

# **RULES OF THE JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED**

A Credit Union (hereinafter referred to as "The Credit Union") registered under the Co-operative Societies Law, Cap. 75 of the Revised Laws of Jamaica.

## **INTERPRETATION**

"Board of Directors" shall mean the governing body of the Credit Union, to whom the management of its affairs is entrusted and which shall be constituted in accordance with the provisions of Rule 29 hereof.

'Voluntary Shares' shall mean shares paid in cash that are with-drawable upon request in accordance with conditions as prescribed by Rule 16. Dividend shall be made payable as determined yearly by the Annual General Meeting.

'Deferred Shares' shall mean shares paid in cash and issued with such rights and restrictions as determined by the Board of Directors from time to time.  
Deferred shares shall be interest bearing.

"Permanent Shares" are in accordance with Rule 6. Dividend shall be payable on all Permanent Shares as determined by the Annual General Meeting.

## **ARTICLE I NAME AND OBJECTS**

1. The name of the Credit Union shall be the Jamaica Teachers' Association Co-operative Credit Union Limited.
2. The registered Office of the Credit Union shall be 97A Church Street, Kingston, or such other place in Jamaica as may be determined from time to time by the Board of Directors and notified to the Registrar.

3. The objects for which the Credit Union is established are:
  - a) To promote thrift among its members by affording them an opportunity to accumulate their savings.
  - b) To create for them a source of credit for provident or productive purposes at a reasonable rate of interest.
  - c) To provide the opportunity for members to use and control their money for their mutual benefit.
  - d) To draw, make, accept, endorse, discount, execute and issue Promissory Notes, Bills of Lading, Bills of Exchange, Bills of Sale, Warrants and other negotiable or transferable instruments.
  - e) To do all other acts and things as are incidental or conducive to or consequential upon the attainment of the above objects.

## **ARTICLE II QUALIFICATIONS FOR MEMBERSHIP**

4. Membership in the Credit Union shall be limited to:
  - a) Members of the Jamaica Teachers' Association including administrative and clerical personnel employed in any educational institution recognised by the Ministry of Education.
  - b) Employees of present and future Allied Groups of the Jamaica Teachers' Association.
5. Application for membership must be made in writing or on a form approved by the Board and must be signed by the applicant. The application form shall at least provide for:

- a) Agreement to subscribe to at least Five Hundred Dollars (\$500) in Voluntary Share and Two Thousand Dollars (\$2000) in Permanent Share; upon acceptance of each application by the Board of Directors and payment of the first instalment, the applicant shall be registered as a member. If the application is rejected, the Entrance Fee shall not be returnable.
  - b) A member failing to subscribe to the minimum share requirements within a year may be required by the Board of Directors to pay a fine of One Hundred and Fifty Dollars (\$150.00) or an amount as may be determined by the Board from time to time.
6. An applicant shall not be registered as a member until:
- a) It shall have determined that he is eligible for membership under Article II, of these Rules.
  - b) His application for membership shall have been approved by the affirmative vote of the Directors or a majority of the members of a duly appointed and authorised Executive Committee present at the Meeting at which the application is acted upon.
  - c) Shall have qualified as a member by paying an Entrance Fee of Ten Dollar (\$10) and subscribing to at least Two Thousand Dollars (\$2000) in permanent shares and Five Hundred Dollars (\$500.00) in voluntary shares.
7. A member may be expelled by a two-thirds vote of the members of the Credit Union present at a General Meeting or a Special Meeting called for the purpose, but only after an opportunity has been given to the member to be

heard and only if the member has been properly notified in writing by the Board of Directors not less than fourteen days before such a meeting.

***On expulsion a member shall be entitled to repayment of the amount held by him as shown by the Credit Union Books, subject to the provisions of Article III, Rule 16.***

8. A member may be expelled by a two-thirds vote of the members of the Credit Union present at a General Meeting or a Special Meeting called for the purpose, but only after an opportunity has been given to the member to be heard and only if the member has been properly notified in writing by the Board of Directors not less than fourteen days before such a meeting.

On expulsion, a member shall be entitled to repayment of the amount held by him as shown by the Credit Union books, subject to the provisions of Article III Rule 16.

9. Withdrawn or expelled members shall have no further rights in the Credit Union but are not by such withdrawal or expulsion released from any liability to the Credit Union existing at the date of such withdrawal or expulsion.
10. A member who ceases to be within the field of membership of this Credit Union may retain his membership therein **through procedures established by the Board of Directors.**
11. A person ceases to be a member –
  - a) On death.
  - b) (i) on failure to hold at least Five Hundred Dollars (\$500) in Voluntary Shares
  - (ii) on ceasing to hold Two Thousand Dollars (\$2000) Permanent Shares within one year after becoming a member; provided that the

Credit Union shall issue at least three (3) months notice before termination of membership.

c) On his being found to be of unsound mind.

d) On expulsion from the Credit Union.

12. The Credit Union shall keep a Register to be called the "Register of Members", wherein shall be entered:

a) The name, address and occupation of each member and his book or account number.

b) The date on which each member's name was entered in the Register.

c) The date on which any member ceased to be a member.

### **ARTICLE III**

#### **SHARES AND LIABILITY**

13. The Capital of the Credit Union shall be unlimited, divided into Deferred and Permanent Shares of no par value. The liability of each member in case of liquidation is limited to the value of the shares held by him, at their Nominal Value.

14. The maximum amount of shares which may be held by any one member shall not exceed Twenty per cent (20%) of any class of share which forms part of the share capital.

15. (a) Shares may be transferred from one member to another member only by written instrument in such form as the Registrar may prescribe and upon the payment of a fee of One Hundred Dollars (\$100.00) for each transfer;

provided that no transfer of Permanent Shares shall be effected if the member requesting such transfer is liable to the Credit Union as a borrower, endorser, co-maker or guarantor. Such transfer shall carry dividend credit.

