RATIONALE FOR PROPOSED AMENDMENTS TO BYLAWS

Small Business Association of Barbados (SBA)

SECTION	PROPOSED CHANGE	RATIONALE	REVISED TEXT
PART 1 - INTERPRETATION			
1.6	Term of office changed to four (4) years for all officers and directors.	In light of the new regime for the Board a term will now be four (4) years for both Officers and Directors.	A "term" of office for an officer or director shall mean four (4) years.
PART 4 - MEMBERS			
4.1.1 (1)	Ordinary members' annual sales shall not exceed Eight Million ($8,000,000.00).	This change reflects the definition contained in the National Policy Framework for the Development of MSMEs published by the Ministry of Energy & Business Development.	Have annual sales not exceeding eight million ($8,000,000.00).
4.1.3	Amendment to the Associate Member category.	While the Associate member allows for the participation of stakeholders who do not reside in Barbados, these members are not allowed to vote and should not be allowed to serve on the Board of Directors.	Associate members which may include non-Barbadian businesses, companies or entities which share the interests and pursue similar goals as the Company. An associate member shall be entitled to receive notice of all meetings, speak thereat but not vote or be elected to the Board of Directors.
PART 7 - OFFICERS			
7.1	Removal of references to First Vice Chairman and Second Vice Chairman in accordance with the new list of Officers.	The removal of the First Vice Chairman and Second Vice-Chairman positions and replacing them with a Vice Chairman position is in line with the restructuring of the list of Officers of the Company. Succession will be maintained through having a Chairman and Vice Chairman.	The officers of the Company shall consist of a Chairman, a Vice Chairman, a Treasurer and the Chief Executive Officer.
7.2	Removal of references to a First and Second Vice Chairman. The system of Graduation is for the Vice Chairman only.	This adjustment contemplates a Vice Chairman as next in line in the succession order following the removal of the Second Vice Chairman position.	Subject to section 8.4 hereof, the Vice Chairman shall be elected at an Annual General Meeting of the Company for a period of two (2) years. At that time the existing Vice Chairman shall graduate to the position of Chairman for a period of two (2) years.
7.3	Insertion of the word "the" after "in"; this section removes the position of the Second Vice Chairman in line with the restructuring of the Officers and provides a process for Directors to fill a vacancy.	Authority of the Board to fill a vacancy.	In the case of a casual vacancy in the office of the Vice Chairman, the directors shall appoint one of the remaining members of the Board to fill such casual vacancy until the next Annual General Meeting.

SECTION	PROPOSED CHANGE	RATIONALE	REVISED TEXT
7.4	This concerns the operation of the graduation system in the case of absence or inability or for some other reason determined by the Board of Directors to act, by the Chairman, or the Vice Chairman. The section removes the position of Second Vice Chairman in accordance with the new structure and refers only to the Vice Chairman position as the successor.	Authority of the Board to delegate the powers of the Chairman or Vice Chairman.	In the case of the absence or inability to act of the Chairman, or the Vice Chairman of the Company or for any other reason that the Directors may deem sufficient, the Directors may delegate all or any of the powers of such officer to any other Director for the time being, provided that a majority of the Board of Directors concur therein.
7.6	Removal of the reference to the Second Vice Chairman in accordance with the new succession order.	To be consistent with previous amendments.	The Vice Chairman shall be vested with all the powers and shall perform all the duties of the Chairman in the absence or disability of, or refusal to act by, the Chairman. The Vice Chairman shall have such powers and duties as may from time to time be assigned to him by the Directors.
PART 8 - DIRECTORS			
8.1.2	Identification of the number of Ordinary members eligible for service on the Board thus removing the concept of sectoral Directors.	To establish the number of ordinary Directors and the term of office for Directors. To remove the concept of sectoral Directors. Each director is elected for a four (4) year term and is eligible to be elected for a further four (4) years.	Six (6) ordinary members of the Company shall be elected at the Annual General Meeting of the Company for a period of four (4) years who shall retire thereafter and shall be eligible for re-election for a further term of four (4) years.
8.1.4	Strengthening of the qualifications of Directors: ● A knowledge of Corporate Governance ● Business management experience ● An understanding of financial management ● Working knowledge of the small business sector A sound reputation	This provides that directors should have the necessary qualifications and experience to serve on the Board.	Directors should have the following characteristics: ● Sound knowledge of Corporate Governance ● Business management experience ● An understanding of financial management ● Working knowledge of the Laws, Rules and Regulations which govern the small business sector ● A sound reputation
8.3 8.3.1 8.3.2 8.3.3 8.3.4	These respective sections are hereby entirely repealed.	These sections are no longer applicable and reference positions that are being transitioned out of the organization's Board structure.	Sections repealed.

