

BYE-LAW

OF THE

SEEDERSHUB

MULTI-PURPOSE CO-OPERATIVE

SOCIETY LIMITED

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MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED

1.0 INTERPRETATIONS

All words and expressions used in this bye-law have the meaning respectively assigned to them under section 2 of the Cooperative Societies Law, chapter CI5 of the laws of Lagos State of Nigeria, 2003. In particular, the following words or expression shall have the meaning respectively assigned to them below:

- 1.1 “Financial Year” means the period of twelve months beginning on 1st
- 1.2 “The Law” means the Cooperative Societies Law Chapter CI5 of the Laws of Lagos State of Nigeria (2003).
- 1.3 “Bye-Law” means the registered bye-law made by a society in exercise of any power conferred by this law and it includes a registered amendment of the bye-law.
- 1.4 “Officer” includes a President, Secretary, Treasurer, Vice President, Financial Secretary, Assistant Secretary, members of Committee or other persons empowered under the regulations or bye-law to give directions with regards to the business of this society.
- 1.5 “Persons” include any company or association or body of person corporate or incorporate.
- 1.6 “Regulations” means regulations made under this law as amended from time to time.
- 1.7 “The Director” means the Director of Cooperative Services, Lagos State.

- 1.8 “Management Committee” means the governing body of this society to whom the general management of its affairs is entrusted.
- 1.9 “ Committee” is the body in whom the ultimate authority under the law in all the affairs of this society is vested.
- 1.10 “Member” includes a person or registered society admitted to membership of the Society in accordance with the bye-law and regulations.
- 1.11 “Dividends” means a portion of the profit realized by the society from its trading with specific capital raised through the sale of the shares of the society.
- 1.12 “Functional Committee” means a nominated body of persons within the society to whom specific duties are delegated by the society.
- 1.13 “The Society” means the State Civil/Public Servants and admitted members of the public.

If there shall arise any doubt regarding the meaning or intention of this bye-law, the matter shall be referred to the it ruling.

2.0 NAME, ADDRESS AND AREA OF OPERATION

- 2.1 The name of the Society shall be SEEDERSHUB MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED.
- 2.2 Its address shall be: 1A Gbemisola Street, off Allen Avenue, Ikeja, Lagos(Corporate Headquarters).
- 2.3 The area of operation of the Society shall be within Nigeria.

3.0 OBJECTIVES OF THE SOCIETY

The objectives of the society are to promote the economic interests of its members and especially:

- 3.1 To provide credit facilities to its members for provident and productive purposes.
- 3.2 To encourage regular savings amongst members so that each member may cultivate the habit of making savings at least once monthly, with a view to building up funds for their individual future use.
- 3.3 To stock consumer and producer goods for distribution to members and non-members; (with priority to members) at fair and reasonable price.
- 3.4 To operate warehouses and cold room facilities for the storage of these consumer and producer goods and let out these facilities to interested parties.
- 3.5 To acquire acres of land for sale or Estate development to meet the housing needs of members or for industrial purposes as a form of investment for the economic benefit of members.
- 3.6 To undertake or invest in Real Estate and Housing developments for the acquisition of its members and other interested parties.
- 3.7 To undertake and invest in new ventures beneficial to its members and the Society as approved by the Management Committee. These include Projects Financing; Consultancy and Extension Services, etc.
- 3.8 To undertake service businesses that will cater for the primary needs of members and other patrons; like Oil and Gas Services, Ware-Housing, Farming, Agricultural activities, and etc, managed in the overall interest of members and the Society.
- 3.9 To undertake such financial management schemes like Special withdrawable Deposit and Community Banking Schemes at cooperative and competitive rates for members, and other interested parties.

- 3.10 To encourage fixed deposits from members out of which a fund may be established for giving short-term investment to members, to acquire stock of shares and other rewarding ventures.
- 3.11 To raise capital through bonds, share holdings by members in the society to undertake such other activities as are necessary for the attainment of these objectives.
- 3.12 To engage in any other economic or social activity as may be approved by the Management Committee subject to the final approval by the Committee.
- 3.13 To manage financial portfolios carefully by investing in compliant stocks. In this way, the society shall become part owners of multinationals, banks etc.
- 3.14 To go into partnership with any compliant financial institution, the Co-operative circle and other investors for purposes of investments or real estate developments.
- 3.15 To secure wholesale mortgage, either for on-lending to members or for housing development and let or sell such dwellings on mortgage basis.
- 3.16 To do anything within the law and enter into any transaction which in the Management Committee's opinion is necessary to ensure the proper performance of its functions or the attainment of the above listed objectives.
- 3.17 To take measures that would promote among the members, the spirit of thrift, mutual-help and self-help based on cooperative principles.

4.0 MEMBERSHIP AND LIABILITY

4.1 MEMBERSHIP: The membership of the Society shall be open to anyone who understand what it means to sow a seed and water it to grow more fruit (Interest).

4.2 QUALIFICATION FOR MEMBERSHIP:

Every member of the Society must be:

4.2.1 Of good character.

4.2.2 Of not less than 18 years of age except in the case of an heir of a deceased member, and where the Management Committee grants exemption from this qualification.

4.3 ADMISSION:

4.3.1 Application for membership shall be made via the online registration form on the platform only.

4.3.5 Declaration of Obligation: Every member, on joining the Society, shall render to the management, a true and complete statement of his indebtedness to any Co-operative society.

4.4 LIABILITY OF MEMBERS AND PAST MEMBERS:

4.4.1 The liability of members for debts incurred by the Society shall be determined by the appointed Liquidator by the Director vide section 56 of the law.

