

**SEYCHELLES
CREDIT UNION**



**P.O. Box 342
Victoria
Mahé
Seychelles**

Officially adopted at the 46th AGM of June 11, 2016

<u>Section</u>	<u>Rule</u>	<u>Description</u>	
1		Name & Objects	
	1	Name	
	2	Address	
	3	Objects	
2		Membership	
	4	Eligibility	
	5	Application	
	6	Admittance	
	7	Entitlement & Condition	
	8	Joint Membership	
	9	Association & Body Corporate	
	10	Appointment of Proxy	
	11	Register of Members	
	12	Cessation of Membership	
	3		Ownership Shares & Deposits
		13	Par Value of Shares
14		Unlimited Number of Shares	
15		Initial Automatic Subscription of Shares	
16		Withdrawal & Transfer of Shares	
17		Deposit Accounts	
18		Terms & Conditions of Deposit Accounts	
19		Minor or Trust Account	
4		Borrowing Powers	
	20	Borrowing Limit	
	21	Calculation of Limit	
5		Loans to Members	
	22	Loan Purpose	
	23	Restriction	
	24	Loan Policy	
	25	Loan Interest	
	26	Guarantee for Loan	
	27	Disbursement & Repayment of Loan	
	28	Loans to Directors, Supervisory & Credit Committee Members	
6		General Meetings	
	29	Annual General Meeting (AGM)	
	30	Extraordinary General Meeting	
	31	Shareholders right to call Extraordinary General Meeting	
	32	Arrangements for convening Extraordinary General Meeting	

Section	Rule	Description
	33	Notice of General Meeting
	34	Audited Accounts to be presented at AGM
	35	Accounts & other documents to be available before general meeting
	36	One man one vote & voting by proxy
	37	Quorum for general meeting
	38	Adjournment of general meeting
	39	Agenda of General meeting
	40	Suspension of order of business
	41	Minutes of general meeting

7

Elections

42	Voting & Nomination Committee
43	Election Process
44	Appointment of tellers, distribution of ballot papers & nomination order
45	Voting Age
46	Resolution restriction
47	Disqualification of candidate

8

Board of Directors

48	Composition & role
49	Vacation of position
50	Appointment of Chief Executive Officer and Secretary
51	Powers & functional responsibilities
52	Validity of acts of a Director

9

Supervisory Committee

53	Composition & election
54	Appointment of Chairperson & Secretary
55	Quorum
56	Chairing of Meetings
57	Powers & duties
58	Approval & payment of expenses

10

Credit Committee

59	Appointment
60	Chairperson & Secretary
61	Quorum
62	Chairing of Meetings
63	Alternative appointment or assumption of duties by Board of Directors
64	Frequency of meetings
65	Majority approval for loan
66	Appeal by loan applicant
67	Emergency Loan Officer
68	Submission of reports & adherence to Loan Policy

<u>Section</u>	<u>Rule</u>	<u>Description</u>
11		Reserves
	69	General Reserve
	70	Special Reserves
	71	Creation of Reserves
12		Miscellaneous
	72	Indemnity
	73	Disclosure of information
	74	Re-election of officers
	75	Retention of records
	76	Bye-laws



SECTION 1

NAME AND OBJECTS

Rule 1: Name

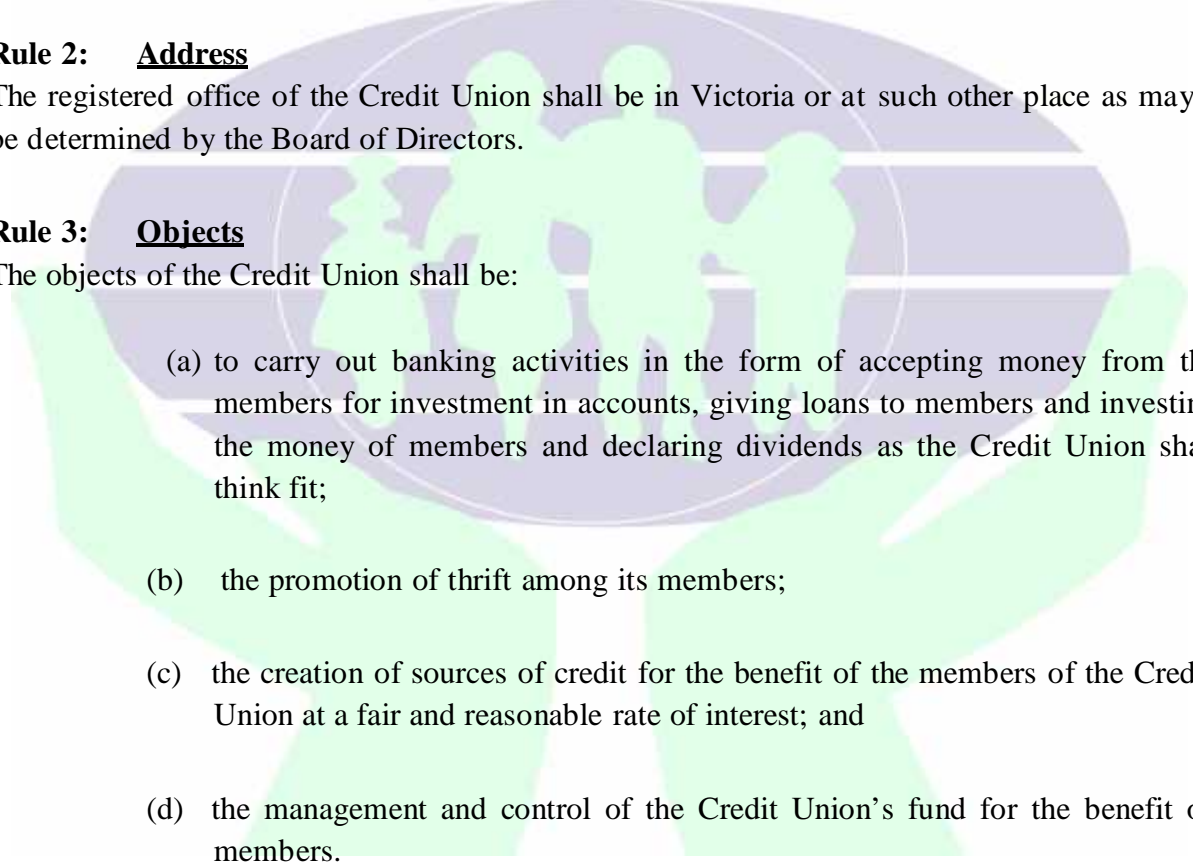
The name of this Credit Union, which is established and promulgated under the Credit Union Act, herein after referred to as the Act, is **Seychelles Credit Union (SCU)**. The Credit Union's name shall appear in legible characters on its stamp; and its name shall appear in legible characters in all notices, advertisements and other official publications of the Credit Union, and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Credit Union and in all bills, invoices, receipts, and letters of credit of the Credit Union.

Rule 2: Address

The registered office of the Credit Union shall be in Victoria or at such other place as may be determined by the Board of Directors.

Rule 3: Objects

The objects of the Credit Union shall be:

- 
- (a) to carry out banking activities in the form of accepting money from the members for investment in accounts, giving loans to members and investing the money of members and declaring dividends as the Credit Union shall think fit;
 - (b) the promotion of thrift among its members;
 - (c) the creation of sources of credit for the benefit of the members of the Credit Union at a fair and reasonable rate of interest; and
 - (d) the management and control of the Credit Union's fund for the benefit of members.

