

ADEQUECY

BYLAWS OF LA COOPERATIVA DE AHORRO Y CRÉDITO JUVENTUD ECUATORIANA PROGRESISTA LTDA.

FIRST TITLE

OVERVIEW AND PRINCIPALS

Article 1- ADEQUACY OF BYLAWS:

La Cooperativa De Ahorro y Crédito “Juventud Ecuatoriana Progresista” LTDA. **Savings and Loan "Juventud Ecuatoriana Progresista" LTDA.**, is currently functioning in legal and due form, submits its bylaws, submitting activities and operations to the Ley Orgánica de la Economía Popular y Solidaria and the Sector Financiero Popular y Solidario, in compliance with the provision of Disposición Transitoria Primera of the Ley Orgánica de la Economía Popular y Solidaria and the Sector Financiero Popular y Solidario, and in accordance with the regulation dictated for the effect. For purposes presented in this Statute, Savings and Loan Cooperatives are organizations formed by Natural or Legal Persons that voluntarily join with the objective to perform financial intermediation activities and are socially responsible to their associates and, obtained permission from the Superintendencia, with clients or third parties with subjugation to the regulations and principles indicated in la Ley Orgánica de la Economía Popular y Solidaria y del Sector Financiero Popular y Solidario, its Reglamento General, las Resoluciones de la Superintendencia de Economía Popular y Solidaria, and regulating entities.

Article 2. - ADDRESS, RESPONSIBILITY, DURATION Article 2. - ADDRESS, RESPONSIBILITY, DURATION:

The primary address of la Cooperativa shall be in the Canton **Cuenca**, Provenca **Azuay** and, as such activities may demand, with previous authorization from la Superintendencia de Economía Popular Solidaria, that La cooperativa may open operative offices in any given part within national territory. a cooperativa shall be within limited responsibility of its social capital; the personal responsibility of its associate shall be limited to capital that is supported by the entity La cooperativa shall be unlimited in duration, however, may dissolve and/or liquidate for causes that are provided under procedures of la Ley de Economía Popular y Solidaria and of Sector Financiero Popular y Solidario.

Article 3. - SOCIAL PURPOSE:

La cooperativa shall have principles for the social purposes in the performance of financial intermediation activities, including complimentary activities and within social responsibility under the guidelines of LOEPS. La Superintendencia de Economía Popular y Solidaria distinguishes savings and loan cooperatives in openings or closings, understanding that the first demands as requirements only to its associates the capacity of savings and the address in one determined geographic location; among that the second accepted as only associates that pertain to one determined group for purposes of the common link such as a profession, work relationship, or union, for examples. With basis in the above, for its management, this savings and loan cooperative is **open**, which means that it adheres to the differentiated dispositions that la Superintendencia de Economía Popular y Solidaria issues for such.

Article 4. - ACTIVITIES:

La cooperativa may perform any lawful or contractual act, tending to the compliance of its social purpose, especially, and the following:

1. Receive deposits at sight and at terms, under any authorized device or modality;
2. Grant loans to its associates;
3. Provide treasury or teller services;
4. Provide collections, payments, and balance transfers, submit drafts against its offices or financial institutions national or foreign;
5. Receive and conserve asset objects, values, and documents deposited for custody and safety deposit lockers or boxes for deposits of value
6. Assume obligations for third parties through acceptances, endorsements or credit title guarantee as well as for by granting the guarantee, finances, and internal and external credit cards, any other document, in compliance with the norms and practices and national or international uses;
7. Receive loans from financial institutions and not financiers foreign or domestic;
8. Invest preferably, in this order, in el Sector Financiero Popular y Solidario, national financial system and in the secondary market of values and in a complimentary manner in the international financial system;
9. Provide investment in social capital of central reserves;
10. Act as a provider of credit and debit cards;
11. Grant occasional overdrafts;
12. Emit obligations with backing from your activities, commonwealth, mortgage credit portfolio, or pledges, owner or acquired, always that this be the ultimate resort, credit asset operations origins from other financial institutions;
13. Negotiate bills of exchange or receipts that represent payment obligations created by sales to credit and fund advancements with backing of the referred documents; and,
14. Other financial activities previously authorized by SEPS.

Additionally, may provide complimentary activities that have been authorized by la Superintendencia de Economía Popular y Solidaria.

Article 5. - VALUES AND PRINCIPLES:

La cooperativa, in the exercise of its activities, furthermore in its consistent principles in la Ley Orgánica de la Economía Popular y Solidaria and of la Sector Financiero Popular y Solidario and the practices of a well governed cooperative that shall in the Internal Regulation, comply with the following universal principals of corporatism:

1. Membership is open and voluntary;
2. Democratic control of its members;
3. Economic Participation of its members;
4. Autonomy and independence;
5. Education, formation, and information;
6. Cooperation between cooperatives;
7. Commitment to the community;

La cooperativa does not consider privileges to any on its associates, nor to any pretext to be a manager, founder, or benefactor, nor discriminate for gender, age, ethnicity, religion, or of other natural status.

