



CITY OF BRIDGETOWN CO-OPERATIVE CREDIT UNION LIMITED

CREDIT UNION VALIDATION COMMITTEE MANUAL

FIRST EDITION

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Preface

This manual has been developed by the City of Bridgetown Co-operative Credit Union Ltd in an effort to enhance and improve the levels of competence at the volunteer level in the Society.

This manual highlights the extent of the responsibility, which rests on the shoulders of the Board of Directors and, in particular, the Validations Committee as well as creates an awareness of the importance of the tasks of this Committee in the overall development of The City of Bridgetown Cooperative Credit Union Ltd.

The source of this manual is that of the manual utilized by the Jamaica Co-operative Credit Union League Limited which is now in its third edition.

Introduction

The practice obtained prior to the approval of the amended by-laws of July 2014 was that of a nomination of persons for office on the same day of the election at the Annual General Meeting each year. However, this process does not allow for a determination of the readiness and suitability of the members to the post to which they are elected and therefore opens the Credit Union to the risk of not having the best fit for each post. This is particularly significant as each post concerns a leadership function in the society and the responsibilities and operations of these posts are crucial to the society.

The Validations Committee is considered one of the key assets to the efficient functioning and operation of the Credit Union in light of its needs for credible volunteer leadership and it is in this vein that the present by-laws seeks to implement a functioning Validation Committee.

It is, therefore, of extreme importance that the Board carefully selects a Validation Committee with the relevant skills required to adequately perform the necessary duties of the Committee. Members of this Committee should also be conversant with the requirements for the positions to be filled and should possess good human resource management skills and knowledge.

The Board of Directors should ensure that capable members with integrity are appointed to this Committee and that the terms of reference of the Committee be properly defined and requirements clearly established for the vacant positions on the Board, Supervisory and Credit Committees.

Chapter I

Legal Framework

Regulatory Requirements

By Law nine (9) of the Credit Union requires that the Board of Directors appoint a Validation Committee, consisting of at least five (5) members, not less than ninety (90) days prior to each Annual General Meeting. The Rules further state that no more than one (1) of the appointees may be a member of the existing Board of Directors.

The following policies shall apply to the operations of the Validation Committee:

- The Validation Committee shall be appointed by the Board of Directors within the first three months after the Annual General Meeting.
- Persons seeking election or re-election to the Board, Supervisory or Credit Committees shall not be appointed to the Validation Committee.
- Persons to be nominated to these positions shall be fully aware of the work and time required.
- Nominees shall conform to the pre-established criteria agreed upon by the Board of Directors and communicated to the Validation Committee.

Chapter II

Operational Framework

Role and Functions of Members of the Credit Union

Members of The City of Bridgetown Co-operative Credit Union Ltd place the successful operation of their Credit Union squarely on the shoulders of the Board of Directors and, to a lesser extent, on the Credit and Supervisory Committees. They, however, very often fail to realize that the successful operation of their Credit Union starts with them, the members in Annual General Meetings. If members fail to perform their functions effectively, then their Credit Union may not be successful.

Members have eight (8) major functions to perform at Annual General Meetings. These are as follows:

- Electing the Board of Directors, Credit and Supervisory Committees.
- Receiving reports on operations for the previous financial year, from the Board of Directors, the Treasurer and Auditor and the Supervisory and Credit Committees.
- Amending the Rules.
- Deciding on the maximum liability.
- Deciding on the appropriation of surplus.
- Expelling members.
- Calling Special General Meetings, if necessary.
- Deciding/voting on special resolutions

Special emphasis must be placed on members' responsibility to elect Board and Committee members. If members fail to elect suitable persons to the Board and Committees, the organization may fail to operate as a viable entity.

The Validation Committee, in the execution of its functions, assist members in ensuring

that persons presenting themselves for election to the Board of Directors, Credit and Supervisory Committees meet the requirements of the Act, Regulations and By Laws of the Society.

Fiduciary Functions of the Board of Directors

The functions of the Board of Directors are wide and diverse. For the purpose of this Manual, the major functions are as follows:

- Overall leadership, direction and control of the affairs of the Credit Union.
- Hiring and evaluation of the Chief Executive Officer.
- Development of policies to guide the successful operations of the organization.
- Deciding on the long-term goals and objectives of the organization, and planning for their achievement.
- Receiving reports from the Chief Executive Officer.
- Reporting to members at Annual General Meetings.
- Calling Annual and Special General Meetings.
- Ensuring that the Credit Union's Rules, the Co-operative Societies Act and Regulations, and other relevant legislation are complied with.
- Recommending amendments to the Society's By Laws.
- Ensuring on-going education and training of members, volunteers and staff.
- Maintaining good public relations.
- Ensuring the provision of competent and adequate personnel and facilities for the efficient operation of the Credit Union.
- Monitoring and evaluating the performance of the Credit Union.
- Filling vacancies on the Board between Annual General Meetings.
- Ensuring that members' funds and the assets of the Credit Union are adequately protected.
- Appointing relevant committees to assist the Board.
- Equipping themselves with the requisite skills and knowledge to effectively perform

their functions.

