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BYE-LAWS

OF

TOKENS TO WEALTH (SAMGO TESO)

CO-OPERATIVE

MULTIPURPOSE

SOCIETY LIMITED

MOTOR: EACH FOR ALL AND ALL FOR EACH

ALL RIGHTS RESERVED

BYE-LAWS OF .....TOKENS TO WEALTH..... (SANGOTEDO

COOPERATIVE MULTIPURPOSE SOCIETY LIMITED.

INTERPRETATIONS:

1. **All words and expressions used in these bye-laws have the meaning respectively assigned to them under section 73 of the Cooperative Societies Law, Chapter 14 of the Laws of Lagos State of Nigeria, 2015. In particular, the following words or expressions shall have the meaning respectively assigned to them below:**

1.1. *"Financial Year"* means the period of twelve months beginning on 1st January and ending on 31st December, the same year.

1.2 *"The Law"* means the Cooperative Societies Law Chapter 14 of the Laws of Lagos State of Nigeria (2015).

1.3 *"Bye-Laws"* means the registered bye-laws made by a society in exercise of any power conferred by this law and it includes a registered amendment of the bye-laws .

1.4. *"Officer"* includes a President, Secretary, Treasurer, Vice President, Financial Secretary, Assistant Secretary, Ex-Officio 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.

1.5. *"Persons"* include any company or association or body of persons, (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 the society to whom the general management of its affairs is entrusted.

1.9. *Member"* includes a person or registered society admitted to membership of the Society in accordance with the bye-laws and regulations. '

1.10. *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.

1.11. *"Functional Committee"* means an elected/appointed body of persons within the society to whom specific duties are delegated by the society.

1.12. *The Society"* herein afterwards refers to as:.....

TOKENS TO WEALTH (SANGOTEDO) Cooperative Multipurpose Society

If there shall arise any doubt regarding the meaning or intention of these bye-laws, the matter shall be referred to the Director for his ruling.

2. NAME, ADDRESS AND AREA OF OPERATION:

2.1 **The name of the society shall b**.....Tokens To Wealth (Sangotedo) **)COOPERATIVE MULTIPURPOSE SOCIETY LIMITED.**

2.2. Its address shall be...House 7A, B close. Road 2 Ocean Palm Estate · Sangotedo · Lekki-Epe Expressway · Lagos

2.3. The area of operation of the society shall be within Lagos State and any other area within Nigeria where the society might have interest.

3. OBJECTIVES OF THE SOCIETY:

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

3.1. To provide credit facilities to its members at fair and reasonable rates of interest for provident and productive purpose.

3.2. To encourage regular savings amongst members so that members 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 and farm equipments for distribution to members and non-members (with priority to members) at fair and reasonable prices;

3.4. To acquire or pool members' farmlands for large scale arable and livestock farming;

3.5. To cultivate on such land food and cash crops and also rear livestock, including poultry, piggery, fishery etc ..

3.6. To operate warehouses and cold room facilities for the storage of these consumer and producer goods and let out these facilities to interested parties;

3.7. 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;

3.8. To undertake or invest in real Estate and Housing developments for acquisition by its members and other interested parties.

3.9. To undertake or invest in new ventures beneficial to the members and the society as approved by the General House. These includes Project Financing, Production, e.t.c .

3.10. To undertake service businesses that will cater for the primary needs of members and patrons; like petrol stations, warehousing, consultancy etc., managed in the overall interest of members and the society

3.11. To encourage fixed deposits from members out of which a fund may be Established for giving short-term loans to members, to acquire stock of shares and other rewarding ventures;

3.12. To raise capital through shareholdings by members to be used for investment by the society.

3.13. To manage financial portfolios carefully by investing in stocks but guided by the decision of members. In this way, the society shall become part owners of multinational companies.

3.14. To seek loans for industrial/housing development from banks, the Cooperative organisation and other financial institutions at reasonable interest rates.

