

BYE-LAW

OF

**EKWULOBLA MULTIPURPOSE
COOPERATIVE SOCIETY LTD**

1. Interpretations

All words and expressions used in these bye laws have the meaning respectively assigned to them under section 12 of the Cooperative Societies Law, Chapter 15 of the Law of FCT, Abuja of Nigeria. In particular, the following words or expressions shall have the meaning respectively assigned to them below.

- a. "Financial Year" means the means me period of twelve months beginning of 1st April and ending 31st March, the same year.
- b. "The Law" means the Nigerian Cooperatives Societies Act: CAP. No. 98, 2004.
- c. "Bye-Law" means the registered bye-law made by a society in exercise of any power conferred by this law and includes a registered amendment of the bye-law.
- d. "Officer" includes a President, Secretary, Treasurer, Vice President, and Financial Secretary, Ex-officers and members of the Committee or other persons empowered under the regulations or bye-laws to give directives with regards to the business of the society.
- e. "Persons" include any company or association or body of persons, (corporate or incorporate).
- f. "Regulations" means regulations made under this law as amended from time to time.
- g. "The Director of the Co-operatives" means the Director of the Co-operatives Services, FCT Abuja.
- h. "Management Committee" means the governing body of the society to whom the general management of its affairs is entrusted.
- i. "Member" includes a person or registered society admitted to membership of the society in accordance with the bye-laws and regulations.
- j. "Bonus/Dividend" means a share of the profit(s) surplus of the society divided among its members in proportion to the volume of business done with the society by them from which the appropriated surplus of the society was derived.

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- k. "Functional Committee" means an elected body of persons within the society to whom specific duties are delegated by the society.
- l. "The Society" herein afterwards refers to as: Ekwulobia Multipurpose Cooperative Society Limited.

2. Name, Address, and Area of Operation

- a. The name of the society shall be: EKWULOBIA MULTIPURPOSE COOPERATIVE SOCIETY LIMITED.
- b. Its address shall be: PLOT 429 SABURI DEI-DEI, FCT-ABUJA.
- c. The area operations of the society shall be within Federal Capital Territory, Abuja.

3. Objectives of the Society

- a. Any other measures designed on co-operative principles to encourage its members the spirit and practice of thrift, mutual and self-help.
- b. Provision of facilities for regular thrift savings by members without such savings being removed from their control.
- c. To encourage members to embark on extensive farming enterprises either on individual basis or on group basis.
- d. To stock quality seeds, fertilizers and agricultural chemicals for sale to members and non-members at reasonable prices.
- e. To raise funds by issuing shares and contracting loans.
- f. Any other measure designed on co-operative principles to encourage among its members the spirit and practice of thrift, mutual and self-help.
- g. The creation of funds to be lent to its members at fair and reasonable rates of interest for provident or productive processes.
- h. To bring like-minded people together nationwide in order to foster unity, stability, growth, mutual understanding and benefits.
- i. Any other measures designed on Co-operative principles to encourage among its members the spirit and practice of savings, mutual helps, self-help and facilitate severance package for members.

4. Membership and Liability

(1) Membership

The membership of the society shall be open to:

- a. all people who are members of the Ekwulobia Peoples Assembly, Abuja.
- b. Anyone who applies and is admitted to membership in accordance with these Bye Laws

(2) Qualification for Membership

Every member of the Society must be:

- a. Of good character and sound mind
- b. Not less than 18 years of age except of an heir of a deceased member.
- c. Any other category of person(s) approved by the general body of members as qualified to be members of the society.
- d. Any person who does not belong to any other society that the primary objects of which coincide with that of this society except with the permission of the Director of the Cooperatives.

(3) Admission

- a. Application for membership shall be made by obtaining a 'Membership/Entrance form, which on completion shall be submitted to the Secretariat of the Society?
- b. All applications for members shall be approved by the management committee.
- c. Every member shall on admission be required to sign the membership Attendance Register and Personal Ledger.
- d. A member of this society shall not seek membership of another society whose primary objects are the same;
- e. Every application for membership shall be accompanied with a non-refundable entrance fee of N1,000.00 or any such amount as might be determined from time to time by the management committee from time to time.

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- f. Declaration of Obligation: Every member, on joining the society, shall render to the Management committee, a true and complete statement of the indebtedness to other societies or organizations.

(4) Liability of Members and Past Member

- a. The liabilities of members for debts incurred by the society shall be determined by the liquidator appointed by the Director of the Cooperatives vide section 40 of the law.
- b. A past member shall be liable for the debts of the society as they existed on the date on which he ceased to be a member.
- c. The estate of a deceased member shall be liable for the debts due to the society as they existed as at the date of his demise for a period of two years after his death.