4.4.2 A past member shall be liable for the debts of the society, as they existed on the date when he ceased to be a member for a period of two years from the date on which he ceased to be a member, and

4.4.3 The estates of a deceased member shall be liable for the debts due by the society as they existed as at the date of his demise for a period of two years after his death.

4.5 NOMINEES:

Every member shall in writing nominate a person or persons to whom his shares or savings shall be transferred to in the event of such member's death or becoming permanently unstable. The member may, at any point in time, change his nominee. The name and address of the nominee shall be entered in the Register of members and the member shall sign all alterations. If not admitted to membership the nominee shall, in case of death or permanent instability of the member, be paid the value of the share or savings, less any sum due (including 5% service charge) to the Society.

4.6 TERMINATION/WITHDRAWAL OF MEMBERSHIP:

Membership shall be terminated by:

4.6.1 Death;

4.6.2 Permanent instability;

4.6.3 Expulsion under Bye-Law 4.7.

4.6.4 Withdrawal shall be by one Month's Notice conveyed in writing to the Management Committee provided that the withdrawing member is neither indebted to the Society nor surety for an unpaid debt; and

4.6.5 Shall forfeit a sum equal to 5% of his savings balance as service charge to the Co-Operative Society.

4.6 (ii) RE-ADMISSION INTO MEMBERSHIP

Any past member may re-apply for membership after a reasonable interval of not less than 12 calendar months from date of withdrawal from the society except if granted a waiver by the Management Committee.

4.7 EXPULSION:

A member may be expelled for:

4.7.1 Repeated failure to make consistent savings;

4.7.2 Repeated failure to make up for debts due from him/her to the Society over a reasonable period of time as determined by the management committee;

4.7.3 Conviction on a criminal offence involving dishonesty like fraud, financial impropriety etc; and

4.7.4 Misconduct or other acts contrary to the stated objects of the Society or to the interests of the Co-operative Society.

When membership terminates owing to death, permanent instability or expulsion, the society shall pay as in the former, to the nominee/beneficiary, or where none has been nominated, to the legal representative and/or in the latter, to the expelled member, the sum of his credit less any sum due to the society.

4.8 DUES TO MEMBERS

Any money due on any account from this Society to a member or a past member, shall first be offset from the members credit or liability he has surety.

4.9 MEMBERSHIP REGISTER

Every member, on admission and on payment of the appropriate entrance fees may have to log in to their account daily as an evidence of membership. By this he acquires the right of full participation in the affairs of the society and assumes all obligations relating thereto.

5.0 CONSTITUTION AND DUTIES OF GENERAL MEETING

5.1 POWERS OF THE GENERAL MEETING:

The ultimate authority under the law in all the affairs of this Society shall be vested in the Committee who shall from time to time meet to review and direct the work of the Society.

5.2 QUORUM:

The presence of at least one quarter of the members shall be necessary for the disposal of any business at the general meeting. If no quorum is formed at a meeting an adjournment may be made for a period not less than 7 days or more than 15 days. Thereafter, the number of members present at any such adjournment shall form a quorum.

5.3 THE ANNUAL GENERAL MEETING

The Annual General Meeting shall be held within the first and second quarters of the succeeding year after the Annual Statements of Accounts have been prepared and approved by the Director.

5.3.1 DUTIES OF THE ANNUAL GENERAL MEETING:

These shall include:

- 5.3.1.1 Receiving a report on the preceding year's operations of the Society with the Statement of Accounts from the Management Committee;

5.3.1.2 Dealing with any communication received from the Committee;

5.3.1.3 Other matters as presented by the Management Committee.

5.4 MEETINGS:

- (a) The notice required for all types of General Meetings from the commencement of this Bye-law shall be twenty-one days from the date on which the Notice was sent out;
- (b) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of votes cast by such members of the Society as being entitled to do so, at a General Meeting of which 7 days' Notice, specifying the intention of passing the resolution as an Ordinary Resolution has been duly given subject however to a ratification by the Committee;
- (c) All resolutions for the purpose of amending the provisions of this Bye-law shall be made subject to ratification by the

5.5 EXTRA-ORDINARY GENERAL MEETING:

- (a) An extraordinary General Meeting may be called at any time by the Committee, a majority of the Management Committee or on a request from the Director or from not less than one-fourth of the members of the Society;
- (b) Only the advertised object of such proposed meeting shall be transacted or discussed at such meeting.
- (c) Where the Director convenes such meeting he may direct what matters shall be discussed at the meeting and may not need to give 21 days' notice as in bye-law 5.4 (a) above.

5.6 **VOTING:**

Voting on issues at general meetings or on the platform shall be by

5.6.1 online voting system as the case may be, unless a

secret ballot on any special or sensitive matter is demanded by, at least, 2/3 of members present. All questions shall be decided by a majority of votes of the members present. And in voting, each member shall have one vote only. At all meetings, the Chairman shall have a casting vote, if votes are equal or he may call for a second voting.

5.6.2 Constitution of Management Committee: Management Committee shall be constituted by the Committee.

6.0 **THE COMMITTEE**

COMPOSITION AND POWERS OF THE COMMITTEE

6.1 The pioneer members of Management Committee shall upon retirement be constituted into the Committee.

6.1.1 The Pioneer Members of the Management Committee shall retire after serving a 2-term of 4years each excluding the first 4years of pioneering period (gestation).

6.1.2 Any deserving, retired member of the second and subsequent set of Management Committee may be co-opted into the Committee.

6.1.3 The Committee shall have the power to appoint new Management Committee members, fill any casual vacancy arising out of death, resignation, retirement or removal of a member of the Committee.

6.1.4 The Committee shall have the power to increase or reduce the number of Management Committee members generally and may

determine in what rotation the Management Committee members shall retire provided that such reduction shall not bring the number below three.