SECTION	PROPOSED CHANGE	RATIONALE	REVISED TEXT
8.4			
8.4.1	This section provides for the new regime to be operationalized from the 2026 Annual General meeting.	This transition process regulates the election of the Chairman and Vice Chairman in line with the new regime to take effect from 2026. Directors elected in 2024 and 2025 will be allowed to continue their term with new Directors elected at the annual meeting in 2027.	8.4.1 The members of the Board elected at the Annual Meeting in 2024, shall continue therein until the close of the annual meeting in 2027, and shall be eligible for re-election for a further period of four years for any suitable position. 8.4.2 The members of the Board elected at the Annual Meeting in 2025, shall continue therein until the close of the annual meeting in 2028, and shall be eligible for re-election for a further period of four years for any suitable position. 8.4.3 At the close of the annual general meeting in 2026 the holder of the office of First Vice Chairman, shall graduate to the position of Chairman to hold office for one (1) year. At the end of this period, he shall be eligible for re-election for a further period of four years for any suitable position. 8.4.4 At the close of the annual general meeting in 2026 the holder of the office of Second Vice Chairman shall graduate to the position of Vice Chairman to hold office for one (1) year. Thereafter he shall graduate to the position of Chairman at the close of the annual meeting in 2027 and shall hold office for two (2) years. At the end of this period, he shall be eligible for re-election for a further period of four years for any suitable position. 8.4.5 At the Annual Meeting of 2027, the members of the Company shall elect a Vice-Chairman, who shall serve for four years on the Board, two years as the Vice Chairman and shall graduate to Chairman at the close of the annual meeting in 2029, for a further two years. Thereafter a Vice Chairman shall be elected for a period of four years, two years as Vice Chairman and shall graduate to the position of Chairman after the two years. He shall thereafter be eligible for re-election for a further term of four years for any suitable position. 8.4.6 Henceforth, at the Annual Meeting of 2027 a Treasurer and six (6) Directors shall be elected for a period of four (4) years and thereafter be eligible for re-election for a further term of four years for any suitable position.
8.9	Replacing the word "three" Annual General Meetings with the word "Four" (4) Annual General Meetings.	This reflects the new four (4) year term being instituted.	Unless sooner determined, a director's terms of office shall, subject to the provisions, if any, of the Articles of Continuance of the Company, be from the date of the meeting at which he is elected or appointed until the conclusion of the Four Annual

SECTION	PROPOSED CHANGE	RATIONALE	REVISED TEXT
			General Meetings next following or until his successor is elected or appointed.
PART 9 - NOMINATIONS			
9.1	To provide for a longer period to appoint the Elections and Nominations Committee.	The Elections & Nominations committee will now be appointed by the Board 120 days before the annual meeting to allow the committee more time to execute its task.	There shall be a committee to be known as the Elections and Nominations Committee ("the Committee") which is charged with the responsibility of conducting the election of officers and members of the Board and other matters relating thereto. The Chairman and other members of the Committee shall be appointed by the Board at least 120 days before the Annual General Meeting.
9.8 (a)	The Elections & Nominations committee will be required to invite nominations from members of the Company that meet the fit and proper requirement to serve on the Board in the event there are an insufficient number of nominations.	This prevents nominations from the floor of the Annual General Meeting and allows the Elections and Nominations Committee to properly vet prospective candidates subject to the Fit and proper requirements. Nominees raised from the floor of the Annual Meeting are not subject to the same scrutiny.	If in respect of any office or membership of the Board: a) A sufficient number of nominations has not been received by the Chairman of the Elections and Nominations Committee by the time specified, or b) A person who has been nominated for such membership of the Board withdraws or dies after the time specified but before or at the Annual General Meeting and there is an insufficient number of nominations, the Elections and Nominations Committee shall invite members of the company to submit nominations to fill the vacant positions on the Board before the date for the annual general meeting.
9.9	Insert a new section to address the non-receipt of nominations from the floor at the annual meeting and the rationale for doing so.	This ensures that all nominees satisfy the applicable fit and proper criteria which is essential for service on the Board.	To ensure that all nominees satisfy the applicable fit and proper requirements prescribed under the laws, rules and regulations of Barbados, as well as the requirements of these By-Laws, nominations for election to the Board shall not be accepted from the floor at the Annual General Meeting.
9.10	Insert a section on the nominations procedures to be used by the Elections and Nominations committee.	This allows for a fair and transparent process for the assessment and validation of prospective nominees.	Subject to the approval of the Board, the Elections and Nominations Committee shall be empowered to utilise all appropriate resources, tools, forms, questionnaires, procedures and assessment mechanisms as it considers necessary or desirable in the conduct of the nominations process for Directors and members to serve on the Board of the Company. The Committee shall ensure that the nominations process is conducted in a manner designed to identify and recommend candidates who satisfy the applicable fit and proper requirements, competency standards, and all relevant legal,