(b) All applications for transfer shall be made in the form prescribed by the Act or the relevant Supervisory Authority. To facilitate this transfer the society shall establish a Share Transfer Fund. Subject to the existence of funds adequate to the purpose in the Share Transfer Fund, the Board of Directors may accept from a member Permanent Shares for transfer to the Society. A file must be maintained for such transfers, and such applications shall be dealt with in order of receipt; provided that the Board of Directors shall have discretion to give priority to an application from a member where hardship or distress is shown to the satisfaction of the Board of Directors.

16. (i) Money paid for Voluntary shares, or instalments of Voluntary shares, may be withdrawn in whole or in part on any day when the Credit Union is open to business, but the Board of Directors shall 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 his holdings of Voluntary Shares below the amount of his total liability to the Credit Union as a borrower, endorser, co-maker or guarantor.

(ii) Investments in Permanent Shares may be redeemable subject to the sale, transfer or repurchase of such shares. Request for transfer may be made on any day the Society is open for business, but the Board of Directors shall reserve the right at any time to require a member to give notice not exceeding six (6) months; provided that no transfer can be effected if the member

requesting such transfer is liable to the credit Union as a borrower or co-worker.

17. The Board of Directors may establish conditions under which Christmas Club, Vacation Club and other savings programmes may be established by this Credit Union.
18. The Credit Union shall have a lien on the shares, deposits and savings of a member, except for accounts for which he is trustee, for any sum due to the Credit Union from the said member, or for any loan endorsed by him, and may apply any sum credited to the member's shares, deposits and savings in or towards payments of any such debt; provided that Permanent Shares shall not be credited in or towards payment of any debt excepting in the case of termination of membership or liquidation.

#### **ARTICLE IV DEPOSITS**

19.
  - i. The Board of Directors may establish bylaws and conditions under which a member may deposit money in the Credit Union. A member may deposit money in sums of not less than One Hundred Dollars.
  - ii. Deposits may be withdrawn by cheque or by cash on any day that the Credit Union is open for business, but the Board of Directors may at any time require the depositor to give up to thirty (30) days' notice of his intention to withdraw the whole or any part of his deposits.

- iii. Deposits may be received in the name of a minor or in trust for a minor who is a child, grandchild or ward of a member, in such way or manner as the Board of Directors may determine.
- iv. Deposits received in the name of a minor shall be held for the exclusive right and benefit of the minor and free from the control or lien of all other persons, except creditors and shall be paid, together with interest thereon, to the person in whose name the account shall have been issued. The receipt or acquittance of the minor shall be valid and sufficient release and discharge to the Credit Union for the deposits or any part thereof.
- v. Deposits will be placed on interest on the first month following such deposits, provided that amounts paid in on the first of any month shall be placed on interest from that date.
- vi. The rate of interest payable on deposits shall be fixed from time to time by the Board of Directors.

**ARTICLE V  
RECEIPTS AND DISBURSEMENTS  
PASS BOOKS**

- 20. i. Money paid in or paid out on account of shares, deposits, loans interest, entrance or transfer fees or other savings shall be evidenced by an appropriate voucher or receipt or by entries in a member's pass book. Each voucher or receipt or entry in the pass book shall identify the person receiving or paying out on behalf of this Credit Union, the money represented thereby. When pass

books are used, the member's permanent official record for all transactions shall be the entries in the pass book. When a statement of account plan is used, the member's permanent official record for transactions shall be the statement of account, which will itemise all transactions and which must be issued to each member at least quarterly.

- ii. If a pass book is lost or stolen, immediate written notice of such fact must be given to the Treasurer and written application shall be made for the issue of a new pass book. The Directors may require the filing of an adequate bond to indemnify this Credit Union against any loss or losses resulting from the issuing of such duplicate pass book. The Directors may also require payment to this Credit Union of a reasonable charge to cover the cost of issuing a duplicate pass book.

## **ARTICLE VI LOANS**

21. Except as otherwise provided in Article VIII Rule 39 of these Rules, loans shall be made only to members and shall be made for provident or productive purposes only.
22. All applications for loans shall be on the prescribed form provided by the Credit Union and shall set forth the purpose for which the loan is desired, the security, other information as the Credit Committee or any other body to whom the Credit Committee has delegated the authority may require. If the facts stated in the application are found to be misrepresented, or the money used for some other purpose than that which it was borrowed, the loan shall

become immediately due and payable. The Board shall reserve the right to determine the manner in which loans are disbursed.

23. All application for loans and the reports thereon by the Credit Committee, In-house Loans Committee, and any Loan Officer shall be filed as permanent records of the Credit Union.
24. All loans granted shall be secured by the Loan Agreement of the borrower and by such other security, if any, as outlined in the Credit Union's credit policy.
25. The rate of interest payable on any type of loan shall be fixed from time to time by the Board of Directors and in no event shall the interest rate be more than 30% maximum on the reducing balance.
26. No Officer, member of the Board of Directors, member of the Credit and Supervisory Committees and no member of staff shall be allowed to borrow from the Society in a total amount in excess of his share holdings and accumulated earnings, unless approved by the unanimous decision of a meeting at which is present at least one-half of the members of the Board of Directors, a quorum of the Credit Committee, and one member of the Supervisory Committee. The borrowing member shall not be allowed to take part in the meeting.
  - a) If by reason of illness or some other cause, a member finds that he will be unable to discharge his obligations to the Credit Union and notifies the Credit Union in writing before the loan is due, the Credit Committee may vary the terms of repayment on such conditions as it thinks fit.
  - b) Where a loan or a loan instalment has not been paid on the date on which it became due and no extension for the payment thereof has been given

to the debtor by the Credit Committee under Bylaw 28.a), the Credit Union shall make a demand for repayment.

