may be held by any member;
 - (f) To authorise and supervise investment of the Society other than loans to members;
 - (g) To submit the accounts of the Society for audit in accordance with Section 124 of the Act;
 - (h) To maintain at all times an active programme of co-operative education, and to maintain relation with other registered societies aimed to promote the best

interest of the society, and the co-operative movement;

- (i) To keep a copy of the latest Annual Balance Sheet of the Society together with the latest Audited Financial Statements along with the Auditor's Report, hung in a conspicuous place at the Registered office of the Society;
- (j) To adopt annually a written budget of the Society;
- (k) To authorize borrowings and discounting operations on behalf of the Society subject to the provisions contained in these Bye-laws and subject also to the Act and Regulations;
- (l) To supervise the collection of loans to members, and with the approval of the General Meeting, cause bad debts to be written off the books of the Society;
- (m) To act upon applications for membership, and on the exclusion or expulsion of members;
- (n) To perform such other duties as the members in general meeting may from time to time authorise.

Article 7 CREDIT COMMITTEE

- 7.1 The Credit Committee shall be elected by the members of the Society at the Annual General Meeting and shall consist of no fewer than three (3) members all of whom shall be members of the Society provided that no person who is a member of the Board of Directors or of the Supervisory Committee or who is an employee of the Credit Union shall be eligible to be elected to the Credit Committee.
- 7.2 The members of the Credit Committee shall hold office for a period not more than three years and until their successors are elected and shall be eligible for re-election, provided that no member may serve on the credit committee for more than two consecutive terms or an aggregate of six successive years. A period of two (2) years must elapse from the time

one demits office at the end of the six (6) years period before he/she is eligible for re-election to the Credit Committee.

- 7.3 Election to the Committee shall be held in such a manner that the terms of office of not more than a bare majority of the members shall expire at the same Annual General Meeting.
- 7.4 Where a member of the Committee dies or resigns his/her office or is absent from three (3) consecutive regular meetings of the Committee without reasonable cause or fails to perform any of the duties allotted to him as a member of the Committee his office shall be deemed vacant by the Board.
- 7.5 Any vacancy of the Committee shall be filled by the Board of Directors by appointment but such member shall hold office only until the next Annual General Meeting where a member shall be elected to complete any unexpired term.
- 7.6 A member of the Committee may be removed from office before the expiration of his/her term by a two-thirds majority of the vote cast at a general meeting of members of the Society called for that purpose provided that the member to be removed shall be informed in writing of the charges against him/heart least fourteen (14) days before such meeting and shall be given the opportunity to make representation, whether in person or by representative, to the meeting regarding the resolution for his removal. Where a member is so removed from office another member shall be elected at that meeting to complete the unexpired portion of the term.
- 7.7 The Credit Committee shall appoint from amongst themselves, a chairman and a secretary which offices shall not be held by the same person.
- 7.8 The Secretary of the Committee shall prepare and maintain full and correct records of all action taken by the Committee and shall notify all other officers, members of the Board of Directors and members of the Credit, Education and

Supervisory Committees whenever an officer, member of the Board of Directors or members of the Credit, Education and Supervisory Committees apply for a loan in excess of their share-holdings.

- 7.9 The Credit Committee shall meet as frequently as the business of the Society may require but not less than once per month. Due notice of such meetings shall be given to the other members of the Committee by the Secretary.
- 7.10 The Credit Committee shall consider all applications for loans and shall make recommendations to the Board in respect of the applications.
- 7.11 Subject to the specific instructions of the Board of Directors, the Credit Committee may approve loans to members or authorize the treasurer, manager or other employees of the Society to approve loans to members.
- 7.12 Any person authorized to approve loans shall submit a written monthly report to the Credit Committee stating the number of loan applications received, the number of loans granted and the security, if any, obtained for such loans..
- 7.13 The Credit Committee shall monitor, through reports from the Society's auditor and other officers of the Society, the loan procedures used by the Society and make recommendations to the Board of Directors regarding the policies and procedures to be followed for the granting of loans.
- 7.14 The Credit Committee shall submit a report of their activities to the Board of Directors each month. The report shall inter also state the number of loan applications received; the number and category of loans granted, the Security obtained for such loans, the number of applications denied, and the number of delinquent loans.
- 7.15 The Credit Committee shall submit an annual report on the matter referred to in paragraph 7.14 above to the Annual General Meeting of the Society.