(5) Nominees:

Every member shall in writing nominate a person to whom his shares or interest in the society shall be transferred to in event of such member's death or becoming permanently incapacitated. 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 sign all alterations. If not admitted to membership the nominee shall, in case of death or permanent incapacitation of the member, be paid the value of the share or interest, less any sum due to the society.

(6) Termination/Withdrawal of Members

Membership shall be terminated by:

- a. Death
- b. Permanent insanity
- c. Withdrawal shall be by one Month Notice conveyed in writing, to neither indebted to the society nor surety for any unpaid debt: and
- d. Expulsion under Bye-Law 4.7
- e. Termination of appointment by the Host organization

(7) Expulsion

A member may be expelled for;

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- a. Repeated failure to make thrift saving as laid down in the Bye Law 8.7
- b. Repeated failure to make up for debts due from him to the society over a reasonable time limit
- c. Conviction on a criminal offence involving dishonesty like fraud, financial impropriety, etc. and
- d. Misconduct or other act contrary to the stated object of the society or to the interest of the Co-operative Movement

When member terminates owing to death, permanent insanity or expulsion, the society shall pay as in the former, to the nominee/beneficiary, or if none was 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.

(8) Duties of Members

Any money due to any account from the society to a member or a past member shall be offset from the member's credit or liability he has guaranteed.

(9) Membership Register

Every member, on admission and on payment of the appropriate entrance fees shall first signs or thumbprint the membership and attendance register 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. Constitution and Duties of General Meeting

(1) Power of the General Meeting

The ultimate authority under law in all affairs of this society shall be General body of members who shall from time to time meet to review and direct the work of society.

(2) Quorum

The presence of at least a quarter (1/4) 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

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than seven (7) days or not more than fourteen (14) days. Thereafter, the number of members present at any meeting shall form a quorum.

(3) The Annual General Meeting

The annual general meeting shall hold within the first or second quarters of the succeeding year after the Annual Statements of Account have been prepared and approved by the Director of the Co-operatives.

(4) Duties of the Annual General Meeting

These shall include

- a. Receiving a report on the preceding year's operation of the society with the Statement of Accounting: showing the income and Expenditure for the year: a profit & loss account, and a Balance Sheet from the Management Committee:
- b. Dealing with any communication received from the Director of Cooperative.
- c. Election of the Management Committee members for the ensuing year.
- d. Other matter as presented by the Management Committee.

(5) The Duties of the Ordinary General Meeting:

When necessary, an ordinary General Meeting shall:

- a. Suspend or remove from office, any Officer or member of the Committee in accordance with these Bye laws
- b. Amend or repeal any existing Bye-laws or enact a new Bye-law in accordance with Bye-laws 15.

(6) Meetings:

- a. The notice required for types of General Meeting from the commencement of this Bye law shall be twenty one days from the date on which the Notice is sent out.
- b. A resolution shall be an Ordinary Resolution when it is passed by simple majority of votes cast by such members of the society as being entitled to do so, who shall vote in person at a General Meeting of which 21 days' Notice, specifying the intention of passing the resolution as a special resolution has been duly given.

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- c. A resolution shall be a Special Resolution when it has been passed by not less than three fourth of the votes cast by Shareholder members of the Society, in accordance with Section 11.3, who shall vote in person at a General Meeting of which 21 days' Notice, specifying the intention of passing the resolution as a special resolution has been duly given.
- d. All resolution for the purpose of:
 - i. Electing a Management Committee Member,
 - ii. Removing a Management Committee Member, and
 - iii. Amending the provision of this Bye-lawsshall from time to time be decided by the Management Committee through a special resolution.

(7) Extra Ordinary General Meeting:

- a. An extra-ordinary General Management may be called at any time by a majority of the Management Committee or on a request from the Director of the Co-operatives, or from not less than one-fourth of the member of the society.
- b. Only the advertised object of such proposed meeting shall be transacted or discussed at such meeting.
- c. Where the Director of the Co-operatives 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 5.6 (a) above.

(8) Voting

Voting at general meeting shall be by open-secret ballot system. All questions shall be decided by a majority of votes of the members present. And in such voting, each member shall have one only. At all meeting, the Chairman shall have casting votes when votes are equal or tie.