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 establish recreational facilities like hotels, restaurants, snacks bars amusement/entertainment centres and supermarkets;

3.17. To engage in the organization or exhibition of locally made goods, cultural carnivals and conferences;

3.18. To engage in importation and exportation of raw materials and finished goods;

3.19. To engage in consultancy and any other economic or social activities as may be approved by the general body of members;

3.20. To do anything within the law and enter into any transaction which in the Society's opinion is necessary to ensure the proper performance of its functions or the attainment of the above listed objects;

4. MEMBERSHIP AND LIABILITY

4.1 **MEMBERSHIP:** The membership of the Society shall be open to:

a) All persons who are members of the society as at the time of filling the application for registration as a Co-operative Society;

b) Anyone who applies and is admitted to membership in accordance with these Bye-Laws.

4.2. **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 in the case of an heir of a deceased member, and where the Director grants exemption from this qualification.

(c) any other category of person(s) approved by the general body of members as qualified to be members of the society.

(d) any member who does not belong to any other society, the primary objects of which coincide with that of this society except with the permission of the Director.

4.3. **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 membership shall be approved by the Management Committee. Every member shall on admission be required to sign the Membership Attendance Register and Personal Ledger.

c) 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 N.5,000 (FIVE THOUSAND NAIRA ONLY), or any such amount as might be determined from time to time by the management committee and also specify among other things, the minimum monthly savings to be made by the applicant, which shall also be determined by the Management Committee from time to time.

f) **Declaration of Obligation:** Every member, on joining the Society, shall render to the management committee, a true and complete statement of his indebtedness to other societies or organisations.

4.4 **LIABILITY OF MEMBERS AND PAST MEMBERS:**

4.4.1 The liabilities of members for debts incurred by the Society shall be determined by the Liquidator appointed by the Director vide section 57 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.

4.4.3 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.

4.5 **NOMINEES:**

Every member shall in writing nominate a person or persons to whom his shares or interest in the society shall be transferred to in the 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 member shall 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.

4.6 **TERMINATION/WITHDRAWAL OF MEMBERSHIP:**

Membership shall be terminated by: -

(a) Death;
(b) Permanent insanity;
(c) 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 any unpaid debt; and
(d) Expulsion under Bye-Law 4.7.
(e) Termination of appointment by the host organisation.

4.7 **EXPULSION:**

A member may be expelled for: -

(a) Repeated failure to make thrift savings as laid down in 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 acts contrary to the stated objects of the Society or to the interests of the Co-operative Movement.

When membership 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.

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 member's credit or liability he has guaranteed.

4.9. **MEMBERSHIP REGISTER:**

Every member, on admission and on payment of the appropriate entrance fees shall sign 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

5.1 **POWERS OF THE GENERAL MEETING:**

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

5.2 **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 than Seven (7) days or not more than Fourteen (14) days. Thereafter, the number of members present at any such meeting shall form a quorum.

5.3 **THE ANNUAL GENERAL MEETING:**

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

5.4 **DUTIES OF THE ANNUAL GENERAL MEETING:**

These shall include: -

(a) Receiving a report on the preceding year's operations of the Society with the Statement of Accounts; showing the statement of comprehensive income for the year; a surplus and a statement of financial position from the Management Committee;

(b) Dealing with any communication received from the Director of Cooperatives;

(c) Election of the Management Committee and Supervisory Committee members for the ensuing year;

(d) Other matters as presented by the Management Committee.

5.5 **THE DUTIES OF THE ORDINARY GENERAL MEETING:**

An Ordinary General Meeting Shall:

(a) Suspend or remove from office any member of the Committee in accordance with these Bye-laws.

(b) Confirm the expulsion of member (s)

(c) Amend or repeal any existing Bye-laws or enact a new Bye-law in accordance with Bye-law 15.

(d) Dispose of any other business duly brought before it.

5.6 **MEETINGS:**

a) The notice required for all types of General Meetings from the commencement of these Bye Laws 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 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-day notice, specifying the intention of passing the resolution as an Ordinary Resolution has been duly given.

c) A resolution shall be a Special Resolution when it has been passed by not less than three-fourth of the 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:

d) All resolutions for the purpose of:
(i) removing a Management Committee Member; and
(ii) amending the provisions of this Bye-Laws shall from time to time be decided by the general body through a special resolution.