27. Subject to the Credit Policy laid down by the Board of Directors from time to time, the amount of each loan, the period of repayment, and the form and value of the security, if any, shall be determined by the Credit Committee. However, the Credit Committee shall have the right to refer any loan to the Board of Directors for a final decision only in respect of the amount of the loan, the period of repayment and the form and value of the security.
28. A borrower may repay his loan prior to maturity, in whole or in part, on any day when thr Credit Union is open to business.

## **ARTICLE VII BOARD OF DIRECTORS**

29. i. The business of the Credit Union shall be conducted by the Board of Directors which shall be elected as specified in Rule 29 (iv) following. Each member shall hold office until his successor is elected or until he withdraws or is removed in accordance with these rules. Retiring Directors shall be eligible for re-election unless precluded by these Rules.
- ii. A bare minority of members shall constitute a quorum, but fewer than a quorum may adjourn from time to time until a quorum is present.
- iii. For the purpose of representation, the island shall be divided into five (5) regions as follows:
  - Region 1. Kingston, St. Andrew and St. Catherine.
  - Region 2. Portland and St. Thomas.
  - Region 3. St. Mary, St. Ann and Trelawny.

Region 4. St. James, Hanover, Westmoreland.

Region 5. St. Elizabeth, Manchester and Clarendon.

- iv. The Board shall consist of fifteen (15) members which shall be elected by the Annual General Meeting and of which at least two (2) shall be from each region.
  - v. The Board of Directors shall at its meeting following from amongst its member an Executive Committee, which shall consist of nine (9) members which shall include at least one representative from each of the five (5) regions mentioned in Rule 29 (iii) and which shall meet monthly.
  - vi. The Board of directors shall meet at least every three (3) months and shall meet in addition as often as is necessary to conduct business of the Credit Union efficiently.
30. i. At the first Annual General Meeting next succeeding these amendments, Directors shall be elected in accordance with Rule 29 (iv) preceding. Of the Directors so elected five (5) shall hold office for three (3) years, five (5) shall hold office for two (2) years and five (5) shall hold office for one (1) year. The period of tenure of their office to be decided by the Annual General Meeting. Thereafter, the Directors shall retire every year in reverse order of their dates of every election. All Directors elected after the first General Meeting mentioned above shall be subject to the provisions of these rules and hold office for a period of three years.
31. At the first Meeting of the Board of Directors which shall be held within ten (10) days of their election, the Board shall elect from their own number, a

President, one or more Vice Presidents, a Treasurer and a Secretary. The offices of Treasurer and Secretary only may be held by the same person.

32. i. Any Directors or Officer of the Credit Union may be removed at any time by resolution of the majority of the members present at any General Meeting called for that purpose; provided that such Director or Officer shall be informed in writing of the charges against him at least fourteen (14) days before such Meeting and at such Meeting shall have reasonable opportunity to answer such charges.
  - ii. Any member who, without due excuse approved by the Board, fails to attend at three (3) consecutive Meetings of the Board, shall be deemed to have vacated his office.
  - iii. Any vacancy on the Board of Directors shall be filled within thirty (30) days by vote of a majority of the remaining Directors, but the member so elected shall hold office until the next Annual General Meeting, at which Meeting a member shall be elected to complete the unexpired term, provided the term does not expire at the time to such Meeting.
33. i. The Board shall meet as often as the business of the Credit Union may require, and in any case not less frequently than once every three (3) months.

Meetings of the Board shall be summoned by the Secretary in writing. The Secretary shall also call a meeting of the Board upon the written request of the President or in his absence, the Vice President or any three (3) members.

- ii. Minutes of the Board of Directors shall be recorded by the Secretary and shall be signed by the President or other presiding member and by the Secretary and 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
  - c) A short statement of all matters discussed and decisions made and a record as to whether each decision made was unanimous or by majority.
34. The Board of Directors shall have the general direction and control of the affairs of the Credit Union and more particularly, shall act for the Credit Union and be responsible to it for the performance of the following duties:
- a) To act upon all applications for membership and on the exclusion or expulsion of members, except to the extent that it may have authorised the approval of applications for membership by an Executive Committee.
  - b) Within the provisions of the Law and the Regulations determine from time to time, the interest rate on loans. When by action of the Board the interest rates on future loans are reduced, similar action may be taken with regard to interest rates on unpaid balances of existing loans.
  - c) To determine the maximum amount that may be loaned with and without security to any member, the maximum maturities and terms of payment or amortization of loans to members.
  - d) To fix from time to time, subject to the approval of the Registrar, the amount of surety bond which shall be required of all required of all officers and employees handling money and shall authorise the payment of the premium or premiums thereof by the Society.
  - e) To determine the interest rate which will be paid on Deposit accounts and other accounts.
  - f) To fill vacancies on the Board of Directors and or the Credit Committee.

- g) To determine from time to time , subject to the Law and Regulations, the maximum number of shares that may be held by any member; and the maximum amount that any one member may have in the Deposit Account or other accounts
- h) To determine the investments of the Credit Union other than loans to members, except to the extent that the Board may have appointed an Executive Committee to act for it in the purchase and sale of securities or the making purchase and sale of securities or the making of loans to other Credit Unions or both.
- i) To submit the Accounts of the Credit Union for audit in pursuance of the provisions of the Law and Regulations.
- j) To authorise borrowing and discounting operations on behalf of the Society subject to the provisions contained in these Rules, and subject also to the Law and Regulations.
- k)
  1. Have authority to provide for compensation, if any, of the Treasurer.
  2. To employ, fix the compensation and prescribe the duties of such employees as may, in the discretion of the Board, be necessary and have the power to remove such employee.
  3. Have authority to employ, fix the compensation and prescribe the duties of any Loan Officer.
- l) To supervise the collection of loans from members and authorise the charge-off of uncollectable loans, subject to the Law and Regulations.
- m) To maintain, at all times, an active programme of co-operative education and to maintain relations with other Registered Co-operative

organizations aimed to promote the best interest of the Credit Union and of the Co-operative Movement.

n) 1. To take all measures to provide for the Management of the affairs of the Credit Union not provided in these rules or in the Law or Regulations to be taken by a General Meeting and to perform such other duties as the members in General Meeting may from time to time authorise and not inconsistent with these Rules and the Law and Regulations.