- Attending the requisite courses for certification as Credit Union Professionals.

Minimum requirement for acceptance to the Board of Directors

The Cooperative Societies Act and Regulations CAP. 378A and the Society's By Laws set out minimum standards for members seeking elections to the Board of Directors.

Refer to Appendix 1 - Board of Directors and By-Law 11

Duties of the Executive Officers of the Board

President

The President is the leader of the Board of Directors. It is the responsibility of the President to guide the meetings of the Board, to ensure that the objectives of meetings are met and that every participant is given a fair chance to articulate his/her views.

The duties of the President are as follows:

- To preside at all meetings of the Board and of the members, except Special General Meetings called by the Supervisory Committee.
- To sign, with the Secretary, the minutes of meetings of the Board of Directors and Annual General Meetings.
- To countersign contracts and other legal documents on behalf of the Credit Union.
- To call Special Meetings of the Board and members when necessary or upon proper request.
- To report, on behalf of the Board, to the members at Annual General Meetings, on the affairs and performance of the Credit Union.
- To act as the Public Relations Officer of the Board of Directors.
- To lead and guide the Board in its deliberations and oversight of the Credit Union.

All duties to be performed by the President are to be consistent with the Credit

Union's Rules, the Co-operative Societies Act and Regulations, when enacted. An active President will prevent the Credit Union from coming under the dominant influence of any one person or group of persons.

Vice President

Duties of the Vice President(s) are as follows:

- To act in the absence of the President.
- To perform any other duties assigned by the Board of Directors.
- To assist the President as he presides over Annual General Meetings and other meetings

The Secretary

The Secretary is the administrative officer of the Board, responsible for recording the minutes of the Board and the Annual General Meeting accurately and completely, as well as notifying the officers and members of meetings of the Credit Union.

Duties of the Secretary

- To prepare and maintain full and correct records of all meetings of the members and of the Board.
- To sign, with the President, the minutes of meetings of the Board of Directors and Annual General Meetings.
- To authenticate documents or signatures which bind the Credit Union and certify that resolutions are correct.
- To safeguard the corporate seal of the Credit Union.
- To issue or cause to be issued proper notice of all meetings in accordance with the Rules and the Co-operative Societies Act and Regulations.
- To ensure that original minutes and the relevant reports are on file at the Credit Union's office.
- To oversee preparation of correspondence for the Board of Directors.
- To keep track of Directors' attendance at Board meetings and inform the Chairman of excessive absence.

- To ensure that files of contracts and corporate level correspondence are properly maintained.

The Treasurer

The Treasurer is responsible to the Board for oversight of the day-to-day operations of the Credit Union.

Duties of the Treasurer

- To provide the Board with knowledge, assessments and insight into the financial plans, controls and results of the Credit Union.
- To submit to the Board of Directors a monthly financial report showing the status of the Credit Union. A summary of delinquent loans must also be presented.
- To examine and analyze monthly financial reports with the Chief Executive Officer to interpret trends and projections.
- To ensure that books and records are kept current and readily available for auditing by the Supervisory Committee.
- To ensure that the operations of the Credit Union comply with the Co-operative Societies Act and Regulations, when enacted, the Credit Union's Rules and other relevant operating standards and legislation.
- To ensure the safety of funds, securities, valuable documents and other assets of the Credit Union.
- To participate in the development and proposition of budgets.
- To sign/certify the annual financial statements of the Credit Union
- To present the Treasurer's and other financial reports of the Credit Union to the members at Annual General Meetings.

Expertise and Knowledge Required by Members of the Board

The Board of Directors should comprise a diversity of skills in:

- Strategic business management and planning

- Internal control
- Financial management and accounting
- Human resource management
- Management of legal matters
- Marketing
- Information Technology
- Public speaking
- Credit administration
- Governance
- Risk management
- Leadership
- Change management
- Applicable legislation in relation to the Credit Union's operations

In addition, members of the Board shall be Credit Union members in good standing, honest, unselfish, sincerely interested in the good of the organisation and its members, know the business, behave ethically, avoid partisan politics, be objective, possess good social values and have courage to make unpopular decisions for the good of the Credit Union and its members.

