



**“ Empowering our members  
to attain financial independence ”**

**CEMCU CREDIT UNION COOPERATIVE SOCIETY LIMITED  
[CEMCU]**

# **BYE LAWS**

Date of Registration – 9<sup>th</sup> November 1955  
Registration No. 234

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## 1. INTERPRETATION/DEFINITIONS

- (a) In these bye-laws, unless the context otherwise requires:
- (i) The "Commissioner" means the Commissioner for Co-operative Development;
  - (ii) The words "he", "his" and "him", shall also mean "she", "hers" and "her".
  - (iii) "The Board" means the Board of Directors;
  - (iv) "The Legislation" means the Co-operative Societies Act, Chapter 81:03 and any amendments thereto or any other Act pertaining to Credit Unions and Cooperative Societies in Trinidad and Tobago;
  - (v) "The Regulations" mean the Co-operative Societies Regulations, 1971 and any amendments thereto;
  - (vi) "The Rules" mean the Rules as provided for in Bye-Law 34 of these Bye-laws.
  - (vii) The "Society" means CEMCU Credit Union Co-operative Society Limited.
  - (viii) "Subsidiary" means an enterprise that is controlled by Trinidad Cement Limited (TCL) or Successor Company. Control herein means the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.
  - (ix) "Associated Companies" mean an enterprise in which TCL or a Successor Company is a shareholder.
  - (x) An "Inactive Member" is a member who did not purchase at least twenty (20) shares for a calendar year.
  - (xi) A member in "Good Financial Standing" is a member who is neither delinquent nor inactive.
  - (xii) A "Delinquent Member" is a member who is in default of payments of monies when due.
  - (xiii) Wherever in these Bye-laws a Special Majority is required and the computation of that Special Majority includes a fraction of a person, the fraction shall be considered a person.

- (xiv) Officer  
Is a member of the Board of Director, Credit Committee, Supervisory Committee, Manager and Accountant.
- (xv) Child /or Infant is a member under the age of fourteen (14) years.

[b] These bye-laws are supplementary to the provisions of any Legislation that pertains to Credit Unions.

## **2. NAME AND ADDRESS**

The Society shall be called CEMCU Credit Union Co-operative Society Limited. The registered address shall be at such place as the Board may from time to time decide. In the event of any change of registered address, notice of such change shall be sent within thirty (30) days thereafter to the Commissioner.

## **3. OBJECTS**

The objects of the Society shall be:

- (a) To improve the economic and social conditions of its members by:
  - i) promoting thrift and savings among its members;
  - ii) providing loans to members for provident and productive purposes including loans for mortgage on leasehold and freehold property;
  - iii) providing insurance coverage for shares held and loans outstanding by members;
  - iv) purchasing and developing residential and commercial lands and constructing homes and commercial property thereon for sale, lease or rent to members;
  - v) providing other services for the promotion of the economic welfare of members as the Board sees fit from time to time.
  - vi) any other activity approved under the laws of Trinidad and Tobago pertaining to Credit Unions and Cooperative Societies.

- (b) To hold, purchase, acquire any interest in and exercise all privileges of ownership over any freehold or leasehold land as may be necessary or suitable for the conduct and operation of its business or for the carrying out of any of its objects and may, subject to the terms of the conveyance or lease, sell, exchange, mortgage, lease, build upon, or alter, pull down or re-build buildings upon any such freehold or leasehold land.
- (c) To encourage the spirit and practice of thrift, self-help and co-operation among members and to promote the development of co-operative ideas by:
  - i) educating members in co-operative principles and practices.
  - ii) affiliating or collaborating with any other co-operative society or organisation.
- (d) To do all such lawful things as are incidental or conducive to the attainment of the above objects.

#### **4. MEMBERSHIP**

##### **QUALIFICATION**

Membership shall be voluntary and open to:

- (a) Employees of Trinidad Cement Limited, its Subsidiaries or Associated Companies or successor Company.
- (b) Former employees (who obtained membership while being an employee), and pensioners of Trinidad Cement Limited and its Subsidiaries and Associated Companies.
- (c) Any other person approved by the Board of Directors.

#### **5. ADMISSION**

- (a) Application for membership shall be made in writing on a prescribed form submitted to the secretary and determined by the Board. Determination of all applications for membership shall be by ballot and two negative votes shall disqualify the applicant from membership.

No application shall be dealt with unless recommended by a member.

- (b) Membership commences from the date of approval by the Board and payment of a non-refundable entrance fee as determined by the Board from time to time and the value of twenty (20) full shares. All such entrance fees shall go to the Reserve Fund.
- (c) A copy of these bye-laws shall be given to each member on the approval of his application for membership.
- (d) A non-financial member must re-apply to the Board for full membership after coming out of a delinquency position.