2. The Board of Directors shall keep a copy of the latest annual Balance Sheet of the Credit Union together with the Auditor's Report, hung in a conspicuous place at the Registered Office of the Credit Union.

35. No Officer, Director or Committee Member, other than the Treasurer, may be compensated for his services as such. This shall not be constructed to prevent reimbursement of Directors and Committee Members for expenses they may incur in carrying out the duties of their office.

## **ARTICLE VIII**

### **EXECUTIVE OFFICERS,**

### **EXECUTIVE COMMITTEE, TREASURER AND THEIR DUTIES**

36. (i) The Executive Officers of the Credit Union shall be a President, one or more Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected by the Board of Directors in accordance with Article VII, Rule 31, at the first Meeting which shall be held within ten (10) days of their election in each year, and the said Officers shall hold office until their successors are elected.

(ii) If more than one Vice-President is elected, the Board shall determine their rank, as First Vice President, Second Vice President, etcetera.

(iii) PRESIDENT: The duties of the President shall be to preside at meetings of the members and of the Board of Directors. *He/she* shall perform such other duties as customarily appertain to the office of the President or as he may be directed to perform by resolution of the Board of Directors, not inconsistent with the Act and these Rules, and in addition such duties as the Co-operative Societies Law and Regulations may require to be performed by the Chairman of the Committee of Management.

(iv) VICE-PRESIDENT: The ranking 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.

(v) SECRETARY: It shall be the duty of the Secretary to keep a correct record of all meetings of members, the Board of Directors, and the Officers. He shall give notice of all meetings of the members in the manner prescribed by these Rules, and shall perform such duties as he may be directed to perform by resolution of the Board of Directors not inconsistent with the Law and these Rules.

(vi ) TREASURER: The responsibility of the Treasurer shall be:

- a) Chair meetings of the Finance Committee of the Board of Directors;
- b) Chair Asset Liability Management (ALM) Committee;
- c) Present the Finance Report at Board of Directors Meeting and the Annual General Meeting and to be the chief liaison between the Board of Directors and Administration on financial matters;

- d) A signatory on any account as may be determined by the Board of Directors from time to time.
37. The Board of Directors may appoint one or more Assistant Treasurers and authorise them to perform any of the duties devolving on the Treasurer during the absence or disability of the Treasurer or his refusal to act.
38. The Board of Directors shall employ a General Manager of the Credit Union under the control and direction of the Board.

Subject to the limitations and control as may be imposed by the Board of Directors; it shall be the duty of the General Manager to:-

- a) Be responsible for the safe custody of all funds, securities, valuable documents and other assets of the Credit Union.
- b) Provide and maintain a full and complete record of all assets and liabilities of the Credit Union in accordance with the forms and procedures prescribed or approved by the Registrar or the Supervisor.
- c) Prepare within fifteen (15) days after the close of each month and submit to the Board of Directors a financial statement showing the condition of the Credit Union as of the end of the month, including a summary of delinquent loans, and promptly post a copy of such monthly financial statement in a conspicuous place in the offices of the Credit Union, where it shall remain posted until replaced by the financial statement for the succeeding month.
- d) Prepare and forward to the Registrar, the Jamaica Co-operative Credit Union League Limited and such other supervisory authority as may be appointed by law, such financial and other reports as may be required.
- e) Keep a copy of the latest annual balance sheet of the Credit Union, together with the auditor's report thereon, hung in a conspicuous place at the registered office of the Credit Union.
- f) Perform such other duties as customarily appertain to the office of Treasurer or General Manager as the case may be, or as he may be directed to perform by

resolution of the Board, not inconsistent with the Act and Regulations and these Bylaws.

39. The Board of Directors may delegate any of its powers to committees consisting of such member or members of the Board as it thinks fit, and any committee so formed shall, in the exercise of the powers so delegated conform to any requirements that may be imposed on it by the Board.
40. During the absence or disability of any Officer or his refusal to act, the Board of Directors may appoint another member to act temporarily in his stead.
41. A joint meeting of the Board, Committees and Management shall be held at least twice per year. The Secretary of the Credit Union shall be responsible for the calling of this meeting.

## **ARTICLE IX**

### **CREDIT COMMITTEE**

42.
  - i) The Credit Committee shall be elected at the Annual General meeting of the Credit Union and shall consist of not less than three (3) members, all of whom shall be members of the Credit Union. Each member shall hold office earlier or has been expelled, and shall be eligible for re-election.
  - ii) 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.
  - iii) Subject to the provisions of Rule 42 (i), at the first Annual General Meeting a bare majority of the members constituting the Committee shall be elected for a term of two (2) years, and others for a term of one (1) year. Whenever

the number of members of the Committee is increased, one-half of such additional members shall be elected for two (2) years and one-half for one (1) year. Thereafter, the term of office for the Committee Members shall be for two (2) years.

43.
  - i) Any member of the Committee who without the due excuse approved by the Committee fails to attend at three (3) consecutive regular meetings of the Committee, shall be deemed to have vacated his office.
  - ii) Any vacancy on the Committee shall be filled by the Board of Directors, but the member filling such vacancy shall hold office only until the next Annual General Meeting, at which Meeting a member shall be elected to complete the unexpired term provided the term does not expire at the time of such meeting.
44. The Credit Committee shall hold such meetings as the business of the Credit Union may require. Due notice of such meetings shall be given to the other members of the Committee by the Secretary.
45. The Board of Directors may employ one or more Loan Officers and delegate to the officer or officers the power to approve loans within the limits specified in the Authority Schedule as approved by the Boards:
  - i. Each Loan Officer shall furnish to the Credit Committee a record of each loan approved or not approved by him/her within seven (7) days of the date of the filing of such application thereof and such Records shall become a part of the records of the Committee.