Role and Function of the Credit Committee

The Credit Committee has overall responsibility for the Loan Portfolio and Credit Administration of the organization, guided by the Credit Policy laid down by the Board of Directors. However, the Credit Committee may delegate some of its responsibilities to appointed Loans Officers or those employed by the Credit Union. The Credit Committee is also responsible for the promotion of thrift and the encouragement of wise use of credit.

The functions of the Credit Committee are as follows:

- Studying and implementing the Credit Policy of the organization.
- Recommending amendments to the Credit Policy, where necessary.

- Require that loan applications and agreements are properly completed with all required information prior to submission to the committee
- Evaluation and decision making on member loan requests
- Conducting interviews with loan applicants where required
- Determining the adequacy of security for loans.
- Financial counseling to members where required
- Ensuring that delinquency is effectively controlled through the committee's evaluation and approval of loans.
- Submitting monthly reports to the Board of Directors and an Annual Report to the members at Annual General Meeting

Minimum requirement for acceptance to membership of the Credit Committee

Refer to Appendix 1 - Credit Committee and By-Law 13

Duties of the Credit Committee's Chairperson

The Chairperson is responsible for calling meetings of the Committee, developing the agenda for meetings along with the Secretary and ensuring that meetings are productive.

This person should have good leadership skills, be knowledgeable in credit administration, loan underwriting and evaluation and have a very good understanding of the Credit Union's Credit Policy, rules, delinquency control policy and applicable legislation.

The Chairperson is also responsible for presenting the committee reports to the Board and the Annual General Meeting.

Duties of the Credit Committee Secretary

The Secretary prepares and maintains the records of all actions taken by the Committee. Since these records serve as significant internal control material, importance must be placed on their accuracy and detail.

The records of meetings should be prepared during or immediately after a meeting and should be signed by the Chairperson and Secretary. The Secretary should also have good

recording skills.

The Secretary also prepares committee reports for presentation to the Board and the Annual General Meeting.

Expertise and Knowledge Required by Members of the Credit Committee

- Business loan granting
- Credit administration including loan analysis and granting
- Project appraisal, monitoring and implementation
- Delinquency Control and Collections
- Securities evaluation and execution
- Financial counseling
- Cash flow projection
- Knowledge of applicable legislation

In addition, members of the Credit Committee should keep up-to-date with economic conditions, investment options, interest rate trends and general financial information. They should have good inter-personal and analytical skills. Members should also be tactful, have excellent listening skills and the ability to handle confidential matters in a businesslike manner.

Role and Function of the Supervisory Committee

The Supervisory Committee is charged with the responsibility of being the Internal Audit Committee of the Credit Union for and on behalf of the members. This includes:

- Playing the lead role in the engagement and supervision of the full time Internal Auditor.
- Arranging for and supervising the internal audits and receiving reports of these audits.
- Requiring the adequacy of internal control systems and procedures and adequate management of risks.
- Liaising with the Credit Union's external auditor in the conduct of the annual audit.
- Dealing with member complaints.

Minimum requirement for acceptance to membership of the Supervisory Committee

Refer to Appendix 1 Supervisory Committee and By-Law 14

The primary objectives of the Supervisory Committee are:

- Requiring that the Board of Directors operates the Credit Union as a safe and sound financial institution
- Ensuring that the interests of the members are protected,
- Requiring that the Board of Directors, Credit Committee and staff comply with the laws, rules and policies of the Credit Union and
- Requiring that every transaction that is carried out in the Credit Union conforms to prudent and transparent business practices.

The main functions of the Supervisory Committee are as follows:

- Determining compliance with the Rules of the Credit Union, the Co-operative Societies Act and Regulations, when enacted.
- Ensuring that no irregular or unauthorized transactions are carried out by either employees or volunteers or any parties connected to these persons
- Determining the reliability and integrity of financial and operating systems and information.
- Checking on the Credit Union's Credit Administration to ensure that delinquency is kept under control and that securities are adequately endorsed in the Credit Union's favour.
- Ensuring that meetings of the Supervisory Committee are properly arranged and conducted and that proper records of same are kept.
- Evaluating whether the policies and procedures established by the Board of Directors are documented and adhered to.
- Evaluating the adequacy of the Internal Control systems and making recommendations to the Board of Directors for improvement where necessary.
- Ascertaining whether the established systems of internal control provide reasonable assurance to the members that the assets of the Credit Union are adequately protected to ensure safeguards against errors, carelessness and fraud.
- Ensuring that the selection of the external auditors is done in a transparent manner

and in conformity with all relevant rules/regulations.