5.7 **EXTRA-ORDINARY GENERAL MEETING:**

a). An extraordinary General Meeting may be ,called at any time by a majority of the Management Committee· or on a request from the Director of Cooperatives, 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 2ldays notice as in bye-laws 5.7 (a) above.

5.8 **VOTING:**
Voting at general meetings shall be by open-secret ballot system. 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 President shall have a casting vote if votes are equal, or he may call for a second voting.

6. THE MANAGEMENT COMMITTEE:

6.1 **COMPOSITION AND POWERS OF THE MANAGEMENT COMMITTEE:**

6.1.1. Subject to the Law, the Regulations and these 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-committees/functional committees to which it may delegate part of its functions provided that a member of the Management Committee shall head such functional committees.

6.1.2. The Management Committee shall consist of active members over the age of 18 years and shall be elected by the General Meeting or the Annual General Meeting.

6.1.3. The Management Committee shall consist of at least five (5) members, from **President, Vice President, General Secretary, Treasurer, Financial Secretary, Assistant General Secretary, and one or three Ex-officio members** one of whom shall be the immediate past President or any of the other immediate past Trustees. Where such member(s) become re-elected or rejects the position, the slot shall be made open to any of the immediate past management committee members or any member of the society.

6.1.4. The Management Committee shall have power to lay down administrative rules and procedures for the smooth running of the society provided that such rules and procedures do not violate or contravene the spirit and letters of the Law, Regulations and these Byelaws.

6.1.5. It shall have the power to appoint in acting capacity new Management Committee member(s)to fill any casual vacancy arising out of death, resignation, retirement or removal of a member of the Committee.

6.1.6 Where the Committee fills a casual vacancy, the person so appointed 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.

6.1.7 The Annual General Meeting shall have the power to increase or reduce the number of Management Committee members provided that such reduction shall not bring the number below five.

6.1.8 **Tenure of Office** in a Multipurpose Society, an officer shall only serve in his office on being appointed into that office for not more than 2 (two) terms of 2 (two) years each. An executive officer after serving in office for a period of 2 (two) terms shall not be eligible for a re-election until 4 (four) years following the end of his tenure.

6.1.9 No person other than *bona fide* members of the Society, as defined by Byelaw 4.1, 4.2 and 4.3, are eligible to be, or nominate members to the Management Committee.

6.2 **REMOVAL OF MANAGEMENT COMMITTEE MEMBERS:**

6.2.1 The Society may by a Special Resolution passed at the Annual General Meeting remove Management Committee member(s) before the expiration of their tenure of office.

6.2.2 Where notice is given of an intended resolution to remove a member of the Management Committee under this section and such member makes written representations to the Society requesting notification of the said intended resolution of removal the Society shall, unless the representations are received not less than seven days to the meeting, send a copy of the representations to every member of the Society to whom Notice of the Meeting is ordinarily given.

6.2.3 Where such representations are unable to be sent out as required in 6.2.2 above as a result of its being received 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.

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

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

6.2.4 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.

6.3. **PROCEEDING OF THE MANAGEMENT COMMITTEE:**

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

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

6.3.3. 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.

6.3.4. 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.

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

6.3.6. The quorum necessary for the transaction of the business of the 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.

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

6.4. **HONORARIUM AND OTHER PAYMENTS:**

6.4.1. The honorarium payable to the members of the Management Committee shall from time to time be determined by the Management Committee and approved at the general meeting and such honorarium shall not be more than 5% of the net 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 themselves.

6.4.2. The Management Committee members may also be paid all traveling, hotel and other expenses 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 the business of the Society.

6.4.3. The honorarium paid to Management Committee members shall be part of the appropriation from its surplus.

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

6.5. **DUTIES OF MANAGEMENT COMMITTEE MEMBERS:**

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

6.5.1. 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.

6.5.2. 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 manner as a reasonable and ordinarily skillful Committee member would act in the circumstances.

