

BYE – LAW

of



1. INTERPRETATION

- 1.1 All words and expressions used in this Bye-Law and defined by Section 57 of the Nigerian Co-operative Societies Act, CAP N98, Laws of Federation of Nigeria 2004 (previously decree 90 of 1993), and any amendments or re-enactment thereof (the “Act”) shall have the meaning assigned to them in the above named section. Where there is a conflict between the meanings ascribed in this Bye-Law and the Act, the Act shall prevail.
- 1.2 The following words or expressions shall have the meaning respectively assigned:
- a. Appeal Committee means a Committee appointed by the Governing Council for the purpose of settling disputes arising from election of officers of the Executive Committee.
 - b. “Casual Vacancy” means a situation where the office of a member of Executive Committee becomes vacant either by resignation, permanent insanity, retirement, leave of absence or removal from office before the expiration of his tenure.
 - c. "Co-operative" means the Cloud Cooperative Limited.
 - d. "Director" means the Federal Director of Co-operatives;
 - e. "Electoral Committee" means a committee of comprising of at least 3 (three) members and not more than 6 (six) members appointed by members in the General Meeting to conduct elections in line with the provisions of this Bye-Law;
 - f. "Electoral Guidelines" means the rules and procedures from time to time devised by the Electoral Committee to govern the election into office of a new Executive Committee or election of officers of the Co-operative;
 - g. “Executive Committee” is the group of persons or individuals responsible for the day to day management and the control of the business affairs of the Co-operative;
 - h. "Financial Year" means a period of twelve months, beginning on the 1st day of January of each year and ending the following 31st day of December of the year;
 - i. “First General Meeting” is the first meeting of the Society to be held immediately or not later than two (2) months after the receipt of the certificate of registration of the Co-operative.
 - j. “Foundational members” shall be the members who applied for the registration of the Co-operative;
 - k. “General Meeting” is the ultimate authority of the Co-operative at which every member has a right to attend and vote on all questions and decisions of the Co-operative;
 - l. “Governing Council” shall include the foundational members and other members appointed by it which shall perform its assigned responsibilities in this Bye Law;
 - m. "Gross Misconduct" means any malicious act or omission committed with intent to cause loss, damage, undue delay or expense to the Co-operative;

- n. "Honorarium" means a share of the net profit of the Co-operative divided amongst some or all of the members of the Executive Committee or members of the Co-operative in recognition of services for which otherwise no payment is received;
- o. "Independent External Auditor" is a chartered accountant who is duly experienced in examining financial records and business transactions and who has no interest in the Society or any connection with any member of the executive committee.
- p. "Leave of absence" means absent for any reason for a period in excess of six consecutive months;
- q. "Lending Policy" means a set of guidelines and criteria developed by the Society to determine the qualification of members for loan;
- r. "Loan Procedure" means the procedure and guidelines prescribed from time to time by the Executive Committee for granting loans to members;
- s. "Member" means a member of the Co-operative and "Members" shall be construed thereof;
- t. "Ordinary Resolution" is passed by a simple majority of members present at general meeting;
- u. "Secretariat" is the administrative office at the registered address of the Society;
- v. "Special Resolution" shall be said to be passed if not less than three-fourth (3/4) vote of members in the meeting vote in support of a motion;
- w. "Working day" shall include every day except Sunday and any public holiday declared by the Federal Government. Where any act is authorized or required to be done on a particular day which becomes a Sunday or holiday, the act is to be done on the next following day which is not a holiday.

2. INTERPRETATION

- 2.1 The provisions of this Bye-Law shall be subject to the Act.
- 2.2 Words denoting the masculine gender include the feminine gender and vice versa.

3. NAME, ADDRESS AND AREA OF OPERATION

- 3.1 The name of the Co-operative shall be Cloud Co-operative Limited.
- 3.2 The address of the Co-operative shall be in Nigeria.
- 3.3 The area of operation of the Co-operative shall include all the states in Nigeria including the Federal Capital Territory.