- 6.1.5 The Committee shall screen, ratify and approve the nominations of members of standing/ad hoc committee members nominated by the Management Committee.
- 6.1.6 To receive, examine and approve from the Management Committee a profit and loss account, audited balance sheets and the budget annually.
- 6.1.7 To consider the audit and inspections reports of the Auditor and the Director of Co-operative Society.
- 6.1.8 To receive, examine and approve from the Management Committee the Society's Monthly Performance Report.
- 6.1.9 The Committee members shall meet at least once every month to make or cause to be made an examination of the affairs of the society, which shall include an audit of its books and an Inspection of the securities, cash account, loans and stock of goods.
- 6.1.10 To ascertain that all actions of the Management Committee are in conformity with the Law and this bye-law.
- 6.1.11 To make a written annual report to the General Meeting of its findings on the examination of the books of the Society.
- 6.1.12 Make an Annual Audit and a written financial statements and submit same to the Annual General Meeting.
- 6.1.13 To verify the passbook of the members with the accounts of the Treasurer annually.

6.2 HONORARIUM AND OTHER PAYMENTS OF THE COMMITTEE:

6.2.1 The honorarium of the Committee shall not be less than 5% of the gross surplus of the society for any particular month as running/sitting allowance. The amount will be shared by all the Committee members in proportions to be agreed within them.

6.2.2 The Committee members may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings in connection with the business of the Society within and outside the shores of Nigeria.

6.2.3 The Committee shall have the power to authorize reasonable honorarium for any member of the Society who carried out any special assignment on behalf of the Society.

6.3 THE MANAGEMENT COMMITTEE:

6.3.1 COMPOSITION AND POWERS OF THE MANAGEMENT COMMITTEE:

6.3.2 Subject to the law and this Bye-law, the day-to-day administration of this society shall be vested in the Management Committee. It also shall have power to create sub-committees/functional committees to which it may delegate part of its functions provided that a member of the Management Committee shall head such committees.

6.3.3 The Management Committee shall consist of at least five members including the President, Vice President, Secretary, Assistant Secretary and Treasurer.

6.3.4 It shall consist of active members who are over 18 years and shall be selected by the Committee.

6.3.5 For any member to become eligible for selection to the Management Committee such member must be a practicing civil behaviour;

6.3.6. Such a member must have been a financial member of the Co-operative for some times;

6.3.8 Such a member must have no record of any proven criminal act; and

6.3.9 Such a member must have served meritoriously in at least one of the Committees set up by the Management Committee.

6.3.10 The Management Committee shall have power to lay down administrative rules and procedure for the smooth running of the society provided such rules and procedures do not violate or contravene the spirit and letters of the Laws and this Bye-law.

6.3.11 The tenure of office for 2nd set and subsequent Management Committee members shall be a period of four (4) years, but shall be eligible for re-appointment by the Committee, provided that the Management Committee members shall not serve for more than two consecutive terms in a particular office.

6.4 PROCEEDING OF THE MANAGEMENT COMMITTEE:

6.4.1 The Management Committee members may meet for the dispatch of business and generally regulate their meetings as they deem fit.

6.4.2 Any question arising at any meeting shall be decided by a majority of votes, and in the event of an equality of votes, the President shall have a second or casting vote.

6.4.3 A member of the Management Committee may, at any time summon a meeting of the Committee so long as such request is supported by a simple majority of members of the Committee.

6.4.4 A resolution in writing, signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Management Committee duly convened and held.

6.4.5 Each member of the Committee shall be entitled to a vote each at the Management Committee Meetings.

6.4.6 The quorum necessary for the transaction of the business of the Management Committee shall be three (3). The Committee members present at a particular meeting if there is a quorum may elect a Chairman for the meeting in the absence of the President of the Society.

6.4.7 Where the Management Committee is unable to act because a quorum cannot be formed, the Committee may act in place of the Management Committee.

6.5 HONORARIUM AND OTHER PAYMENTS:

6.5.1 The honorarium of the Management Committee members shall not be less than 7.5% of the gross surplus of the society for any particular month as running/sitting allowance. The amount will be shared by all the Management Committee members in proportions to be agreed within them.

6.5.2 The Management Committee members shall also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Management Committee or any Functional Committee or the general meeting of the society or in connection with the business of the Society.

6.5.5 The Management Committee shall have the power to authorize reasonable honorarium for any member of the Society who carried out any special assignment on behalf of the Society. These honoraria would however be subject to ratification and/or amendment by the Committee.

6.6 DUTIES OF MANAGEMENT COMMITTEE MEMBERS:

6.6.1 Without prejudice to the general powers conferred on the Committee by this bye-law, it is hereby expressly declared that the committee shall exercise the following powers and duties for and in the name of the society.

6.6.2 To stand in a fiduciary relationship towards the Society and shall observe the utmost good faith towards the Society in any transaction with it or on its behalf.

6.6.3 To at all times act in the best interest of the Society so as to preserve its assets, further its business, and promote the purposes for which it was formed and in such a manner as a reasonable and ordinarily skilful committee member would act in the circumstances.