Pursuant to these objects, the Credit Union may carry out any lawful trading activity, invest in or acquire or deal in properties or assets of any description permissible under the Act for accomplishing or incidental or conducive to or consequential upon the attainment of any of the aforesaid objects.

SECTION 2

MEMBERSHIP

Rule 4: Eligibility

Membership of the Credit Union shall be reserved to citizens of Seychelles whether or not they are residing in Seychelles and to persons, including minors and joint account holders, or associations of persons or incorporated companies having residence in the Seychelles.

Rule 5: Application

Application for membership shall be in writing, using the relevant form approved by the Board of Directors. An applicant shall furnish any supporting document that may be required under the Credit Union's written policies and guidelines.

Rule 6: Admittance

An applicant shall be admitted as a member of the Credit Union only when:

- (a) the application for membership has been approved by the Chief Executive Officer as laid down in the Act or any other designated officer;
- (b) the membership processing and entrance fees as stated in the Credit Union's written policies and guidelines are paid by the applicant;
- (c) the applicant subscribes to at least one ownership share and also opens a deposit account as specified per the Credit Union's written policies and guidelines.

Rule 7: Entitlement and Condition

Upon admittance to membership and subject to the Act, these bye-laws and the Credit Union's written policies and guidelines, a member shall:

- (a) be issued with a membership card as proof of membership;
- (b) be entitled to use and benefit from all the services being offered by the Credit Union;
- (c) participate in all the activities of the Credit Union including attendance at general meetings, and if of legal age (18 years and over), voting at such meetings on the basis of one man one vote regardless of the number or value of ownership shares held;

- (d) be eligible to be elected on the Board of Directors or Supervisory Committee or appointed to serve on any committee of the Credit Union;
- (e) abide to all the rules and regulations in force, and in particular to the Credit Union's philosophy: "Save Regularly, Borrow Wisely, and Repay Promptly";
- (f) forfeit all benefits and entitlements, until a delinquent loan of 12 months is brought up-to-date.

Rule 8: Joint Membership

With regard to joint membership the following shall apply:

- (a) only the first-named member of the joint account may vote at general meetings unless the members of the joint account nominate one of the other joint members to cast the vote. In the event of all members of a joint account holding separate membership in the Credit Union, the joint account shall not exercise a further vote;
- (b) no member of a joint account is eligible to hold office in the Credit Union unless the person holds a separate membership or the other members of the joint account agree in writing to his/her nomination to office;
- (c) cover under the Savings and Loan Protection Scheme is applicable to only the first-named person of the joint account;
- (d) none of the members of a joint account can exercise the right of nomination;
- (e) only the member designated by holders of the joint account is eligible to apply for and be granted a credit union loan on behalf of the joint account. A member of the joint account may be granted a personal loan only if he/she holds a separate membership of the Credit Union.

Rule 9: Association and Body Corporate

On application for membership, an association of persons or a body corporate shall in addition to the information required under Rule 5, submit a copy of its rules, current certificate of registration with current particulars and a copy of the resolution from its governing body authorizing the application for membership and also the name(s) and specimen signature(s) of the person(s) authorized to sign instructions etc for and on behalf of the entity. For a registered company, a copy of its Memorandum and Article of Association plus the particulars of its Directors and address of its registered office, must also be submitted.

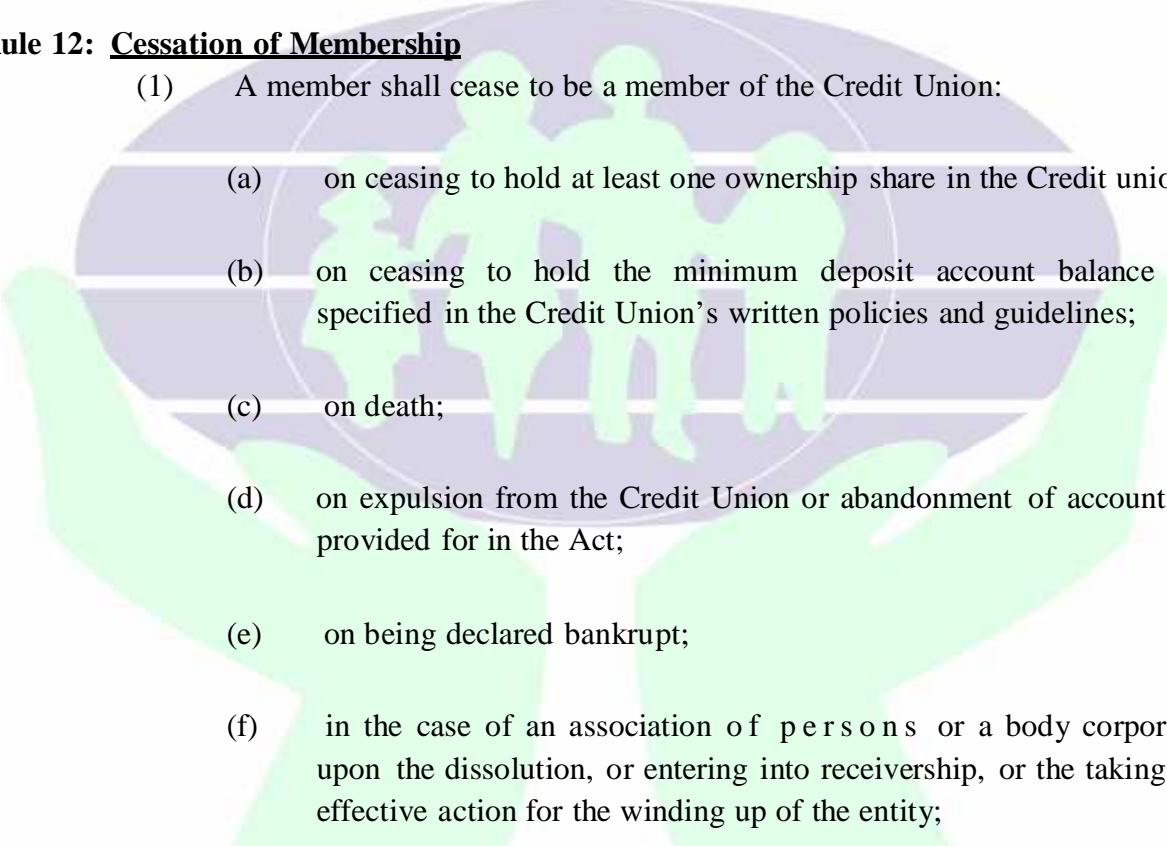
Rule 10: Appointment of Proxy

An association of persons or body corporate which is a member of the Credit Union may by legal resolution appoint a member of its governing body as its proxy to participate and vote on its behalf in any general meeting of the Credit Union.

Rule 11: Register of Members

The Credit Union shall maintain a database of members into which shall be recorded the following information: the membership number, photograph, name, national identity number, address, occupation, contact numbers and date of admission of each member; and the date of cessation of membership where applicable. The value and details of shares and deposits held by each member shall be obtainable from the member's shares and deposits accounts.