- ii. All applications or requests not approved by a Loan Officer shall be referred to the credit Committee, for such action as the Credit Committee deems fit.
  - iii. A loan officer shall not authority to disburse funds of the credit union for ant loan that has been approved by him.
46. i) Subject to the instructions of the Board of Directors the Credit Committee or a Loan Officer shall determine the security, if any, which shall be required for each loan and the terms upon which it shall be repaid. When there are pending more loans than can be granted with the funds available, preference shall be given in all cases to the applications for smaller loans if the need and credit factor are nearly equal.
- ii) No loan, except as hereinafter provided, shall be made if any member of the Credit Committee shall disapprove thereof nor unless such loan has received the unanimous approval of the members of the Committee who were present when it was considered, and who at least must be a majority of the Committee – except for loans approved by a duly authorised Loan Officer.
- iii) The Credit Committee or a Loan Officer shall enquire into the character and financial position of each applicant for a loan and his sureties, if any, to ascertain their ability to repay fully and promptly the obligations incurred by them, and to determine whether the loan sought is for a provident or productive purpose, and will be of profitable benefit to the borrower. The Committee shall endeavour diligently to assist applications in solving their financial problems.

47. The Credit Committee may also establish an In-house Loan/Credit Committee, comprising senior members of staff to which it delegates some of its authority, setting specific limits on the loans it can consider and approve without referral to the Credit Committee. Loans dealt with by the In-house Committee will then be submitted to the Credit Committee for ratification.
48. The Credit Committee shall send a report of their activities to the Board of Directors each month and shall also submit a report to the Annual General Meeting of Members.

**ARTICLE X**  
**SUPERVISORY COMMITTEE**

49.
  - i) The Supervisory Committee shall consist of not less than three members, none of whom shall be members of the Board of Directors or Credit Committee, or Loan Officer or employee and all of whom shall be members of the Credit Union.
  - ii) Members of the Committee shall be elected for one year only at each Annual General Meeting. They shall hold office until their successors are elected unless they demit office earlier or have been expelled and shall be eligible for re-election.
  - iii) In the event of a vacancy in the membership of the Committee, the remaining members of the Committee, the remaining members of the Committee shall fill such vacancy by appointing a member who shall fill such vacancy by appointing a member who shall hold office only until the next Annual General Meeting.

50. i) The Supervisory Committee shall choose from their number a Chairman and a Secretary which offices may not be held by the same person.

51 . i) The Supervisory Committee shall:

- a. Organize and implement in collaboration with the internal auditor a programme of internal audit of the accounting system and the methods of the Credit Union and see that they conform with sound practices, provide accurate and precise information on the operations of the credit union and shall maintain a record of such verification.
- b. See that decisions and resolutions of the Board and General Meeting are put into effect and are not contrary to the Act and Regulations and the By-Laws of the Credit Union
- c. By a majority of its members call a special General Meeting of the members to consider any violation of these Rules or any practice of the credit union ,which in the opinion of the Committee is unsafe and unauthorized.
- d. Receive and investigate any complaint made by any member affecting the proper running of the Credit Union.
- e. By a majority of its members call a Special General Meeting of the members to consider any violation of these Rules or any practice of the Credit Union, which in the opinion of the Committee is unsafe and unauthorised
- f. At least once a year cause the pass books and accounts of all members to be verified with the records of the Treasurer. The Committee shall maintain a record of such verification.

- ii) In the process of their examinations and audits, the Committee shall examine all applications for loans made during the period under examination and satisfy themselves that for each loan made an 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 Credit Committee or a Loan Officer.
  - iii) Within thirty (30) days of the end of the half-year, the Treasurer shall submit for attestation by at least two (2) members of the Supervisory Committee, the statement for the half-year if he is required under Rule 36 (vi) 9e) to prepare it.
52. The Supervisory Committee shall send a report of its activities to the Board of Directors each month and shall also submit a report to the Annual General Meeting of Members.

## **ARTICLE XI**

### **MEETING OF MEMBERS**

53. i) The supreme authority in the Credit Union is vested in the General Meeting of members at which every member has a right to attend and vote on all questions.
- ii) The first general meeting of members after registration of the Credit Union shall be called the First Annual General Meeting, and shall have the same powers as are herein given to the Annual General Meeting.
- (iii) References to a “meeting” shall mean a meeting convened and held in a physical location only or via virtual-only and/or in a hybrid manner through a combination of both a physical and electronic communication system.

Members shall be deemed to be present at that meeting for all purposes of the Rules, applicable laws, and the Cooperative Societies (Amendments) Regulations 2021 and said attendance shall be construed to allow the member present in any one of these fora to attend and fully participate in any such meetings.

(iv) A member's participation in the business of a general meeting shall include without limitation the right to communicate, to vote, and to have access in hard copy or electronic form all documents which are required to participate in the business of a general meeting; and participation in such a meeting shall constitute presence in person at such meeting and shall count towards the quorum and for all other voting processes.

(v) References to "electronic communication system" shall include, without limitation, webcast, video or any form of conference call systems (telephone, video, web or otherwise) and other communication of any sound, document, and or other data.

(vi) If a separate meeting place is linked to the main place of a general meeting by an electronic communication system, such member present at the separate meeting place shall be taken to be present at the general meeting and entitled to exercise all rights as if the member was present at the main physical location.

(vii) All general meetings (including a Special or Annual General Meeting, any adjourned meeting or postponed meeting) may be held as a physical, virtual-only or hybrid-meeting.

(viii) A virtual-only or hybrid-meeting may be held in Jamaica and any part of the world and at one or more locations as may be determined by the Board of Directors in its absolute discretion; however, the principal place and time of such meeting shall be construed to be held in the jurisdiction of Jamaica.