- Ensuring that external auditors maintain independence and objectivity in carrying out audits.
- By unanimous vote, if it deems such action necessary to the proper conduct of the Credit Union, suspend any Officer, member of the Board of Directors or Credit Committee and within fourteen (14) days thereafter call a Special General Meeting of the members to take such action relative to the suspension as the members may determine.
- Evaluating the Credit Union's compliance with applicable legislation and making recommendations to the Board of Directors where necessary.
- Receive and investigate any complaint made by any member affecting the proper running of the Credit Union.
- By a majority of its members, call a Special General Meeting of the members to consider any violation of the rules of the Credit Union or any practice of the Credit Union, which in the opinion of the Committee is unsafe and unauthorized.

Duties of the Supervisory Committee Chairperson

The Chairperson is the leader of the Committee and is responsible for:

- Calling meetings of the Committee and presiding over these meetings.
- Carrying out the directives of the Committee and ensuring that a copy of the report of the Committee is forwarded to the Board on a timely basis.
- Making the Committee's report to the Annual General Meeting

Duties of the Secretary of the Supervisory Committee

The main duties of the Secretary of the Supervisory Committee are:

- Recording accurately the minutes of meetings of the Committee, and documenting of the findings from audits.
- Informing members of the Committee of meetings and producing the report of the Committee for the Board and for the Annual General Meeting.

Expertise and Knowledge Required by Members of the Supervisory Committee

The Committee should have knowledge and experience in:

- Auditing, Accounting and Financial Management
- Business Administration
- Internal Control
- Computing
- Risk Management

In addition to the skills mentioned above, members of the Supervisory Committee should also:

- possess good inter-personal skills
- be scrupulous
- maintain high ethical standards
- have strong leadership skills
- be good communicators and
- not be afraid of opposition.

Chapter III

The Validations Committee

Selecting the Validations Committee

The Board of Directors is charged with the legal responsibility of appointing the Validations Committee. The Board must ensure that the right persons are appointed to this Committee to ensure that it functions professionally and efficiently. Therefore, the Validations Committee should be selected with the upmost care.

Persons appointed to the Validations Committee should have the following qualifications:

- They should be action-oriented persons who can be relied upon to complete the assignment within the terms of reference and the required time.
- They should be knowledgeable of the functions of the Board and the various Committees in the Credit Union.
- They should be loyal, devoted members in good standing in the Credit Union.
- They should be capable of rational, independent and balanced opinions.
- They should be persons of sound judgment.
- They should know the long-term objectives of the Credit Union.
- They should be impartial.
- They should not be overly concerned about themselves being elected to office.
- They should be persons seeking to serve the interest of the general membership and not those of any sub-group.
- They should be persons who have good interpersonal skills.
- They should be persons of integrity whose recommendations the membership will respect.
- They should possess good interviewing and negotiating skills.

- They should understand the diversity of the Credit Union's membership.

Membership on this Committee should not be foisted on anyone. Persons being requested to serve should be interviewed by an agent of the Board and should be left to a voluntary decision, as to whether or not they will serve.

Skills Required by Members of the Validations Committee

- Human Resource Management
- Interviewing Skills
- Research Skills
- Public Relations
- Interpersonal Skills
- Analytical Skills
- Ability to make sound decisions
- Ability to handle confidential information in a businesslike manner
- They should also be strong in character and not easily influenced

Role and Function of the Validations Committee

The role of the Validations Committee is to validate persons nominated to fill vacancies that arise on the Board, Credit Committee and Supervisory Committee each year.

If the validation exercise is to be performed efficiently, the Committee must take its assignment seriously and be prepared to devote adequate time to it.

The functions of the Committee are as follow:

- To ascertain vacancies to be filled on the Board of Directors, Credit Committee and Supervisory Committee.
- To acquaint itself with the functions and duties of these Committees.
- To ascertain the commitment of nominees to serve the Credit Union.

- In the event that the required nominees are not met, the Committee would be required to interview candidates were necessary to fill the required numbers.
- To ensure that candidates meet the requirements of the Cooperatives Societies Act and Regulations CAP 378A and the Society's BY-laws.
- To decide on the final slate of nominees to be submitted to the Annual General Meeting.
- To prepare profiles of nominees for circulation prior to the Annual General Meeting.
- To submit the report of the Committee, including a profile of nominees, to the Secretary of the Board of Directors in time for it to be included with other reports to the Annual General Meeting.