SECOND TITLE

REGARDING ASSOCIATES

Article 6. - ASSOCIATES:

Associates of la cooperativa shall be natural legal persons capable and of legal persons that comply with the common link of capacity and will to save, furthermore comply with requirements and specific procedures to enter into that which are specified in the Reglamento Interno. The entering of an associate into la cooperativa brings with it the implications of voluntary acceptance with the norms of the present Statute, and its adherence to the dispositions contained herein. La cooperativa may open savings accounts and grant credit only to its associates.

Article 7. - OBLIGATIONS AND ASSOCIATES' RIGHTS:

Here forth explain the obligations and associate's rights, furthermore what is established in la Ley Orgánica de la Economía Popular y Solidaria, regulated by General y el Reglamento interno, present the following: Comply with legal dispositions, regulations , the present statute, the Internal Regulations and dispositions of the governing bodies, direction and administration; Comply in good faith and punctually the designated derivative obligations for directive positions and economic obligations contacted at la cooperativa;

Assist educational and competency courses of a corporatist previously viewed in the competency plan of the organization; Abstain from spreading rumors or false information that could put the integrity and image of la cooperative at risk including its leaders. Participate in educational, cultural, exercise and public service events that may be organized or sponsored by la Cooperativa;

Acquire products and utilize services that la cooperativa grants to its associates by means to fulfill one's social obligation; Participate in the representatives or general assembly elections of its associates, with rights to only one vote, independently from the number and value of subscribed and valued contributions: possession

Elect and be elected by the voices of its advisors, committees, and special commissions:

Receive the equality of conditions as the rest of the associates, services and benefits that are granted by la Cooperativa, with conformity to the regulations previously stated to the product;

Require reports regarding the management of Cooperativa, as always, by an inter medium to the presidency and without intention to compromise the confidentiality of institutional operations and/or personal information about its associates.

Not incur in competence terms stated in la Ley Orgánica de la Economía Popular y Solidaria y su Reglamento;

Not utilize the organization to evade or elude tributary obligations personal or third party or to participate in illicit activities.

Not oppose decisions made by the General Assembly of Representatives with advice from the Administrative Council that conform with the dispositions of LOEPS, its General Regulations, the present Social Bylaws , and furthermore pertinent norms, aiding that the product should complete its established process.;

Appeal before the General Assembly of Representatives when its right have been exclusively or politically suspended by the Administrative Counsel; and,
Contribute to the reinforcement of institutional commonwealth and the protection and security of assets and interests of la Cooperativa;
Provide accurate and timely information: and
Protect and promote the good name and image of la Cooperativa
Associates are obligated to seek mediation, as the principle mechanism for the solution of conflicts that shall be parties of the interior of la cooperativa, if it be with other associates or with its directive bodies; this procedure shall not prevent or conflict with the right of its associates or its members from seeking normal legal council before judicial courts.

Article 8. - LOSS OF A QUALITY ASSOCIATE:

Loss of a quality associate of a cooperative shall be for the following causes:

Voluntary Withdraw
Debarment
Death
Loss of Legal Personality

Article 9. - VOLUNTARY WITHDRAWS:

An associate of la cooperativa may solicit, at any time; to the Administrative Council one's voluntary withdraw. In the case of non acceptance or declaration on behalf of the Administrative Council, the application of one's voluntary withdraw shall suffer an elapsed time of thirty days of the effect from the time of its submission.

Article 10. - DEBARMENT:

Upon instruction from disciplinary proceedings, initiated by the Vigilance Council, that shall include incriminating stages, probation, and allegation, that are stated in the Reglamento Interno, and without prejudice to legal actions that correspond, exclusion shall be determined by the General Assembly, determined by a secret vote from no less than a two thirds majority of attendees, in the following cases:
Breach or violation of legal norms which are regulated by the organization and functioning of la cooperativa, putting solvency at risk, image or social integrity;
Repeated failure to the economic obligations acquired within la cooperativa;
Arbitrary arrangement of funds of the entity, determined by la Superintendencia de Economía Popular y Solidaria, and is not justified inside their known terms of it;
Filing falsified law suits or aggressive words or project against la Cooperativa leaders, by related meeting under your management;
Participate in fictions or intentional operations that may compromise the good name of la Cooperativa, or an organization that aide to exploit or deceive associates or the public;
Participate in identical activities as the social product that la cooperativa provides, characteristics that would result as conflicts of interest in la Ley Orgánica de la Economía Popular y Solidaria y su Reglamento General;
Disruptive activities, that would seek the division of la Cooperativa JEP, and whose objective would be to disaffiliated associates of la Cooperativa;
Initiate or imply the starting of false rumors that could damage la Cooperativa, and all anything that could cause prejudice of socioeconomic interest and the image of the institution; and,
Committing one or more of the grave errors established in the Institutional Code of Ethics.