6. The Management Committee

(1) Composition and Powers of the Management Committee:

- a. Subject to the law, Regulations and this Bye laws, the day to day administration of this society shall be vested in the Management Committee. It also shall have power to create sub-committee to which

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- it may delegate part of its functions provided that a member of the Management Committee shall head such sub-committees.
- b. The Management Committee shall consist of active member over the age 18 years and shall be elected by a Special Resolution of the General Meeting or the Annual General Meeting.
 - c. The Management Committee shall consist of at least seven (7) members, including the President, Vice President, General Secretary, Assistant General Secretary, Treasurer, Financial Secretary and one or three more Ex-officio members: one of whom shall be the immediate past President any or any of the other immediate past Trustee. Where such member(s) become re-elected or reject the position, slot shall be made open to any of the immediate past management committee member or any member of the society.
 - d. The Management Committee shall have power to lay down administrative rules and procedure for smooth running of the society provided that such rules and procedures do not violates or contravenes the spirit and letter of the Law, Regulations and these Bye laws.
 - e. It shall have the power to appoint new Management Committee member(s) to fill any casual vacancy arising out of death, resignation, retirement or removal of a member of the Committee.
 - f. Where the committee fills a casual vacancy, the person may be approved by the General Meeting or at the next Annual General Meeting and if not so approved, he shall forthwith cease to be a Management Committee member.
 - g. The Annual General meeting shall have power to increase or reduce the number of the Management Committee members, generally provided that such reduction shall not bring the number below five.
 - h. No person other than bona fide member of the society, as defined by Bye-laws 4.1, 4.2, and 4.3 are eligible to be, or nominate members to the Management Committee.

(2) Tenure of office

- a. The tenure of office for a Management Committee member, at a position, shall be for a maximum period of four (4) years. Two (2) years of two terms only.
- b. A member of the management committee shall cease to hold office if he:
 - i. Ceases to be a member of the society
 - ii. Becomes of unsound mind
 - iii. Becomes a paid - servant of the society
 - iv. is convicted on major criminal offence, and
 - v. Acts in a manner prejudicial to the interest of the society and he is removed in accordance with section 6.3.

(3) Removal Management Committee Member

Where the Supervisory committee has recommended the suspension of a management committee member, in accordance with section 7.2(f), the Society may, by a Special Resolution, remove the suspended Management Committee member(s) before the expiration of their tenure of office.

(4) Proceeding Of The Management Committee:

- a. The Management Committee members may meet for the dispatch business and generally regulate their meeting as they deem fit.
- b. Any question arising at any meeting shall be decided by a majority of votes and in the event of an equality of votes, the Chairman shall have a second or casting vote.
- c. 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.
- d. A resolution in writing, signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Management Committee Meetings.
- e. Each member of the Committee shall be entitled to a vote each at the Management Committee Meetings.

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- f. The quorum necessary for the transaction of business of Management Committee shall be four (4). 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.
- g. Where the Management Committee is unable to act because a quorum cannot be formed, the General Meeting may act in place of the Committee.

(5) Honourarium and Other Payment

- a. The honorarium payable to members of the Management Committee shall from time to time be determined by the Management Committee and approved at the surplus of the society for any particular year. The amount will be shared by all the Management Committee members in proportions to be agreed among them.
- b. The Management Committee members may also be paid all traveling, hotel and other expense properly incurred by them in attending and returning from meetings of the Management Committee or any functional Committee of the Management Committee or the general meeting of the society or in connection with business of the society.
- c. The honorarium paid to Management Committee members shall be part of the appropriate from its surplus.
- d. The Management Committee shall have power to authorize reasonable honorarium for any of the society who carries out any special assignment on behalf of the society. These honorariums would however be subject to ratification and/or amendment by the General Meeting.

(6) Duties of Management Committee Members:

Without prejudice to the general power conferred on the Committee by these bye laws, it is hereby expressly declared that the committee shall exercise the following powers and duties for in the name of the society:

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

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- b. To at all times act in the best interest of the society so as to preserve its asset, further its business, and promote the purpose for which it was formed and in such manner as a reasonable and ordinarily skilful committee member would act in the circumstances,
- c. To ensure that product offered by the society are of good quality and high standard to workshop.
- d. To admit new members and to keep a register of member correctly and up to date.
- e. To prepare and lay before the general meeting a profit and loss account audited balance sheets and budget.
- f. To consider the audit and inspection reports of the Auditor and Director of the Co-operative Services.
- g. To purchase, sell build upon, lease, mortgage or exchange any property or land and to enter into any contracts and settle the terms thereof:
- h. To ensure safe custody of the society property.
- i. To pay all such expense including traveling expenses, as are properly incurred by any committee member or person co-opted to the committee or sub-committee in the execution of his duties,
- j. To issues new and transfer old shares.
- k. To enter into contract on behalf of the society.
- l. A management Committee member shall not delegate the powers vested upon him under any provision of these bye-laws and as such exercise shall not constitute a breach of duty, if it affect a member or paid employee of the society.
- m. A management Committee member shall not delegate the power vested upon him under any provision of these bye laws in such a way and manner as to constitute an abdication of duty.
- n. No provision, whether contained in these bye-laws or in any contract, shall relieve any Management Committee member from duty to act in accordance with this section or relieve him from any liability incurred

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as a result of any breach of the duties conferred upon him under this section.