Rule 12: Cessation of Membership

- 
- (1) A member shall cease to be a member of the Credit Union:
- (a) on ceasing to hold at least one ownership share in the Credit union;
 - (b) on ceasing to hold the minimum deposit account balance as specified in the Credit Union's written policies and guidelines;
 - (c) on death;
 - (d) on expulsion from the Credit Union or abandonment of account as provided for in the Act;
 - (e) on being declared bankrupt;
 - (f) in the case of an association of persons or a body corporate upon the dissolution, or entering into receivership, or the taking of effective action for the winding up of the entity;
 - (g) if, after admission, any defect is discovered in the qualification for membership at the time of the member's admission.

(2) Upon cessation of membership, any money held by the Credit Union in ownership shares and deposit accounts standing to the credit of the ex-member shall, subject to any laws of Seychelles or court order in place, immediately be returned or paid back to the ex-member or his nominee/legal heirs provided such money is unencumbered and the ex-member has settled or made satisfactory arrangements to settle any debt which may be due by the ex-member to the Credit Union.

SECTION 3

OWNERSHIP SHARES AND DEPOSITS

Rule 13: Par Value of Shares

The par value of an ownership share of Seychelles Credit Union shall be Seychelles Rupees one hundred (SCR 100) only.

Rule 14: Unlimited Number of Shares

Until the Credit Union's written policies and guidelines provide otherwise, the total value of fully paid ownership shares that a member may subscribe for or purchase shall remain unlimited.

Rule 15: Initial Automatic Subscription of Shares

Upon the coming into force of these Bye-laws, the Credit Union shall automatically create an ownership share account for each and every existing active member and will transfer into the ownership share account from the member's savings account, the sum of SCR 100 only (one hundred rupees) representing the member's subscription for one fully paid ownership share as required under Rule 6(c). Thereafter members may increase their holdings of ownership shares as they wish by either making additional transfers from their savings accounts or effecting cash payments for the shares.

Rule 16: Withdrawal and Transfer of Shares

Ownership shares in the Credit Union may be withdrawn or transferred to other Credit Union members subject to the conditions stipulated in the written policies and guidelines of the Credit Union.

Rule 17: Deposit Accounts

Deposit accounts that a member may have with the Credit Union include:

- (a) regular savings accounts with no maturity date; (b) term deposits maturing at fixed date;
- (c) demand deposits or current accounts from which drawings and payments may be made by cheques or cash point card or other paying instruments; and
- (d) any special deposit account or investment account agreed to by a unanimous Board decision.

Rule 18: Terms and Conditions of Deposit Accounts

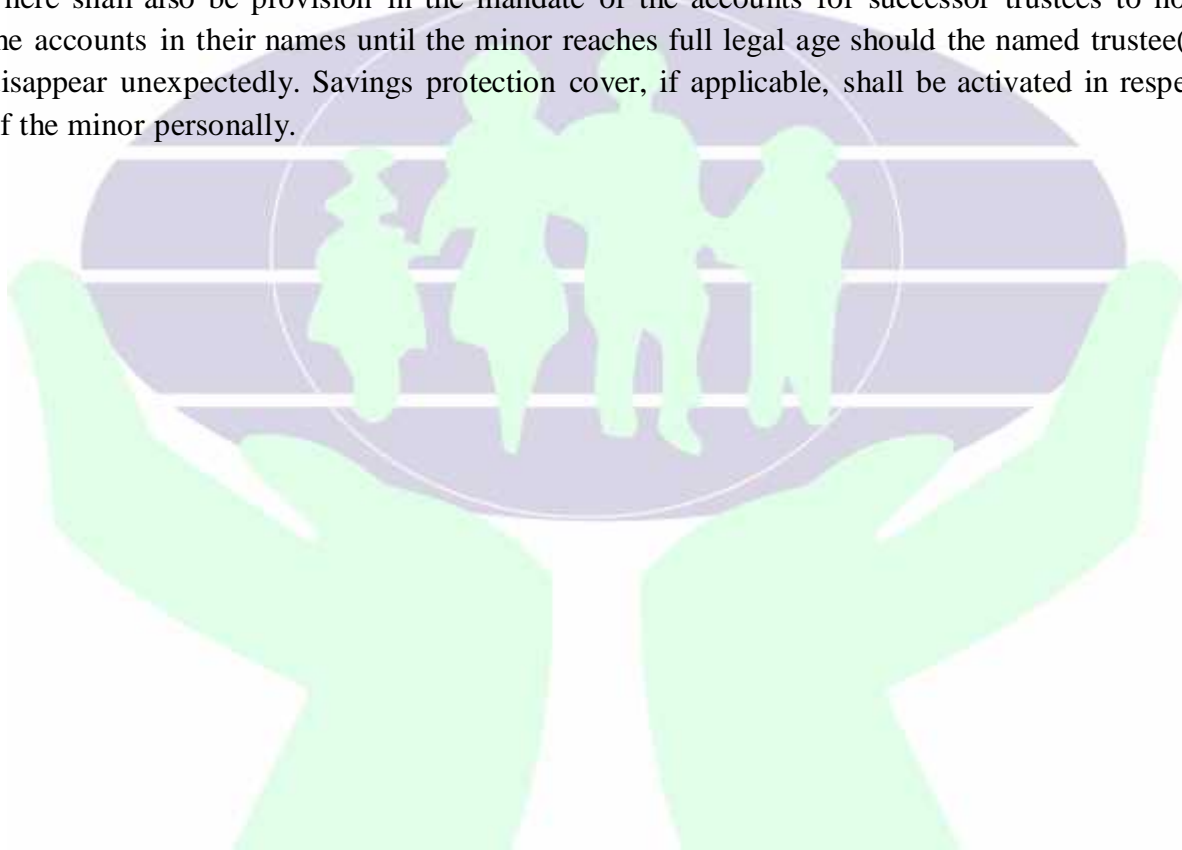
The terms and conditions relating to the operations of deposit accounts shall from time to time be set and reviewed by the Board of Directors in line with the written policies and guidelines of the Credit Union; and in conformity with Rule 6(c), a member shall open,

maintain or keep active at least one such account with sufficient funds with a view to satisfying the Credit Union's membership requirement.

Rule 19: Minor or Trust Account

(a) Shares and deposits in the name of a minor, or trust thereof shall be held for the exclusive benefit of the minor, free from the control and lien of all persons except creditors, and shall be paid, together with dividends or interests thereon, to the person in whose name the accounts shall have been opened.

(b) Where shares and deposits are held in trust, the trustee(s) shall retain control over the funds in the accounts until the minor who is the beneficiary is of full legal age. There shall also be provision in the mandate of the accounts for successor trustees to hold the accounts in their names until the minor reaches full legal age should the named trustee(s) disappear unexpectedly. Savings protection cover, if applicable, shall be activated in respect of the minor personally.