In regards to the exclusion resolution, one or one of the affected may appeal before la Superintendencia de Economía Popular y Solidaria, within five days from the signing of the of the Mediation Impossibility Act. The proceedings described do not prevent associates from obtaining or exercising their rights before normal judicial courts.

Article 11. - LIQUIDATION OF ASSETS:

In the case of the loss of a quality associate, by whichever of the causes mentioned above in the present Bylaws, la Cooperativa shall liquidate deliver all assets that correspond, within the deductions mentioned in la ley Orgánica de la Economía Popular y Solidaria y del Sector Financiero Popular y Solidario y su Reglamento General, within consecutive 90 days from the said loss of a quality associate and within the limit of 5% of the social capital of la cooperativa.

The liquidation of assets includes the rate at which the associate has rights to in acquired properties with contributions from its associates.

These values, which for the concept of liquidation of assets of the ex-associate, that exceed the 5% of social capital, shall be budgeted in the accounts payable for the following year.

Article 12- DEATH:

In the case of the death of an associate, assets the correspond, by whichever concept, shall be delivered to its inheritors in compliance with the regulations stated in Civil Code and comply with the allocation preformed by the competent authority, unless the Internal Regulations provide a death mechanism of substitution by one of its heirs.

THIRD TITLE

ORGANIZATION AND GOVERNANCE

Article 13- INTERNAL STRUCTURE:

The governance, direction, administration, and Internal Control of la Cooperativa, shall be preformed through the following bodies:

- Board of Directors of Associates or Representatives
- Administration Council
- Vigilance Council;
- Management: and;
- Special Commission.

FIRST CHAPTER

REGARDING THE BOARD OF DIRECTORS

Article 14. - BOARD OF DIRECTORS:

The Board of Directors shall be the highest governing body at la cooperativa and its decisions shall be accepted by all associates and all bodies at la cooperativa, which shall never be contrary to judicial norms that govern the organization, function ability, and activities at la cooperativa.

To participate in the Board of Directors, associates should find the day that does not interfere with financial obligations of any nature; present themselves at la cooperativa or, within the required permitted limits of the Internal Regulation.

When la cooperativa exceeds 200 associates, The Board of Directors shall convene with the elected Representatives in a number no less than 30, nor more than 200, for personal voting, direct and secret for each one of its associates, conforming with the Election Regulation approved by the Board of Directors of Associates, that follow the requirements and prohibitions to be an elected representative and the proceedings for elections, in accordance with the regulations in la Ley Orgánica de la Economía Popular y Solidaria y su Reglamento General.

Considering that la cooperativa exceeds 200 associates, The Board of Directors with shall convene with 040 Representatives. Considering that la cooperativa does not exceed 200 associates, The Board of Directors shall convene without Representatives.

Article 15- ELECTION OF REPRESENTATIVES:

Representatives shall last 2 years in their positions, may be reelected immediately, only once. They shall appoint two chosen representatives for each elected representative.

If a representative from the Board of Directors is chosen as a voice of the Administrative or Vigilance, they shall lose their representative seat and take the respective alternative seat.

The voices of the Advising or Vigilance Councils shall be born members of the Board of Directors and have rights to rights and vote, shall not exercise the latter, in matters relating to management.

Article 16- DEPUTIES:

The quality and performance of the representation is delegated. If for due reason and justified opportunities, with no less, than 48 hours of anticipation in writing, a representative may not assist in a General Assembly, they shall perform their primary respective duties, until the end of the duty.

Article 17. - POWERS AND DUTIES OF THE GENERAL ASSEMBLY:

In addition to what has been established in la Ley Orgánica de la Economía Popular Solidaria, su Reglamento General and those contained in el Reglamento Interno, la Asamblea General, they shall have the following powers:

Approve and amend Social Bylaws, the Internal Regulation and Elections;

Choose the members of the Administration and Vigilance Council;

Remove members of the Administration and Vigilance Councils and Management, with just cause, at whenever moment and with a secret vote of more than half of its members;

Appoint the internal and external auditor of the issues that will be presented, with its consideration to the Vigilance Counsel;

Approve or amend the financial bylaws and the advice reports and the Management. Rejection of the management reports, that implies the automatic removal of the director or directors responsible, with a vote of more than half of the assembly members.

Know the annual strategic and operative plans with its respective budget, presented by the Administration Council;

Authorize the acquisition, alienation, or encumbrance of property of la cooperativa, or the contracting of property of services, whose amounts correspond according to the Internal Regulation;

Know and resolve the reports of the Internal and External Audit;

Resolve the appeals of the associates regarding their suspension of institutional internal political rights;

Define the number and minimum value of contributions that should be signed and paid to associates.