## **6. TERMINATION**

- (a) Membership shall be terminated by death or insanity of a member or by his resignation or expulsion in accordance with these bye-laws.
- (b) A member shall have the right to resign from the Society provided that he is not indebted to the Society directly or indirectly.

## **7. EXPULSION**

- (a) If any member violates these bye-laws or otherwise acts in a manner prejudicial or inimical to the good repute or interest of the Society, the Board may by two thirds (2/3) majority vote of its members present at a meeting convened for the purpose, expel the member from the Society. A concise statement in writing of the grounds alleged for such expulsion must first have been served upon the member and he must also have been given a reasonable opportunity of being heard in his own defense. The member shall also be entitled to be represented at any hearing by a person of his choice.
- (b) The member shall be at liberty to call witnesses in his defense.
- (c) An appeal from the findings of the Board may be made by an expelled member by letter in writing addressed to the Secretary to reach him within fifteen (15) days of the date of service of the Order of Expulsion upon him.

- (d) Where an expelled member lodges an appeal against his expulsion with the Secretary, the Board shall convene a special general meeting within thirty (30) days of the receipt of the notice of the appeal. The special general meeting shall review the facts and issues involved and shall have power by a vote of the majority of members present to confirm or disallow the expulsion of the appellant.
- (e) Where the Board fails to hold a special general meeting within the thirty (30) days allowed under this Bye-Law, the expulsion of the appellant shall automatically be rescinded.
- (f) Pending the determination of any appeal as aforesaid, an expelled member shall continue to enjoy all the rights of membership.
- (g) An expelled member shall be entitled to receive any dividends, patronage refunds or other interest payable to members up to the date on which he ceased to be a member by virtue of his expulsion.
- (h) If any person who is a witness in any proceeding under this Bye-Law or has any direct or indirect interest herein shall sit in the position of Chairman at any Board or Special General Meeting held under this Bye-Law or be present when any charge or appeal is being determined, the whole of such proceedings shall be null and void and of no effect.
- (i) At the hearing of any appeal under this Bye-Law the appellant shall be at liberty to call witnesses in his defense and to be represented by a person of his choice.
- (j) A member shall have the right to appeal to the Commissioner against the findings of the Board or the special general meeting on the grounds that he was denied the right to a fair hearing or that the procedures for the hearing and determination of the charge or appeal were contrary to the provisions herein or otherwise contrary to the laws of natural justice or that the penalty imposed on him was harsh or oppressive or not warranted at all.



- (k) Upon such an appeal being lodged with the Commissioner within fourteen (14) days of the service of the Order of Expulsion or the findings of the special general meeting upon the member, the Commissioner or a person nominated by him shall hear and determine the appeal. The finding of the Commissioner shall be final and binding upon the Society and the appellant.

## **8. UNCLAIMED SHARES / DIVIDENDS / BONUS**

- (a) If the whereabouts of any member are not known to the Society and no claim is made within one (1) year from the date of his last transaction with the Society, the Board may transfer his shares and / or interest, after deducting any sum due to the Society, to an unclaimed shares account to be identified by members. Dividends will accrue as normal to this account. Any sums remaining unclaimed in this account after two additional years may be transferred to the Reserve Fund.
- (b) The Board may entertain claims made in respect of any sums transferred to the Unclaimed Shares or Reserve Fund upon the production of such proof as it may deem satisfactory.

## **9. LIABILITY**

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

## **10. CAPITAL**

The capital of the Society shall consist of:

- (a) An unlimited amount of shares of five (5) dollars each.
- (b) Deposits
- (c) Loans
- (d) Any sums capitalized from the annual surplus of the Society with the authority of the General Meeting.
- (e) And any other as specified by legislation pertaining to Credit Unions.

The capital of the Society shall only be used for the stated objects of the Society.

## **11. SHARE HOLDING**

- (a) Shares shall be valued at five dollars (\$5.00)
- (b) No member shall hold more than twenty per centum (20%) of the total issued share capital of the Credit Union at the date of the purchase of such shares.
- (c) The minimum shareholding of a member shall be twenty (20) full shares.

## **12. SHARE REGISTER**

A share register shall be kept by the Society in which it shall record the full name, address, occupation and the date of entrance of each member, the value of each share-holding and the date of withdrawal of any shares. The members' ledger which shows the members' current shareholding may, for the purposes of this bye-law be deemed to be the Share Register.

## **13. TRANSFER OF SHARES**

- (a) Shares may be transferred only in writing from one member to another upon payment of a fee determined from time to time by the Board, for each transfer. All transfers shall be in the form prescribed by the Board as shown hereunder.

- (b) No transfer of shares shall be registered if the request is made by a member who is indebted to the Society without special order of the Board.
- (c) No transfer of a share shall be valid and effective unless and until such transfer has been registered on the direction of the Board.