Article 8 SUPERVISORY COMMITTEE

- 8.1 The Supervisory Committee shall be elected by the members of the Society at the annual general meeting and shall consist of no fewer than three (3) member all of whom shall be members of the Society; provided that no person who is a member of the Board of Directors or of the Credit Committee or who is an employee of the Credit Union shall be eligible to be elected to the Supervisory Committee.
- 8.2 The members of the Supervisory Committee shall hold office for a period not more than one (1) year and until their successors are elected and shall be eligible for re-election; provided that no member may serve on the supervisory committee for more than two consecutive terms or an aggregate of six successive years. A period of two (2) years must elapse from the time one demits office at the end of the six (6) years period before he/she is eligible for re-election to the Supervisory Committee.
- 8.3 Election to the Supervisory Committee shall be held in such a manner that the terms of office of not more than a bare majority of the members shall expire at the same Annual General Meeting.
- 8.4 Where a member of the Committee dies or resigns his/her office or is absent from three (3) consecutive meetings of the Committee without, in the opinion of the Supervisory Committee, having reasonable cause therefore; or fails to perform any of the duties allotted to him as a member of the Committee his office may be declared vacant by the remaining members of the Committee.
- 8.5 Any vacancy on the Committee shall be filled by the remaining members of the Committee by appointment but such member shall hold office only until the next Annual General Meeting where a member shall be elected to complete any unexpired term.

- 8.6 A member of the Supervisory Committee may be removed from office before the expiration of his/her term by a two-thirds majority of the vote cast at a general meeting of members of the Society called for that purpose provided that the member to be removed must be given the opportunity to make representation, whether in person or by representative, to the meeting regarding the resolution for his removal. Where a member is so removed from office another member shall be elected at that meeting to complete the unexpired portion of the term.
- 8.7 The Supervisory Committee shall appoint from their number a chairman and a secretary which offices shall not be held by the same person.
- 8.8 The Secretary of the Committee shall maintain and have custody of full and correct records of all decisions taken by the Committee.
- 8.9 The Supervisory Committee shall meet at least once every month. It shall keep minutes of its meeting and shall within seven (7) days of each meeting report to the Board on the results of the meeting.
- 8.10 It shall be the overall duty and responsibility of the Supervisory Committee to protect, look after and attend to the examination of all affairs of the Society and to report at least annually to the membership of the Society at the annual general meeting on any audits or examinations conducted during the preceding year.
- 8.11 In the process of their examination and audits the committee shall also examine all applications for loans made during the period under review and satisfying themselves that for each loan made an application is on file and that each application states the purpose for which the loan is made, the description of the security if any offered, and that it bears the approval of the Board of Directors or the Credit Committee or is authorised by the Credit Committee.

8.12 The duties of the Supervisory Committee include but are not limited to:-

- (a) appraise the policies and operating procedures of the Society and to make recommendations to the Board and to the Credit Committee;
- (b) determine at least quarterly whether the provisions of the Act, Regulations, Bye-Laws and the relevant policies have been complied with in making all loans, in respect of any overdraft, in the administration of accounts of members, and/or in the maintenance of the minutes of meetings of the Board and Credit Committee;
- (c) to receive and investigate any complaints made by members of the Society regarding the management of the Society;
- (d) to monitor the management of the Society;
- (e) to ensure that the Society complies with the provisions of the Act, Regulations and Bye-Laws;
- (f) verify the assets of the Society and monitor whether the assets are properly protected;
- (g) to inform the Registrar of the misappropriation or misconduct of any of the funds, securities or other property of the Society or the contravention of the Act, Regulation or the Bye-Laws of the Society;
- (h) to appoint an auditor or some other professional body to assist in determining whether there have been misappropriation and/or misdirection as stated in sub-paragraph (g) above, and in the event of a misappropriation or misdirection to take such reasonable actions including the suspension of any member of the Board if needs be;

- (i) to request the Board of Directors to summon a general meeting of members to be held within fourteen (14) days of the suspension referred to in sub-paragraph (h) above and to summon such meeting within seven (7) days after the expiry of the period of fourteen (14) days if the Board fails to summon such a meeting;
- (j) to report to the general meeting all the circumstances of any misappropriation or misdirection of funds, securities or other property and the reason for any suspicion.