6.6.4 To ensure that products offered by the society are of good quality and high standards of workmanship.

6.6.5 To admit new members and to keep a register of members correctly and up to date.

- 6.6.6 To prepare and lay before the Committee a profit and loss account, audited balance sheets and the budget.
- 6.6.7 To also consider the audit and inspections reports of the Auditor and the Director of Co-operative Society.
- 6.6.8 To lay before the Committee for its approval on a monthly basis, the Society's Monthly Performance Report.
- 6.6.9 To purchase, sell, build upon, lease, mortgage or exchange any property or land, to enter into any contract and settle the terms thereof subject to the approval of the Committee.
- 6.6.10 To ensure safe custody of the society's property.
- 6.6.11 To pay all such expenses, including travelling expenses, as are properly incurred by any committee member or person co-opted to the committee or sub-committee in the execution of his/her duties.
- 6.6.12 To issue new and transfer old share subject to the approval of the Committee.
- 6.6.13 A Management Committee member shall exercise his powers as specified in this bye-law and such exercise shall not constitute a breach of duty, if it affect a member or paid employees of the Society adversely.
- 6.6.14 A Management Committee member shall not delegate the powers vested upon him under any provision of this bye-law in such a way and manner as to constitute an abdication of duty.
- 6.6.15 No provision, whether contained in this bye-law or in any contract, shall relieve any Management Committee member from the duty to act in

accordance with this Section or relieve him from any liability incurred as a result of any breach of the duties conferred upon him under this section.

6.6.16 Members of the Management Committee shall, conduct the affairs of the Society in line with Law and this Bye-law.

6.6.17 To ensure the maintenance of true and accurate accounts of all monies received and expended and all the assets and liabilities of the Society.

6.6.18 The Committee shall lay before the Annual General Meeting an Income and Expenditure Account and the Audited Balance Sheet for acceptance or, otherwise.

6.6.19 The Committee shall examine the accounts, sanction the contingent expenditure and ensure the maintenance of the prescribed registers.

6.6.20 The Committee shall consider the Inspection Report of the Government Co-operative staff and take corrective actions.

6.6.21. The committee shall summon General Meetings

6.6.23. The Committee shall assist in the inspection of the books by any person authorized to do so.

6.7 ENGAGEMENT OF PAID OFFICERS:-

6.7.1 The Committee may engage the services of paid Officers to assist it carry out its duties subject to approval by the Committee.

6.7.2 The /Management Committees shall jointly agree on issues of legal proceedings by or against the Society or Committee or its officers or employees in all matters concerning the affairs of the Society.

6.8 CONFLICTS OF DUTIES AND INTEREST:

6.8.1 A Management Committee member shall not allow his personal interests conflict with official duties as a Committee Member under this bye-law.

6.8.2 A Management Committee Member shall not, either in the course of the management of the affairs of the Society or in the utilization of the Society's resources/property, make any secret profit or other unexplained benefits.

6.8.3 A Management Committee member shall be accountable to the Society for any secret profit made by or any unexplainable benefit derived contrary to the provisions of Subsection 6.8.2. above.

6.8.4 Any Management Committee member or an Officer having resigned from the Society shall be accountable and can be lawfully restrained from misusing corporate information about the society, which he was privy to by virtue of his prior position.

6.8.5 Where, prior to the transaction a Management Committee member discloses his interests to the Committee before the transaction and before the profits are made, he may escape liability; but he shall not escape liability if he discloses only after the profits are made. In this case, he shall account for the profits.

6.9 LEGAL POSITION OF MANAGEMENT COMMITTEE MEMBERS:

Management Committee members are jointly and severally responsible for the Society's moneys and properties in their care and as such must account for the moneys over which they exercise control and shall refund any money(s) improperly paid away, and shall exercise their powers honestly in the interest of the Society as a whole and not in their own or sectional interests.

6.10 REMOVAL OF MANAGEMENT COMMITTEE MEMBERS

6.10.1 The Committee may by a unanimous decision taken at its Meeting remove Management Committee member(s) before the expiration of his/their tenure of office and report same at the Emergency General Meeting of the Society summoned for that purpose.

6.10.2. Where notice is given of an intended Emergency Meeting of the Committee to remove a member of the Management Committee under this section and such member makes written representations to the Society a copy of the representations shall be made available to every member of the Committee.

6.10.3 Where such representations are unable to be sent out as required in this Section as a result of its being received too late or due to the Society's default, the aggrieved Management Committee Member may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting;

6.10.4 The foregoing provisions need not be complied with if it is found and proved that the rights conferred by the section are being or about to be abused.

6.10.5 Upon proof of such abuse, notice shall be made to the Director for endorsement of such non-compliance with the above provisions by the Society.

6.10.6 A vacancy created by the removal of a member of the Management Committee under this section shall be filled at the meeting at which he is removed or subsequently as a casual vacancy.

6.11 CESSATION OF MEMBER OF THE MANAGEMENT COMMITTEE:

A member of the Management Committee shall automatically cease to hold office if he:

6.11.1 Ceases to be a member of the society;

6.11.2 Becomes of unsound mind;

6.11.3 Becomes a paid staff of the society;

6.11.4 Is convicted of major criminal offence, or

6.11.5 Acts in a manner prejudicial to the interest of the society and is removed by a majority vote of members of the Committee present and voting at a special meeting. The Committee shall fill any vacancy arising from death, resignation and any incapacity or any removal under this section.

7.0 SIGNATORIES:

The President, Secretary and the Treasurer, shall be the signatories of the society. It shall be their duty to sign on behalf of the society all cheques and legal documents including those concerned with the transfer of funds, acquisition and disposal of properties.

8.0 DUTIES OF OFFICERS OF THE SOCIETY

Unless otherwise stated or directed by the Committee, the following officers of the Society shall have the following duties assigned to their offices.

8.1 PRESIDENT:

- (a) He shall preside at the General and Management Committee Meetings of the Society;
- (b) He shall have powers to convene meetings;
- (c) He shall ensure the proper management of society's activities;
- (d) He shall have decisive vote in case of a tie-vote;
- (e) He shall chair the meeting of the Credit committee; and
- (f) Endorse all outgoing correspondence on behalf of the Society.