**FORM OF TRANSFER OF SHARES**

I, \_\_\_\_\_ of \_\_\_\_\_

in consideration of the sum of \_\_\_\_\_ paid to me by \_\_\_\_\_

\_\_\_\_\_

of \_\_\_\_\_ (hereinafter called "the Transferee")

do hereby transfer to the transferee shares valued \_\_\_\_\_ in CEMCU Credit Union Co-operative Society Limited, to be held unto the transferee subject to the several conditions on which I held the same, and I, the transferee, do hereby agree to take the said shares subject to the same conditions aforesaid.

As witness, our hands the \_\_\_\_\_ day of \_\_\_\_\_ 2 \_\_\_\_\_

Witness to Signatures: \_\_\_\_\_

**14. SHARE TRANSFER RESTRICTIONS**

All share transfers are subject to the approval of the Board and no share transfer which infringes the provisions of bye-laws 11, 13 and 15 of these bye-laws shall be accepted.

**15. WITHDRAWALS OF SHARES OR DEPOSITS**

Notwithstanding anything to the contrary contained in these bye-laws, a member may withdraw all or any of his share capital and/or deposits from the Society but as not to reduce the total of his shareholding and/or deposits below his total debts to the Society. The Board shall require a member to give written notice of his intention to withdraw the whole or any part of his shares or deposits. A member must give the Board written notice of ninety (90) days of his intention to withdraw the said shares and thirty (30) days in the case of deposits.

## **16. DEPOSITS**

Deposits shall be either fixed for a period of time or placed in a savings account and may be pledged as collateral for loans.

## **17. SAVINGS ACCOUNT**

In order that the deposit may be relatively permanent and subject to few withdrawals, a member may deposit money in sums of not less than \$100.00 at any one time.

## **18. NOMINATIONS OF BENEFICIARY**

### **(a) Appointment of Beneficiary**

Every member of the Society shall in writing under his hand attested to by two witnesses and delivered to the office of the Society during his life-time, nominate anyone person or persons to whom or to whose credit the shares or interest or the value of such shares or interest, may in the event of his death be paid or transferred.

### **(b) Revocation**

A member may, revoke or vary such nomination in writing under his hand similarly attested and delivered. All such nominations, revocations or variations shall be recorded in a Register of members.

### **(c) Fees**

No fee shall be payable for the first nomination made by a member. For each subsequent revocation, nomination or variation, the nominator shall pay a fee to be determined by the Board from time to time.

### **(d) Payment to Beneficiary**

On receiving satisfactory proof of the death of the nominator the Board shall pay to the beneficiary, in the manner directed by the nomination, the sum representing the value of the shares, deposit and interest (as prescribed by law) of the deceased member less any sum due to the Society.

- (e) Limit

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

## **19. GENERAL MEETINGS**

- (a) The supreme authority of the Society shall be vested in a properly constituted General Meetings of members at which every member has the right to attend and vote on all questions.
- (b) The Annual General Meeting shall be convened by the Board not later than one month or such period as specified by law, after a report on the audit of the accounts of the Society is received by the Board. At least seven (7) days' notice shall be given to all members. The notice shall state the date, time and venue of the meeting and the business to be transacted thereat.
- (c) A Special General Meeting shall be convened by the Secretary on the request of the President, the Board, the Supervisory Committee, the Commissioner or his representative or on receipt by the Secretary of a written demand signed by not less than two hundred members, stating the purpose of the meeting.
- (d) A Special General Meeting shall be held within thirty (30) days of the request of the demand.
- (e) The quorum for any general meeting shall be twenty-five (25) members.
- (f) No matters other than those stated on the Agenda shall be discussed at any general meeting even though a majority of the members present vote otherwise.

## **20. NOTICE OF MEETING**

- (a) All members shall be given at least seven (7) days notice prior to the date of the Meeting.
- (b) Notwithstanding anything herein contained to the contrary, notice of the Annual General or a Special General Meeting shall be deemed to have been given or served upon every member of the Society if a notification thereof be stuck up in a conspicuous place at the registered Office or place of business of the Society for at least seven (7) days previous to such Meeting and in addition if notice thereof be published once a week in a daily newspaper circulating in the country at least seven (7) days prior to such Annual Meeting or Special General Meeting.

## **21. QUORUM AT MEETINGS**

At all general meetings twenty-five(25) members shall constitute a quorum. If a quorum is not present on the expiration of half an hour after the time fixed for such a meeting an adjournment shall be taken to a date not less than fourteen (14) days thereafter and members shall be notified accordingly at least five (5) days before the date thereof: such notification to be made in the same way as is provided in the case of a General Meeting. The adjourned meeting shall be properly constituted irrespective of the number of persons present.