SECTION 4

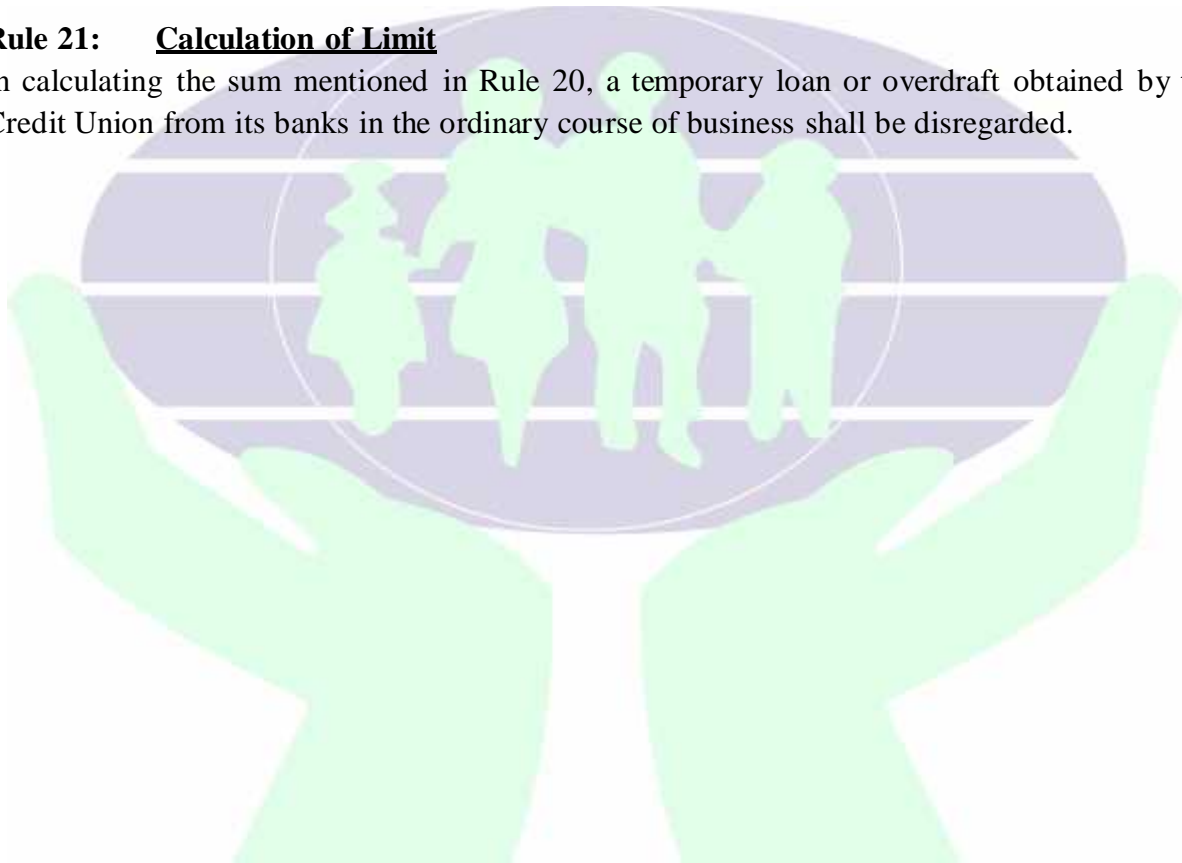
BORROWING POWERS

Rule 20: Borrowing Limit

In accordance with the Act, the Board of Directors may on behalf of the Credit Union borrow money on security or otherwise from any source and may issue debentures accordingly, provided that the amount so borrowed for the time being does not exceed in the aggregate fifty per cent (50%) of the sum of the Credit Union's total capital.

Rule 21: Calculation of Limit

In calculating the sum mentioned in Rule 20, a temporary loan or overdraft obtained by the Credit Union from its banks in the ordinary course of business shall be disregarded.



SECTION 5

LOANS TO MEMBERS

Rule 22: Loan Purpose

Loans shall be made to members of the Credit Union in accordance with the lending policies in force.

Rule 23: Restriction

A loan shall not be made to a member if:

- (a) it is not approved by a majority of the members of the Board of Directors present at the meeting of the Board at which the appeal and/or application for the loan is considered, or the loan is not approved by a majority of the members of the Credit Committee present at the meeting of the Committee at which the application for the loan is considered; or the loan is not approved by the Emergency Loan Officer as provided for under Rule 66.
- (b) on making the loan, the member would stand indebted to the Credit Union in a sum exceeding ten per cent (10%) of the capital of credit union in aggregate established under the Credit Union Act;
- (c) the repayment period is beyond the maximum time limit allowed per the Credit Union's loan policy;
- (d) the member does not have the financial ability to comfortably meet the terms of repayment.
- (e) there are special circumstances making it not commercially or otherwise viable for the loan application to be granted.
- (f) no security is provided.

Rule 24: Loan Policy

The Board of Directors shall from time to time prepare and issue a clear and appropriate written policy in which the modus operandi for the consideration, granting and disbursement of loans to members of the Credit Union as well as follow up on repayments and actions to be taken on delinquent loans.

Rule 25: Loan Interest

Interest payable on loans shall from time to time be set and reviewed by the Board of Directors as part of the loan policy.

Rule 26: Guarantee for Loan

The Credit Union shall not accept guarantee for a loan from a person who is a member of the Board of Directors, Supervisory Committee, Credit Committee or employee of the Credit Union.

Rule 27: Disbursement and Repayment of Loan

The Credit Union may disburse a loan to a member in fixed instalments or in one sum, and a member may repay such a loan in one lump sum or in fixed agreed monthly instalments on any day on which the office of the Credit Union is open for business.

Rule 28: Loans to Directors, Supervisory and Credit Committee Members

- (1) Members of the Board of Directors, Supervisory Committee and Credit Committee may be granted emergency or fully secured loans as provided for under Rule 66.
- (2) Any other loan granted to a member of the Board of Directors, Supervisory Committee or Credit Committee shall be subject to approval as follows:
 - (a) a small loan application in favour of a member of the Board of Directors up to the maximum value as specified per the Loan Policy shall be approved by a majority of the Board of Directors and Supervisory Committee, sitting together, the applicant not being present when the vote is taken;
 - (b) a small loan application in favour of a member of the Supervisory Committee or Credit Committee up to the maximum value as specified per the Loan Policy shall be approved by a majority of the Board of Directors;
 - (c) any loan application in excess of the small loan value as specified per the Loan Policy shall be approved by a majority of the Board of Directors, a majority of the Credit Committee, and at least one member of the Supervisory Committee, sitting together, the applicant not being present when the vote is taken. Such meeting shall be chaired by the Chairman of the Board of Directors or Vice Chairman if the Chairman is absent or is the applicant.

SECTION 6

GENERAL MEETING

Rule 29: Annual General Meeting (AGM)

An Annual General Meeting of the members of the Credit Union shall be held each calendar year by not later than six (6) months following the end of the year, provided the audited accounts of the Credit Union for the preceding year, which are to be laid before or presented at the meeting, are ready. In the event the accounts are not ready the Annual General Meeting may be delayed further, subject to the approval of the Regulatory Authority.

Rule 30: Extraordinary General Meeting

The Board of Directors or the Supervisory Committee of the Credit Union may whenever they think fit; convene an Extraordinary General Meeting of the members.

Rule 31: Shareholders right to call Extraordinary General Meeting

The Board of Directors shall, on the written requisition of at least one hundred and fifty (150) members or ownership shareholders of the Credit Union, setting out the basic grounds for the requisition, forthwith proceed to convene an Extraordinary General Meeting.

Rule 32: Arrangements for convening Extraordinary General Meeting

All arrangements for the convening of an Extraordinary General Meeting shall be handled by the Board of Directors. In this connection, when the Supervisory Committee wishes to convene such a meeting it shall notify and give the agenda of the meeting to the Board of Directors in a timely manner to enable the Board to make appropriate arrangement for the meeting.