8.13 Having heard the circumstances referred to paragraph 8.12 sub-paragraph (j) the members of the Society may by resolution dismiss from office the person suspended under sub-paragraph (h) above. Where the members of the Society do not dismiss the person suspended, that person shall be reinstated forthwith.

Article 9 OFFICERS

- 9.1 The Officers of the Society shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors in accordance with Article 6 of these Bye-Laws at the first meeting of a newly constituted board and the said officers shall hold office until their successors are elected.
- 9.2 **THE PRESIDENT:** The duties of the President shall be to preside at meeting of the members and of the Board of Directors, to countersign all cheques, notes, drafts and other orders for the disbursement of funds of the Society, and shall perform all usual duties incumbent on the office of president or as he may be directed to perform by resolution of the Board of Directors, not inconsistent with the Act, the Regulations or these Bye-Laws.
- 9.3 **VICE-PRESIDENT:** The Vice-President shall, in the event of the absence or disability of the President or his refusal to act, perform the duties of the president and/or such other duties as the Board of Directors may from time to time prescribe.

9.4 SECRETARY: The Secretary shall keep or cause to be kept an accurate record on all meetings of members, the Board of Directors and the officers. He shall give or cause to be given notice of all meetings of the members in the way and manner prescribed in these Bye-Laws, and shall perform all other duties as he may be directed to perform by resolution of the Board of Directors not inconsistent with the Act and these Bye-Laws, and shall perform all other duties incidental to the office including but not limited to the following:

- (a) Ensuring that all records, books, paper and other documents of the Society are kept in a safe place in the offices of the Society;
- (b) Attend all meetings of the Society and the Board of Directors and provide the necessary minutes, records, books and correspondence relative to the business of the Society;
- (c) Conduct any correspondence on behalf of the Society;
- (d) Sign and execute, jointly with the President, all deeds and conveyances of real or personal property, all fixed deposits or share certificates and such other documents as the Board of Directors may specify.

9.5 TREASURER: The Treasurer shall be responsible for the financial management of the Society under the control and direction of the Board of Directors and shall give a bond to be paid by the Society, in an amount to be determined by the Board of Directors, for the faithful performance of his or her duties. Subject to such limitations and control as may be imposed by the Board of Directors it shall be the duty of the Treasurer:-

- (a) to receive all monies due and payable to the Society and issue receipts for the same;
- (b) to have custody of the funds, security, valuable papers and other assets of the Society except his own surety bond which shall be in the custody of such other person as the Board of Directors may designate;

- (c) deposit monies received in the name of the Society in such bank or depository as specified by the Board;
 - (d) sign cheques, notes, bills of exchange, and other documents necessary to effect the business of the society;
 - (e) keep a just and true record of all financial transactions effected by the Society in the books provided for that purpose;
 - (f) keep charge and control of all cash securities, books and other documents and vouchers for all payments made and receipts issued on behalf of the Society;
 - (g) reconcile or cause to be reconciled at least once per month the ledger or accounts of the members, passbook or statements received from depositories with the relative control accounts in the general ledger;
 - (h) keep separate all monies belonging to the Society and produce a current statement of the money belonging to the Society on demand;
 - (i) prepare the annual statement of accounts, the balance sheet, the monthly financial statements and any other statement as the Board may request;
 - (j) make payments as authorised by the Board of Directors and obtain receipts for the same;
 - (k) to perform any other duties incidental to the office of Treasurer or as the Board of Directors may prescribe from time to time
- 9.6 The Board of Directors may assign any of the duties of the officers of the Society to the manager and/or other employees of the Society.
- 9.7 A meeting of the Officers, members of the Board of Directors, Credit, and Supervisory Committees shall be held at least once a quarter. The Secretary of the Society shall be responsible for the calling of this meeting.