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

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

6.5.5. To prepare and lay before the general meeting a statement of comprehensive income, audited statement of financial position and a budget.

6.5.6. To consider the audit and inspections reports of the Auditor and the Director of Co-operative Services.

6.5.7 To purchase, sell, build upon, lease, mortgage or exchange any property or land and to enter into any contracts and settle the terms thereof;

6.5.8 To ensure safe custody of the society's property.

6.5.9 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 duties

6.5.10. To issue new and transfer old shares

6.5.11. To enter into contracts on behalf of the society

6.5.12. A Management Committee member shall exercise his powers as specified in these bye-laws and such exercise shall not constitute a breach of duty, if it affects a member or paid employees of the Society adversely.

6.5.13. A Management Committee member shall not delegate the powers vested upon him under any provisions of these bye-laws in such a way and manner as to constitute an abdication of duty.

6.5.14. No provision, whether contained in these bye-laws 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.

6.5.15. Members of the Management Committee shall, conduct the affairs of the Society in line with the Law, Regulations and these Bye-laws.

6.5.16. The Committee shall keep and maintain true and accurate accounts of all monies received and expended and all the assets and liabilities of the Society.

6.5.17. The Committee shall lay before the Annual General Meeting a statement of Comprehensive Income and the audited Statement of Financial Position for acceptance or rejection.

6.5.18. The Committee shall examine the accounts, sanction the contingent expenditure and ensure the maintenance of the books and records as may be prescribed by the Director.

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

6.5.20. The committee shall summon General Meetings.

6.5.21. The Committee shall assist in the inspection of the books and records of the society by any person authorised to do so by the Director.

6.5.22. **Engagement of Paid Officers:**
The Committee may engage the services of paid Officers to assist in carrying out its duties.

6.5.23. The Management Committee shall be in sole charge of legal proceedings by or against the Society or Committee or its officers or employees in all matters concerning the affairs of the Society.

6.6. **CONFLICTS OF DUTIES AND INTERESTS:**

6.6.1. A Management Committee member shall not allow his personal interests conflict with official duties as a Committee Member under these bylaws.

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

6.6.3. A Management Committee member shall be accountable to the Society for any secret profit made or any unexplainable benefits derived contrary to the provisions of Subsection 6.6.2. above.

6.6.4. 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.

6.6.5. Where, prior to the transaction a Management Committee member discloses his interests 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 profits are made. In this case, he shall account for the profits.

6.7. **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.

Trustees: 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.

6.8. **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 offices:

6.8.1 **President:**

a) He shall preside at all 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

6.8.2 **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.

6.8.3 **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. He shall chair the meeting of the credit committee
d. Shall prepare all receipts, vouchers and documents required by the regulations or byelaws or called for by the management committee
e. Shall perform other functions as directed by the management committee

6.8.4. **General Secretary:**

a) Shall keep and maintain correctly an up-to-date prescribed documents.

b) Shall procure from borrowers the due execution of bonds with security

c) Shall be the head of the Secretariat of the society

d) He shall sign on behalf of the society and conduct all its correspondence

e) Shall summon and attend all General and management committee meetings and prepare the secretary's report for the Annual General Meeting

f). Shall perform other functions as directed by the management committee.

6.8.5. **Assistant General Secretary:**

a. Shall in the absence of the General Secretary perform the functions of the General Secretary.

b. Shall attend and record all the proceedings of the meetings of the management committee.

c. Shall assist the General Secretary in the preparation of the Secretary's report to the general meetings.

d. Shall assist the General Secretary in the running of the society's secretariat

e. Shall perform other functions as directed by the General Secretary and the management committee.

6.8.6. **Financial Secretary:**

a) Shall be responsible for the updating of members' passbooks and personal ledger details.

b) Shall prepare and submit to the management committee the annual accounts and statement and certify copies of entries in the books.

c) Shall perform other functions as may be directed by the Management Committee.