## **22. VOTING AT MEETINGS**

- (a) Save as is otherwise provided in these bye-laws or as is requested by the members, decisions at any meeting of the Society shall be made by a majority of the votes recorded by members present.
- (b) At all meetings each member shall have but a single vote whatever his shareholding may be, and there shall be no voting by proxy.
- (c) A member being a society or body of persons, whether incorporated or not shall cast a single vote through a duly delegated agent.

- (d) The Chairman of any meeting of the Society shall, in the event of an equality of votes, have a casting vote in addition to his original vote.
- (e) No person may be present or vote at any meeting of the Society when any matter is being decided in which he has a direct or indirect interest.

## **23. BOARD OF DIRECTORS**

- (a) The Board of Directors shall consist of twelve members, each of whom shall be elected at an Annual General Meeting for a term of three years.
- (b) One third of the Board shall be so elected each year. A member elected to fill the remaining period of another member's term caused by a vacancy shall be deemed to have served a term.
- (c) Any vacancy occurring in the Board between Annual General Meetings shall be filled by the Board from alternates elected at the previous Annual General Meeting.
- (d) The Board shall meet as often as the business of the Society may require but not less than once each month. At all meetings of the Board, seven members shall constitute a quorum.
- (e) If a member of the Board fails to attend three consecutive meetings without the prior or subsequent approval of the Board, his office may be declared vacant and the vacancy shall thereupon be filled as provided in sub-paragraph (c) of this bye-law.
- (f)** The Board shall at their first meeting to be held within fourteen (14) days after the date of each Annual General Meeting elect from their own members a President and a Vice President. The Board may also appoint a Secretary, Assistant Secretary, Treasurer and, such other officers as may be determined.
- (g) No person may be a member of the Board and a salaried employee of the Society at the same time. A member of the Board who takes up paid employment with the Society shall automatically be disqualified from a seat on the Board.

- (h) Any person who is in the paid employment of the Society shall not be eligible for election to the Board.
- (i) The payment of an honorarium to an officer as approved by the general meeting or of any allowances for the performance of specific tasks assigned to him by the Board shall not be deemed to be a salary paid to the officer.
- (j) No member of the Board shall be eligible to serve on the Credit Committee.

## **24. POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

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

- (i) Determine the maximum individual shareholdings, rates of interest on loans and recommend dividends on share-holdings consistent with the current legislative enactment governing Co-operative bodies.
- (ii) Determine the maximum amount which may be lent to a member, with or without security.
- (iii) Be responsible for the establishment of procedures for the recovery of delinquent loans.
- (iv) Have charge of investment other than loans to members.
- (v) Fix the amount of the bond of fidelity guarantee required of all officers and collectors.
- (vi) Designate the Bank(s) and other financial institutions in which funds of the Society shall be deposited and appoint signatories for such funds.
- (vii) Take all measures to provide for the management of the affairs of the Society for which no provision has been made for determination at the general meeting and which are not inconsistent with the aforementioned Co-operative Societies Act 1971 or any amendment thereto enforced for the time being and these Bye-laws.



- (viii) To appoint, suspend or dismiss the Manager of the Society, to determine his duties and powers and to fix the salaries and emoluments of all paid staff.
- (ix) To appoint, suspend or dismiss other paid employees of the Society. The Board may delegate this power to the Manager subject to such conditions as it may impose.
- (x) To make decisions on applications for membership
- (xi) To contract loans and authorise expenditure and to appoint agents to act for and on behalf of the Society.
- (xii) To see that the accounts are accurately kept, to prepare or cause to prepare, not later than 60 days after the close of the financial year, statements of accounts and a Balance sheet and submit these for audit.
- (xiii) To decide on a plan of operation together with a budget before the end of each financial year; to ensure at each Board meeting that the plans and budget are followed or revised according to actual operation.
- (xiv) To deal with complaints.
- (xv) To appoint members to represent the Society and vote on its behalf at any meeting of any other Society of which it is a member.
- (xvi) To expel members in accordance with these bye-laws.
- (xvii) To prescribe the security to be given by any employee or officer of the Society.
- (xviii) To review the Bye-Laws and propose amendment at General Meeting .
- (xix) To enter into contracts on behalf of the Society. Such contracts shall bear on behalf of the Society the signatures of the President and Secretary. Any contracts so signed and/or executed shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such President or Secretary or that they or any of them were disqualified, be as valid and binding on the Society and the members thereof as if every such person had been duly appointed and was duly qualified.