(ix) Votes (whether by a show of hands or ballot or by way of a poll) may be cast through or by electronic means or otherwise, in keeping with the Cooperative Societies (Amendment) Regulations 2021

(x) If voting is to take place at the meeting, there must be reasonable measures in place to verify that every person voting at the meeting by means of electronic communication system is sufficiently identified, and the Secretary shall keep a record of any vote or action taken.

(xi) The provision of these rules shall apply, with any necessary modification, to hybrid-meetings and virtual-only meetings

(xii) The failure or inability of a member to attend or remain in an Annual or Special General Meeting held in a hybrid or virtual-only meeting, as a result of a mistake or events beyond the control of JTA Co-operative Credit Union Limited shall not constitute a defect in the calling of the Annual or Special

General Meeting and shall not invalidate any resolutions passed or proceedings taken at that Annual General Meeting

(xiii) The provision of these rules shall apply, with any necessary modification, to hybrid-meetings and virtual-only meetings

54. i) Each member shall have one vote only and there shall be no voting by proxy provided that in the case of an equality of votes the President shall have a second or casting vote.
- ii) Any question submitted for the decision of the members present at a meeting shall be decided by a majority of votes, provided such members constitute a quorum.
- iii) AT any meeting a resolution put to the vote shall be decided by a show of hands unless voting by ballot is demanded by at least (5) of the members present before declaration of the result by the show of hands, and in such case, voting by ballot shall be taken.
55. i) The Annual General Meeting of members shall be convened by the Board of Directors not later than two (2) months after the report on the audit of the accounts of the Credit Union for the past financial year by the Registrar or person authorised by him, is received by the Board of Directors. Not more than fifteen (15) months shall elapse between the date of one Annual General Meeting and that of the next.
- ii) The Annual General Meeting of members has both the right and responsibility:

- a) To consider the report of the Board of Directors on the previous year's working of the Credit Union together with the financial statements and Auditor's Report and to sanction the appropriation and distribution of any surplus.
  - b) To hear and pass upon the reports of the Credit and Supervisory Committees.
  - c) To elect members of the Board of Directors, and the Credit and Supervisory Committees and to remove them from office in accordance with these Rules.
  - d) To 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 the Credit Union. At least fifty (50) per cent of such representatives shall be elected from among the serving members of the Board of Directors of the Credit Union.
  - e) To determine what amendments shall be made in the Rules.
  - f) To exercise its final authority in all other matters vitally affecting the Credit Union as a co-operative fraternal body, and as a business organization.
  - g) To appoint auditors for the ensuing year.
- iii) The order of business at Annual General Meetings shall be:
- a) Ascertainment that quorum is present.
  - 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:

1. Board of Directors
2. Any sub-committees
3. Credit Committee
4. Supervisory Committee
5. Treasurer and Auditor

e) Distribution of surplus.

f) Maximum liability of the Credit Union.

g) Representatives to the Jamaica Co-operative Credit Union League.

h) Elections to:

1. Board of Directors
2. Credit Committee
3. Supervisory Committee
4. Management of any Registered Society in accordance with Rules 56 (ii) (d).

i) Any other business.

j) Adjournment.

56. i) Special General Meetings may be called by the Board of Directors upon their own initiative and shall be called by them at the request of the Supervisory Committee or upon the written petition of not less than fifteen (15) per cent of the members or 25 members, whichever is less. The purpose of the Special General Meeting shall be set forth in the notice and only such business as is described in the notice may be dealt with at such meetings.

ii) If the Board of Directors fails to convene a meeting within fourteen (14) days from the receipt of petition as aforesaid, the Supervisory Committee or the members applying for such a meeting will have the right to convene the meeting by notice which must contain the object of the proposed meeting, and a statement to the effect that the meeting is convened on the failure of the Board of Directors to convene the meeting demanded.

57. (i) At least seven (7) days before the date of any Annual or Special General Meeting, the Secretary shall issue a written notice of the meeting to be delivered by electronic means and printed in one daily newspaper. Such notice may be communicated to each member via any available electronic medium provided by the member to the Credit Union.

(ii) Where an Annual or Special General Meeting is either virtual-only or hybrid-meeting, the Secretary shall cause the notice of the meeting to provide instructions for attendance and participation, including voting by members electronically, and an electronic link for attendees.

58. i) a) A quorum at Annual or Special General Meetings shall be one-half of the total number of members or ten (10) members whichever is less when the Credit Union consists of not more than 40 members; or

b) One-quarter of the total number of members or 50 members whichever is less when the Credit Union consists of more than 40 members and not more than 500 members; or

- c) One-tenth of the total number of members or 75 members whichever is less when the Credit Union consists of more than 1,000 members; or
  - d) (i) 100 members when the Credit Union consists of more than 1,000 members.
- ii) If at the expiration of a reasonable period after the time fixed for any Annual or Special General Meeting, the members present are not sufficient to form a quorum, such meeting shall be considered as dissolved if convened on the demand of members; in all other cases an adjournment may be taken to a date not fewer than fourteen (14) days thereafter. The same notice shall be given for the Adjourned Meeting as is prescribed in Rule 58 of these Rules for the Original Meeting.
  - iii) Where the meeting is held as a hybrid-meeting or virtual-only meeting and during the meeting a number of members participating, virtually, cease to be able to participate in the meeting, at any time and for any period during the meeting, in such numbers that the quorum requirement for that meeting is not met, all business transacted at that meeting, including matters put to the vote and any resolution passed, shall be void.
59. The President of the Board of Directors, or in his/her absence, the ranking vice President, or in their absence, any other member elected by a majority of those present shall preside at the Annual or Special General Meeting.
60. Minutes of the Meetings shall be entered in the Minute Book and signed by the President and Secretary and shall contain:

a) 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.

b) The time fixed for the meeting and the time the meeting commenced.

c) The total number of members on the date on which meeting was held.

d) All resolutions passed or decisions made at the meeting.