4. OBJECTS OF THE CO-OPERATIVE

- 4.1 The objects of the Co-operative shall include:
 - a. to engage in thrift and credit operations;
 - b. to encourage regular savings amongst members so that each member may cultivate the habit of making savings at least once in every month, with a view to build up funds for his future use;

- c. to acquire movable and immovable properties of any description either as assets or for distribution, supply and sale to members and non-members;
- d. to enter into contracts and agreements in the interest of members;
- e. to procure consumer items for distribution, supply and sale to Members and non members at reasonable price;
- f. to assist Members to own assets;
- g. to engage in any other economic or social activities as may be agreed by the Members;
- h. to raise capital for the achievement of its objectives;
- i. to incorporate, take over, invest, divest or otherwise align with other corporate entities as may be required for the purpose of carrying out the activities of the Cooperative;
- j. to carry out any other activity designed on co-operative principles, which will encourage the spirit and practice of cooperation among the members as approved by members in a General Meeting;
- k. to distribute surplus profits and payment of interest on savings to Members;
- l. to promote the economic interest of its members and especially leverage on its number and collective expertise in achieving value for members which will normally not be possible by just one individual;
- m. to promote cooperative spirit among members, to work for the improvement of local educational and living standards and to encourage the development of Cooperative in Nigeria; and
- n. to do all such business as may be considered to be incidental or conducive to the attainment of the above objects.

5. MEMBERSHIP

5.1 A Member of the Co-operative shall be:

- a. any individual that is 16 years of age and above;
- b. he is resident in Nigeria;
- c. he is a person of good character in the assessment of the Executive Committee;
- d. he is a person of sound mind; and
- e. must not have been convicted, by any court of competent jurisdiction, for a criminal offence involving violence, financial crime and impropriety or dishonesty.

5.2 Any person having met the requirements under Article 5.1 above shall apply by completing and submitting the membership application form to the Secretariat.

5.3 On approval of membership and payment of prescribed membership fee, the member shall subscribe to his desired savings category and begin to make savings contributions to the fund of the Co-operative.

- 5.4 Except with the prior consent of the Co-operative, no person shall be a member of another Co-operative with similar object.
- 5.5 Every member shall support the capitalization of the Co-operative by making financial contribution.
- 5.6 Any past member, who was not expelled by the Co-operative, may re-apply for membership of the Co-operative. Such application shall be considered by the Executive Committee subject to the approval of the Governing Council.

6 MEMBERSHIP RIGHTS

- 6.1 Members of the Co-operative shall be entitled to enjoy all membership rights and privileges as provided in the Act and shall fully participate in the activities of the Co-operative.

7 TERMINATION OF MEMBERSHIP

- 7.1 Membership of the Co-operative may be terminated on any of the following:
- a. death or permanent insanity; or
 - b. disposal of all share(s) of the Co-operative held by the member; or
 - c. withdrawal of membership by any Member after duly notifying the Secretary of the Co-operative in writing provided that the Member is not indebted in any way to the Co-operative; or
 - d. Expulsion under this Bye-law.
- 7.2 A member shall not withdraw from membership of the Co-operative unless he has been a member for at least one full year.
- 7.3 Upon termination of membership, a Member shall be entitled to receive from the Co-operative his deposit for shares and accrued savings contribution (with interest, where available), subject to deduction of his indebtedness to the Co-operative, if any.

8 EXPULSION

- 8.1 A Member may be expelled from the Co-operative on any of the following grounds:
- a. failure to make thrift savings or subscribe to the minimum required shares of the Co-operative in accordance with the provisions of this Bye-law; or
 - b. failure to settle his indebtedness to the Co-operative after he has been served with One (1) month demand notice from the Co-operative; or
 - c. on being adjudged bankrupt under any law; or

- d. on conviction by a court of competent jurisdiction for a criminal offence including financial crime or dishonesty; or
- e. committing misconduct and/or an act that is likely to bring the Co-operative into disrepute; or
- f. failing to exhaust the Co-operative's dispute resolution process, as contained in this Bye-Law or the Act, before seeking external dispute resolution options;
- g. doing anything that is contrary to the stated objects or interests of the Co-operative;
- h. causing the Co-operative substantial loss in the opinion of the Governing Council, Executive Committee and/or the General Meeting of Members.