8.2 VICE-PRESIDENT

- (a) Shall in the absence of the President chair the meetings of the society and have all powers of the President;
- (b) In the absence of the President and Vice President, a member of the management committee shall be elected chairman of the meeting.
- (c) Shall perform other functions as directed by the President and the management committee.

8.3 SECRETARY:

- (a) Shall keep and maintain correctly and up-to-date the prescribed books and register;
- (b) Shall be the head of the Secretariat of the society;
- (c) He shall receive on behalf of the society all its correspondence;
- (d) Shall be a member of the Credit committee;
- (e) Shall prepare all Management Committee memos and submissions for endorsement by the President;

- (f) Shall on the instructions of the President summon and attend all General and Management Committee meetings and prepare the Management report for the Annual General Meeting;
- (g) Shall perform other functions as directed by the management committee.

8.4 TREASURER:

- (a) Shall keep the records of income and expenditure of the Society;
- (b) Shall keep the records of payment on loans and membership forms accruing to the society;
- (c) Shall be a member of the Credit committee;
- (d) Shall prepare all receipts, vouchers and documents required by this bye-law or called for by the management committee;
- (e) Shall procure from borrowers the due execution of the bonds with security;
- (f) Shall prepare, and submit to the management committee the annual accounts and statement and certify copies of entries in the books under Section 32 of ordinance;
- (g) Shall perform other functions as directed by the management committee.

8.5 ASSISTANT SECRETARY

- (a) Shall in the absence of the Secretary exercise all powers of the Secretary;
- (b) Shall assist the Secretary in the discharge of his/her duties

- (c) Shall perform all other duties as directed by the Management

8.6 THE SECRETARIAT:

- (a) The society shall have a secretariat where its activities shall be coordinated;
- (b) The secretariat shall be supervised by the President and other management committee members;
- (c) The Management Committee shall employ officers who will work in the secretariat on the day-to-day running of the activities of the society;
- (d) Appropriate entry point and conditions of service for any employed staff shall be determined by the management committee from time to time.
- (e) Staff shall spend minimum of three (3) years before promotion can be considered;
- (f) Staff shall be entitled to remuneration, allowances and incentives as agreed to by the management committee;
- (g) Staff shall be considered for confirmation as a full staff after three (3) years of service;
- (h) Staff shall be compelled to maintain a target savings of 5% of their salary in an account with the Society to serve as a perk based on years of service while the Society shall augment the savings with a severance bonus of 20% contribution in the case of a confirmed staff who must have spent five (5) years with the society;

- (i) The management shall put in place comprehensive staff policy to spell out in clear terms the understated codes such as:
 - 1. Procedure for employment;
 - 2. What should be the staff strength;
 - 3 Entitlements like:
 - (i) Remuneration,
 - (ii) Annual Leave and Bonus
 - (iii) Incentive:
 - (a) Maternity Leave
 - (b) Sick Leave
 - (c) Examination Leave
 - (d) Direct Loan, as obtainable in the Lagos State Civil Service (e.g. Car Loan, refurbishing Loan etc)
 - 4. Order of hierarchy of line staff
 - 5. To whom do they report to
 - 6. Disciplinary measure to erring staff
 - 7. Procedure for disengagement of staff.

8.7 BONDING OF OFFICERS AND EMPLOYEES:

Every officer or employee of the society who receives or pays out money on behalf of the society shall before assuming his duties furnish a bond with sureties and in an amount to be determined by the Management Committee. In addition, the society may also take Fidelity Insurance for its paid employees who handle cash or stocks on behalf of the society.

9.0 PROPERTY TRANSACTION BY MANAGEMENT COMMITTEE MEMBERS:

9.1 The Society shall not enter into an arrangement:

- (a) Whereby a Committee member of the society, or a person connected with such member, acquires or is to acquire one or more non-cash assets of the requisite value from the Society, or
- (b) Whereby the Society acquires or is to acquire one or more non-cash assets of the requisite value from such a member or person so connected; unless the arrangement is first approved by a resolution of the Society and such connection expressly disclosed.

9.2 For the purpose of sub-section (a) of this section, a non-cash asset is of the requisite value if at the time the arrangement in question is entered into, its value is not less than ₦4,000,000.00 or 10% of the Society's total assets value. The total assets value shall be based on accounts prepared and approved in respect of the last preceding year of the Society's operations.

9.3 LIABILITIES ARISING FROM CONTRAVENTION OF SUBSECTION 9.1

9.3.1 An arrangement entered into by the Society in contravention of Section 9.1 of this bye-law and any transaction entered into in pursuance of the arrangement (whether by the Society or any other person), shall be void at the instance of the Society unless one or more of the conditions specified in Subsection 9.3.2 hereunder are satisfied.

9.3.2 The conditions shall include the following:

- (a) Where restitution of any of the moneys or other assets which are the subject matter of the arrangement or transaction is no longer possible or where the Society has been indemnified in pursuance of this Section by any other person for the loss or damage suffered by it; or

- (b) Any rights acquired bonafide for value and without actual notice of the contravention by any person who is a party to the arrangement or transaction would be affected by its avoidance; or
- (c) The arrangement is, within a reasonable period, affirmed by the Committee on behalf of the Society.

9.3.3 Where a member of the Management Committee or any person connected with him enters into an arrangement with the Society in contravention of Section 9.1 of this bye-law, that Management Committee member and the person so connected, and any other Management Committee member who authorizes the arrangement or any transaction entered into in pursuance of such an arrangement, shall be guilty of an offence and liable:

- (a) To account to the Society for any gain which he has made directly or indirectly by the arrangement or transaction; and
- (b) Jointly and severally with any other person liable under this subsection, to indemnify the Society for any loss or damage resulting from the arrangement or transaction.