Approve the Regulation that regulates diets, Diems, mobilization, and representative expenses of the President and directors, which, all together, may not exceed, 10% of the budget for administration expenses of la cooperativa;

Resolve the fusion, transformation, scission, dissolution and liquidation;

Elect a natural or legal person that shall be responsible of the internal audit or do the annual external, in the turn of the selected auditors by the Vigilance Council that shall be qualified by la Superintendencia. In case of the permanent absence of the Internal Auditor, the General Assembly shall proceed to designate its replacement, within thirty days of the absence. The external auditors shall be contracted on annual terms;

Knowledge of the compensation and income tables that, for any reason, are perceived by the Management and executives of the organization;

Authorize the emission of obligations of free trade in the values market, approving the conditions for its redemption;

Knowledge of the Social Cooperative Balance;

Comply and enforce compliance with the disposition of the Code of Ethics for the institution; and additionally those established in LOEPS. Su Reglamento General, other pertinent normative.

Article 18. - MEETINGS:

Meeting for the general assemblies, shall be declared by the President, by their own initiative; statute mandate; petition of the Vigilance Council, Manager, or petition by a third party of associates or representatives. In case of the lack of opportunity for meetings, duly qualified, following the regulations in the Internal Regulation, the vice president may call a meeting or, in their absence, the president of the Vigilance Council. In the absence of meetings persist; the petitioners may solicit to the Superintendant that orders the meeting under sanction notice that may me at any place.

The meeting shall consist of at least; a place, date, hour, and daily order of the Assembly; and the attachments should be remitted with the notice, if it shall be the case.

Article 19- CLASSES AND PROCEEDURE OF THE ASSEMBLY:

The General Assemblies shall be organized, outstanding, and informative and notices, quorum, delegation of assistance, and norms of parliamentary proceedings, shall be governed by the provisions of the regulatory body.

SECOND CHAPTER

ADMINISTRATION COUNCIL

Article 20- INTEGRATION:

The Administration Council is a body guidance of la cooperativa and shall be composed of 5 Voices and their respective advisors, elected at the General Assembly by a secret vote, before completing the requirements that are constant and the Internal Regulations of la Cooperativa.

The Voices shall last in the positions 2 year(s) and may be reelected for the same position, for only one consecutive term; when the second term has ended they may not be elected to any advisory until after one period has transpired.

Article 21- QUALIFICATION:

The Administration Council shall be installed with the eight days after their election and shall name among its members a President, Vice President, and a Secretary, who shall also be part of the General Assembly.

Considering the segment in which la cooperativa is located, the voices of the Council shall initiate their functions on behalf of la Superintendencia de Economía Popular y Solidaria qualify their suitability, pending, shall continue in their functions as the prior Council. If not qualified or priorly disqualified by a directive, they shall appoint a respective substitute.

Article 22- POWERS:

Furth more of those established in la ley Orgánica de la Economía Popular y Solidaria, su Reglamento General, and Internal Regulations of la cooperativa, the powers and duties of the Administration Council, she be the following:

Comply and enforce compliance with the principles established in article 4 of the law and the values and principles of corporatism;

Plan and evaluate the functioning of la cooperativa;

Approve institutional politics and work methodologies;

Purpose to the assembly reforms in the Social Bylaws and Regulations that be of their competence;

Dictate the Regulations of Administration and internally organize, duties not assigned to the General Assembly;

Accept or reject applications of incomes or withdraws of associates;

Sanction associates in compliance with the causes and the established proceedings in the Internal Regulation. The penalty of suspension of rights does not include the right to work. The presentation of the ability to appeal, before the General Assembly, suspends the application of the penalty;

Designate the President, Vice President, and Secretary of the Administration Council; and commissions or special committees and removal upon observation of legal and regulatory normative;

Appoint the Manager, surrogate Manager, and set their economic retribution;
Set the amount and form of the accruals, determined for rendering to obligated officials;
Authorize the acquisition of properties and services in the amount set by the Internal Regulation;
Approve the strategic place, annual operative plan, and budget and submit them for the knowledge of the General Assembly;
Resolve the affiliation or disaffiliation of representative or economic integration organisms;
Know and resolve issues regarding monthly reports to the Manager;
Resolve the opening and closing of operative office of la cooperativa and inform the General Assembly;
Authorize the awarding of powers on behalf of the Manager;
Inform its resolutions to the Vigilance Council for purposes of the provisions in the number 9 article 38 of the Regulation to the law;
Approve educational, training, and social wellbeing programs at la cooperativa with respect to its budget;
Report the number and minimum value of approval contribution certificates that the associates are due and authorize the transfer, that only may be made among associates or to the benefit of la Cooperativa;
Set the amount of ordinary and extraordinary fees for administrative expenses or other activities, such as the amount of fines for unjustified absences to the General Assembly;
Approve credit applications of Administration and Vigilance Council voices, General Manager, and officials that make decisions or participate in credit and investment operations, their spouses or civil partners legally known as fact and their parents within the second degree of relationship and affinity, provided within the limits of the law;
Know and resolve in regards to reports of the Commissions and Committees that are in its assignment, in accordance with standards;
Approve the rates of active and passive interests and commissions with should govern the entity and that in no case shall exceed what is established by the competent organism;
Know and resolve regarding the compliance content and communications with la Superintendencia de Economía Popular y Solidaria;
Resolve matters not currently assigned to other bodies, and;
Additionally contained in LOEPS, su Reglamento General and pertaining regulations.