The Role of the Validations Committee in the Recruitment of Volunteers

1. Developing a concise resume for each vacant position.
2. Asking members to submit nominations.
3. Doing necessary checks to ascertain compliance with 'Fit and Proper Person' criteria.
4. Developing profiles for candidates that will be presented to the Annual General Meeting.
5. Writing the Validations Committee report to the Annual General Meeting. (See sample reports, pages 22-23).

The Validations Committee at Work

- The Validations Committee should meet as a body as regularly as is required and should not conduct business on a round robin basis.
- The quorum for the committee should be a simple majority.
- Each member of the Committee should make his or her independent objective assessment of each candidate. However, in the final analysis, the majority decision must prevail.
- The members of the Committee should ensure that they have a common understanding of the functions to be performed by the Board and Committees to which candidates are to be elected.
- The whole validations exercise should be kept confidential until the final report is submitted to the Secretary of the Board of Directors.

Sample Profiles Of New Nominees

Board of Directors

Deloris Wills

Mrs. Wills is a graduate of the University of the West Indies with a BSc. in Economics and Management. She is currently employed to the Bank of Jamaica as an Economic Researcher.

Mrs. Wills is currently pursuing post graduate studies with the Institute of Bankers. Mrs. Wills is an executive member of the Red Cross Society and a member of the Kiwanis Club.

Mrs. Wills is a retiring member of the Credit Union's Credit Committee and has served on the Board as Chairman for two (2) years. She has been a member of C.O.B Credit Union for five (5) years and has served on the Education Committee for the past two (2) years.

Janice King

Mrs Janice King is a work at home wife and a mother of three. She has been a member of the C.O.B Credit Union for the past twenty years having served on the Education Committee for three years, as well as the tenders committee for five years during years as recent as 2012 and 2014. Mrs. King has attended the following courses sponsored by the Barbados Cooperative Credit Union League:

- Credit Management- April 2014
- Risk Management- December 2012
- Financial Statement Analysis

Credit Committee

Lester James

Mr. James is a Lecturer in Business Management at the University of Technology and has worked in that position for the past three (3) years.

Mr. James holds a Bachelor's degree in Business Administration from the University of Miami as well as a Diploma in Education. He is currently pursuing post graduate studies at the University of the West Indies.

Mr. James has been a member of C.O.B Credit Union for the past ten (10) years. He was previously a member of the Credit Committee of C.O.B Credit Union for two (2) years.

Supervisory Committee

Patricia Miles

Mrs. Miles is the General Manager of Miles Manufacturing Limited, a company that she owns and has operated for the last seven years. Mrs. Miles is a graduate of UWI with a B.Sc. in Management Studies.

Mrs. Miles worked as a Supervisor at the Bank of Nova Scotia and left to start her own business in 1989. She is the Treasurer of the Optimist Club of St. Andrew and a member of the Board of the YWCA. Mrs. Miles has been a member of C.O.B Credit Union for eight (8) years.

Conclusion

The Credit Union Movement is at a very critical stage of development. Based on the responsibilities of the volunteer officers of the Credit Union and their contribution to the long-term growth and viability of the organization, it is very important to place great emphasis on the recruitment of competent, responsible and conscientious persons to fill the vacancies that arise on Credit Unions' Board and other Committees. The Validations Committee is charged with the responsibility of validating suitable candidates to the membership at the AGM for election to fill these vacancies.

This manual is designed to provide a clearer understanding of the role and functions of the Validation Committee and the policies and guidelines which should be followed in the selection of Credit Union volunteers.

If these principles are followed, the quality of the volunteers elected to administer the affairs of Credit Unions shall be enhanced significantly, which in turn shall add much value to the Credit Union for the greater benefit of its stakeholders.

APPENDIX I

FIT AND PROPER PERSON CRITERIA [AS ESTABLISHED BY THE COOPERATIVES SOCIETIES ACT AND REGULATIONS AND THE SOCIETY BY-LAWS]

FIT AND PROPER GUIDELINES

The following fit and proper guidelines shall apply to all persons vying to fill vacant positions on the Society's Board of Directors, Credit and Supervisory Committees:

BOARD OF DIRECTORS

Under Section 57 of the Cooperative Societies Act and Regulations CAP 378A an individual is not eligible to be a director of the Society if he:

- Is less than eighteen (18) years of age;
- Is of unsound mind and has been so found by a court in Barbados;
- Is not a member of the Society;
- Is convicted of an offence involving fraud or dishonesty;
- In convicted of an offence under this Act;
- Is the Auditor of the Society;
- Is convicted on indictment of an offence in connection with the promotion, formation or management of a body corporate;
- Makes an arrangement with his creditors;
- Becomes bankrupt;
- Is not in good financial standing with the Society