- o. Members of Management Committee shall, conduct the affairs of the society in line with law, regulations and these bye laws.
- p. The Committee shall the maintenance of true and accurate account of all monies received and expended and all the assets and liabilities of the society.
- q. The Committee shall lay the Annual General Meeting an income and Expenditure Account and the Audited Balanced sheet for acceptance or rejection
- r. The Committee shall examine the accounts, sanction the contingent expenditure and ensure the maintenance of the books and record as may be prescribed by the Director of the Co-operatives.
- s. The Committee shall consider the inspection Report of the government Co-operative staff and take corrective actions.
- t. The Committee shall summon General Meetings.
- u. The Committee shall assist in the inspection of the books and records of the society by any person authorized to do so by the Director of the Co-operatives.
- v. The Management Committee shall be in sole charge of legal proceeding by or against the society or committee or its officer or employee in all matters concerning the affairs of the society.

(7) Conflicts of Duties and Interests

- a. A Management Committee member shall not allow his personal interest conflict with official duties as a committee Member under these bye laws.
- b. 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 resources/property, make any profit or other in explained benefits.

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- c. A Management Committee member shall be accountable to the society for any secret profit made by or any unexplainable benefit derived contrary to the provision to subsection 6.6.2 above.
- d. 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.
- e. Where prior to transaction a management committee member discloses his interest to the General Meeting 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 profit are made. In this case, he shall account for profits.

(8) Legal Position of Management Committee Member

Management Committee members are jointly and severally responsible for society monies and properties in their care and as such must account for the monies over which they exercise control and shall refund any money(ies) 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.

Trustee: The signatory to the society account are: The President, Secretary and the Treasurer shall be the trustees 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.

(9) Duties of Officers of the Society

Unless otherwise stated or directed by the general meeting, the following officers of the society shall have the following duties assigned to their officers.

President:

- a. He shall preside at all General and Management Committee Meeting of the society.
- b. He shall have power to convene meetings
- c. He shall ensure the proper management of the society's activities
- d. He shall have decisive vote in case of the a tie-vote

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- e. He shall be signatory to the Co-operative bank account.

Vice-President

- a. Shall in the absence of the President chair the meeting 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.

General Secretary

- a. Shall keep and maintain correctly an up-to-date prescribed "books and registers".
- b. Shall procure from borrower the due execution of bond with security.
- c. Shall be the head of the Secretariat of the Society.
- d. Shall prepare all receipts, vouchers and documents required by the regulations or bye-laws or called for by the management committee.
- e. He shall sign on behalf of the society and conduct all its correspondence.
- f. Shall be a member of the credit committee.
- g. Shall summon and attend all General and Management Committee meetings and prepare the Secretary's report for the Annual General Meeting.
- h. 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.
- i. Shall perform other functions as directed by the management committee.
- j. Shall be signatory to the co-operative bank account.

Assistant Secretary

Shall assist the General Secretary in the performance of his/her duties and perform any other duty assigned by the Executive Council or the General Secretary

Treasurer:

- a. Shall keep 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. He shall chair the meeting of the credit committee.
- d. Shall perform other function as directed by the management committee
- e. He shall be signatory to the Co-operative bank account.

Financial Secretary

- a. Shall collect all monies due to the society and pays such moneys to the Treasurer not later than 24 hours after collection.
- b. Shall issues all payers and donor with receipts.
- c. Shall ensure that proper financial records are kept and cause such records to be produced for inspection and periodic auditing.

Publicity Secretary

- a. Shall disseminate information regarding the activities of the society to the members and the general public as the need may arise.
- b. Shall project and promote the image of the Society at all times

(10) The Secretariat:

The society shall have a Secretariat where its activities shall be conducted.

- a. The Secretary shall be supervised by the General Secretary and other Management Committee members
- b. The Secretariat shall employ officers from outside or among the member with requisite knowledge who will work in secretariat for the day-lo-day running of the activities of the society.

