

St. Martin's Credit Union By-Laws (S- 2006)

SUPPLEMENTARY BY-LAWS
of THE SAINT MARTIN'S CREDIT UNION Ltd. (2006)
San Ignacio, Belize, C.A.

SECTION

1. The registered office of this Credit Union shall be the SAINT MARTIN'S CREDIT UNION LIMITED.
2. The registered office of this Credit Union shall be #3 Eve Street San Ignacio, Cayo District.
3. The objects shall be:
 - a. To promote thrift among its members;
 - b. To receive the savings of members either as payment on shares or as deposits;
 - c. To make loans to members exclusively for provident and productive purposes
4. The powers shall be as those set under the provisions of the Credit Union Act #7 of 2002 and its amendments from time to time.

MEMBERSHIP

5. Membership shall be limited to residents or former residents of the Cayo District, who in the opinion of the Board of Directors are honest, industrious and of good habits, if such persons comply with the provisions of the Credit Union Act, the Standard By-Laws and these Supplementary By- Laws.
6. A person under the age of eighteen years may become a member of this credit union but shall not be capable of voting or being elected as director or committee member.
7. Application for membership shall be on a prescribed form duly signed by the applicant and endorsed in writing by a member of the Board of Directors or any employee duly authorized by the Board of Directors or any employee duly authorized by the Board of Directors to do so.
8. A person shall be admitted as a member of the Credit Union after he has paid an entrance fee of Five dollars and made payments towards the purchase of shares as follows: Adults Four shares and Minors Two shares.
9. A member may withdraw from the Credit Union upon giving twenty-eight days notice. The Board may require up to ninety days notice to effect full payment of a member's deposits.

CAPITAL

10. The capital of this credit Union shall be unlimited in amount and shall be divided into shares of a par value of five dollars. Shares may be bought outright or by installments.

SHARES-.PURCHASE, WITHDRAWALS AND TRANSFER

11. A member may make payments for the purchase of shares provided that the member does not hold more than twenty percent (20%) of the shares of the Credit Union.
12. Money paid in on account of shares may be withdrawn in whole or in part in accordance with section 9 of these Supplementary By-Laws, subject to any indebtedness to the Credit Union, on any day when the Credit Union Office is open for business.
13. Shares may be transferred only with the approval of the Board of Directors or Manager and provided that the transferee, if not a member, is eligible for membership in accordance with Section 5 of this Supplementary by-Laws.

DEPOSITS

14. A member may deposit money in this Credit Union.

15. Deposits may be withdrawn in whole or in part on any day when the Credit Union is open for business but the Board of Directors may in any case require up to ninety days notice in writing of intention to withdraw.

16. Interest on deposits shall only be payable if there is a surplus after the maximum dividends allowed by the Credit Union Act have been paid and there is a surplus.

RECEIPTS-PASS BOOKS

17. A Passbook shall be issued to every member with the provision therein for successive entries in separate columns for recording payments made by and to the member. Every entry in the pass book shall be initialed by the treasurer or employee specially authorized by the Board of Directors to receive or pay out money on behalf of the Credit Union. No money shall be received from or paid to a member unless the passbook is presented and the proper entry made therein.

18. If a passbook is lost or destroyed, immediate notice in writing shall be given to the Manager.

LOANS

19. Application for loans shall be made on the form prescribed by the Board of Directors and shall contain all the information required and shall be signed by the person desiring the loan. All applications for loans shall be filed as permanent records of the Credit Union.

20. No loan shall be made to member who is not in good standing.

21. The Board of Directors may make a transfer from the Shares and Deposits of a member towards the repayment of his loan' or the loan of another member for who he is guarantor' if such member-borrower fails two months in arrears either of installments or interest (provided the borrower/guarantor has been notified in writing) unless such failure is excused for cause by the Board of Directors' The Board of Directors may also make such arrangements for collection as it deems advisable, and may take steps towards terminating the membership.