The Administration Council may delegate its approval duty according to associate's income.

THIRD CHAPTER

VIGILANCE COUNCIL

Article 23. - INTEGRATION:

The Vigilance Council is an organism of control of acts and contracts that authorized by the Administration Council and Manager to contract. They shall be composed of 3_ Voices with their respected alternatives, elected in the General Assembly, with a secret vote, among associates that are in accordance with the requisites above in article 26 of the present Bylaws and are academically accredited or experiences in areas related to auditing or accounting, in accordance with the segment where la cooperativa is located.

The Voices shall last in their positions for 2 years and may be reelected to the same position, for only one consecutive term and upon completion of the second term, may not be elected voices in any council, until after the completion of one period.

Article 24. - QUALIFICATION:

The Vigilance Council shall be installed within eight days following their election, to appoint, a President and a Secretary.

Considering the segment that is found located at la cooperativa, the voices of the Council starts its duties at the moment that la Superintendencia de Economía Popular y Solidaria qualifies their suitability, until then, they shall continue with their duties in their previous Council. If not qualified or has been previously disqualified by an official, the respective alternative shall assume the duties.

Article 25. - POWERS:

Additionally to what is established in la Ley Orgánica de la Economía Popular y Solidaria, su Reglamento General, and Internal Regulations, henceforth the Vigilance Council powers and duties shall consist of, the following:

Appoint at its wish the President and Council Secretary;

Control the economic activities at la cooperativa;

Oversee that accounting at la cooperativa is in compliance with the technical and legal standards and norms;

Keep concurrent and subsequent control over the procedures and execution, made by la cooperativa.

Assume the duties of the internal auditor, in cooperatives that do not exceed 200 associates or 500,000 dollars in assets;

Oversee that the compliance of auditory recommendations are duly accepted.

Present to the General Assembly a report containing your opinion about the financial status reasonability, social balance, and management of la cooperativa.

Propose to the General Assembly, the triplet for the designation of the internal and external auditor.

Observe when the resolutions and decisions of the Administration Council and the Manager, in their order, do not keep conformity with the orders given by the General Assembly, previously stated in the criteria of management;

Inform the Administration Council and the General Assembly, of risks that could affect la cooperativa;

Solicit to the President that the agency of the next General Assembly, the points it deems suitable, providing and when they are directly related with the performance of their duties.

Oversee calibration of boxes, periodically, or occasionally depending on the segment that corresponds with la cooperativa, and review accounting at la cooperativa, and lastly verify its accuracy and the existence of adequate sustenance for the accounting records.

Organize, and direct and resolve the selection process of official compliance, of the triplet prepared for the effect;

Prepare the record, duly sustained and motivated, when it requests the demotion of the directors or managers, and notify those who are implicated, before submitting it for consideration before the General Assembly;

Apprise the report regarding infractions of associates, applicable to the sanction with exclusion when it is required by the Administration Council; under the provisions of the Internal Regulation;

Receive and send associates complaints, duly sustained, regarding violations to their rights on part of the Directors or Administrators of la Cooperativa; and, submit pertinent comments in each case; Approve the annual Internal Auditory plan and monitor its compliance; and, Additionally contained in LOEPS, su Reglamento General and pertaining regulations. Without prejudice to the observations that may be formulated by the Vigilance Council, the Administration Council may enact its resolutions under its responsibility, notwithstanding which, this decision should be obligatory, set into knowledge at the following General Assembly.

FORTH CHAPTER

COMMON PROVISIONS FOR THE ADMINISTRATION AND VIGILANCE COUNCIL

Article 26. REQUIREMENTS:

For an associate or representative to be designated as a voice of the Council they should at least complete the following requirements:
Shall have been an associate for at least two years at la cooperativa;
Have accreditation for at least twenty hours of training in the area of their position, before their assignment;
Shall be up to date with their financial obligations with la cooperativa;
Shall have the necessary academic accreditation in the segment in which they are located at la cooperativa, as so required;
Not have been re elected in the immediate prior period;
Not have related kinship, up to the fourth grade of consanguinity and second in affinity, nor legal spousal relationship or civil union with the other voices, nor with the Manager;
The period of duration of the voices of the council, governed on behalf of registry of appointment at la Superintendencia, shall continue in their member's duty until whose period has expired;
Insofar as possible, the council shall, in their confirmation, respect gender equality.