Rule 33: Notice of general meeting

Members shall be advised of the date, time, place and agenda of a general meeting by means of radio announcements, newspaper adverts and notices posted at the offices of the Credit Union on Mahé, Praslin and La Digue 14 days before the meeting. The Board of Directors may authorize the inclusion of any additional item on the agenda of an Annual General Meeting provided any member wishing for the inclusion of any item notifies the Chairperson of the Board of Directors in writing, giving full particulars of the item(s) to be included, at least 5 working days before the date of the meeting.

Rule 34: Audited Accounts to be presented at AGM

The Board of Directors shall lay or present before an Annual General Meeting the audited accounts of the Credit Union for the previous year.

Rule 35: Accounts and other documents to be available before general meeting

The audited accounts and any other document to be laid or presented or voted upon at a general meeting shall be made available for member's perusal at the Credit Union's offices from the time of publicizing for the meeting right up to the eve of the meeting. Additionally a copy of the year-end audited accounts to be laid or laid before an Annual General Meeting may be supplied gratuitously on request to every member or person interested in the financial affairs of the Credit Union.

Rule 36: One man one vote and voting by proxy

No member shall have more than one vote on each question at any general meeting of the Credit Union irrespective of the member's shareholding or the number of accounts in the member's name in the Credit Union. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group or body corporate, duly authorized in writing for that purpose and accepted as such by the Board of Directors.

Rule 37: Quorum of general meeting

The quorum for a general meeting shall not be less than 150 members. No business shall be transacted if no quorum is present unless the members present and voting agree by a two third majority that the meeting shall proceed. In the event the meeting is adjourned, it shall stand adjourned until a later date and provisions for the adjourned meeting shall be governed by Rule 38.

Rule 38: Adjournment of general meeting

A general meeting may, for good and sufficient reasons and with the consent of the majority of those present, be adjourned, provided that no business shall be transacted at an adjourned general meeting other than the business appearing on the Agenda and left unfinished at the meeting from which the adjournment took place.

Rule 39: Agenda of general meeting

- (a) The business to be transacted at an Annual General Meeting shall include:
 - (i) all the items stipulated and required to be dealt with under the Act;
 - (ii) elections of Directors and members of the Supervisory Committee;
 - (iii) ratification of the appointment of external auditors including their remunerations;
 - (iv) any other topic which the Board of Directors may wish to include on the agenda.

- (b) The business to be transacted at an Extraordinary General Meeting may include:
 - (i) any of the item of the agenda stipulated in Rule 39(a);
 - (ii) removal of any member of the Board of Directors or Supervisory

Committee;

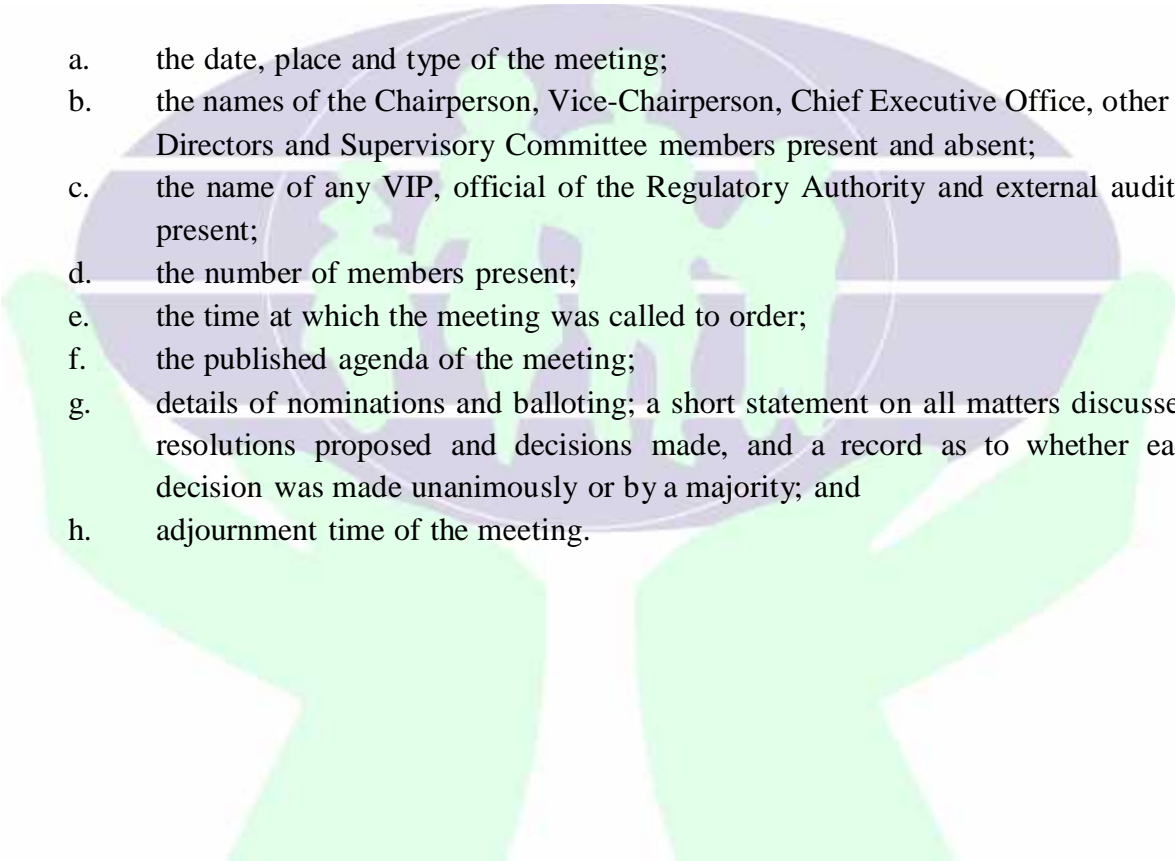
(iii) any other business as per the published agenda.

Rule 40: Suspension of order of business

The members assembled at any general meeting may suspend the order of business upon a majority vote of the members present at the meeting.

Rule 41: Minutes of general meeting

The Secretary shall be responsible for recording the minutes of a general meeting and the minutes shall be signed by the Chairperson or Vice Chairperson, in the absence of the Chairperson, and by the Secretary. The minutes shall contain the following particulars:

- 
- a. the date, place and type of the meeting;
 - b. the names of the Chairperson, Vice-Chairperson, Chief Executive Office, other Directors and Supervisory Committee members present and absent;
 - c. the name of any VIP, official of the Regulatory Authority and external auditors present;
 - d. the number of members present;
 - e. the time at which the meeting was called to order;
 - f. the published agenda of the meeting;
 - g. details of nominations and balloting; a short statement on all matters discussed, resolutions proposed and decisions made, and a record as to whether each decision was made unanimously or by a majority; and
 - h. adjournment time of the meeting.

SECTION 7

ELECTIONS

Rule 42: Voting and Nomination Committee

The election of a Board of Directors comprising of five Directors and of a Supervisory Committee comprising of three members shall be by members in general meeting. Such election may be done by secret ballot or by show of hands depending on the decision of members present at such meeting. The existing Board of Directors shall appoint a nomination committee of three members for the purpose of selecting potential candidates for the Board of Directors and Supervisory Committee, to be submitted to the Regulatory Authority for vetting, prior to the holding of a general meeting to elect such officers.