Article 10 ELECTIONS

- 10.1 Not less than thirty (30) days prior to each Annual General Meeting, the Board of Directors shall appoint a Nominating Committee of three (3) members of which not more than one (1) shall be a member of the existing Board of Directors. No Director who is retiring at that Annual General Meeting shall be eligible to be a member of the Nominating Committee. It shall be the duty of the Nominating Committee to nominate at the Annual General Meeting one member for each vacancy for which elections are being held. It shall also be the duty of the committee to have general supervision of the elections at the Annual General Meeting.
- 10.2 After the nominations of the Nominating Committee have been placed before the members, the Chairman shall call for nomination from the floor. It shall be the duty of the Nominating Committee to ensure that each person nominated is qualified for such office in accordance with the Act and these Bye-Laws of the Society and that he/she has consented to the nomination.
- 10.3 When the nominations are closed, tellers shall be appointed by the Chairman, ballots shall be distributed where necessary, the voted shall be taken and tallied by the tellers, and the results announced.
- 10.4 All elections shall be determined by a majority vote and shall be by ballot except where there is only one nominee for each vacancy.
- 10.5 Nomination shall take the following order:-
- (a) Nominations for members of the Board of Directors;
 - (b) Nominations for the Credit Committee members;
 - (c) Nominations for the Supervisory Committee members;
 - (d) Nominations for the Education Committee members;

(e) Nominations for the other Committee members;

Elections may be by separate ballots following the same order as the nominations, or by one ballot following the close of nominations for all vacancies to be filled at the meeting.

Article 11. CAPITAL AND LIABILITY

- 11.1 The capital of the Society shall be unlimited, divided into shares of the par value of Five Dollars (\$5.00) each.
- 11.2 The liability of each member in case of liquidation is limited to the sum of the nominal value of the shares remaining unpaid on the member's subscription for shares.

Article 12. SHARES

- 12.1 Shares shall be of the value of Five Dollars (\$5.00) each and may be paid for in full at the time of application, or in installments of not less than One Dollar (\$1.00) per week per share, payable on any day that the Society is open for business.
- 12.2 A member failing to pay any installments shares when due, may be required by the Board of Directors to pay a fine amounting to twenty five cents (\$0.25) per full week on each five dollar (\$5.00) or portion thereof of the installment or installments in arrears, provided that no fines shall be charged for more than thirteen (13) consecutive weeks. The Society shall not issue a share until its is fully paid.
- 12.3 A member can not own more than one-fifth of the shares in the Society.
- 12.4 PURCHASE OF SHARES BY THE SOCIETY
- 12.4.1 With the approval of the Registrar the Society may purchase more than one-fifth of the shares in an insolvent society where the purchase or acquisition does not lead to its own insolvency or where in the opinion of the Board the

purchase or acquisition would not be detrimental to the financial stability of the Society.

12.4.2 The Society may purchase the shares of a member who has failed to transact any business with the Society for a period of two years or who has offered his share for sale provided that the share are paid for in cash within one year of the purchase date and are paid for at the price equal to the par value of the shares plus any unpaid dividends and provided the Society is not insolvent, would not become insolvent after the purchase and would remain financially stable after the proposed purchase.

12.5 TRANSFERS

12.5.1 Shares in the Society may be transferred to any other member with the approval of the Board. Where the transferee is not a member he shall be approved as a member by the Board or the general meeting in accordance with these Bye-Laws before the transfer can be registered. To be effectively registered the transferee must hold at least five shares and must have paid the relevant fees as prescribed in the schedule of fees. Where the transferor of share is indebted to the Society the written permission of the Board must be obtained before the transfer is registered. All applications for transfer of shares shall be made in the form prescribed by the Registrar.

12.5.2 Where a member or some one claiming on his behalf is of unsound mind or is incapable of managing his affairs the Society may transfer the share (s) or interest of such member to any person nominated by the member in accordance with Bye-Laws 23.1 or may pay to the nominated person the accrued value of the share or interest of such member.