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- c. Appropriate entry point and conditions of service for any employed staff shall be determined by the management committee from time to time.
- d. Staff shall spend three (3) years before promotion can be considered.
- e. Staff shall be entitled to remuneration, allowance and incentives as approved by the management committee.
- f. Staff shall be considered or confirmation as a full staff after 2 years of service accordance to the staff policy of the society.

(11) Staff Policy

The management shall put in place comprehensive staff policy to spell out in clear terms the understood codes such as:

- a. Procedures for employment
- b. What the staff strength should be
- c. Entitlement like:
 - i. Remuneration
 - ii. Annual leave and bonus
 - iii. Incentives
 - iv. Maternity leave
 - v. Sick leave
 - vi. Examination leave
 - vii. Staff loan, car loan, correspondence loan etc
- d. Order of hierarchy of line staff
- e. To whom do they report to
- f. Disciplinary measures to erring staff
- g. Procedure for disengagement of staff

(12) Bonding Of Offices and Employees

Every officer or employee of the society who receive or pay out money on behalf of the society shall before assuming duties furnish a bond With sureties and in an amount to be determined by the management

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cornm1ttce. In addition, the society may also take Fidelity insurance for its paid employee who handles cash or stock on behalf of the society.

(13) 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 to acquire one or more non-cash assets of the requisite value such a resolution of the society and such connection expressly disclosed.
- 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.
- c. For the purpose of sub-section () of this section, non-cash assets is the requisite value if at the time the arrangement in question is entered into, its value is not less than N10,000.00 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 operation.
- d. An arrangement entered into by the society in contravention of section 6.12 of this bye-laws and any transaction entered into in pursuance of the arrangement (whether by the society or any more other person) shall be voidable at the instance of the society unless one or more of the children specified in subsection hereunder are satisfied.
- e. This condition shall include the following:
 - i. Where restitution of any the money or other assets which are the subject matter of the arrangement or transaction is no longer possible or where the subject has been indemnified in pursuance of this section by any person for the loss or damage suffered by it; or
 - ii. Any right acquired bonafide for the value and without actual notice of the contravention by any person who is party to the arrangement or transaction would be affected by its avoidance, or

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- iii. The arrangement is, within a reasonable period, affirmed by the society at a General Meeting.
- f. Where a member of the Management Committee or any person connected with enter into an arrangement with the society in contravention of section 6.12 of these bye-law, that Management Committee member who authorize the arrangement or any transaction entered into in pursuance of such an arrangement, shall be guilty of an offence and liable;
 - i. To account to the society for any gain which has made indirectly by management or transaction; and
 - ii. Jointly and severally with any other person liable under this subsection, to indemnify the society for any loss or damage resulting from the arrangement
- g. Subsection 6.13.3 shall be without prejudice to any liability imposed otherwise than by their subsection, and is subject to the following two subsections, and the liability under subsection 6.13.3 arises whether or not the arrangement or transaction entered into has been avoided in pursuance of subsection 6.13.1.
- h. If any arrangement is entered into by the society and person connected with a member of the Management Committee is contravention of subsection 6.12 of this bye-law, that member shall not be liable under subsection 6.13.3 if he shows enough grounds that he took all reasonable steps to secure the society's interest.
- i. The section shall have effect with regard to reference in section 6.12, of this bye-law to a person being "connect" with a Management Committee member, and to a management committee member being "associated with "or" controlled a body corporate.
- j. A person is connected with a Management Committee member if he (not being himself a management committee member) is:
 - i. A Management committee member's spouse. Child or stepchild etc.
 - ii. Except where the context otherwise requires. A body corporate with which the Management committee member is associated; or

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- iii. 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; or
 2. A body corporate with which he is associated, or of a trust whose term confer power on the trustee that may be exercised for the benefit of the Management Committee member, his spouse or any children or step children of hi, any such body children.
 3. A person acting as partner of that management committee member or of any person who, by virtue of paragraph (1) (2) or (3) of this section is connected with that Management Committee member.

7. Supervisory Committee

(1) Composition of the Supervisory Committee

Supervisory committee, which shall comprise of three members, shall be elected by a Special Resolution at the Annual General Meeting.