9.3.4 Subsection 9.3.3 shall be without prejudice to any liability imposed otherwise than by that Subsection, and is subject to the following two subsections; and the liability under subsection 9.3.3 arises whether or not the arrangement or transaction entered into has been avoided in pursuance of subsection 9.3.1.

9.3.5 If an arrangement is entered into by the Society and a person connected with a member of the Management Committee in contravention of Subsection 9.1 of this bye-law, that member shall not be liable under

subsection 9.3.3 if he shows enough grounds that he took all reasonable steps to secure the Society's interest.

9.3.6 This section shall have effect with regard to references in sections 9.1, of this bye-law to a person being "connected" with a Management committee member and to a Management Committee member being "associated with" or "controlling" a Body corporate.

9.3.7 A person is connected with a Management Committee member if he (not being himself a Management Committee member) is:

- (a) A Management Committee member's spouse, child or stepchild;
- (b) Except where the context otherwise requires, a body corporate with which the Management Committee member is associated; or
- (c) A person acting as a trustee of any trust, the beneficiaries of which include:
 - (1) The Management Committee member, his spouse, any children or step-children;
 - (2) A body corporate with which he is associated, or of a trust whose terms confer powers on the trustees that may be exercised for the benefit of the Management Committee member, his spouse or any children or step-children of his, or any such body corporate; or
 - (3) A person acting as partner of that Management Committee member or of any person who, by virtue of paragraphs (1) (2) or (3) of this subsection, is connected with that Management Committee member.

10.0 COMMITTEES:

10.1 The society shall have as many Committees as the Management Committee deems necessary to oversee the activities of the Society.

10.2 The Management Committee shall determine the scope, lifespan and duties of any Committee set up.

10.3 In spite of the provisions of Section 10.2 above, the following would be standing committees of the Society to be constituted as the need arise by the Committee on the recommendations of the Management Committee:

10.3.1 CREDIT COMMITTEE

10.3.1.1 COMPOSITION OF CREDIT COMMITTEE

The Management Committee shall also seat as the credit Committee.

10.3.1.2 DUTIES OF CREDIT COMMITTEE:

- (a) To process applications for loans against the background of the financial conditions, previous record of borrowing, purpose of loans, ability to repay fully and promptly, and the character and financial standing of the sureties.
- (b) To decide on the terms of repayment of loans granted.
- (c) To call for at regular intervals, comparative statements of delinquent loans and reasons for them in order to evaluate the quality of their worth.
- (d) The committee may at its discretion waive a member's contribution towards the ordinary savings during the currency of a loan, the repayment of which may impose more hardship on such member if he were to continue to make his normal savings along with the repayment of his loan. Alternatively, the committee may adopt a

level plain payment which enables a borrower continue a proportion of his total payments to his ordinary savings while repaying his loan.

10.4 BUILDING COMMITTEE

10.4.1 COMPOSITION OF BUILDING COMMITTEE

There shall be a Building Committee, which shall consist of at least five (5) members selected by the management committee under the leadership of the President and subject to ratification by the Committee.

10.4.1.1 The members of this Committee at any time shall include a Structural Engineer, an Architect, a Builder and an Accountant.

10.4.2 DUTIES OF BUILDING COMMITTEE

- (a) Shall be responsible for acquisition of landed properties for the benefit of members of the society;
- (b) Shall ensure that landed properties to be bought are free from any encumbrances;
- (c) Shall be responsible for processing all title documents of the Society's land;
- (d) Shall set guidelines for the management and maintenance of all properties under the control of the Society;
- (e) Shall provide all materials needed for construction/building at site at Co-Operative rates;
- (f) Shall monitor, supervise and certify all structural designs and constructions;
- (g) Shall render a quarterly report on the operations and finances of the committee to the Management Committee.

10.5 CONSUMER COMMITTEE

10.5.1 CONSTITUTION OF CONSUMER COMMITTEE

There shall be a Consumer Committee, which shall consist of at least five (5) members selected by the management committee subject to ratification by the Committee and the leadership of which shall also be appointed by the management committee.

10.5.2 DUTIES OF CONSUMER COMMITTEE

- (a) To arrange for the purchase of commodities like, daily-use house-hold goods, house-hold appliances, etc;
- (b) To arrange for the sale of commodities thus purchased to members and consumers in general, at reasonable market prices.
- (c) To promote a shopping floor that will be accessible to members and the general public.
- (d) To render a quarterly report on the operations and finances of the committee to the management committee.

11.0 CREATION OF FUNDS

11.1 SOURCES OF FUNDS

The funds of the Society shall comprise of:

11.1.2 An undetermined number of shares of the value of ₦ :00k each;

11.1.3 Procurement form Fees, proceeds from sales of loans and membership forms;

11.1.4 Savings of members as defined in Bye-law.

11.1.5 Surplus arising out of the business of the Society.

11.1.6 Capital raised through the sale of Bonds.

11.1.7 Miscellaneous sources as approved by the Committee.

11.2 EMPLOYMENT OF FUNDS

The funds of the Society shall be devoted strictly to the promotion of the stated objectives of the Society, to any other activity permitted by this Bye-Law, and any other purpose approved by the Committee.

11.3 SHARE HOLDING:

11.3.1 Every member must hold at least 1 share at a nominal value of ₦ .00k per share, which shall not be transferable except to a nominee in accordance with this Bye-Law. The minimum share holding can be increased by the decision of the Committee as the business of the Society may demand.

11.3.2 No member is allowed to hold any shares in trust for a non member.

11.3.3 A member may pay by installment as approved by the Management Committee provided the full value of the minimum shareholding is paid within the stipulated period of 6 months or as may be decided by the Management Committee.