MEETINGS

22. The Annual General Meeting of this Credit Union shall be held within sixty-one (61) days of the end of the fiscal year. A quorum at the Annual General meeting shall consist of

23. In addition to the Annual General Meeting other General Meetings may be held quarterly or at such times as may be determined by the Board of Directors

24. a. The Board of Directors may, when it thinks fit, and shall upon the request of ten per centum of the members, or upon request of Supervisory Committee call a Special Meeting of the Credit Union.

b. Any such request shall state in writing the object of the proposed meeting and shall be left at the registered office of the Credit Union.

c. If the Board of Directors fails to call such a meeting on the request of the ten Percent of the members within fourteen days, such members may refer the matter to the Supervisory Committee for action.

d. Only such business as is specified in the request may be discussed at the meeting.

25. a. At least seven days notice of every Annual General Meeting and special Meeting shall be given. The notice shall specify the place, date and hour of the meeting and shall be published in the local media.

b. Failure to read the notice by any member shall not invalidate the proceedings or the business transacted at the meeting.

26. The order of business at the Annual General Meeting shall be:

- a) recording of members present
- b) reading and approval or correction of the minutes of the last Annual General Meeting.
- c) Business arising out of the minutes.
- d) report of the Board of Directors
- e) report of the Treasurer;
- f) report of the Credit Committee;
- g) report. of the Supervisory Committee;
- h) report. of other Committees, if any;
- i) elections;
- j) new business;
- k) adjournment.

DIVIDENDS ON SHARES

27. Subject to the provisions of Section 39 of the Credit Union Act 2002 the members present at the Annual General Meeting may, upon the recommendation of the Board of Directors, approve the rate of dividend, if any, to be paid on shares.

VOTING

28.

- a. At any meeting of this credit union each member in good standing shall have one vote, and subject to the provisions of the Act, a majority vote of the members present at a meeting where there is a quorum shall decide all questions.
- b. A resolution put to the vote of the meeting shall be decided by show of hands, unless a poll is demanded by at least three members present.
- c. If a poll is demanded it shall be taken by ballot, in such a manner as the President directs.
- d. The president of the meeting at which a show of hands takes place or at which a poll is demanded shall have the right to vote, but shall not be entitled to a second or casting vote in the event of a tie.

NOMINATIONS AND ELECTIONS

29. The nominations and election of the Board of Directors, Credit Committee and Supervisory Committee shall take place at the Annual General Meeting of the Credit Union or a Special meeting called for the purpose.

30. The Board of Directors may, at least ten days prior to the meeting, appoint three members as a nominating committee who shall with the consent of the nominee place in nomination one or more names of each vacancy.

31. The nominating committee, if any, shall submit a report to the meeting but before the report is acted upon the returning officer shall call for additional nominations from the floor, and after a reasonable time has elapsed; a motion to close nomination shall be in order.

32. Nominations need not be seconded, but where the nominee is not present at the meeting his written consent to stand for election shall be produced.

33. The Board of Directors shall appoint a returning officer and other assistants as are required prior to the meeting and they shall be responsible to distribute the ballots and collect the same, and when the vote is taken the returning officer shall tally the same and announce the result of the election.

34. Where there are two or more candidates for any office, a secret ballot shall be taken, but if only one member is nominated for the office the returning officer shall declare such member elected.

35. The order of elections shall be as follows:

1.

- a) election of Directors
- b) election of Credit Committee
- c) election of Supervisory Committee

2. No member shall be elected to more than one committee

36. In the event-of any member placing more than the number required to be elected on his ballot his vote shall not be counted.

37. Within ten days of the election, the names and addresses, together with information respecting the term of office of an persons elected shall be forwarded to the Regulatory Body, responsible for Credit Union.

DIRECTORS

38. The Board of Directors shall consist of five members elected at the Annual General Meeting.

39. If a vacancy occurs on the Board of Directors or the Credit Committee, it shall be filled by the Board of Directors, but any person so appointed shall retain office only until the next Annual General Meeting and a successor chosen.

40. Regular meetings of the Board of Directors shall be held monthly. Notice of such meeting shall be given by the President.

41. Special meetings of the Board may be called by the president at any time and shall also be called upon a request of at least three members of the Board.