- (xx) To determine the rate of interest on loans to members
- (xxi) To recommend the rate of dividends, bonuses patronage or rebate of interest to be paid to members
- (xxii) To formulate a loan policy
- (xxiii) To have charge of investments other than loans to members
- (xxiv) To appoint an Education Committee
- (xxv) To appoint sub committees as may be necessary and to determine their terms of reference
- (xxvi) To take all such practical and expedient measures for the good management, supervision and administration of the affairs of the Society for which no provisions have been made in these bye-laws
- (xxvii) To determine the rate of interest to be paid on deposit Account
- (xxviii) The Board shall have the power to make such rules for the conduct of the affairs of the Society as required from time to time, as may be necessary and as would not be repugnant or contradictory to the Bye-Laws of the Society, and shall cause a book containing all such rules to be kept open at all times for inspection by members or any person or persons authorized by the Commissioner. No such rules shall be valid unless ratified by the members at a General Meeting and approved by the Commissioner for which purpose three (3) copies shall be forwarded to him.

## **25. DUTY OF CARE OF OFFICERS**

In their conduct of the affairs of the Society the officers shall at all times observe the Act, the Regulations and the Bye-laws and shall exercise the prudence and diligence of ordinary man of business and shall be responsible for any loss sustained through negligence or act contrary to the Act, the Regulations, the Bye-laws or rules made thereunder. They shall report truthfully and faithfully to the membership.

## **26. DUTIES OF OFFICERS**

### **1. PRESIDENT**

- (a) It shall be the duty of the President to preside at meetings of members and of the Board and so perform such other duties as appertain to this office.
- (b) The President shall summon and preside at General and Board meetings of the Society and shall in the case of an equality of votes, have a casting vote.
- (c) The President shall sign the minute book and shall perform such other duties as appertain to his office.

### **2. VICE-PRESIDENT**

It shall be the duty of the Vice-President to perform the duties of the President in the event of the absence or disability that the officer and such other duties as may be assigned to him by the Board.

### **3. SECRETARY**

The Secretary shall keep correct records of the meetings of the members and of the Board. He shall give due notice of all meetings in the manner prescribed by the Rules and shall perform all other duties incident to his office and such other duties as may be assigned to him by the Board.

The duties of the Secretary shall be:

- i. To summon all Board and General meetings in consultation with the President.
- ii. to attend all General and Board meetings and to keep correct minutes of the same.
- iii. to conduct the Society's correspondence.
- iii to have charge of documents and other papers of the Society.
- iv. to keep all books or registers required to be kept under these bye-laws.

- v. to have custody of the Seal of the Society.
- vi to do all other acts and things as may be required of him by these bye-laws or as the Board may direct.

#### **4. ASSISTANT SECRETARY**

It shall be the duty of the Assistant Secretary to perform the duties of the Secretary in the event of the absence or disability of that officer and such other duties as may be assigned to him by the Board.

#### **5. TREASURER**

It shall be the duty of the Treasurer to perform the duties of the Manager in the event of the absence or disability of that officer and such other duties as may be assigned to him by the Board.

#### **27. MANAGER**

The Manager shall be responsible for conducting the day-to-day affairs of the Society and shall in all cases act in the discharge of his duties under the direction and control of the Board.

The duties of the Manager shall also include:-

- (a) To prepare for the consideration of the Board and Committee such budgets and financial statements as they may require.
- (b) To sign cheques and other documents of the Society if necessary, together with the other persons appointed by the Board.
- (c) To be responsible for all cash coming into the Society and shall deposit within forty eight (48) hours after receipt, all funds in his possession in the bank or banks prescribed except such sums as authorized to be kept in hand by the Board. All banking accounts shall be in the name of the Society.

- (d) To superintend the working of the office and business and to be responsible for the proper and punctual keeping of books and accounts, registers and other documents of the Society.
- (e) To render a proper account of all monies received and paid by him at the end of each month or at such other times as the Board may require and shall submit a monthly report on the operations of the Society for consideration by the Board.
- (f) To attend Board and General meetings when requested to do so by the President and provide such information as may be requested of him.
- (g) To perform such lawful duties as may be assigned to him by the Board.

**28. EXECUTIVE COMMITTEE**

- (a) The Executive Committee shall consist of the President, Vice-President, Secretary, Assistant Secretary, Treasurer and two (2) other Directors.
- (b) Five Members shall form a quorum.
- (c) The duty of this Committee shall be to act on behalf of the Board on routine or other matters requiring prompt decisions between Board meetings.
- (d) To report to the Board at each meeting on decisions taken.
- (e) The executive committee shall maintain proper minutes for all meetings held.

**29. CREDIT COMMITTEE**

- (a) The Credit Committee shall consist of five (5) members who shall be elected at an Annual General Meeting.
- (b) Each member elected to the Credit Committee shall retire by rotation. In the first instance of this rule coming into effect, the members elected shall serve as follows:
  - (i) Two members (being the members with the highest number of votes) shall serve for two years.