In addition, under By Law 11 of the Society, the following persons are ineligible for election to the Board of Directors:

- He has been a member for less than one (1) year and does not hold at least ten (10) qualifying shares.
- He is currently employed with the Society or is a relative or involved in a spousal relationship with a member of the Executive Management, Board of Directors, Supervisory or Credit Committee. For the purpose of this By Law;
 - Relative shall include Father, Mother, Brother, Sister, Daughter.
 - Spousal relationship means a relationship of husband and wife and includes relationships lasting five years or more between an unmarried man and woman as defined under the provisions of the Succession Act Chapter 249 of the Laws of Barbados or the Family Law Act Chapter 214 of the Laws of Barbados.
 - A member of the Executive Management includes any member of staff appointed to act in the place of a member of the Executive Management who has been granted leave from the Society.
 - A former employee of the Society is not eligible to be elected to the Board of Directors within a period of two (2) years of ceasing to be employed with the Society.
 - Any person who has been removed from the Board of Directors, Credit or Supervisory Committee for whatever reason is not eligible to be elected to the Board of Directors within a period of two (2) years of being removed.
 - He is not in good standing. A member is not in good standing where he does not have ten (10) qualifying shares in the Society or where his loan has fallen into arrears for a period of ninety (90) days or more during the twelve (12) month period prior to the date of validation.

CREDIT COMMITTEE

The Cooperative Societies Act and Regulations CAP 378A and the Society's By Laws set out minimum standards for members seeking elections to the Credit Committee.

Under Section 205 (5) of the Cooperative Societies Act and Regulations CAP 378A an individual is not eligible to be a director of the Society if he:

- Is less than eighteen (18) years of age;

- Is a member of the Board of Directors or of the Supervisory Committee or who is an officer of the credit union except that the secretary or treasurer may be a member of the credit committee if he is so authorized by the by-laws;

In addition, under By Law 13 of the Society, the following persons are ineligible for election to the Credit Committee:

- He is currently employed with the Society or is a relative or involved in a spousal relationship with a member of the Executive Management, Board of Directors, Supervisory or Credit Committee. For the purpose of this By Law;
 - Relative shall include Father, Mother, Brother, Sister, Daughter.
 - Spousal relationship means a relationship of husband and wife and includes relationships lasting five years or more between an unmarried man and woman as defined under the provisions of the Succession Act Chapter 249 of the Laws of Barbados or the Family Law Act Chapter 214 of the Laws of Barbados.
 - A member of the Executive Management includes any member of staff appointed to act in the place of a member of the Executive Management who has been granted leave from the Society.
- Any person who has been removed from the Board of Directors, Credit or Supervisory Committee for whatever reason is not eligible to be elected to the Board of Directors within a period of two (2) years of being removed.
- A former employee of the Society is not eligible to be elected to the Board of Directors within a period of two (2) years of his ceasing to be employed with the Society;
- He is not in good standing. A member is not in good standing where he does not have ten (10) qualifying shares in the Society or where his loan has fallen into arrears for a period of ninety (90) days or more during the twelve (12) month period prior to the date of validation.

SUPERVISORY COMMITTEE

The Cooperative Societies Act and Regulations CAP 378A and the Society's By Laws set out minimum standards for members seeking elections to the Credit Committee.

Under Section 211 (4) and (5) of the Cooperative Societies Act and Regulations CAP 378A an individual is not eligible to be a director of the Society if he:

- Is less than eighteen (18) years of age;
- Is a member of the Board of Directors or of the Credit Committee or who is an officer of the credit union;

In addition, under By Law 14 of the Society, the following persons are ineligible for election to the Credit Committee:

- He is currently employed with the Society or is a relative or involved in a spousal relationship with a member of the Executive Management, Board of Directors, Supervisory or Credit Committee. For the purpose of this By Law;
 - Relative shall include Father, Mother, Brother, Sister, Daughter.
 - Spousal relationship means a relationship of husband and wife and includes relationships lasting five years or more between an unmarried man and woman as defined under the provisions of the Succession Act Chapter 249 of the Laws of Barbados or the Family Law Act Chapter 214 of the Laws of Barbados.
 - A member of the Executive Management includes any member of staff appointed to act in the place of a member of the Executive Management who has been granted leave from the Society.
- Any former employee is not eligible to be elected to the Supervisory Committee within a period of two (2) years of his departure from the Society.
- Any person who has been removed from the Board of Directors, Credit or Supervisory Committee for whatever reason is not eligible to be elected to the Board of Directors within a period of two (2) years of being removed.
- He is not in good standing. A member is not in good standing where he does not have ten (10) qualifying shares in the Society or where his loan has fallen into arrears for a period of ninety (90) days or more during the twelve (12) month period prior to the date of validation.