Rule 43: Election Process

Unless the members at the general meeting resolve otherwise, nominees must be present in person in order to be elected to the Board or Supervisory Committee at a general meeting.

Rule 44: Appointment of tellers, distribution of ballot papers and nomination order

When nominations are announced the chairperson shall appoint tellers, and ballot papers, if voting by secret ballot, shall be distributed. Nominations shall be in the following order:

- (a) nominations for Chairperson/Director;
- (b) nominations for Vice-Chairperson/Director;
- (c) nominations for other Directors;
- (e) nominations for members of the Supervisory Committee.

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot, if voting by secret ballot, which contains votes for more than the number of nominated candidates required to be elected shall be void. When the tellers have counted the votes, the chairperson shall announce the results. In the event that all vacancies are not filled by the first ballot further ballots shall be required.

Rule 45: Voting age

A member must be eighteen (18) years of age or over in order to be eligible to vote at a general meeting of members.

Rule 46: Resolution restriction

A motion by a single resolution for the election or appointment of two or more members as officers of the Credit Union shall not be made at any general meeting thereof.

Rule 47: Disqualification of candidate

Any member or person who has a delinquent loan account with the Credit Union or who is an undischarged bankrupt or who has been convicted on indictment of any offence involving fraud or dishonesty or who by any act has caused gross prejudice to the interests of the credit union shall not be eligible for election or appointment on the Board of Directors or the Supervisory Committee or other committees or any other position concerned with the Management of the Credit Union, nor shall any such person be nominated for election or appointment to any such office.



SECTION 8

BOARD OF DIRECTORS

Rule 48: Composition and role

The composition, powers including administrative and operational responsibilities of the Board of Directors are laid down in the Act. These bye-laws deal with only matters not covered in the Act.

Rule 49: Vacation of position

Any Director who without valid excuse accepted by the Board of Directors fails to attend three (3) consecutive meetings of the Board shall, if the other Directors so resolve unanimously, be deemed to have vacated his position as a Director, and the vacancy may be filled in accordance with the provision as laid down in the Act.

Rule 50: Appointment of Chief Executive Officer and Secretary

(1) The Board of Directors shall, subject to the approval of a general meeting of the members appoint a person as the Chief Executive Officer of the Seychelles Credit Union, who has expertise and experience in the fields of finance, banking, accounting, management, cooperation or any other field related to the operation of the Credit Union.

(2) The Board of Directors shall appoint a reputable and qualified Credit Union member to act as Secretary to the Board of Directors. The Secretary shall be responsible for recording the minutes of the meetings of the Board of Directors as well as minutes of general meetings. Board of Directors minutes, which shall be signed at the next Board meeting by the Chairman or Vice Chairman, in the absence of the Chairman, and by the Secretary, shall contain the following particulars:

- a. the date and place of meeting;
- b. the names of the Directors present and absent;
- c. the name of the presiding member; and
- d. a short statement on all matters discussed, resolutions proposed and decisions made, and a record as to whether each decision was made unanimously or by a majority.

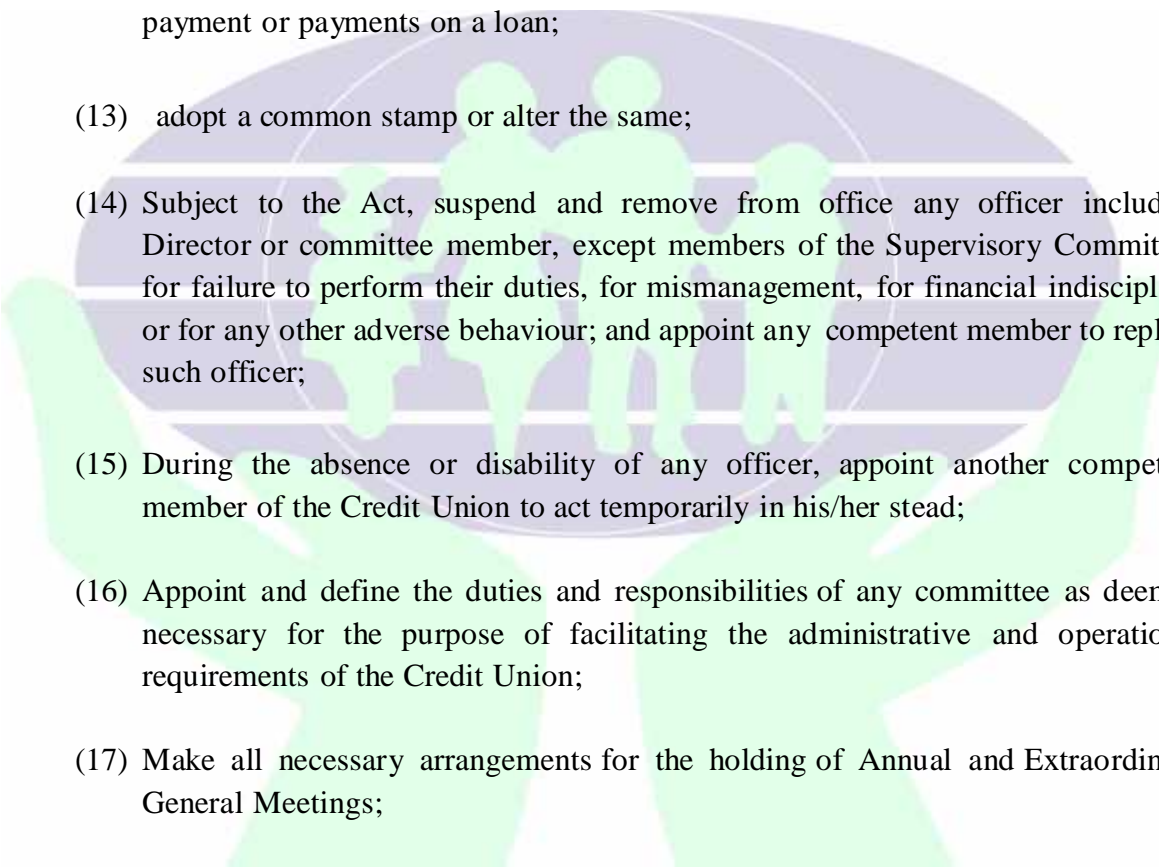
Rule 51: Powers and functional responsibilities

Subject to the Act, the Board of Directors shall have the general operational control, direction and management of the affairs, funds and records of the Credit Union, and accordingly has the power to:-

- (1) prepare and issue written policies and guidelines concerning:
 - (a) membership of the Credit Union;