6.8.7. **The Secretariat:**

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

b. The secretariat shall be supervised by the General Secretary and other Management Committee members

c. The secretariat shall employ officers who will work in the secretariat for 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 be entitled to remuneration, allowances and incentives as approved by the Management Committee

f. Staff shall be considered for confirmation as a full staff after two years of service

h) Staff shall be entitled to gratuity based on the number of years of service according to the staff policy of 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. **Staff Strength.**

3. **Entitlements:**
   - i. Remuneration
   - ii. Annual Leave and Bonus
   - iii. Maternity leave
   - iv. Sick Leave
   - v. Examination Leave

4. **Incentives:**
   - (I) Staff loan
   - (ii) Car Loan
   - (iii) Correspondence Loan etc

5. **Organogram**

6. **Disciplinary measures to erring staff**

7. **Procedure for disengagement of staff**

6.9. **COOPERATIVE INSURANCE SCHEME:**
The Society shall take-up Cooperative Insurance Scheme to mitigate against risks from unpaid loans arising from sudden death, disability or such unforseen circumstances of members.

6.10. **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 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.

6.11 **REMOVAL OF MEMBER OF THE MANAGEMENT COMMITTEE:**

A member of the Management Committee shall 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-servant of the society; 6.11.4 Is convicted on any criminal offence, and

6.11.5 Acts in a manner prejudicial to the interest of the society and he is removed by a majority vote of2/3 of members present and voting at a special general meeting.

The society may fill any vacancy arising from death, resignation, incapacitation or removal.

6.12. **PROPERTY TRANSACTION BY MANAGEMENT COMMITTEE MEMBERS:**

6.12.1. The Society shall not enter into an arrangement:

i) Where a Committee member 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

ii) Where 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.

6.12.2 For the purpose of sub-section (i) 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 N.....(.....) only. 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.

6.13 **LIABILITIES ARISING FROM CONTRAVENTION OF SUB-SECTION 6.12:**

6.13.1 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 other person), shall be voidable at the 'instance of the Society unless one or more of the conditions specified in Subsection 6.13.2 here under are satisfied.

6.13.2 The conditions shall include the following: -

a) Where restitution of any of the money 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 Society at a General Meeting.

6.13.3 Where a member of the Management Committee or any person connected with him enters into an arrangement with the Society in contravention of Section 6.12 of these bye-laws, 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.

6.13.4. Subsection 6.13.3 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 6.13.3 arises whether or not the arrangement or transaction entered into has been avoided in pursuance of subsection 6.13 .1.

6.13.5 If an arrangement is entered into by the Society and any person connected with a member of the Management Committee in 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.

6.13.6 This section shall have effect with regard to references in sections 6.12, 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.

6.13.7 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 e.t.c.

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; or

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 (I) (2) or (3) of this subsection, is connected with that Management Committee member.

7.0. SUPERVISORY COMMITTEE

There shall be a supervisory committee, which shall comprise of at least three members, who shall be elected at the Annual General Meeting.

7.1. DUTIES OF THE SUPERVISORY COMMITTEE

7.1.1. The Supervisory committee members shall meet at least once every three months 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, stock of goods and other investments.

7.1.2. To ascertain that all actions of the Management Committee are in conformity with the Law, Regulations and these bye-laws.

7.1.3. To make a written report to the Management Committee of its findings following each examination

7.1.4. To make an Annual Audit and a written report and submit same to the Annual General Meeting.

7.1.5. To verify the passbook of the members with the accounts of the Treasurer annually, while paying attention to the following check list:-

1) Is a receipt issued for every item of cash received?
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 the cashbook balanced regularly (daily weekly and monthly)
6) Are all expenses approved by the management committee and vouchers duly signed by the president & endorsed by the beneficiary?

7) Are the members' balances compiled monthly?

8) Do these members' balances agree with the general control account.

9) Are the minutes signed by the President and Secretary?

10) How many loans are delinquent?

Name:.....

Amount:.....

11) How many loans are overdue (a) within 1 year (b) over 2 yrs?

12) What actions are being taken to recover them?

13) Are all management team or officers handling cash bonded?