- (ii) Three fifths of the Credit Committee shall be so elected each year.
- (c) The Committee shall meet weekly and other meetings shall be held from time to time as the business may require.
- (d) They shall choose from their own number a Chairman and a Secretary. The Secretary shall keep a full and correct record of all action taken by the Committee and submit monthly, to the Board, details of such action.
- (e) Any vacancies occurring in the Committee between Annual General Meetings shall be filled by the Board from the committee alternates.
- (f) Three members shall constitute a quorum.

### **30. DUTIES OF CREDIT COMMITTEE**

- (a) The Credit Committee shall determine and be responsible for the approval or non-approval and the general supervision of all loan applications.
- (b) The Committee shall examine the character and financial position of borrowing members and their endorsers to ascertain their ability to honour their obligations under the loan and the benefit or benefits to be derived therefrom.
- (c) The Committee shall determine the terms upon which loans shall be repaid subject to the directives of the Board.
- (d) No loan shall be made unless approved by the majority of members of the Committee present at the meeting at which the application is considered.
- (e) No loan shall be made to an officer of the Society of a sum in excess of the value of his shares and deposits and accumulated dividends in interests thereon unless such loan be approved by the vote of two thirds (2/3) of the other members of the Board of Directors and Credit and Supervisory Committees sitting together or be made with the consent in writing of all the members (other than the borrowing officer) constituting the Board of Directors, the Credit Committee and the Supervisory Committee. (See 43.3 of Co-op Act).

- (f) When there are pending more loan applications than can be granted with the funds available, preference shall be given to applications for smaller loans if the credit factors are nearly equal.
- g) The committee shall operate in accordance with the loans policy set down by the Board.
- (h) The committee shall in accordance with the loans policy maintain an up to date list of delinquent accounts or accounts in arrears, which shall be used for the approval or non-approval of loans to members.
- (i) The committee shall report on the status of delinquency to the Board on a monthly basis and to the membership at the Annual General Meeting.
- (j) No member of the Credit Committee shall be eligible to serve on the Board.

### **31. SUPERVISORY COMMITTEE**

- (a) The Supervisory Committee shall consist of five (5) members who shall be elected at the Annual General Meeting for a term of one year.
- (b) No member of the Supervisory Committee shall be eligible for service on the Board or the Credit Committee or any other committee that may be in conflict with the committee's objectivity and independence.
- (c) They shall choose from their own number a Chairman and a Secretary from the members of the Committee at their first meeting after each Annual General Meeting. The Secretary shall keep a full and correct record of all correspondence, work and other activity undertaken by the Committee.
- (d) Three members shall constitute a quorum.
- (e) No member shall serve more than four consecutive terms in the committee
- (f) Any vacancies occurring during the interim between annual meetings shall be filled by alternates elected at the annual general meeting.

### **32. POWERS AND DUTIES OF SUPERVISORY COMMITTEE**

The Supervisory Committee shall: -

- (a) Make an examination of the affairs of the Society and attest to the Balance Sheet on a monthly basis and conduct an audit of its books at least semi-annually, paying attention to, inter alia, securities, cash, loan applications and approvals, reporting their findings to the Board.
- (b) Make an annual report of its activities and findings, for submission to the members at the Annual General Meeting.
- (c) By unanimous vote, if it deems such action to be necessary to the proper conduct of the Society, suspend any officer or member of any Committee and call the members together to act on such suspension within thirty (30) days. The members present at that meeting may, by a majority vote, sustain such suspension and remove such officer or member of the committee permanently or reinstate such member.
- (d) By majority vote, if it deems such action necessary, call a special meeting of the members to consider any matter, which the Committee will submit to the meeting.
- (e) At least one member of the Committee shall attest the Annual Balance Sheet which is submitted to the members at the Annual General Meeting and to the Commissioner.
- (f) The members of the Supervisory Committee shall keep themselves fully informed as to the financial condition of the Society by examining, at least every six (6) months, the share and deposit accounts and loan balances, the securities, cash and accounts and applications for loans made during the period of examination. They shall also satisfy themselves that for each loan reviewed, proper documents are on file, that the application embodies the purpose for which the relative loan was made and that the security offered is adequate. They shall also ensure that loan application reviewed bears the signatures of at least three (3) members of the Credit Committee.

### **33. EDUCATION COMMITTEE**

- (a) The Education Committee shall consist of not less than five members, including the Chairman, who may be appointed by the Board from time to time, and shall serve until replaced.



- (b) The Secretary shall be chosen by the members of the Committee at its first meeting after its appointment.
- (c) Members of the Education Committee may also be members of any other Committees.
- (d) In the event of a vacancy arising the Board shall appoint a replacement as it sees fit.