- (b) redemption of ownership shares;
 - (c) terms and conditions for deposit accounts;
 - (d) the granting of loans to members including rate of interest applicable;
 - (e) investment of funds; and
 - (f) any other operational and general management procedures;
- (2) fix the amount and character of the surety bond required in respect of any person who has custody of the funds or other property of the Credit Union, and authorize the payment of the premium or premiums thereon by the Credit Union;
- (3) make decisions in respect of the investment of surplus funds of the Credit Union;
- (4) fill any casual vacancy arising on the Credit Committee and other Committees but excluding the Supervisory Committee;
- (5) employ and fix the terms and conditions of employment of such person or persons as the Board of Directors consider necessary for the purposes of the Credit Union including and any clerical or auditing assistance employed or utilized by the Supervisory Committee;
- (6) pay any expense necessarily incurred by a Director or member of the Supervisory Committee, Credit Committee or other Committees in carrying out any duty in respect of the business of the Credit Union;
- (7) subject to approval by members in general meeting, pay the Directors, members of the Supervisory Committee and members of other committees appropriate remuneration for their services. For the purpose of this subsection “remuneration” shall include salary, fees, commission, share or percentage of profit, allowance and any other form of emolument, whether in the form of cash or not relating to services as a Director or committee member of the Credit Union and its subsidiaries;
- (8) recommend to members in Annual General Meeting the approval of a scheme for the distribution of any net surplus including the declaration and payment of dividends to members;
- (9) purchase, hold, lease, sub-lease, rent, sell, mortgage, manage, and develop property and land required for the purposes of the Credit Union; acquire, erect, pull down, repair, alter, remove or re-erect buildings, walls and

fences on such land, otherwise deal with such land or property and any rights there over and any interests therein, on behalf of the Credit Union;

- 
- (10) Borrow money for the Credit Union, subject to Rule 20;
 - (11) Designate a depository or depositories for the funds of the Credit Union, and authorized signatories to sign on behalf of the Credit Union;
 - (12) Supervise the collection of loans from members, and authorize the setting up of provisions for and write off of delinquent or bad loans; and act upon any application of a member for good and valid reason for the postponement of any payment or payments on a loan;
 - (13) adopt a common stamp or alter the same;
 - (14) Subject to the Act, suspend and remove from office any officer including Director or committee member, except members of the Supervisory Committee, for failure to perform their duties, for mismanagement, for financial indiscipline, or for any other adverse behaviour; and appoint any competent member to replace such officer;
 - (15) During the absence or disability of any officer, appoint another competent member of the Credit Union to act temporarily in his/her stead;
 - (16) Appoint and define the duties and responsibilities of any committee as deemed necessary for the purpose of facilitating the administrative and operational requirements of the Credit Union;
 - (17) Make all necessary arrangements for the holding of Annual and Extraordinary General Meetings;
 - (18) Perform or authorize any lawful act consistent with the Credit Union Act for the achievement of the objectives of the Credit Union.

Rule 52: Validity of acts of a Director

The acts of a Director of the Credit Union shall be valid notwithstanding any defect, which may afterwards be discovered in his appointment or qualification.

SECTION 9

SUPERVISORY COMMITTEE

Rule 53: Composition and election

The election and composition of the Supervisory Committee are laid down in the Act. These bye-laws cover its duties and responsibilities as well as other matters not covered in the Act.

Rule 54: Appointment of chairperson and secretary

The Supervisory Committee members shall choose from their number a chairperson and secretary; both offices may be held by the same person. The secretary shall prepare and have custody of minutes of meetings and records of all actions taken by the Committee.

Rule 55: Quorum

The quorum for a Supervisory Committee meeting shall be not less than the presence of two members of the committee.

Rule 56: Chairing of meetings

The Chairperson shall be responsible for chairing the meetings of the committee and shall have a casting vote in the event of an equality of votes at such meetings. The Secretary shall be responsible for the preparation and maintenance of a complete record of all meetings of the Committee and decisions taken.

Rule 57: Powers and duties

The powers, duties and responsibilities of the Supervisory Committee include:

- (a) meeting regularly or at least once every quarter for the purpose of conducting its business of verifying and assessing the effectiveness of the operational, general and financial management and control of the Credit Union;
- (b) ascertainment whether or not the actions and decisions of the Board of Directors, Credit Committee, other committees and officers of the Credit Union relating to the affairs of the Credit Union, are in conformity with the Act, any other law, the bye-laws, policies, procedures and guidelines in force;
- (c) perusal of Internal, External and Regulatory Authority audit reports to identify weaknesses detected and corrective actions/measures recommended by these auditors; and to ascertain whether or not the Board of Directors has acted thereon;

- (d) the frequent examination and appropriate testing of adequate samples of transactions and supporting documents relating to members' ownership shares, deposits and loans accounts as well as general ledger's accounts covering capital expenditure, operating income and expenses so as to ascertain their accuracy and correctness;
- (e) examining the administrative and operational set up of the Credit Union with a view to recommending any improvement in standard and efficiency of service delivery to the members;
- (f) recommending to the Board of directors, by unanimous vote, the suspension from office of any officer which suspension shall be discussed in an Extraordinary General Meeting of members to be convened by not later 21 days after receiving the notice from the Supervisory Committee;
- (g) report on its work and findings directly to the members in Annual General Meetings, after having met and discussed the findings with the Board of Directors and forwarding a copy of the minutes of its meeting to the Board of Directors with appropriate recommendations; and where it is deemed critically urgent request the Board of Directors to convene an Extraordinary General Meeting to discuss any matter including the ratification of the suspension and the removal of any officer from office.

Rule 58: Approval and payment of expenses

The Board of Directors shall approve the payment of any expenses necessarily incurred by the Supervisory Committee in carrying out its duties.

SECTION 10

CREDIT COMMITTEE

Rule 59: Appointment

The Board of Directors shall appoint, from among the members of the Credit Union, a Credit Committee comprising of five (5) persons to consider and decide on members' loans applications.

Rule 60: Chairperson and secretary

Upon their appointment, members of the Credit Committee shall choose from their number a chairperson and a secretary, provided the offices of chairperson and secretary may be held by the same person. Additionally, the Committee may, with the approval of the Chief Executive Officer, co-opt a member of staff of the Loans Department to assist with the proceedings of the Committee meetings.

Rule 61: Quorum

The quorum for a Credit Committee meeting shall be not less than three (3) members of the Committee for the purpose of considering all loan applications

Rule 62: Chairing of meetings

The Chairperson shall be responsible for chairing the meetings of the committee and shall have a casting vote in the event of an equality of votes at such meetings. The Secretary shall be responsible for the preparation and maintenance of a complete record of all meetings of the Committee and decisions taken.

Rule 63: Alternative appointment or assumption of duties by Board of Directors

Where a member of the Credit Committee is absent, or otherwise unable to perform the duties of his office, the Board of Directors may designate another member of the Credit Union to act temporarily in the place of the incumbent or the Board of Directors may assume the duties of the Credit Committee in the event of a lack of quorum by virtue of the absence of three (3) or more members of the Committee.

Rule 64: Frequency of meetings

The Credit Committee shall meet as often as possible and operate under the mandate of these bye-laws and the Board of Directors' Loan Policy in force.

Rule 65: Majority approval for loan

The Committee shall not approve any loan unless such loan has received the majority approval of the members who are present when the loan is considered and those members present constitute a majority of the committee.

Rule 66: Appeal by loan applicant

An applicant whose application for a loan has been refused by the Credit Committee may within 14 days following such refusal, appeal to the Board of Directors to reconsider the application. Any Director who is also a member of the Credit Committee that refused the loan shall not participate in the board meeting which reconsiders the application. However, such Director may give the Board the reason behind the refusal of the application. The unanimous decision of such meeting shall be final and may reverse the decision of the Credit Committee.