(2) Duties of the Supervisory Committee

- a. The supervisory committee member meet at least once every six (6) months to make or cause to be made an examination of the affairs of the society, which shall include an audit it books and inspection and it securities, cash account, loan, stock of goods and other investment.
- b. To a certain that all action of the Management committee are in conformity with the law, regulations and these bye laws.
- c. To make a written report to the Management Committee of it findings following each examination.
- d. Make an annual audit and a written report and submit same to the annual general meeting
- e. To verify the passbook of the member with the account of the treasurer annually, while paying attention to the following checklist;
 1. Is a receipt issued for every general item of cash received

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2. Is there a payment voucher for every amount paid out?
 3. Is too much cash kept on hand?
 4. Are any unused cheques signed in blank?
 5. Is a cash book balanced regularly (daily, weekly and monthly)
 6. Are all expenses approved by the Management Committee and vouchers signed by the President?
 7. Are the members balance compiled monthly?
 8. Do these member balances agree with the general control account?
 9. Are the minutes signed by the Chairman and Secretary?
 10. How many loans are delinquent? Name:.....Account:..
 11. How many loans are overdue (a) within 1 year (b) over two years.
 12. What actions have been taken to recover them?
 13. Are all management staff or officials handling cash bonded?
 14. Does the society carry a burglary and robbery insurance?
 15. Has the borrower in addition to the loan agreement entered into a special agreement with the society, authorizing the society to claim from his retiring benefit or gratuities, business failures, etc. Any unpaid balance of the loan in the event of death, retirement or termination of appointment?
 16. Has Auditor's report been read and discussed at a meeting of management committee?
- f. The Supervisory committee shall, upon receiving written petitions from shareholders, equal or more in number to two-thirds of the shareholder members, have the power to recommend the suspension of any management committee member, in the case of fraud and misappropriation of the society's funds, to the office of the Chief Registrar of Cooperatives for proper action.

8. Credit Committee

(1) Composition of the Credit Committee

The credit committee shall consist of at least 5 members appointed by the management committee under the leadership of the Treasurer.

(2) Duties of the Credit Committee

- a. To process application for loans against the background of the financial condition, previous record of borrowing, purpose of loan quality to repay fully and promptly, and the character and financial standing of the borrowers and surety and thereafter recommend for the approval of the management committee.
- b. To decide on the terms of repayment of loans granted.
- c. To call for at regular intervals comparative statement of the 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 contribution toward the ordinary saving during the currency of a loan, the repayment of which may impose more hardship on such member if they were to continue to make his normal saving along with this repayment of his loan, Alternatively, the committee may adopt a level, plan payment which enable a borrower continue a proportion of his total payment to his ordinary saving while repaying his loan.

9. Building Committee

(1) Composition of Building Committee

There shall be a building committee, which shall consist of at least five members appointed by the general meeting and the leadership of which shall also be appointed by the general meeting.

(2) Duties of the Building Committee

- a. Shall be responsible for the acquisition of landed property for the benefit of the member of the society.
- b. Shall ensure that a landed properties to be bought and free of any encumbrance.

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- c. Shall be responsible for processing all title documents of the societies' land.
- d. Shall set guidelines for the management and maintenance of all properties of the society's Estates.
- e. Shall render quarterly report on the operations and finances of committee to the management committee.

10. Consumer Committee

(1) Constitution of Consumer Committee

There shall be Consumer Committee, which shall consist of at least five (5) members appointed by the general meeting and the leadership of which shall also be appointed by the General Meeting.

(2) Duties of the Consumer Committee

- a. To arrange for the purchase of commodities like daily consumable items, House-hold appliance, etc.
- b. To arrange for the sale of commodities thus purchased to members and consumers in general, at reasonable, 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. Creation of Funds

(1) Sources of Funds

The funds of the society shall comprise of;

- a. An undermined number of shares of value of N1 each: by the Management Committee from time to time for the General Meeting to adopt.
- b. Entrance fees, share capital, proceeds from sales of loan and membership forms;
- c. Savings of members as defined in Bye-law 8,8':
- d. Surplus arising out of the business of the society:

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- e. Interest received on loan; and
- f. Other sources as approved by the Management Committee

(2) Employment of Funds

The funds of the society shall be devoted only to the promotion of the stated objectives of the society, to any other activity permitted in these Bye-laws 4.5 and any other purposes approved by the General Meeting.

(3) Shareholding

- a. Every member shall hold fully paid shares of at least 10,000.00 shares at a nominal value of N1.00 per share, which shall not be transferable except to a nominee in accordance with Bye-law 4.5. The minimum shareholding can be increasing or decreased of the decision of the general meeting as the business of the society may demand.
- b. A member may pay by instalment as approved by the management committee provided the full value of the minimum shareholding is paid within the stipulated period of 3 months or may be decided by the management committee
- c. Member who does not pay the full value of the minimum shareholding within three months shall not be entitled to bonus from the investment of the share capital
- d. A member can hold any number of shares in excess of the minimum shareholding but not exceeding 20% of the total paid up shares capital by all members at any point in time.