61. No political, sectarian or racial discussion shall be raised or resolution proposed, either at any Committee, Board or General Meeting of the Credit Union.

## **ARTICLE XII ELECTIONS**

62. i) 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 may be a member of the existing Board of Directors. 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.

ii) After the nominations of the Nominating Committee have been placed before the members, the Returning Officer shall call for nominations from the floor. When the nominations are closed, tellers shall be appointed by the

Returning Officer, ballots shall be distributed, the votes shall be taken and tallied by the tellers and the results announced.

iii) All elections shall be determined by a majority vote and shall be by ballot except where there is only one nominee for each vacancy.

iv) Nominations shall be in the following order:

a) Nominations for members of the Board of Directors.

b) Nominations for the Credit Committee members.

c) Nominations for Supervisory Committee members.

d) Nominations for representatives to any Registered Society under Rule 56 (ii) d.

Elections may be by separate ballots following the same order as the nominations or if preferred, may be by one ballot.

63. Within 10 days after their elections, the members of the Board of Directors, Credit and Supervisory Committees shall meet and elect from their number the respective officers, as follows:

a) Board of Directors

President, one or more Vice-Presidents, Treasurer and Secretary.

The Board may also appoint an Executive Committee.

b) Credit and Supervisory Committees:

Chairman and Secretary.

64. Immediately after these elections, the names and addresses of all the members of the Board, Executive Officers, Executive Committee and members of the Credit and Supervisory Committees shall be forwarded to the Registered Society of which this Credit Union is a member. Within ten (10) days of any change in the Directors, Credit or Supervisory Committee

members, the Registrar of Co-operative Societies and any Registered Society of which this Credit Union is a member, shall be notified in writing of such change.

### **ARTICLE XIII**

#### **RESERVE FUND**

65. i) All entrance fees, transfer fees and 20% of the net surplus of each financial year shall be set aside as a Reserve Fund.
- ii) The Reserve Fund shall be the property of the Credit Union and may be applied with the sanction of the Registrar of Co-operative Societies to meet losses on loans to members and to other Credit Unions and such other losses as are authorised in accordance with the Law and Regulations.
- iii) The Reserve Fund shall not be distributed except on liquidation of the Credit Union or in accordance with the Law and Regulations.
- iv) In addition to the Reserve Fund, the Board of Directors may also authorise the establishment of any additional reserves which it deems necessary to protect the interest of members.

### **ARTICLE XIV**

#### **DISPOSAL OF SURPLUS AND DIVIDENDS**

66. The net surplus of the Society as ascertained by the audit shall be applied as follows:

- i) At least twenty (20) per cent shall be carried to the Reserve Fund in accordance with Article XIII, Rule 66 (i).
- ii) The remainder shall be utilized as the Annual General Meeting may decide in any one or more of the following ways:
  - a) To pay to members dividend on all fully paid-up shares as recommended to the Annual General Meeting by the Board of Directors and approved by the members
  - b) To pay a bonus to members in proportion to the amount of business done by them with the Credit Union, provided that the dividend and bonus due to any member shall be placed to the credit of his permanent share capital account or 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; and
  - c) To promote co-operative education among members; and for any social, charitable or cultural purposes subject to the Act and Regulations.
  - d) To create any Special Reserve.
  - e) To pay Honoraria.

**ARTICLE XV**  
**BANKING ACCOUNTS – DISBURSEMENTS OF FUNDS –**  
**INVESTMENTS**

67. i) The funds of the Credit Union may be deposited in legally chartered banks operating in accordance with the Laws of Jamaica and in central-type Credit Union Organisations.
- ii) Funds not used in loans to member may be invested as follows:
- a) In capital shares, obligations or preferred stock issues of any agency or association, organised either as a Mutual Association or Membership Corporation, provided the membership or stock holdings, as the case may be, of such agency or association are confined or restricted to Credit Unions or organisations of Credit Unions and provided the purposes for which such agency or association is organized are designed to service or otherwise assist Credit Union operations.
  - b) In investments in which Trustees are for the time being by Law authorised to invest.
  - c) In shares of a Co-operative Society registered under the Co-operative Societies Law in the total amount not exceeding five (5) per cent of the shares and surplus of the Credit Union.
  - d) In loans to or shares of other Credit Unions, but not to exceed twenty (20) per cent of this Credit Union's total assets.
68. The Board of Directors, by resolution, may establish a cash fund for the purpose of making change.

69. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Credit Union, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall, from time to time by resolution, determine.
70. All funds of the Credit Union, except for cash change funds authorised by Rule 69 of this Article, shall be deposited not later than the second banking day after the receipt.

**ARTICLE XVI**  
**POWER TO BORROW**

71. Subject to the Act and Regulations, the Board of Directors may borrow from any source on such security and such terms of repayment as it thinks fit; provided that the total amount shall not exceed the maximum liability limit fixed by a resolution of members in Annual or Special General Meeting.

**ARTICLE XVII**  
**FINANCIAL YEAR**

72. The Financial Year of the Credit Union shall end on December thirty-one of each year.

## **ARTICLE XVIII**

### **SEAL**

73. i) The Board of Directors shall adopt for the use of the Credit Union a distinctive Seal having the name of the Credit Union inscribed thereon.
- ii) The Seal of the Credit Union shall at all times remain in the custody of the Secretary at the Registered Office of the Credit Union.
- iii) The Seal of the Credit Union shall not be affixed to any document except by the authority of a resolution of the Board of Directors and in the presence of one members of the Board of Directors and the Secretary or such other person as the Board of Directors may appoint for the purpose; and the one (1)members of the Board of Directors and the Secretary or other person as aforesaid shall sign every document to which the Seal of the Credit Union is affixed in their presence.