Article 27. - SESSIONS:

The council shall have regular sessions for a least once a month and unordinary when its President request to convene. The summons shall be submitted with three days of anticipation, by initiative of the President and at least two of his members.
The summon shall state the place, date, and hour of the assembly, the issues to be addressed and the attachments shall be remitted with the summon if it be the case;
The resolutions shall be adopted with a conformed vote by at least half of its members except in cases that require three unanimity voices;
In the case of a draw, the meeting shall submit a new vote and shall persist, the voices votes shall have been rejected if they be in favor or against and not have abstentions;
From the Council Sessions acts shall be presented and signed by the President and the Secretary, or of those in acting positions.

Article 28. - RESPONSIBILITIES:

The Council Voices are responsible for the decisions made in their votes, including the transitory substitutes in function and shall respond for violations of the Law, su Reglamento General, the Bylaws or Internal Regulations. Who are only exempt for not having participated in the meetings which have adopted resolutions or there are consistent opposition to the corresponding act.

Article 29. - CAUSES FOR DEMOTION OF MEMBER IN THE ADMINISTRATION AND VIGILANCE COUNCILS:

The General Assembly may remove, at any time, in practice for right of defense, one or various voices of the Administration or Vigilance Councils, for one of the following reasons:

By recommendation or observations duly sustained, that is stated in the reports of auditory or regulatory bodies;

For duly proven irregularities;

For rejections of management reports, in this case the removal shall be adopted by a vote with more than half of the members of the General Assembly, in accordance with provision in article 31 of the present Bylaws;

Incur in any of the grave errors contained in this Bylaw, Internal Regulation, and Code of Ethics;

Have incurred any of the grounds that constitute the loss of a quality associate; and,

After elected not completed any of the requirements established in the Election Regulations, to be qualified to be a representative.

Article 30. - DEMOTION FOR NEGLIGENCE:

Negligence is presumed by member that without justification do not attend three consecutive sessions or six in total in the duration of one year, automatically losing their status of quality, their replacement shall proceed obligatorily. If in total absence of successor the General Assembly shall immediately convene, to elect new voices that shall fill the vacancies in accordance with the Bylaws and Internal Regulations.

Article 31. - PROCEEDINGS FOR THE DEMOTION OF MEMBER OF THE ADMINISTRATION AND VIGILANCE COUNCIL AND MANAGER:

To resolve the demotion of members of the Administration and Vigilance Council or the Manager, for rejection of their reports, proceedings shall commence in accordance with the Internal Regulation of la cooperativa.

FIFTH CHAPTER

REGARDING SPECIAL COMMISSIONS

Article 32. - INTEGRATION:

The Special Commissions shall be permanent or occasional. They shall be designated by the Administration Council with three voices that shall last one year in the duties, may be reelected only once and removed at any time.

SIXTH CHAPTER

REGARDING THE PRESIDENT

Article 33. - POWERS:

The President of the Administration Council, who shall also be over la Cooperativa and the General Assembly, shall last 1 year in their duties, may be reelected only once, while maintaining the vocal quality in said Council and, additionally in the constant attributions within the judicial norms that govern the organization and functioning of la cooperativa, shall be the following:

Convene, Proceed, and orientate the discussions at the General Assemblies and in the Administration Council meetings;

Settle voting draws with their vote in the General Assembly;

Preside over all official acts at la Cooperativa;

Sign the checks jointly with the Manager, provided that the Internal Regulation deems such.

Present the annual labor report to the General Assembly, as representative of the Administration Council;

Coordinate the administrative activities with the General Manager;

Convene to elections of representative to the General Assembly; and,

Others established in LOEPS, su Reglamento General and pertinent normative.

The vice president shall assume the duties that are assigned to the President and the delegations set by the Administration Council. In the case of resigning, absence, incapacity of the President or by order of the President, shall assume all duties and attributes of the President.

SEVENTH CHAPTER

REGARDING THE SECRETARIES

Article 34. - DUTIES AND RESPONSIBILITIES:

The Secretaries of the Councils and Commissions shall be elected obligatorily among the voices of said organisms, with exception to the secretary of the Administration Council, who shall or shall not be an associate, may also act as Secretary of la cooperativa, forming part of the payroll of their employees; Additionally to their own duties and responsibilities of the nature of their position, Secretaries shall have the following:

Keeping the minutes on the sessions and retain the books corresponding;

Certify and attest to the veracity of the acts, resolutions, and institutional documents, previously authorized by the President of the Council or Commission that corresponds;

Have the daily correspondence;
Keep a record of resolutions, of the General Assembly and of the Administration and Vigilance Councils or Commissions accordingly;
Keep and maintain an orderly record;
Notification of the resolutions;
Additionally to the powers and duties mentioned, the Secretary of the Administration Council and the General Assembly shall have the following:
Record the attendance at the session of the General Assembly and the Administration Council;
Keep an updated register of associate membership, with their personal information;
Perform other duties that should be assigned by the General Assembly or the Administration Council, providing that is doesn't violate dispositions of the Law, su Reglamento, the present Bylaws, or Internal Regulations.