(4) Withdrawal of Shares

Shares shall be withdrawn unconditionally, but if at 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 per cent (5%) of the total fully paid share be paid out in any one year without the Director of the Co-operatives permission.

(5) Limit On Shares Holding:

No member shall hold more than one-fifth of the number of shares actually paid up by all members, if any member, by inheritance or otherwise,

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possesses more than the maximum holding permitted, the Management Committee may sell the excess or buy them for disposal by the society.

(6) Entrance Fees / Re-Entry Fees

Every member, or joining the society shall pay a non-refundable entrance fee, as may be determined by the Management Committee from time to time.

While any member had earlier resigned/withdrawal his membership can only be re-admitted during the following financial year, after not less than 12 calendar months outside the membership of society, and payment of Re-Entry Fee' which shall also be decided by the Management Committee from time to time.

(7) Compulsory Saving

- a. 8.7.1. Every member shall make regular thrift savings, minimum of which shall not be below N5,000.00 per month;
- b. 8.7.2 Saving shall be governed by rules to be framed by the society subject to the approval of the Director of the Cooperatives.
- c. 8.7.3 The rate of dividend payable on regular ordinary saving shall be determined after the surplus has been ascertained and necessary reserves created.
- d. 8.7.4 No member can withdraw part or whole of his saving exception withdrawal of membership

12. Use and Custody of Funds

(1) Internal Funds

Fund of the society may be held in the form of:

- a. A reserve fund
- b. A depreciation fund
- c. An insurance fund
- d. Development, education and other fund approved by the general meeting and the Director of the Co-operatives.
- e. Current or saving bank account or cash, term deposit or Federal Government Treasury bills and business ventures.

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f. Stock of share or goods.

(2) Use of Funds:

Such funds of the society shall be applied only for the furtherance of its stated objective in accordance with this bye-law.

(3) Investment

Such fund of the society, as are not required for current use, may be invested in any manner permitted by law and regulations, and as approved by the management committee.

(4) Operation of Bank Account

The society shall operate Trustee Bank Accounts. Before money is withdrawn from the bank, the cheques or withdrawal slip shall be signed by at least three members of the trustee.

13. Loans

Loans shall be granted to members subject only to the 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 borrowers. The society can borrow subject to the majority decision of the general meeting of the members from individual, private, public sectors, government institutions for realization of its objectives.

(1) Conditions Governing Loans:

No loan shall be granted to:

- a. Any individual other than the member of the society except in other manner approved by the management committee.
- b. Any member whose instalment of share is in arrears.
- c. Any member who has not made thrift saving.
- d. For a period exceeding the time limit fixed by the general meeting
- e. If it would bring a member's total indebtedness at the time of the loans to an amount exceeding its Maximum Credit Limit (MCL).

(2) Application for Loans

This shall be made to and disposed of by the management committee but processed by the credit committee.

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(3) Loans to Members

No loans shall be made to a member earlier than six months to his becoming a 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.

(4) Maximum Credit Limit

The maximum credit limit of each applicant for a loan shall be determined as twice the total saving of the applicant as at the time of the application.

This however is subject to maximum credit limit approved by the general meeting, availability of funds the principle of making credit limit available to as many members as are qualified and the securities offered.

(5) Interest to Members

Interest on loan to member shall be charged at a rate approved by general meeting but shall not exceed 10% per annum nor shall it be below 5% per annum. In case of default in repayment, penal interest shall charge at twice the nominal rate.

(6) Supply of Consumer Goods

- a. 10.6.1 The society shall purchase for supply to member such household equipment or consumer items as are necessary for the improvement of members living conditions.
- b. Where the member is not in a position, to pay cash for these goods, the value of supplies may be treated as a loan subject to Bye-law 10.4:
- c. 10.6.2 The society shall stock domestic and personal requirements including food stuff for sales to member.

(7) Bond and Sureties

Every borrower shall execute a bond and shall furnish the two sureties who must be members of the society and shall also be boned. No extension of the period of payment shall be granted without the consent of the sureties.

(8) Duties of Sureties

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

- a. Repayment of the loan if the borrower defaults.

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- 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 is based
- d. The surety shall report misuse of the loan to the committee immediately.

(9) Appropriation of Debit Payment

When a member from whom money is due pays any sum to the society, it shall be appropriate in the following order;

- a. To share payments, penalty and other miscellaneous charges due by him
- b. To interest on loan and
- c. To principal loan.