### **34. DUTIES OF EDUCATION COMMITTEE**

It shall be the responsibility of the Education Committee to ensure that the Education Fund is used in conformity with the provisions of the current legislative enactment governing co-operative bodies.

To this end they shall:

- (a) Establish and assist in maintaining a library for the use of members.
- (b) Make arrangements for discussion and lectures when desirable.
- (c) Use its best endeavors generally to stimulate interest in the Credit Union Movement.
- (d) Ensure that the funds requested by the committee are used for its intended purpose.
- (e) The committee shall meet at least once a month
- (f) The committee shall submit a monthly report of its activities to the Board
- (g) The committee shall submit an annual report of its activities to the Board for presentation to the Annual General Meeting.

### **35. DISQUALIFICATION OF A BOARD OR COMMITTEE MEMBER**

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

- (a) Cease to be a member of the Society.
- (b) Applies for bankruptcy or is declared a bankrupt.
- (c) Becomes of unsound mind.
- (d) Is employed by the Board and is in receipt of a salary or wage.
- (e) Is convicted of any offence involving dishonesty
- (f) Fails to attend three (3) consecutive meetings without tendering a valid and proper excuse, therefore.
- (g) Any person who is delinquent to the Society for more than ninety days.

### **36. INVESTMENTS**

The Society may invest or deposit its funds:

- (i) In or upon any security in which the Board for the time being are authorised by law to invest.
- (ii) In the share or on the security of any society registered under the Cooperative Societies Act 1971 or any amendments enforced thereto for the time being or the Building Societies Ordinance or the manner referred to in Section 45 of the Co-operative Societies Act 1971.
- (iii) In any bank or financial institution approved by the Commissioner.

### **37. FINANCIAL YEAR**

The financial year of the Society shall begin on the first of January and end on the last day of December following.

### **38. LOANS**

- (a) The Society may make loans exclusively to its own members, and solely for a provident or productive purpose in accordance with the Loan Policy and Procedures. Interest on such loans shall be determined by the Board from time to time.
- (b) All applications for loans shall be made in writing on a form prescribed by the Board.
- (c) A loan may be repaid in whole or in part at any time during normal business hours.

### **39. LIEN**

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

#### **40. ENFORCEMENT OF CHARGE**

For the purpose of enforcing a lien on shares and/or deposits the Board may either sell to a person, having the necessary qualifications for membership, the shares which are subject to such lien in such manner as it thinks fit, or set-off any sum credited by reason of share or deposit-holding to the member in or towards the payment of such debt, provided, however, that any such sales or set-off shall not be made until notice in writing of the intention to sell or set-off has been given to such member and default has been made in payment of such debt thirty (30) days after the giving of such notice. The net proceeds of such sale shall be applied towards the payment of such debt and the residue, if any, paid to such member. In the event of a set-off the member's shares and/or deposits shall be reduced accordingly and he shall be notified of the amount of his share and/or deposit holding after such set-off.

The Society may enforce a charge by applying to the Magistrate of the district in which the member or past member resides or carries on business or where the property subject to the charge is situated for a warrant of distress by certifying under seal to the Magistrate the amount due and particulars of the property so charged and the Magistrate shall issue a warrant of distress and may order the sale of the property by public auction or private treaty.

#### **41. BORROWING POWERS**

The Board may borrow money on behalf of the Society to an amount not exceeding the maximum liability fixed by the members and approved by the Commissioner for the purposes of meeting any of its obligations or discharging any of its functions or objects.

The Board may borrow loans from persons who are not members for the purpose of meeting any of its obligations or discharging any of its functions or objects.

#### **42. DEVOLUTION OF SHARES**

In the event of the devolution upon or the vesting in any person of the shares or deposits of a member in the Society by legal process, or in any manner otherwise than above defined, the person legally entitled to the same shall be paid the full value of the shares of such member or the money so on deposit.

#### **43. DISTRIBUTION OF SURPLUS**

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

- (a) An amount of not more than five percent (5%) may be credited to Education Fund;
- (b) A dividend on shares may be paid to members as the general meeting may decide
- (c) A bonus proportionate to the total amount of business done by each member with the society during the previous year. The bonus due to members may be paid to them in cash or otherwise as the general meeting may decide. The bonus due to non-members who are not eligible to become or do not wish to become members shall be carried to a Common Good Fund; the bonus due to non-members, eligible in terms of these Bye Laws for membership may be credited to them as shares within twelve (12) months of declaration of the said bonus, if such non-members are admitted into the Society.
- (d) A percentage rebate of interest in proportion to the amount paid by each member;
- (e) An honorarium to any non-salaried officer; and
- (f) The balance of the net surplus may be used at the discretion of the general meeting for the constitution of a Share Transfer Fund, Divided Equalization Fund, Building Fund, Special Reserved Fund, a Common Good Fund, a Capital Reserve Fund, or may be carried forward to the succeeding year.