11.3.4 Members who do not pay the full value of the minimum shareholding by the due date shall not be entitled to any bonus from the investment of the Share capital.

11.3.5 A member can hold any number of shares in excess of the minimum shareholding but not exceeding 10% of the total paid up share capital by all members at any point in time.

11.4 WITHDRAWAL OF SHARES

Shares shall not be withdrawn unconditionally; but if at the end of the financial year the Society's financial situation is favourable, the Management Committee may repay to any member whose membership

was terminated during the year a sum not exceeding the amount paid by him on account of shares, provided that not more than five percent of the total paid share capital shall be thus paid out in any one year without the Director's permission.

11.5 LIMIT ON SHARE HOLDING:

No member shall hold more than 10% of the number of shares actually paid up by all members. If any member, by inheritance or otherwise, possesses more than the maximum holding permitted, the Management Committee, shall sell the excess or buy them for disposal by the Society.

11.6 ENTRANCE FEES/RE-ENTRY FEES

Every member, on joining the Society shall pay an entrance fee, as may be determined by the Management Committee from time to time. While any member who had earlier resigned/withdrew his membership can only be re-admitted during the following financial year, after not less than 12 calendar months outside the membership of the society, and payment of 'Re-Entry Fee', which shall also be decided by the Management Committee from time to time.

11.6.1 A member who withdraws his/her membership of the Society shall forfeit 5% of his/her savings with the Society being administrative charges.

11.7 COMPULSORY SAVINGS:

11.7.1 Every member shall make regular thrift, savings, minimum of which shall not be below ₦1,000 per month.

11.7.2 The rate of bonus payable on shareholdings and savings shall be determined after the surplus has been ascertained and necessary reserves created.

11.7.3 No member can withdraw whole of his savings except on withdrawal of membership provided a minimum of 30 working day notice is giving to the society.

11.8 USE AND CUSTODY OF FUNDS

11.8.1 INTERNAL FUNDS:

The funds of the Society may be held in the form of:

- (a) A reserve fund;
- (b) A depreciation fund;
- (c) An insurance fund;
- (d) Development, educational/dawah propaganda or other funds approved by the /General Meeting and the Director;
- (e) Current or Savings Accounts or cash, Takkaful deposits or;
- (f) Stocks of shares or goods.

11.8.2 USE OF FUNDS:

The funds of the Society shall be applied only for the furtherance of its stated objectives in accordance with this Bye-law.

11.8.3 INVESTMENT:

Such funds of the Society as are not required for current use may be invested in any manner permitted by Law and as approved by the Committee.

12.0 OPERATION OF BANK ACCOUNT:

The Society shall operate, keep Accounts with Commercial Banks but with special preference to Banks with the ideals of banking. Before money is withdrawn from any of the accounts of the Society with a bank, the cheques or withdrawal slips shall be signed by the President, the Secretary and the Treasurer.

13.0 LOANS:

Loans may be granted to members, subject only to AVAILABILITY of funds and shall be for purposes, which in the opinion of the Management Committee are productive or necessary, and in the best interest of the borrower.

13.1 CONDITIONS FOR THE GRANT OF LOANS:

No-loan shall be granted

- (a) To any individual other than a member of the Society;
- (b) To any member whose installments of shares are in arrears;
- (c) To any member who has not made consistent savings under this Bye-law;
- (d).
- (e) If it would bring a member's indebtedness at the time of the loan to an amount exceeding his maximum credit limit.

13.2 APPLICATIONS FOR LOANS:

These shall be made to and disposed of by the Management Committee. 13.3 LOANS TO MEMBERS

No loan shall be made to a member earlier than 6 months of becoming a financial member of the Society except in the case of transfer of an existing loan of a past member to his nominee or other successor in interest.

13.3.1A member shall qualify to be a financial member upon the consistent contribution of a minimum of ~~N~~1, 000 per month for six (6) months.

13.4 MAXIMUM CREDIT LIMIT:

13.4.1 Members in Service: The maximum credit limit of each applicant for a loan shall be determined as twice the total savings of the applicant as at the time of the application. This however is subject to maximum credit approved by the Management Committee, availability of funds, the principle of making credit available to as many members as are qualified and the securities offered.

13.4.2 Retired Members: The maximum credit limit of each applicant for a loan shall not exceed the member's ordinary savings. In exceptional cases adequate security shall be provided for any loan above the member's ordinary savings.

13.4.3 Members of the Public: The maximum credit limit of each applicant shall be determined as twice the total savings of the applicant as at the time of the application provided:

- (a) He/She makes available post dated cheques drawn in the name of the Society for the loan repayment installments;
- (b) He/She is able to provide two (2) credible members as sureties who must have savings enough to repay the loaned sum.
- (c) No extension of the period of repayment shall be granted without the consent of the sureties.

13.5 INTEREST ON LOAN TO MEMBERS

The society shall charge stipulated interest on loan granted to members, this is line with the Society objective as the name connote. In case of default in

repayment, such member shall be reported to the Accounting officer of his/her Ministry/Agency/Employer.

13.5.1 Incidence of issuance of dud cheques is seriously frowned at by the Society and reserves the right to prosecute such erring member.

14.0 SUPPLY OF CONSUMER GOODS

14.1 The Society shall purchase for supply to members such household equipments or consumer items as are necessary for the improvement of members' living condition. Where the member is not in a position to pay cash for these goods, the value of the supplies may be treated as loan/deductions from the member's savings;

14.2 The Society shall also stock domestic and personal requirements including foodstuff for sale to members.

15.0 DUTIES OF A SURETY

15.1 A surety must be a reputable member of the Society and shall personally guarantee:

- (a) Repayment of the loan if the borrower defaults;
- (b) The correctness of the particulars on which the value of the borrower's securities is based;
- (c) That the loan is used for the purpose stated by the borrower on the application form.