14. Disposal of Surplus

(1) Annual Net Surplus

The annual net surplus of the society shall be appropriated in the following manner:

- a. Statutory Reserve: Not less than 30% of the annual surplus shall be set aside as reserve fund unless a lower rate is prescribed by the Chief Registrar of Co-operatives under the law.
- b. Education Fund: 5% to be set aside as education fund for educating members/staff of the society.
- c. Bonus: 3% shall be set aside as Bonus to management committee
- d. Audit and Supervision fee: 1% for Audit and Supervision fee to be paid to the office of Chief Registrar of Co-operatives FCT.
- e. AGM entertainment: 10% shall be set aside for AGM entertainment.
- f. Dividend: the remaining 51% is to be shared to shareholders and members as dividend. Dividend on member's saving shall be as approval at the Annual General Meeting as proposed by the Executive Committee.

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(2) 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 of the Co-operatives, it shall be utilized in the business of the society, but shall be deposited or invested in accordance with the Act No. 98 of 2004 but subject to the written permission of the Director of the Co-operatives.

(3) Director of the Co-operatives Approval

The appropriation of the net surplus shall be subject to approval by Director of the Co-operatives and governed in all respects by the spirit and letter of the law and regulations.

(4) Audit, Inspection and Inquiry

The account of the society shall be audited in accordance with section 36 of the law at the end of its financial year to which the accounts relate by an auditor approved in writing by management committee and rectified by the general meeting.

15. Books of Accounts

(1) Presented Books of Inspection

Account and Records shall be maintained in the forms prescribed by the Director of the Co-operatives shall include the following:

- a. A Membership and Attendance Registrar, showing the name, address specimen signature and occupation of every member, the number of share 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.
- b. A cash book showing the receipt, expenditure and balance on each way on which business is done;
- c. General ledger
- d. Personal ledger with account for each member; depositor and creditor;
- e. Loan register showing instalment for repayment of loans.
- f. Minute book for proceedings of General and Management Committee Meeting

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- g. Register of share payment
- h. Loan bond book showing particulars and containing bonds for all loans issued
- i. Receipts
- j. Cash book
- k. such other records as may be prescribed by the Director of the Co-operatives

(2) Inspection of Books

The books, accounts register and papers of the society shall be open at all reasonable times for the inspection of member and 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, the Regulation and of this bye-law shall be available for inspection at the Registered Address of the society at all reasonable hours.

(3) Annual Statements

The society shall prepare yearly, in such form, as may be prescribed by Director of the Co-operatives.

- a. An account showing the income and expenditure for the year; and
- b. An balance sheet

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

(4) Receipts

It shall be the duty every member:

- a. To insist upon obtaining a separate printed receipt from the proper receipt book, or such other form of receipt as may be approved by tile Director of the Co-operatives, for every sum of money paid lo the society.

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- b. To sign, or make his thumb in the proper book in the place of receipt, whenever any sum of money is paid or repaid to him by the society.

16. Liquidation

- a. The society shall be liquidated except in accordance with section 38-45 of the law.
- b. 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 the Co-operatives in the bank until a new Cooperative Society within a similar area of operation 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.

17. Miscellaneous Provision

(1) Affiliation to Secondary Cooperative Body

Unless there are reasons to the contrary accepted by the Director of the Co-operatives, the society shall affiliate itself at the earliest possible moment to approve Cooperative Union within its area of operations.

(2) Disputes

Any dispute arising in or concerning the society and its member or past members shall be referred to the Director of the Cooperatives for settlement by arbitration under the provision of section 44 of the Cooperative Societies Law.

(3) Seal

The Secretary shall hold in safe custody the seal of the society on behalf of the Trustee. The seal shall be of a pattern approved by the Director of the Co-operatives. Documents shall be sealed at least two of the Trustees.

(4) Surcharge

The general Meeting of the Society may impose surcharges on members, not exceeding Five Thousand Naira (N5,000.00) in any one case, for flagrant or respected contravention of Bye-Laws

18. Amendment of Bye-Laws

Any amendment of or addition to these Bye-Laws shall be by General Meeting of society in accordance with section 14 and Regulation of the Law, but such amendment shall not be valid until registered by Chief Register of Cooperatives Federal Capital Territory Administration, Abuja.

19. Certification

I hereby certify that the foregoing Bye-laws of EKWULOBIA MULTIPURPOSE COOPERATIVE SOCIETY LTD.

APPROVED UNDER THE SEAL OF THE
CHIEF REGISTER OF COOPERATIVES,
FEDERAL CAPITAL TERRITORY
ADMINISTRATION,
ABUJA.