12.5.3 Where no nominee has been appointed the Society may pay all sums due to the member under this paragraph to the Registrar of the Supreme Court. Provided that where the amount due to the member does not exceed one hundred

dollars Eastern Caribbean Currency the Board may pay such sum to the person who has the care of such member or the management of his affairs.

- 12.6 Money paid in on shares and/or installments of shares may be withdrawn in whole or in part on any day when the Society is open to business, but the Board of Directors may reserve the right at any time to require a member to give notice not exceeding six (6) months, provided, however, that no member may withdraw any shareholdings below the amount of his total liability to the Society as borrower, endorser, co-maker or guarantor, without the approval of the Board of Directors.
- 12.7 The Society shall have a lien on the shares and deposits of a member or his legal personal representative for any sum due to the Society from the said member or for any loan endorsed by him, and may apply any sum credited to the member thereon or towards payment of any such debt.

Article 13. DEPOSITS

- 13.1 A member may deposit money in sums of not less than five (\$5.00) Dollars.
- 13.2 Deposits may be withdrawn on any day that the Society is open for business, but the Board may at any time require the depositor to give up to sixty (60) days notice of his intention to withdraw the whole or any part of his deposits provided that the member shall forfeit any interest due on his deposit in lieu of notice.
- 13.3 Deposits may be placed on interest on the first day of the month following receipt of such deposit. The rate of interest payable on deposits shall be fixed from time to time by the Board of Directors subject to a minimum rate of three (3) percent per annum.

Article 14. PASSBOOKS, RECEIPTS AND DISBURSEMENTS

- 14.1 Money paid in on account of shares, installments of shares, deposits, repayment of loans, interest or fines and money paid out on account of loans made, or shares or deposits withdrawn in whole or in part shall be recorded in a passbook which shall permit in separate columns, successive payments on any of these accounts, loans made or withdrawals of shares or deposits to be entered therein. Every entry in the Passbook shall be initialed by the Treasurer or person receiving or paying out the money represented thereby.
- 14.2 If a passbook is lost or stolen, immediate notice must be given to the Treasurer or Board of Directors, and written application made to the issue of a duplicate book which must be paid for at the members' expense. The Board of Directors may require the filing of an adequate bond to indemnify the Society against any loss of losses resulting from the issue of such duplicate passbook.
- 14.3 All receipts and disbursements shall be supported by the proper vouchers..

Article 15. LOANS

- 15.1 Every loan shall be made exclusively to a member and for a provident or productive purpose. A member may not borrow from the Society when he is not in good standing.
- 15.2 All applications for loans shall be on a printed form provided by the Society, and shall state the purpose for which the loan is required, the security, if any offered and other information as may be required by the Credit Committee or Loans Officer. If the facts stated in the applications are found to be misrepresented, or the money used for some other purpose than that for which is was borrowed, the loan shall become immediately due and payable.

- 15.3 The approval of loans should be in writing by the Credit Committee or Loans Officer and should specify, the amount approved, terms of payment, rate of interest, any security to be held by the society, any guarantees to be taken, date of approval and any other condition deemed necessary by the Board, the Credit Committee or the persons approving the loan.
- 15.4 No officer, member of the Board of Directors, or members of the Credit, Education or Supervisory Committee or employee of the Society may borrow from the Society an amount in excess of his holdings therein in shares, deposits and accumulated earnings unless this is approved by the vote of two-thirds of the other members of the Board, Credit, Education and Supervisory Committees sitting together and adequate security is provided. The borrowing member shall not be allowed to take part in such meeting.
- 15.5 The Society shall not lend to any member an amount exceeding ten percent of the aggregate of the registered capital and deposit of the Society.
- 15.6 All applications for loans and the report of the Credit Committee thereon shall be filed as permanent records of the Society.
- 15.7 In addition to the Promissory Note of the borrower, the Society may take any other security for loans that it considers advisable and in keeping with sound business practices provided that where a mortgage on land or building is taken as security for a loan, the amount loan shall not exceed seventy five percent of the market value of the land or buildings.
- 15.8 The rate of interest to be charged on loans shall be fixed from time to time by the Board of Directors but shall in no event exceed one (1) percent per month on unpaid balances, except that where the total interest chargeable is less than twenty-five cent (25 c) a minimum interest charge not exceeding twenty five cents (25 c) may be allowed. Interest on loans may be paid at intervals not exceeding one month.