## **ARTICLE XIX**

### **POWERS OF NOMINATIONS**

74. i) A member of the Credit Union may by writing under his hand, delivered at or sent to the Registered Office of the Credit Union during the lifetime of such member, nominate any person or persons other than officer or servant of the Credit Union (unless such officer or servant is the husband, wife, father, mother, child, brother, sister, nephew or niece of the nominator) to or among whom his property in the Credit Union whether in shares, loans or deposits or

so much thereof as is specified in such nomination if the nomination does not comprise the whole, shall be transferred at his decease.

ii) A nomination so made may be revoked or varied by any similar document under the hand of the nominator delivered or sent as aforesaid.

iii) Every appointment of a nominee shall be made in the form prescribed by the Registrar.

iv) A notice of the right of nomination 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 of Directors may direct.

75. On receiving satisfactory proof of the death of a nominator, the Board of Directors shall proceed in the manner laid down in the Law and Regulations.

## **ARTICLE XX**

### **UNSOUND OR LUNATIC MEMBERS**

76. i) Where a member of the Credit Union has become of unsound mind, incapable of managing himself or his affairs and no committee of his estate or trustee of his property have been appointed, the Credit Union may, subject to the provisions of Regulation 36 and Section 25 of the Law:

a) Transfer the share or interest of such member to the Administrator General for Jamaica in trust for such member; or

- b) The Credit Union may pay a sum representing the value of the member's share or interest to the Administrator General; provide that is the value of such share or interest does not exceed Two Hundred Dollars (\$200) the Board of Directors may, subject to any conditions they think fit, pay the whole or any portion of such sum to the person who appears to them to have the care of such member of the management of his affairs.
- ii) All transfers and payments made by the Credit Union in accordance with the provisions of these rules shall be valid and effectual against any demand made upon the Credit Union by any other person.

## **ARTICLE XXI**

### **DISPUTES**

- 77. i) Any dispute touching the business of the Credit Union which may arise:
  - a) Among members, past members and persons claiming through members and deceased members.
  - b) Between a member, past member or person claiming through a member or deceased member of the Credit Union, its Board of Directors or any Officer of the Credit Union.
  - c) Between the Credit Union or its Board of Directors and any Officer of the Credit Union.
  - d) Between the Credit Union and any other Registered Society.

**ARTICLE XXII**  
**AMENDMENTS TO THESE RULES**

78. These Rules may be amended by a resolution of the members at the Annual General Meeting or Special General Meeting called in accordance with **Article XI, Rule 53 (vii)** for the purpose by at least three-fourth votes of those present either Physically, Virtual-only or at a Hybrid-meeting entitled to vote, provided that a written notice of the meeting has been placed in a conspicuous place at the Head Office and at each branch of the Society and/or copy of the proposed amendments together with a written notice of the meeting shall have been sent to each member by electronic means and printed in one daily newspaper at least seven (7) days before the said meeting. No amendment shall become operative until it has been approved by the Registrar in accordance with the Act.

**ARTICLE XXIII**  
**SPECIAL BYE-LAWS**

79. i) The Board of Directors shall have power to make Special Bye-laws consistent with the provisions of the Law, Regulations and these Rules, for the proper conduct of the business of the Credit Union, as from time to time may seem necessary to them. No such Bye-laws shall, however, be valid until they are approved by the Registrar.

ii) the Credit Union shall keep a book containing all such Byelaws to be kept open at all times for inspection by members, or any person authorised by the Registrar.

**ARTICLE XXIV**  
**VOLUNATRY DISSOLUTION**

80. The Credit Union may be dissolved by the consent of three-fourths of its members, but only in the manner provided by the Act.

**ARTICLE XXV**  
**FIT & PROPER & VACATION OF OFFICE**

81.

i) Prohibition of certain persons as officers

A person who knows of any substantive reason why he or she may not be regarded as “fit and proper” to be authorised as an approved person by the supervisory authority; or who is an un-discharged bankrupt, or has been convicted of any offence involving fraud or dishonesty, shall not:

- a) Act as an officer of the credit union; or
- b) Directly or indirectly take part in or be concerned in the management of the credit union; or
- c) Permit his/her name to be put forward for election or appointment to any office in the Credit Union.

When a person holding any office in the Credit Union becomes ineligible by virtue of this Rule to hold that office, he or she shall immediately cease to hold office.

ii) Vacation of Office

Elected individuals serving the Credit Union shall immediately cease to hold office or committee positions if:

- a) They cease to be a member of the Credit Union;
- b) Their designation as a fit and proper person is withdrawn by the relevant authority;
- c) They are adjudged bankrupt or make an arrangement or composition with their creditors;
- d) They without due excuse accepted by the Board or Committees fail to attend three (3) consecutive regular meetings
- e) They have become and have remained delinquent in their obligations to the Credit Union for ninety (90) days
- f) They have become of unsound mind or incapable of managing themselves or their affairs;
- g) They resign their office by notice in writing to the Secretary or to the President or to the Supervisory Committee;
- h) They are deemed to have vacated their office in accordance with Rule 31 ii)
- i) They are removed by a resolution of a majority of the members of the Credit Union present at a General Meeting or a Special General Meeting called for that purpose by the Board of Directors or by the Supervisory Committee or under the provisions of Rule 52 c) provided

that such an officer shall be given at least 14 days' notice of the meeting and of the intention to remove him or her from office

- j) They become employees of the Credit Union
- k) They, or their spouse or partner are engaged in a managerial capacity in carrying on of any business, trade or undertaking which in the opinion of the Board competes in any way with any business, trade or undertaking carried on by the Credit Union;
- l) They, or their spouse or partner are concerned in or participate in the profits of any contract made with the Credit Union except as a non-managerial member or employee of any society or company which contracts with or does work for the Credit Union

## **ARTICLE XXVI – NEW ARTICLE**

### **CO-OPERATIVE EDUCATION**

82. Each Director, Credit Committee and Supervisory Committee member should complete at least twenty-one (21) hours of Co-operative training each year to keep abreast of current legislation and best practices as part of their Governance function.