14) Does the society carry a burglary and robbery insurance?

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 benefits or gratuities, business failure, e.t.c any unpaid balance of the loan in the event of death, retirement or termination of appointment?

15) Has Auditors' report been read and discussed at a meeting of Management Committee?

7.1.6. **To request at regular intervals, comparative statements of delinquent loans and reasons for them in order to evaluate the quality of their worth.**

7.2. **CREDIT COMMITTEE**

7.2.1. **COMPOSITION OF THE CREDIT COMMITTEE**
The credit Committee shall consist of at least 3 members appointed by the Management Committee under the leadership of the Treasurer.

7.2.2. **DUTIES OF THE 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 borrowers and sureties and thereafter recommend for the approval of the Management Committee.

b) **To decide on the terms of repayment of loans granted.**

c) **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 plan payment which enables a borrower continue a proportion of his total payments to his ordinary savings while repaying his loan.**

7.3 **BUILDING COMMITTEE**

7.3.1 **COMPOSITION OF BUILDING COMMITTEE**

There shall be a Building Committee, which shall consist of at least five (5) members appointed by the Management Committee and the leadership of which shall also be drawn from the Management Committee.

7.3.2. **DUTIES OF THE BUILDING COMMITTEE**

a) To be responsible for acquisition of landed properties for the benefit of members of the society.

b) To ensure that landed properties to be bought are free of any encumbrances.

c) To be responsible for processing all title documents of the Society's land

d) To set guidelines for the management and maintenance of all properties in the Society's Estates.

e) To render a quarterly report on the operations and finances of the committee to the Management Committee.

7.4. **CONSUMER COMMITTEE:**

7.4.1. **CONSTITUTION OF CONSUMER COMMITTEE:**
There shall be a Consumer Committee, which shall consist of at least three (3) members appointed by the Management Committee and the leadership of which shall also be drawn from the Management Committee.

7.4.2. **DUTIES OF THE CONSUMER COMMITTEE**

a) To arrange for the purchase of commodities like daily consumable items, House-hold appliances, e. t.c.

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.

e) To render a quarterly report on the operations and finances of the committee to the management committee.

8. CREATION OF FUNDS

8.1. **SOURCES OF FUNDS:**
The funds of the Society shall comprise of: -

8.1.1 An undetermined number of shares of the value of N……..each; which shall be determined by the Management Committee from time to time.

8.1.2. Entrance Fees, proceeds from sales of loans and membership forms;

8.1.3. Savings of members as defined in Byelaw 8.7;

8.1.4. Surplus arising out of the business of the Society;

8.1.5. Interest received on loans; and

8.1.6. Other sources as approved by the Director.

8.2 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, and any other purposes approved by the General Meeting and the Director.

8.3 **SHARE HOLDING:**

8.3.1 Every member shall hold fully-paid shares of at least ……. shares at a nominal value of = N = ……..per share, which shall not be transferable except to a nominee in accordance with Bye-Law 4.5. The minimum share holding can be increased or decreased by the decision of the general meeting as the business of the society may demand.

8.3.2 A member may pay by instalments 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.

8.3.3 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

8.3.4 A member can hold any number of shares in excess of the minimum Share holding but not exceeding 20% of the total paid up share capital by all members at any point in time.

8.4 **WITHDRAWAL OF SHARES:**

Shares shall not be withdrawn unconditionally; but if at the end of the financial year the Society's financial situation is favorable, 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 year without the Director's permission.

8.5 **LIMIT ON SHARE 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, possesses more than the maximum holding permitted, the Management Committee, may sell the excess or buy them for disposal by the Society.

8.6 **ENTRANCE FEES/RE-ENTRY FEES:**

Every member, on 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 who had earlier resigned/withdrawn his membership can only be re-admitted during the following financial year, of not less than 12 calendar months outside the membership of the society. Payment of 'Re- Entry Fee', shall be decided by the Management Committee.