The Validation Committee shall be required to obtain information from each nominee to allow the committee to determine if the nominee meets the fit and proper criteria. In this regard each nominee will be required to provide information which would most likely include:

1. Current and previous employment over the past five years.
2. Details of ownership or control of any business.

3. Details of any suits brought in the individual's personal capacity or against any organization of which the individual is an owner, significant shareholder, partner or director.
4. The individual's financial history.
5. Employment, shareholding or directorship of any financial institution that has been wound up, licensed revoked, placed in receivership, has been sued, given financial assistance by a government agency to effect restructuring etc.

The above needs to be borne in mind when validating volunteers.

APPENDIX II

Members desirous of being elected to the Board of Directors, Credit or Supervisory Committees are required to meet fit and proper criteria established by the Co-operative Societies Act and Regulations CAP. 378A and the Society's By-laws. In this regard, to assist in this process the Board has developed the attached questionnaire which must be completed in its entirety and returned in a sealed envelope addressed to:

"The Validations Committee"

City of Bridgetown Co-operative Credit Union Ltd.

Lower Broad Street

ST. MICHAEL

Members are advised that failure to adequately address all questions noted in the questionnaire may result in their applications being rejected by the Validation Committee. All information provided in the questionnaire will be held in the strictest confidence and will be utilized solely by the Validation Committee to determine if the applicants meet the fit and proper guidelines as noted in the Co-operatives Societies Act, Regulations and the Society's By Laws.

SECTION I

1. Name of Member
2. Address
3. Date of Birth
4. Place of Birth
5. National Registration Number
6. Member Number
7. Years of membership
8. Total savings in Credit Union
9. Total loans in Credit Union
10. Position being nominated to
Board of Directors ---Yes ----No
Credit Committee ---Yes ----No
Supervisory Committee ---Yes ----No

SECTION II

11. Give details of your education and professional qualifications and affiliations, if any, including relevant dates and employment history up to the date of this questionnaire. For each place of employment provide details of the type of business; your title and the duties attaching to your position; the dates of employment; the name and address of your employer/s; reasons for leaving; the name, position and telephone number of two references. (Please submit the above information in a bio format.)

SECTION 111

KNOWLEDGE OF RESPONSIBILITIES OF POSITION TO WHICH ELECTION IS BEING SOUGHT.

1. Have you acquainted yourself with and do you understand, the extent of the rights and powers, as well as your responsibilities and duties, as an elected officer of the institution, as contained in the Cooperative Societies Act and Regulations and Guidelines issued by the Financial Services Commission and the Society's By Laws?
___ Yes ___ No

If so, give particulars of relevant courses and or experience:

SECTION IV

2. Either in Barbados or elsewhere, have you at any time been charged with or convicted of an offence involving fraud or dishonesty? If so, please give details of charge, and if convicted, the date of conviction and full particulars of the offence (including any offences taken into consideration) and the penalty imposed:

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3. Whether in Barbados or elsewhere, have you ever been a major shareholder, director of, or directly concerned in the management of a bank, financial institution, or any other business undertaking:
- a) Which has been served with a petition to wind up? ___ Yes ___ No
 - b) Which has been wound up by a Court? ___ Yes ___ No
 - c) The licence of which has been revoked? ___ Yes ___ No
 - d) Which has been placed in receivership? ___ Yes ___ No
 - e) Which has entered into any arrangement or other composition with its creditors? ___ Yes ___ No
 - f) Which has had an administrative order made against it? ___ Yes ___ No
 - g) Which has been sued? ___ Yes ___ No
 - h) Which has been the subject of censure action by any body that exercises supervisory or regulatory jurisdiction over it? ___ Yes ___ No
 - i) Whose business has been adjudged to have been conducted impudently or fraudulently? ___ Yes ___ No
 - j) Which has failed to meet the solvency requirements prescribed by law or by a licensing or supervisory authority? ___ Yes ___ No

k) To which financial assistance has been given by a government agency to effect restructuring? Yes No

l) Which has been placed under Temporary Management/Judicial Management; which has been the subject of administrative censure or penalty; or formal statutory censure action or which has been the subject of a Vesting Order or any other intervention process by the relevant regulatory authority? Yes No