42. A majority of Directors shall constitute a quorum at meetings of the Board.

43. Should any member of the Board be absent from three consecutive Board meetings, without an excuse satisfactory to the other members of the Board, the Directors may pass a resolution declaring his office vacant, and after notice to him to that effect, fill the vacancy as herein before provided.

44. The Board of Directors shall meet immediately after the General Meeting of the Credit Union, and shall organize the current year by appointing from their own number a President, a Vice President, a Secretary, A Treasurer and an Education Director.

45. Subject to the provisions of the credit union Act 2002 Section 27, the Directors shall have responsibility for the general management of the affairs of the credit union and in particular shall:

- a. Act on applications for membership and on the expulsion of members;
- b. Determine the maximum individual share holdings and the maximum individual loan which may be made with or without security;
- c. Determine interest rates on loans and on deposits
- d. Declare dividends;
- e. Fix the form and amount of the security which shall be required from officers and employees handling money;
- f. Fill vacancies on the Board of Directors and on the

Credit committee until the next Annual General Meeting when successors are chosen;

g. Fix the remunerations of employees;

h. Designate the bank or banks in which the funds of the credit union shall be deposited subject to the provisions in Section 46 of the Credit Union Act 2002.

i. Exercise such borrowing powers as are authorized in Section 54 of the Credit Union Act 2002:

j. Prepare for submission by the President to the Annual General Meeting a comprehensive report respecting the progress and problems of the credit union together with such recommendations as appear necessary to improve the services of the Credit Union to the members.

46. The Directors, Committee Members and employees shall hold in strict confidence all transactions of the members with the credit Union.

47. The President shall preside at all meetings of the Credit Union, Board of Directors and Joint Officers and he shall:

a. Exercise general supervision over the officers, members, employees and business of the Credit Union;

b. Call all meetings of the Credit Union;

c. Execute and deliver all deeds or conveyances of real estate which the Board of Directors may order executed;

d. Submit to the annual general meeting the Director's report of the affairs of the Credit Union.

48. In the absence or disability of the President, all the rights and powers vested in the President shall for the time being be vested in the Vice-President who shall act as President.

49. The Secretary shall keep a record of all the meetings of the Credit Union and the Board of Directors. He shall attend all meetings of the Credit Union and have with him the necessary minutes, record books and correspondence relative to the business of the Credit Union.

50. The Treasurer shall:

a. Have authority along with any member of the Board or Credit Union employee authorized by the Board to sign all cheques issued by the Credit Union.

b. Sign promissory notes, bills of exchange and other instruments involving liability to the Credit Union;

c. Ensure that a just and true account of all moneys received and paid out by the Credit Union and all financial transactions of every kind whatsoever, including a full statement of the assets and liabilities are kept

d. Shall ensure that the cashbooks, accounts and other papers of the Credit Union are kept at the office

by the manager and such books and accounts shall be available at all times for inspection by the Board of Directors, the Credit Committee and the Supervisory Committee;

e. Shall ensure that within seven days after the close of each calendar month a statement prepared by the Credit Union Accountant showing the condition of the Credit Union as at the close of the month, such statements shall be signed by at least one member of the Supervisory Committee and shall be posted in a conspicuous place in the office of the Credit Union;

f. Shall ensure that a copy of the monthly financial statement is forwarded to the Registrar.

51 . All monies payable to the Credit Union shall be paid to employees of the credit union authorized by the Board of Directors to receive and pay money on behalf of the Credit Union. The manager shall ensure that such monies are deposited in such bank or banks designated by the Board of Directors at the close of business the same day.

52. Except in the case of withdrawal from shares, deposits or a loan approved all payments by the Credit Union shall be made by cheque signed by the treasurer or any member of the Board of Directors and countersigned by the manager in the case of amounts of \$5,000.00 or more. Cheques below \$5,000.00 shall be signed by the Accountant or any other employee authorized by the Board of Directors to do so.

CREDIT COMMITTEE

53. After the Annual General Meeting of the Credit Union the Credit Committee shall appoint a chairperson from among themselves.