8.7 **COMPULSORY SAVINGS:**

8.7.1 Every member shall make regular thrift savings, minimum of which shall n o t be below =N= …5,000……(…FIVE THOUSAND NAIRA ONLY…) per month;

8.7.2 Savings shall be governed by rules to be framed by the Society subject to the approval of the Director;

8.7.3 The rate of dividend payable on regular ordinary savings shall be determined after the surplus has been ascertained and necessary reserves created;

8.7.4 No member can withdraw part or whole of his savings except on withdrawal of membership.

9. USE AND CUSTODY OF FUNDS.

9.1 **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 and other funds approved by the General Meeting and the Director;

e) Current or Savings Bank Accounts, Term Deposit or Federal Government Treasury Bills and other business ventures.

f) Stocks of shares or goods

9.2 **USE OF FUNDS:**
The funds of the Society shall be applied only for the furtherance of its stated objectives in accordance with this Bylaws.

9.3 **INVESTMENTS:**
Such funds 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 Director.

9.4 **OPERATION OF BANK ACCOUNT:**
The Society shall operate Trustee Bank Accounts. Before money is withdrawn from the Bank, the cheques or withdrawal slips shall be signed by at least two of the Trustees.

10. LOANS:
Loans shall 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 borrowers.

10.1 CONDITIONS GOVERNING LOANS:

No loan shall be granted to: -
a) Any individual other than a member of the Society;

b) Any member whose instalments of shares are in arrears;

c) Any member who has not made thrift savings under Bye-law 8.7.

d) Any member for a period exceeding the time limit fixed by the General Meeting

e) Any member If it would bring a member's total indebtedness at the time of the loan to an amount exceeding his maximum credit limit.(MCL)

10.2 **APPLICATIONS FOR LOANS:**

This shall be made to and disposed off by the Management Committee but processed by the Credit Committee.

10.3 **LOANS TO MEMBERS:**

No loans shall be made to a member earlier than six months of' 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.

10.4 **MAXIMUM CREDIT LIMIT:**

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 limit approved by the General Meeting, availability of funds, the principle of making credit available to as many members as are qualified and the securities offered.

10.5 **INTEREST ON LOAN TO MEMBERS:**

Interest on loan to members shall be charged at a rate approved by the General Meeting but shall not exceed 15% per annum nor shall it be below 5% per annum. In case of default in repayment, penal interest shall be charged at twice the normal rate.

10.6 **SUPPLY OF CONSUMER GOODS:**

10.6.1 The Society shall purchase for supply to members such household equipments or consumer items as are necessary for the improvement of members' living conditions. Where the member is not in a position to pay cash for these goods, the value of the supplies may be treated as a loan subject to Bye-law 10.

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

10.7 **BONDS AND SURETIES:**
Every borrower shall execute a bond and shall furnish two sureties who must be members of the Society and shall also be bonded. No extension of the period of repayment shall be granted without the consent of the sureties.

10.8 **DUTIES OF A GUARANTOR:**

A Guarantor must be a reputable member of the Society and shall personally guarantee;

(i) Repayment of the loan if the borrower defaults;

(ii) The correctness of the particulars on which the value of the borrower's securities is based;

(iii) That the loan is used for the purpose stated by the borrower on the application form.

10.8.1 Such guarantor shall report misuse of the loan to the Committee immediately.

10.9 **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) to share payments, penalty and other miscellaneous charges due by him

b) Interest on loan, and

c) Principal loan.

11 DISPOSAL OF SURPLUS

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

(i) **Reserve Fund:** At least one-fourth (25%) shall be carried to the Reserve Fund, unless a lower rate is prescribed by the Director

(ii) 2½% to the **Education Fund**

(iii) **Honoraria** of not more than (5%)

(iv) **Dividend** on members' savings, Bonus on patronage, share capital interest shall not be less than 50% of the net surplus.

(v) **Annual General Meeting Expenses**

(vi) Building up a **General Reserve;**

11.2 **DIVIDEND:**

The Committee shall determine the dividend payable on shares, loan repaid and savings, provided that the appropriated net surplus for dividend shall not be less than 50%. No dividend shall be paid if any overdue claim to a depositor or lender remains unsatisfied. A lien shall be placed on such dividend and applied to service such outstanding loan.