SECTION	PROPOSED CHANGE	RATIONALE	REVISED TEXT
			regulatory and corporate governance obligations governing directors of the Company.
PART 10 - MEETING OF DIRECTORS			
10.2	To delete the term Second Vice-Chairman and First Vice Chairman in line with the earlier amendments.	To be consistent with previous amendments.	A meeting of Directors may be convened by the Chairman, Vice Chairman or any two directors at any time...
10.7	To change the word "as permits" to "which permits".	This corrects a grammatical error.	A Director may, if all the directors consent, participate in a meeting of the Directors or any committee of the Directors by virtual means of any telecommunications facilities which permits all persons participating in the meeting to hear and see each other and a Director participating in such a meeting by such means is deemed to be present at that meeting.
PART 13 - MEETINGS OF MEMBERS			
13.2	To delete the term Second Vice-Chairman and First Vice Chairman in line with the earlier amendments.	To be consistent with previous amendments.	Special meetings of members may be convened by order of the Chairman, Vice Chairman or by the directors at any date and time and at any place within Barbados...
13.3	Change the words "as permit" to "which permits".	This corrects a grammatical error.	Subject to the verification process implemented by the Company, members may attend the Annual General Meeting or Special Meetings of Members by virtual means of any telecommunications facilities which permit all persons participating in the meeting to hear each other and a member participating in such a meeting by such means is deemed to be present at that meeting.
13.4	To allow 5% of the members to requisition the Directors to call a meeting of the members of the company.	The Companies Act stipulates that 5% of members may requisition a meeting. This current By-Law says ten (10) members. Based on the total size of the membership, 5% may not equate to ten members. Additionally, if membership increases, then the quota of members making up the 5% requirement may change also. As such, it is best that reference is made to the 5% of membership listed in the Companies Act.	The directors shall, upon the receipt of a requisition of no less than five percent (5%) of the members of the company at the last published date, that carry the right to vote at the meeting requisitioned, convene a meeting of members and in the case of such requisition the following provisions shall have effect:

SECTION	PROPOSED CHANGE	RATIONALE	REVISED TEXT
13.10	Removal of the terms "First Vice Chairman" and Second Vice Chairman and replace with the term "Vice Chairman".	To be consistent with the new structure.	When the Chairman and Vice Chairman are absent, the persons who are present and entitled to vote shall choose another director as Chairman of the meeting...
PART 12 - FOR THE PROTECTION OF DIRECTORS AND OFFICERS			
12.1	To make this section subject to section 97 of the Act.	To ensure compliance with the Companies Act.	Subject to section 97 of the Act, No Director or Officer of the Company shall be liable to the company for: ...
PART 14 - FINANCIAL STATEMENTS AND REPORTS			
14.1	To make this section subject to Section 147 of the Companies Act.	To ensure compliance with the Companies Act.	Subject to Section 147 of the Act, the Board shall cause to be prepared and laid before the Company in general meeting: a) A statement of revenue and expenditure of the company during the preceding financial year and a balance sheet both duly audited by a qualified Auditor in accordance with Section 153 of the Act and b) A full report of the activities and Affairs of the company.
14.2	Inclusion of subsection (b) into the list of documents which are to be sent to members in advance of the meeting.	This rectifies a clear omission of subsection (b) from section 14.2.	A copy of every statement and report prepared in accordance with paragraph (a) and (b) of this Bylaw shall be made available to all members of the Company entitled to receive notices of general meetings of the company, not less than 14 days before the date of the meeting at which they are to be laid.