CHAPTER EIGHT

REGARDING THE MANAGER

Article 35. - REQUIREMENTS:

To be designated as the Manager of la Cooperativa, the candidate shall have accredited experience in administrative management preferably in accordance with the social objective of la cooperativa and competency in social and solidarity economics of corporatism, additionally conditions stated in the Internal Regulation.

The Manger shall render caution before the registering of their appointment. When it so warrants the segment which is located at la cooperativa, shall complete the previous requirements in el Reglamento General de la Ley Orgánica de la Economía Popular y Solidaria y del Sector Financiero Popular y Solidario and the regulations that are dictated in these bylaws.

The Manager, that is or is not an associate of la cooperativa, shall be the legal representative, its leader and general administrator. Shall be liable under el Código Civil, without subjugation to term, shall be affiliated to Social Security, without such that implies employment.

Article 36. - POWERS AND RESPONSIBILITIES:

Additionally to the provision in la Ley Orgánica de la Economía Popular y Solidaria, su Reglamento General and what is stated in the Internal Regulation, these shall be the powers and responsibilities of The Manager:

Exercise the legal, judicial, and extrajudicial representation at la cooperativa in conformity to the Law, su Reglamento, and the present Social Bylaws;

Purpose to the Administration Council the politics, Regulations, and proceedings necessary to of well functioning at la cooperativa;

Present to the Administration Council the strategic and operative plan and its budget performance; the last two possible from the thirtieth of November of the current year to the following fiscal year;

Respond to the administrative, operative, and fiscal progress at la cooperativa and inform monthly to the Administration Council;

Contact, accept complaints and give terminated contracts of employees, whose designation or demotion shall not correspond to other bodies at la cooperativa and comply with the politics that term the Administration Council;

Design and administer the wages policy at la cooperativa, in regards to the financial availability;

Maintain an up to date register of contribution certificates;

Inform regarding their management to the General Assembly and the Administration Council;
Sign the checks at la cooperativa, individual or jointly with the President, as determined by the internal regulation;
Comply and enforce the decisions of the directive bodies;
Contract obligation in the name of la cooperativa, up to the amount that the Regulation or General Assembly authorizes;
Submit personal information required for the associates, to the internal bodies of la cooperativa or for la Superintendent;
Define and maintain a system of internal control that ensures the efficient and economic management of la cooperativa;
Inform associates about the functioning of la cooperativa;
Assist, obligatorily, Administration Council sessions, with an informative voice, unless said council exceptionally orders the contrary; and, to the Vigilance Council, when deemed necessary.
Execute the politics regarding the prices of properties and services that are offered by la cooperativa, according to the guidelines set by the Administration Council.
Preside over committees and commissions that shall be determined as the pertinent normative;
Present the financial status reports to the Administration Council for its approval within the first 30 days of every year;
Delegate or revoke delegations conferred to other officials at la Cooperativa, which then shall inform the Administration Council, without implying exception of legal responsibility, and,
Others established in LOEPS, su Reglamento General and pertinent normative.

Article 37. - PROHIBITION:

The General Manager may not be designated as such who has a quality of marriage, partner, or legal civil union relationship up to the fourth grade of consanguinity or second degree, with someone in the voice of the Councils.

FORTH TITLE

ECONOMIC SYSTEM

Article 38. - COMMONWEALTH AND SOCIAL CAPITAL:

The commonwealth of la cooperativa shall be integrated with the social capital, The Indivisible Legal Reserve Fund and the optional reserves that, are proposed to the Administration Council, shall be approved by the General Assembly;
The Social Capital of the cooperatives shall be variable and unlimited, shall be established by paid contributions of its associates, in tenure, property, or duly valued work by the Administration Council;
The associate's contributions shall be represented by contribution certificates, nominative, and transferable among associates or in favor of la cooperativa.
Each associate may have contributions up to an equivalent of five percent (5%) of the social capital in the cooperatives of savings and loan and up to ten percent (10%) in other groups;

The certificates of contributions given to the associates, shall be of a value of ten dollars of United States of America currency (\$ 10.00) per one; in its design it shall include the name of la cooperativa; the number and date of registration; the authorization of operation granted by la Superintendencia de Economía Popular y Solidaria; the value of contributions represented on the certificates; the name of the associate holder of the contributions and the signature of the President and the Manager.