11.3 **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 Section 25 of the Cooperative Societies Law Ch.C14 Laws of Lagos State 2015

11.4 **EDUCATION FUND**

Not less than 2.5% of the yearly net surplus shall be carried to an Education Fund reserve, half of which shall be paid to Lagos State Co-operative Federation (LASCOFED) for the promotion and extension of co-operative principles and values.

11.5 **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 and regulations.

11.6 **AUDIT AND SUPERVISION FEES. (A.S.F)**
Audit and Supervision Fees is one percent (1 %) of the gross income or any rate assessed by the Director and paid annually by the society to any recognized body approved by the Director.

12 **BOOKS OF ACCOUNTS.**

12.1 **PRESCRIBED BOOKS OF INSPECTION:**

Accounts and Records shall be maintained in the forms prescribed by the Director of Cooperatives and shall include the following:-

12.1.1 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;

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

12.1.3 General Ledger;

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

12.1.5 Loan register showing instalment for repayment of loans;

12.1.6 Minute book for proceedings of General and Management Committee Meeting;

12.1.7 Register of share payment;

12.1.8 Loan bond book showing particulars of and containing bonds for all loans issued;

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

12.2 **INSPECTION OF BOOKS:**

The books, accounts, register and papers of the Society shall be open at all reasonable times for the inspection of members and any accredited Cooperative Official provided that no person other than an Officer or Committee member 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, Regulations and bye-laws shall be available for inspection at the Registered Address of the Society at all reasonable hours.

12.3 **ANNUAL STATEMENT:**

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

(I) An account showing the Statement of Comprehensive Income for the year; and

(ii) A Statement of Financial Position.

12.3.2. The account shall be due for submission between January 1st and February 28/29 or such other date as the Director may direct, and 4 copies of each account shall be sent to the Director for approval within such time as the Director may direct.

12.4 **RECEIPT:**
It shall be the duty of every member:-

1) To insist on obtaining a separate printed receipt from the proper receipt book, or such other form of receipt as may be approved by the Director, for every sum of money paid to the society:

2) To sign, or make his thumb print in the proper book, in place of receipt, whenever any sum of money is paid or repaid to him by the Society:

13. LIQUIDATION:

13.1 The society shall not be liquidated except in accordance with Sections 56 &57 of the Co-operative Societies Law, Ch. 14 of the Law of Lagos State of Nigeria, 2015.

13.2 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, secondly in the repayment of the share capital paid up, and thirdly to members savings Any surplus shall be disposed off as decided by Director.

14. MISCELLANEOUS PROVISIONS:

14.1 **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 the approved Cooperative Union within its area of operations.

14.2 **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 42 of the Co-operative Societies Law.

14.3 **SEAL:**

The trustees shall hold in safe custody the seal of the Society on behalf of the Trustees. The seal shall be of a pattern approved by the Director.
Documents shall be sealed by at least two of the Trustees

14.4 **SURCHARGE:**

The General Meeting of the Society may impose surcharges on members not exceeding Five Thousand Naira (N5,OOO.OO), for flagrant or repeated contravention of the Bye- Laws

15. **AMENDMENT OF BYE-LAWS:**

Any amendment or addition to this Bye-Laws shall be made by General Meeting of the Society in accordance with Section 11 and Regulation 5 of the Law, but such amendments shall not be valid until registered by the Director.

16. **CERTIFICATION:**

I hereby certify that the foregoing Bye-Laws of.....
.....TOKENS TO WEALTH.....(SANGOTEDO)
COOPERATIVE MULTIPURPOSE SOCIETY LIMITED.
No: LSCS....16376.... of..30TH..day...JULY..... 2018..
has been Registered under Section 6 of the Co-operative Societies Law, Ch. 14, of the Laws of Lagos State of Nigeria, 2015.

Zuibrahim

DIRECTOR OF CO-OPERATIVE SERVIC
LAGOS STATE OF NIGERIA