15.9 A Borrower may repay his loan prior to maturity, in whole or in part on any business day.

15.10 DEFAULT DUE TO SICKNESS

15.10.1 If by reason of sickness or some other cause, a member finds that he will be unable to discharge his obligations to the Society he should notify the Treasurer and or Board in writing before the loan is due. On receipt of such notification the Board may extend the time fixed for payment on such conditions as it thinks fit.

15.10.2 Where it is shown to the satisfaction of the Board that a member, for reasons beyond his control, was unable to give notice as required in sub-paragraph 15.10.1 prior to default on a loan the Board may in their discretion proceed as if the requisite notice had been received.

15.11 Where a loan or an installment of a loan has not been paid on the date on which it becomes due, and no extension for the payment thereof has been granted to the debtor by the Board pursuant to By-Law 15.10.1, the Board shall take steps for the recovery of the loan by referring the matter to the Registrar in accordance with Section 187 of the Act or by exercising any rights arising by law relative to the granting of the loan.

15.12 Notwithstanding the provision of By-Law 15.1 the Society may make loans to other societies registered under the Act.

Article 16. RESERVE FUNDS

16.1 The Board of Directors shall set aside to a Reserve Fund all entrance fees and fines collected from members. Where the annual audit of the Society indicates a net surplus at least twenty percent of that surplus shall be credited to the Reserve Fund.

- 16.2 The Reserve Fund shall be the indivisible property of the Society, and may be applied only with the approval of the Registrar to meet unforeseen losses, unexpected shortfalls in liquid cash, capital retention, repair and maintenance and the avoidance of external borrowing.
- 16.3 The Reserve Fund shall be kept liquid and intact and save as provided in Section 16.2 shall not be otherwise disturbed except in liquidation.
- 16.4 At least ten percent of members' shares and deposits must be kept in a liquidity reserve.
- 16.5 The Statutory and other reserves of the Society shall at no stage be less than ten percent of its total liabilities.
- 16.6 The Society may with the approval of the Registrar use its statutory reserve to make good deficiencies created by its operations and to recoup losses on its investment.

Article 17 DEVELOPMENT FUND

- 17.1 The Society shall establish and maintain a Development Fund to be used for the development of registered societies and shall in conjunction with the National League contribute annually to this fund a sum not exceeding ten percent of its annual net surplus as ascertained by the annual audit.
- 17.2 The Development Fund shall be administered by the St. Vincent and the Grenadines Co-operative Credit Union League Ltd. or by such persons as the Registrar may determine in consultation with the Society.

Article 18. PENSION FUND.

- 18.1 The Society may after consultations with employees establish a Contributory Pension Fund for the benefits of its employees. The details of which would be contained in an agreement between the Society and the employees.

Article 19. DISPOSAL OF SURPLUS

19.1 The net surplus of the Society as ascertained by the audit shall be applied as follows:-

- (i) at least twenty (20) percent shall be carried to the Reserve Fund in accordance with Section 16.1 of these Bye-Laws.
- (ii) a sum not exceeding ten (10) percent shall be carried to the Development Fund in accordance with Section 17.1 of these Bye-Laws
- (iii) the remainder shall be utilised as the Annual General Meeting may decide in any one or more of the following:-
 - (a) to pay to members a dividend not exceeding eight (8) percent per annum on all fully paid shares;
 - (b) to pay a bonus to members in proportion to the amount of interest on loans paid by them to the Society; provided that the dividend and bonus due to any member shall be placed to the credit of his share capital account in any case in which there is any unpaid balance due and owing on the shares for which such member has subscribed, until such balance is paid off.
 - (c) to promote co-operative education among members and for any social, charitable or cultural purposes, subject to Section 122 of the Act.
 - (d) to create any Special Reserve.

Article 20. FINES

20.1 The Board of Directors shall have power to impose on members the fines prescribed by these Bye-Laws or as prescribed in the schedule of fees, and which shall be added

to the Reserve Fund of the Society. Any fine thus imposed shall be considered as debt due by the members concerned to the Society, and shall be collected as such.