If yes (to any of the above), give full particulars:

4. If pending, please give full details of the circumstances, and if not pending, how was the matter resolved?

5. (i) Have you ever been refused entry to any profession or vocation whether in Barbados or elsewhere? If so, give particulars:

9. Have you ever been disqualified by a Court or by virtue of any statutory enactment from being a director or from acting in the management or conduct of the affairs of any corporation or business undertaking whether in Barbados or elsewhere? If so, give particulars:

10. Have you ever, in any jurisdiction

a) been adjudged bankrupt by a Court? Yes No

d) entered into any arrangement, or other composition with your creditors? Yes No

If so, give particulars:

SECTION V

11. Has any bank or other financial institution, ever threatened or commenced legal action/court proceedings or declined doing any new business with you or any business undertaking owned, controlled or managed by you as a result of outstanding debts owed by you or the undertaking, or due to your not honoring other facilities afforded you (e.g. guarantee, etc.) by these institutions? If so, give details of the dispute and the manner in which the issue was resolved?

12. Do you (in your personal capacity or through any entity controlled by you) have outstanding any loans or other forms of guarantees which has fallen in arrears over 90 days during the previous twelve months? If so, state repayment status (i.e. current/up-to-date or level of arrears) (Note that information/ details requested here relates to each facility outstanding).

13. Are you currently employed with the Society or is a relative or involved in a spousal relationship with a member of the Executive Management, Board of Directors, Credit of Supervisory Committee? If so please provide details.

14. (a) Has any loan or credit facility (or part thereof) extended to you by any financial or lending institution, been restructured, renegotiated, provided against or been the subject of a write-off or debt forgiveness for reasons of non-payment by you? If so, please provide full details of the debt/s, the circumstances surrounding the action and the current status.

SECTION VI

AFFILIATIONS WITH OTHER BODIES CORPORATE

15. (i) Have you ever been or are you currently a Director/ Elected Officer of any limited liability company, or society, or other business enterprises engaged in relevant activities, as described in the glossary at the end of this form? If so, state:

a) Name and Address of Companies/Societies/Corporations:

b) Nature of Business:

c) Date of Commencement of Directorship/ Elected Officer:

d) Date of Cessation of Directorship/ Elected Officer:

e) Reason/s for cessation of Directorship/ Elected Officer:

(ii) Do any of the Companies/Societies/Corporations indicated in (i) above, maintain a business relationship with the Credit Union? If so, give particulars:

(iii) Do you or do any of the Companies/Societies/Corporations indicated in (i) above, prospectively plan to undertake business with the Credit Union? If so, give particulars:

SECTION VII

I declare that the answers to the above
(PRINT NAME)

questions are true and that I am fully aware that proceeding to act, knowing that I am not fit and proper or submitting false or misleading information or withholding information which if submitted would most likely render me unfit, to serve in the position for which this nomination has been submitted. I further UNDERTAKE, that as long as I continue to be a member of the Board of Directors, Credit or Supervisory Committee with which this questionnaire is being completed, I will notify the City of Bridgetown Cooperative Credit Union Ltd of any material changes to or affecting the completeness and/or accuracy of the information herein supplied by me as soon as possible, but in no event later than fourteen (14) days from the day that the changes come to my attention.

Dated the _____ day of _____
(date) (year) (month)

Signed by the said)
)
)
_____) _____

in the presence of:) Signature
)
)

_____)
Justice of the Peace/Attorney-at-Law

Nomination Endorsed by

Member Name -----Member Number-----

Member Signature-----Date-----

Member Name -----Member Number-----

Member Signature-----Date-----

GLOSSARY

1. "Corporation" means:

Any body corporate, incorporated in Barbados or elsewhere.

2. Society refers to a Credit Union registered under the Cooperative Societies Act.

3. "Relevant Activity" means:

- a) Banking, finance, insurance, money-lending, money management, or other financial activities.
- b) Dealing in Securities.
- c) Providing investment or financial advice and management services.

4. "Immediately Relative" Relative shall include Father, Mother, Brother, Sister, Daughter.

5. Spousal relationship means a relationship of husband and wife and includes relationships lasting five years or more between an unmarried man and woman as defined under the provisions of the Succession Act Chapter 249 of the Laws of Barbados or the Family Law Act Chapter 214 of the Laws of Barbados.

6. A member of the Executive Management includes any member of staff appointed to act in the place of a member of the Executive Management who has been granted leave from the Society.

PLEASE SUBMIT WITH THE FOLLOWING ATTACHMENTS:

1. BIO