Rule 67: Emergency Loan Officer

(1) To facilitate the work of the Credit Committee, the Board of Directors may appoint an Emergency Loan Officer who shall not be the Loans Manager or a staff of the Loans Department. With the except of emergency and fully secured loans in favour of himself, which are required to be approved by the Board of Directors, the Emergency Loan Officer may approve, in favour of any other member of the Credit Union:

- (a) an emergency loan up to the maximum value as stipulated per the Loan Policy issued by the Board of Directors; (events or incidents that are classified as emergency are: sudden hospitalization, death of next of kin, natural disaster, fire and robbery);
- (b) loans that are fully secured by the applicant's or guarantor's SCU ownership shares and deposit accounts up to the maximum unencumbered value of such ownership shares and deposit accounts.

(2) Any loan approved by the Emergency Loan Officer shall be submitted, for ratification and comments, to: (i) the Board of Directors for loans in favour of members of the Board of Directors, Supervisory and Credit Committees; (ii) to the Credit Committee for loans to other members of the Credit Union.

Rule 68: Submission of reports and adherence to Loan Policy

The Credit Committee shall submit a copy of the reports of their meetings to the Board of Directors on a monthly basis and shall exercise its functions in conformity with the Loan Policy issued by the Board of Directors plus any other directive that may be issued by the said Board.

SECTION 11

RESERVES

Rule 69: General reserve

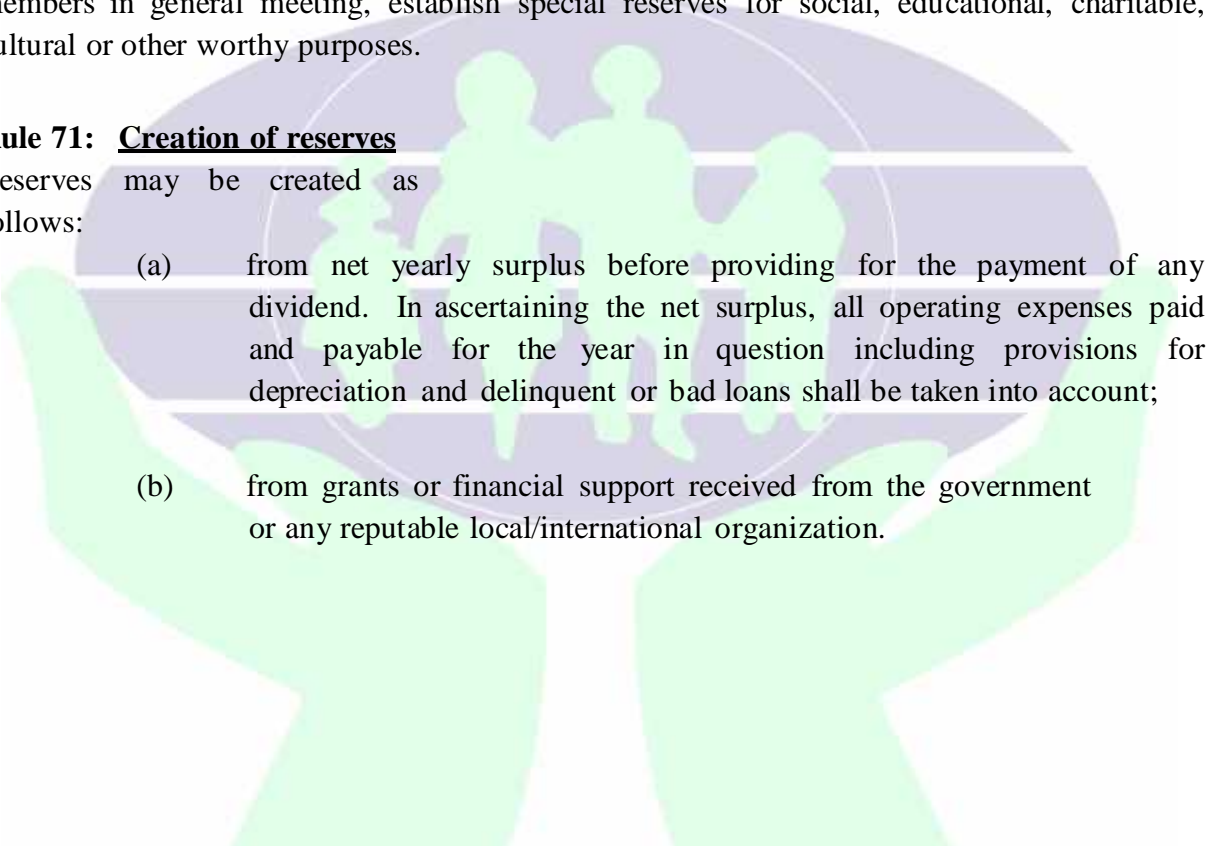
The Act requires the Credit Union to maintain a minimum general reserve to be kept in accordance with the directive of the Regulatory Authority.

Rule 70: Special reserves

In addition to the general reserve, the Credit Union may, subject to the approval of members in general meeting, establish special reserves for social, educational, charitable, cultural or other worthy purposes.

Rule 71: Creation of reserves

Reserves may be created as follows:

- 
- (a) from net yearly surplus before providing for the payment of any dividend. In ascertaining the net surplus, all operating expenses paid and payable for the year in question including provisions for depreciation and delinquent or bad loans shall be taken into account;
 - (b) from grants or financial support received from the government or any reputable local/international organization.

SECTION 12

MISCELLANEOUS

Rule 72: Indemnity

Any officer of the Credit Union may be indemnified by the Credit Union against all costs, losses and expenses which any such officer may genuinely and honestly incur or become liable for by reason of any contract entered into or any act or thing done by him in discharge of his duties as expressly authorized by the Board of Directors, and the Directors are empowered to pay the amount of such indemnity out of the funds of the Credit Union.

Rule 73: Disclosure of information

Subject to the Act and any other law, regulation, guideline in force including an order issued by a competent court having jurisdiction in Seychelles, an officer of the Credit Union shall not disclose to any person any information regarding any transaction of a member of the Credit Union therewith except in so far as may be necessary for the proper conduct of the business of the Credit Union. For the purpose of this section an officer includes: a Director; a member of the Supervisory Committee, Credit Committee or other committees appointed by the Board of Directors; and any employee of the Credit Union.

Rule 74: Re-election of officers

When the term of office of any elected officer of the Seychelles Credit Union expires, such officer shall be eligible to be re-elected to the same or any other office in the Seychelles Credit Union.

Rule 75: Retention of Records

The Credit union shall retain permanently or as legally required the following records: -

- (a) approved copy of bye-laws and any amendment thereto;
- (b) minutes of general meetings; Board of Directors meetings; Supervisory and Credit Committees meetings;
- (c) members' ownership shares, deposits accounts, loans accounts, and general ledger accounts;
- (d) joint accounts agreements in force;
- (e) application, agreement and security documents in respect of any outstanding loan; and
- (f) any other accounting records or documents required to be kept in accordance with the laws of Seychelles as well as standard accounting practice.

Rule 76: Bye-laws

The bye-laws or rules of the Credit Union shall be approved or amended only by resolution

approved by a majority of the members present at a general meeting of the Credit Union.

A copy of the bye-laws of the Credit Union shall be delivered to every person on request, on payment of a fee as prescribed by the Board of Directors.