16.0 APPROPRIATION OF DEBIT PAYMENT:

When a member from whom money is due pays any sum to the Society, it shall be appropriated in the following order: (a) Firstly, to principal loan

(b) Secondly share payment, penalty and other miscellaneous charges due by him;

17.0 DISPOSAL OF SURPLUS:

17.1. Appropriation: At the close of each financial year, the excess of the Society's income over expenses, shall be appropriated to the following funds.

17.1.1 Reserve Fund: At least one-fourth shall be carried to the Reserve Fund, unless a lower rate is prescribed by the Director.

17.1.2 2.5% to the Education Fund.

17.1.3 Honoraria: At least 22.5% to be shared among the Committee and the Management Committee as their allowances and their annual lump sum entitlements.

17.1.4 5% as Donations or other appropriations as may be decided by the Management Committee and approved by the Committee.

17.1.5 Bonuses on members' Share Capital, Bonds, shall not be less than 45% of the net surplus.

17.1.6 No bonus shall be paid if any overdue claim to a depositor or lender remains unsatisfied. A lien shall be placed on such bonus and applied to service such outstanding loan.

18.0 BUILDING UP A GENERAL RESERVE.

18.1 RESERVE FUND

The Reserve Fund is indivisible and no member is entitled to claim a specific share in it. Except with the permission of the Director, it shall not be utilized in the business of the Society, but shall be deposited or invested in

accordance with Sections 33 and 34 of the Nigerian Co-operative Societies Decree 90 of 1993 and section 25 of the Law but subject to the written permission of the Director.

18.2 Director's Approval: The appropriation of the net surplus shall be subject to approval by the Director and governed in all respects by the spirit and letter of the law.

18.3 AUDIT AND SUPERVISION FEES:

Audit and Supervision Fees is the rate assessed by the Director and paid annually by the society to any recognized body approved by the Director.

19.0 BOOKS OF ACCOUNTS

19.1 PRESCRIBED BOOKS OF INSPECTION:

Accounts and Records shall be maintained in the form prescribed by the Chief Registrar and shall include the following:

19.1.1 A Membership and Attendance Register, showing the name , address specimen signature and occupation of every member, the number of shares held by him, the date of his admission to membership, the Nominee appointed under Bye-Law 4.5, and the member's attendance at general meeting;

19.1.2 A cash book showing the receipts, expenditure, and balance on each day on which business is done;

19.1.3 General Ledger;

19.1.4 Personal Ledger with accounts for each member; depositor and creditor;

19.1.5. Loan register showing installment for repayment of loans;

19.1.6 Procurement register showing installmental payments for goods procured from the Society.

19.1.7 Minute book for proceedings of the, General and Management Committee Meetings;

19.1.8 Register of bonus payment;

19.1.9 Bond book showing particulars of and containing names of members from whom Capital for investment is raised.

19.1.10 Such other records as may be prescribed by the Director.

20.0 INSPECTION OF BOOKS:

The books, accounts, register and papers of the Society shall be open at all reasonable times for the inspection of any accredited Co-operative official provided that no person other than an Officer or Committee member of the Society or a Co-operative Official shall be allowed to see the personal account of any member without that member's consent. Copies of the Law and of this bye-law shall be available for inspection at the Registered Address of the Society at all reasonable hours.

21.0 ANNUAL STATEMENT:

21.1 The society shall prepare yearly, in such form, as may be prescribed by the Director:

- * An Account showing the income and expenditure for the year; and
- * A balance sheet.

21.2 The account shall be due for submission on or before the 31st day of March, or such other date as the Director may direct, and a copy of each account shall be sent to the Director for approval within such time as the Director may direct.

21.3 RECEIPTS:

It shall be the duty of every member:

- (i) To insist on obtaining a receipt from the proper receipt book, or such other form of receipt as may be approved by the Chief Registrar, for every sum of money paid to the Society;
- (ii) To sign, or make thumb print in the proper book, in token of receipt, whenever any sum of money is paid or repaid to him by the Society:

22.0 LIQUIDATION:

22.1 The society shall not be liquidated except in accordance with sections 54 and 55 of the Law;

22.2 On the dissolution of the society, the Reserve Fund and other funds of the society shall be applied, first in discharging the liabilities of the society and secondly in the repayment of the share capital paid up. The remainder shall be placed by the Director of Cooperatives in the Bank until a new Cooperative Society with a similar area of operations is registered in which event the funds shall be credited to the Reserve Funds of the society or to any other co-operative society he might deem fit.

23.0 MISCELLANEOUS PROVISIONS

23.1 AFFILIATION TO SECONDARY COOPERATIVE BODY:

Unless there are reasons to the contrary accepted by the Director, the Society shall affiliate itself at the earliest possible moment to any secondary co-operative body(ies) formed in its area of operations.

23.2 DISPUTES:

Any dispute arising in or concerning the Society and its members or past members shall be referred to the Director for settlement by arbitration under the provision of Section 44 of the Co-operative Societies Law.

23.3 SEAL:

The Management Committee shall hold in safe custody the seal of the Society on behalf of the Committee. The seal shall be of a pattern approved by the Director. Documents shall be sealed by the President, Secretary and Treasurer.

23.4 SURCHARGE

The General Meeting of the Society may impose surcharge on members, not exceeding Five thousand Naira (N5,000) in anyone case, for flagrant or repeated contravention of this bye-law.

24.0 AMENDMENT OF BYE-LAWS

Any amendment of or addition to this Bye-Law shall be made by Committee of the Society in accordance with section 14 and Regulations 5 of the Law, but such amendment shall not be valid until registered by the Director.