8.2 PROCEDURE FOR EXPULSION

- a. A member who is not a member of the Governing Council, Executive Committee or duly elected officers of the Co-operative may be recommended for expulsion by a written petition by at least 6 (six) member(s) of the Co-operative to the Executive Committee.
- b. The Executive Committee shall within five (5) working days of the receipt of such petition set up a three (3) member panel of enquiry to investigate the allegations against such a Member.
- c. The panel of enquiry shall during the investigation of any allegation against a Member, grant the member an opportunity to be heard. The investigation shall be completed and the relevant report issued to the Executive Committee within four (4) weeks of the establishment of the panel and Executive committee shall review report for implementation.
- d. Where the report recommends the expulsion of a Member, the expulsion shall only be effective unless and until ratified at a General Meeting of the Co-operative duly convened and held, at which such a Member shall be afforded a further opportunity to explain or mitigate the (mis)conduct.

8.3 EFFECT OF EXPULSION

- a. A Member who has been expelled from the Co-operative shall lose all rights of membership of the Co-operative, but shall be entitled to payment of all sums amounting to his total contributions, less any amount due from him to the Co-operative as at the date of payment and the cost of any damage incurred by the Co-operative
- b. The expulsion shall be without prejudice to the rights of the Co-operative to seek redress in respect of any wrong done to it by the expelled Member in accordance with any relevant laws of Nigeria and shall not discharge such Member from any liability incurred prior to the expulsion.

9 LIABILITY OF PAST AND PRESENT MEMBERS

- 9.1 The liability of every Member for the debts of the Co-operative is limited to the total contributions of such Member inclusive of any outstanding indebtedness to the Co-operative.

9.2 A past member (either by virtue of leaving the Co-operative or by death) shall be liable for the debts of the Co-operative existing as at when he ceased to be a member.

10 TRANSFER OF SHARES OF A DECEASED OR INSANE MEMBER

10.1 In the event of death of any of the Members of the Co-operative, the Co-operative shall transfer the shares or interest of the deceased Member to:

10.1.1 any person nominated in accordance with the Administration of Estate and Probate Laws of each state of Nigeria as may be applicable;

10.1.2 if there is no such nominated person, to the successors or legal representative of the deceased Member; or

10.1.3 where a court of competent jurisdiction is administering the estate of the deceased, to such court; or

10.1.4 pay to such sum or entitlement to the nominee, successor, legal representative or the court of competent jurisdiction at the case may be, representing the value of such Member's share in the Co-operative.

10.2 In the case of an insane Member, the Co-operative shall pay the entitlement of the insane member less any amount due to the Co-operative to his guardians or appointed committee in lunacy.

11 RESTRICTION ON TRANSFER OF SHARES OR INTEREST

11.1 The transfer or charge of the shares or interest of a current, past, deceased member in the capital of the Co-operative shall be subject to such conditions as to maximum holdings as provided under the Act.

11.2 The liability of a past Member for the debts of a Co-operative as they existed on the date on which he ceased to be a member shall not continue for a period of more than two years from the date he ceased to be a member.

11.3 The estate of a deceased member shall not be liable for the debts of the Co-operative as they existed on the date of his death, for a period of not more than two years from the date of the death of the Member.

11.4 In an event of winding up of the Co-operative immediately following the two years period in clause 11.2 and 11.3 above, the liability of the past or deceased Member shall continue until the entire liquidation process of the Co-operative is completed, provided that liability shall extend only to the debt of the Co-operative at the time of his ceasing to be a member or of his death.

12 **RIGHT OF SET-OFF**

- 12.1 The Co-operative shall have the right of set-off over the accounts held by Members, or past Member in the books of the Co-operative.
- 12.2 Any money due on any account from the Co-operative to a Member, or a past Member shall be set off in payment of any sum, which he owes or for which he stands surety.