Article 21. BANK ACCOUNT AND BRANCH

- 21.1 The Board of Directors shall select a reputable Bank or Banks in which the Bank Account of the Society shall be kept. All cheques shall be signed on behalf of the Society by the President or Vice-President or the Treasurer and Manager, provided that cheques for lodgment to the Society's Bank account may be endorsed by the Treasurer or Manager alone.
- 21.2 Branch: The Society may with the approval of the membership in general meeting operate a branch in any part of St. Vincent and the Grenadines for the purpose of carrying on its business.

Article 22 POWER TO BORROW

- 22.1 The Board of Directors may without authorization of the members of the Society borrow money in the credit of the Society, issue, re-issue, sell or pledge debt obligations of the Society, give a guarantee on behalf of the Society to secure performance of an obligation of any person, and mortgage, charge, hypothecate, pledge or otherwise create a security interest in all or any property of the Society, owned or subsequently acquired to secure any debt obligation of the Society. Provided that that the total amount borrowed, issued, pledged, guaranteed, mortgaged and/or charged shall not exceed fifty (50) percent of the Society's capital and Reserve Fund.
- 22.2 Any Sale, lease or exchange of all or substantially all of the Property of the Society other than in the ordinary course of business of the Society shall be approved by the members in a Special Meeting called for such purpose in accordance with the provision of these Bye-Laws.

Article 23. POWER TO NOMINATE

- 23.1 A member of the Society may by instrument in writing signed by such member in the presence of two attesting witnesses and delivered at or sent to the registered office of the Society during the life time of such member or made at the registered office of the Society, nominate any person or persons as beneficiary who will at the death of the member receive such property in the Society of which he is the owner at the time of his death or as may have accrued to him.
- 23.2 Where in accordance with paragraph 23.1 a person has been nominated as beneficiary and such nominee is admitted as a member of the Society, the Society shall within one year of the death of the member transfer all shares, interest and other benefits, if any, of the deceased member to the nominee provided that the nominee may elect to receive payment representing the value of all shares, interest or other benefits instead of a transfer.
- 23.3 Where there is no nominee the Society shall within one year pay all amount due under paragraph 23.2 to the legal personal representative.
- 23.4 Where after a period of one year there is no nominee or legal personal representative all amounts due to the deceased member shall be transferred to the development Fund of the Society available for a period of seven (7) years to bona fide claimant after which it shall remain part of the development fund.
- 23.5 Any nomination made pursuant to By-Law 23.1 may be revoked or varied by any similar document under the hand of the nominator in the presence of two attesting witnesses and delivered sent or made in like manner or sent as aforesaid.
- 23.6 The Board shall charge such fee as they deem fit in connection with all nominations and with all revocations

and variations of the same provided that in no case shall the fee exceed that which is published in the schedule of fees.

- 23.7 A notice of the right to nominate shall be sent by the Treasurer to every individual member who has not exercised this right, with the notice convening the Annual General Meeting in each year, and shall be otherwise given as the Board may direct.

Article 24. FINANCIAL YEAR

- 24.1 The financial year of the Society shall end on December thirty-one of each year.

Article 25. SEAL

- 25.1 The Board of Directors shall adopt for the use of the Society a distinctive seal having the name of the society inscribed thereon.

- 25.2 The seal of the Society shall at all times remain in the custody of the Treasurer at the Registered office of the Society.

- 25.3 The Seal of the Society shall only be used with the authority of the Board of Directors. The seal shall be affixed in the presence of at least two members of the Board of Directors and the Secretary or such other person as the Board of Directors may appoint for the purpose. All signatories as aforesaid shall sign every document to which the seal of the Society is so affixed in their presence.

Article 26. TRANSFER OF SHARES OF MEMBERS OF UNSOUND MIND

- 26.1 Where a member of the Society or a Claimant on his behalf has become of unsound mind or is incapable of managing his affairs and no committee, receiver or guardian has been appointed the Society may subject to Section 95 of the Act:

- (i) transfer the share or interest of such member to any person nominated by such member in accordance with Article 23. of these Bye-Laws or
- (ii) may pay to the person nominated a sum representing the value of the share or interest of such member.