54. The Credit Committee subject to the provisions of section 29 of the Credit Union Act 2002 and the St. Martin's Credit Union loan policy shall have the general supervision of all loans to members.

55. The Board of Directors shall set policies to guide the committee regarding all loans.

56. In case of special loan portfolios which involve funding other than those of the credit union the Board may request to review loans in order to make a recommendation to the-credit committee who may or may not follow the recommendation.

57. A majority of the Credit Committee shall constitute a quorum.

58. The Credit Committee shall meet as often as required by the business of the credit union provided that these meetings are not less than once a month. Meeting shall be called by the chairperson or at the request of two other members or at the request of the Treasurer. A full and correct record shall be maintained of all actions taken by the Credit Committee.

59. The Credit Committee shall determine the security or guarantors required for each loan and the terms upon which it shall be repaid.

60. Where more loan applications are pending than can be granted from the funds available, preference shall be given to smaller loans, provided that the security given compares favourable with the security available with respect to applications for larger loans.

61. The Chairman of the Credit Committee shall present to the Annual General Meeting a report describing the work of the Committee during the preceding year.

SUPERVISORY COMMITTEE

The Supervisory Committee shall immediately after the Annual General Meeting appoint from among their own number a chairperson.

The Committee shall:

- a.. Make an examination of the affairs of the Credit Union at least quarterly and audit its books, and if deemed necessary by them call a meeting of the Credit Union for consideration of the credit report.
- b. Make or provide an annual audit and submit a report to the annual meeting.
- c. If deemed necessary and by unanimous vote, suspend any officer, and call a meeting of the Credit Union to consider their report on such suspension;
- d. Call a special meeting to consider any matter or matters which, in their opinion, should be placed before the Credit Union.
- e. In the process of examination and audit examine all applications for loans made during the period under examination, and be satisfied that for each loan made an application is on file, and that each application states the purpose for which the loan was made and the contains a description of the security offered, if any, and that it bears the approval of at least two members of the Credit Committee.

At least one member of the Supervisory committee shall countersign monthly financial statements submitted to the Registrar.

The Supervisory Committee shall cause the pass books and accounts of all members to be verified with the records of the Credit Union at least once each year.

The Supervisory Committee may call a special meeting of the Members of the Credit Union to consider any violation of the provisions of the Credit Union Act or the By-laws or to consider any practice of the Credit Union which such committee considers to be unsound or unauthorized.

The Supervisory Committee shall fill any vacancy in its committee but any person so appointed shall retain office only until the next Annual General Meeting and a successor chosen.

The Supervisory Committee shall meet at least once monthly but the Chairperson may call for special meetings. The Chairperson shall also call meeting if requested in writing by two of its members.

CASH RESERVE

70. a. A cash reserve equal to 10% of shares, deposits and current borrowings shall be maintained at all times to meet possible withdrawal of shares, bad loan or unforeseen losses as provided for in Section 5I of the Credit Union Act 2002.

b. After making provision for the reserve fund and before declaring dividends the Board of Directors may set aside 5% or less of the net earnings in an Education Fund which shall be used for educational purposes determined by the Board of Directors.

BAD LOANS

Members who fail to repay their loans shall be given at least three notices in order for them to make payments. Of these notice at least the last one shall be in writing and shall warn the member that legal action will be taken against him.

Any member who fails to repay his loan shall have his membership terminated by the Board of Directors but the termination of his membership shall have no effect on his liability to the Credit Union.

This Credit Union may be dissolved in accordance with Section 70 (1.6) of the credit Union Act, 2002.

74. For the purpose of the Annual General Meeting or special meeting one hundred members or ten percent of the membership, whichever is less shall form a quorum.

75. These By- laws when registered in accordance with Section 16-18 of the Credit Union Act2002. shall bind the Credit Union and every member of the Credit Union and every person claiming through such member, to the same extent as if such member had subscribed his name and affixed his seal to these by-laws and there were contained in the by-laws a covenant on the part of such member, his heirs, executors, administrators and assigns to be bound thereby.

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