#### **44. NOMINATIONS COMMITTEE**

The Board of the Society will form a Nominations Committee which will comprise of not more than five [5] members of the Society whose duty shall be the selection of the members who are willing to be considered for election to the Board, Supervisory or Credit Committee by the Annual General Meeting.

#### **45. DIVIDENDS**

- (a) The Board may after the close of each financial year recommend a dividend from net earnings or accumulated net undivided surplus remaining after statutory reserves have been set aside.
- (b) After approval by the members at the Annual General Meeting such dividend shall be paid on all shares, which were fully paid up during the financial year to which the dividend relates.
- (c) Shares which become fully paid up during the year shall be entitled to a proportionate part of the said dividend calculated from the first day of the month following such payment in full. Shares withdrawn during the year shall be entitled to a proportionate part of the said dividend calculated up to the last day of the month prior to withdrawal.
- (d) It is hereby expressly declared that on no account shall any dividends be paid to members except after the end of a financial year as authorised by the Annual General Meeting

#### **46. ALLOWANCE TO OFFICIALS**

No member of the Board or any other committee shall be paid any allowance or receive any gratuity unless such allowance or gratuity is approved by the Board.

#### **47. SECRECY**

All transactions of the society with its members and all information respecting their affairs shall be held in the strictest confidence by the Officers and Staff of the Society.

#### **48. AUDIT**

- (a) At the Annual General Meeting an auditor shall be appointed in accordance with the provisions of the Act or any amendments thereto enforced for the time being.

- (b) The Auditor shall have access to all records of the Society, and shall verify and certify the financial statements as being correct and in accordance with the afore-mentioned Act or any amendments thereto enforced for the time being, or else reporting to the General Meeting before which these documents are laid in what respects they are incorrect and not in accordance with the Act or any amendments thereto enforced for the time being.

#### **49. RESERVE FUND**

- (a) The Reserve Fund shall be indivisible and no member shall be entitled to any specific share thereof
- (b) The Reserve Fund may, subject to the approval of the Commissioner, be used in the business of the Society or may be invested in accordance with the provisions of the Act.
- (c) The Reserve Fund may, with the approval of the Commissioner, be applied to meet bad debts, or loss sustained through extraordinary circumstances over which the society had no control.

#### **50. EDUCATION FUND**

After making provision for the reserve fund and before declaring a dividend, the Board shall set aside a sum not exceeding five per centum (5%) of its net surplus in a special fund to be used for educational purposes. This fund shall be administered by the Education Committee as in the manner provided in bye - law 36 or in such other manner as may be decided by the members in General Meeting.

#### **51. SEAL**

The common seal shall bear legibly engraved on it at length the registered name of the Society. It may be applied to documents by order of the Board of Directors entered on their minutes, and its due application shall be attested by two members of the Board present at the time. It shall be in the custody of the Secretary.

## **52. DISSOLUTION**

The Society may be voluntarily dissolved by an instrument of dissolution with the consent of three fourths (3/4) of its members but only in the way and manner provided by the Co-operative Societies Act 1971 or any amendments enforced thereto for the time being.

## **53. AMENDMENTS TO BYE LAWS**

- (a) A resolution to amend the bye-laws of the society in accordance with Section 21 of the Act, shall not be valid unless it was passed by a majority of not less than three fourths (3/4) of the members present at the General Meeting at which the resolution was proposed.
- (b) If a resolution referred to in section (a) is not passed by the required majority, the same resolution may unaltered, be proposed at another General Meeting convened for the purpose, not earlier than one (1) month nor later than two (2) months after the General Meeting at which it was first proposed. If it is then passed by a majority of members, the resolution shall be valid for the purposes of Section 21 of the Act.
- (c) A copy of every resolution passed under sections (a) and (b) shall be forwarded to the Commissioner together with three copies of the amendment for his approval. No amendment shall be valid or effective until approved by the Commissioner. Should the commissioner approve the amendment one copy indicating his approval shall be returned to the Society.

## **54. DISPUTES**

Any disputes touching the affairs of the Society shall be referred to the Commissioner for decision in accordance with the Co-operative Societies Act.

**55. CONTRACTS OF EMPLOYMENT**

Every employee of the Society shall enter into a contract of employment which shall contain such terms and conditions of service as may be mutually agreed upon between the Board and the employee or his representative.

**56. INTERPRETATION**

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



## CERTIFICATE

I, Karyl Adams, do hereby certify that the following Bye-Laws, numbers 1-56 of the **CEMCU Credit Union Co-operative Society Limited**, Registration Number 234, have been approved and certified by me.

Dated 24<sup>th</sup> day of March 2015.

Mr Karyl Adams  
Commissioner for Cooperative Development