Article 39. - INDIVISIBLE FUNDS OF THE RESERVE:

The Indivisible Legal Reserve Fund, shall be constituted and shall increase with no less that the 50% of the profits, no less than 50% of the surplus, and, the donations and bequests, once completed with legal obligations; and may not be distributed among associates, nor increase its certificates of contribution, under the judicial frame. In the case of liquidation of la cooperativa, the General Assembly shall determine the public and private organization, without profit, that shall be the beneficiary of the fund and that shall have as the social objective a related activity in the sector of la economía popular y solidaria.

Article 40. - COUNTABILITY AND BALANCES:

La Cooperativa shall comply with the accountability norms established in the Unified Catalog of Accounts emitted by la Superintendencia de Economía Popular y Solidaria;
The annual social finance and balance bylaws shall be approved by the General Assembly and remitted to the Superintendence up to the 31 of March each year;
In the accounting registers of la cooperativa shall differ, in a clear manner, the financial results from its own activities of the social object and that shall be a product of complimentary activities, such as profits and surpluses.

Article 41. - RECORD KEEPING:

La cooperativa shall maintain, for a period of at least six years counted upon the day of the closing of the operation, the record of the countable documents that currently are sustained in the economic events are reflected in the financial status;
The documentation regarding the employee work history at la cooperativa shall be maintained in the records during the entire time of employment and three years after termination, to not have legal action against the organization.

FIFTH TITLE

REGARDING FUSION, SPLIT, DISOLUTION, AND LIQUIDATION

Article 42. - FUSION AND SPLIT:

La cooperativa may fuse itself with another or others of the same class or split itself in two or more cooperatives of the same or distinct class, at any moment, by decision of two thirds of behalf of the associates or if representatives of the General Assembly convene especially for the reason or by resolution in la Superintendencia de Economía Popular y Solidaria, in compliance with the casuals established in the Law and su Reglamento.

SIXTH TITLE

GENERAL DISPOSITIONS

FIRST:

The infractions, the proceedings for application of sanctions and resolution of conflict, laid out in the Internal Regulation of la Cooperativa, in that it shall guarantee the due process that shall include the right to know the accused infractions; for the defense; to present evidence of discharge and appeal before the correspondent internal body, providing that the mediation is exhausted before a Center duly qualified by the Superintendence.

The exclusion shall be susceptible for appeal before the Superintendence, attached with a certified copy of the Impossibility Act of Mediation, granted after the corresponding process, the described proceedings shall not prevent an associate from exercising their right to present before ordinary judicial means.

SECOND:

It is explicitly understood before the present Bylaws and as part of the same, the dispositions in la Ley Orgánica de la Economía Popular y Solidaria y del Sector Financiero Popular y Solidario, su Reglamento General, and dictated by and regulated among la Superintendencia de Economía Popular y Solidaria.

THIRD:

The associate directors, administrators, and employees of the cooperative, offer, obligatorily the facilities necessary to have inspections, supervision, special exams, audits, and present the information that is required by la Superintendencia de Economía Popular y Solidaria, the bodies in charge of the prevention of laundered assets and financial crimes, and other bodies of control, otherwise, the sanctions that may be imposed at la cooperativa shall be of your responsibility.

FOURTH:

The secretary of la cooperativa shall be responsible, civilly and punitively, by the terms provided in article 178 of la Ley Orgánica de la Economía Popular y Solidaria, for the certificates and declarations granted, by the execution of their positions.

TRANSITIONAL PROVISIONS

FIRST:

Within 120 consecutive days of approval of the present Bylaws on behalf of la Superintendencia de Economía Popular y Solidaria, la cooperativa shall proceed to renew the Administration and Vigilance Councils, observing the preparation within the Law of the material in the presented Bylaws..

SECOND:

For the purpose of the process of adaptation to the General Bylaws, set by the Law, on this single occasion, the renovations of the Administration and Vigilance Councils shall take effect with the necessity of the actual members that wish to propose their candidacy and under existing domestic regulations.

THIRD:

La cooperativa shall approve its new Internal Regulations and Elections shall be a term of no more than one year that shall lapse upon the date of approval of the present Bylaws on behalf of la Superintendencia de Economía Popular y Solidaria.

CERTIFICATION:

In my capacity as Secretary of la Cooperativa
De Ahorro y Crédito "Juventud Ecuatoriana Progresista" Ltda.,

CERTIFY:

That the present Bylaws, comply with la Ley Orgánica de la Economía Popular y Solidaria, were approved in the General Assembly, inscribed on the 16 of December of 2012. As provided in the Libro de Actas, that shall be referred to me if case be necessary. I certify, in
Cuenca, Province of Azuay
The 17th day of the month of December in the year of 2012
Ing. Com. Alexandra Madgalena Abril Gómez
SECRETARY