26.2 Where no nominee has been appointed, the Society may pay a sum representing the value of the member's share or interest to the Registrar of the Supreme Court; provided that, if the value of such share or interest does not exceed one hundred dollars the Board may, subject to any condition it thinks fit, pay the whole or any portion of such sum to the person who appears to have the care of such member or the management of his affairs.

26.3 All transfers and/or payment made by the Society in accordance with the Provisions of these Bye-Laws shall be valid and effectual against any demand made upon the society by any person.

Article 27. RESOLUTION OF DISPUTES

27.1 Any dispute relating the business of the Society which may arise:

- (a) among members, former members and persons claiming through members or a deceased member;
- (b) between a member, former member or person claiming through a member or a deceased member, and the Society, its Board, or any officer of the Society;
- (c) between a member and the Society arising out of or under any by-law or under any contract made pursuant to these Bye-Laws;
- (d) between the Society or its Board of Directors and any officer of the Society; or

- (e) between the Society and any other Society; shall be referred by any party to the Registrar for the decision in accordance with Section 187 of the Act.
- 27.2 A claim by the Society for any debt or demand due to it from a member, former member, the nominee or the personal representative of a deceased member is a dispute that relates to the business of the Society.
- 27.3 Any party may appeal the decision of the Registrar before the Co-operative Societies Appeals Tribunals.
- 27.4 Notwithstanding the provisions of this Article, the Society may exercise any rights arising by law under any charges, mortgages, bills of sale or other securities duly executed in accordance with the Act these Bye-Laws or any other law without recourse to the Registrar.

Article 28. VOLUNTARY DISSOLUTION

- 28.1 The Society may be dissolved with the approval of the Registrar following a special resolution of the members of the Society present and voting at a special meeting called by the Board of Directors for that purpose. Provided that the requisite notice for such a meeting as stipulated in these Bye-Laws has been given to each member of the Society and the provisions of PART XI of the Act are adhered to.
- 28.2 Every member of the Society has the right to vote with respect to the dissolution of the Society.
- 28.3 At any such meeting the Board of Directors shall present a Report of Affairs of the Society which shall set out:-
 - (a) the assets and liabilities of the Society;
 - (b) the claims of all creditors;
 - (c) the number of members; and

(d) the nature and extent of the interest of members in the Society.

28.4 On the dissolution of the Society, its assets and/or any net proceeds from the sale of assets shall be used to settle the liabilities of the Society and the claims of creditors and members.

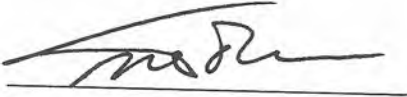
28.5 Where the Society has been instructed by the Registrar not to pay out unallocated surplus at the time of the dissolution, such surplus shall be paid to one or more trustees who are named in the Special resolution or are appointed by the Registrar.

28.6 The trustees named or appointed pursuant to paragraph 28.5 above shall:-

(a) deposit the money in a special trust account in the Apex Body or in a registered society, or in a Bank registered under the Banking Act, 1994.

(b) Invest the money in any manner authorized by law: provided that the income and principal of the trust is expended within twenty years, from the date of the trust was first established, for any co-operative purpose authorized by the Registrar.

We hereby certify that this is a true copy of the Bye-Laws of the Kingstown Co-operative Credit Union Limited as approved by the membership.



President

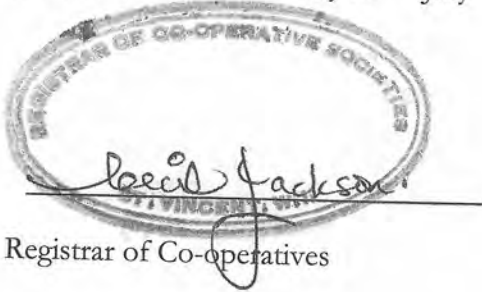


Secretary

Dated this 20th day of July 2008

I hereby certify that the Bye-Laws of the Kingstown Co-operative Credit Union Limited are approved by me.

Dated this 20th day of July 2008



Registrar of Co-operatives