13 **GENERAL MEETING OF MEMBERS**

- 13.1 The General Meeting of Members as provided by this Bye Law shall be the ultimate authority of the Co-operative at which every member has a right to attend and vote on all questions and decisions of the Co-operative. Each member shall be entitled to one vote, which shall be exercised in person.
- a. The General Meeting shall be convened by the Executive Committee subject to the approval of the Governing Council; giving (14) fourteen days notice issued to the Members of the Co-operative.
 - b. The General Meeting shall be held twice a year; further meeting may be called on a need basis.
 - c. The presence of at least three-quarter ($3/4$) of the members shall be necessary for the disposal of any business at a general meeting, provided that when any meeting is convened by the Director or the Governing Council at least 7 or ($3/4$) members present at such meeting shall be deemed to form a quorum.
 - d. If within one hour after the time fixed for any meeting, the members present are not sufficient to form a quorum, such meeting shall be considered as dissolved if convened on the demand of members; in all other cases it shall stand adjourned to the same day in the next week at the same time and place and a notice to that effect shall be posted by the Secretary within twenty-four (24) hours, and if at the adjourned meeting a quorum is not present within one hour from the time appointed for the meeting, the members present shall form a quorum.
 - e. The Chairman of the Executive Committee or the Vice Chairman or in their absence any other person elected by a majority of those present shall preside at the general meeting, annual general meeting and special general meeting.
 - f. The Chairman may by the decision of the meeting adjourn the meeting from time to time and from one venue to another but no business shall be transacted at any meeting so adjourned other than the business left unfinished at the meeting from which the adjournment took place.
 - g. The Chairman shall have the right to order the closure of a discussion and put the matter to the vote.
 - h. Any question submitted to the decision of the members present at a meeting, unless otherwise dealt with in this Bye-law shall be decided by a majority of votes.

- i. At any meeting, a resolution put to the vote shall be decided on a show of hands unless voting by call of names or a ballot is demanded by at least five (5) of the members present before the declaration of the result of the show of hands, and in such case voting by call of names or a ballot shall be taken, as the case may be. The election of members of the Executive Committee shall be conducted by the Electoral Committee in pursuant to Article 15.6 of this Bye-Law.
- j. The Chairman, Vice Chairman or any member elected to preside over any meeting shall have a casting vote.
- k. In respect of every resolution put to the vote, the Chairman shall declare whether it has been carried or lost, and whether on a show of hands or unanimously or by a particular majority, and an entry to that effect in the minute book shall be conclusive evidence of anything therein contained.

13.2 BUSINESS THAT SHALL BE TRANSACTED AT THE GENERAL MEETING OF THE CO-OPERATIVE

The following business shall be transacted at the General Meeting of the Co-operative:

- a. suspension or removal from office of any officer or member of the Executive Committee in accordance with this Bye-Law;
- b. amend or repeal any existing Bye-Law or enact new Bye-Law;
- c. decide on the expulsion of member;
- d. fix the rate of interest to be charged upon loans to members;
- e. determine the maximum period which can be granted for the repayment of a loan;
- f. determine the maximum amount which may be lent to a Member;
- g. extension of the term for repayment of loans;
- h. determine purposes for which a loan may be granted;
- i. set out consequences of default in payment or repayment of any sum due on the amount of shares or loans and the consequences of failure to use a loan for the purpose for which it is granted;
- j. decide upon the manner of investment of the Co-operative's funds;
- k. elect persons to fill any vacancies arising in the Executive Committee;
- l. decide upon the social and economic projects to be pursued by the Executive Committee;
- m. fix from time to time the maximum liability it may incur in loans or deposit from members;
- n. consider and approve the Lending Policy submitted by the Executive Committee;
- o. deal with complaints by members;
- p. fix the limit of cash that shall be kept by the Treasurer in the safe, for meeting the daily payment of the Co-operative;
- q. consider Inspection Reports and any communications from the Director;
- r. consider and approve the appointment and remuneration of the Independent External Auditors;

- s. appoint or constitute the audit committee of the Co-operative from among the members of the Co-operative; and
- t. dispose of any other business duly brought forward by the Executive Committee to the Governing Council.

13.3 **FIRST GENERAL MEETING**

- a. The first General Meeting of members shall be held immediately or not later than two (2) months after the receipt of the certificate of registration of the Co-operative.

13.4 **ANNUAL GENERAL MEETING:**

- a. Subject to the approval of the Governing Council, the Annual General meeting of members shall be convened once in a year by the Executive Committee as soon as the report on the audit of the accounts of the Co-operative by an independent auditor appointed by the Executive Committee is received by the Executive Committee. At least, fourteen days' notice shall be given before any such general meeting is held, provided that if the Executive Committee fails to convene the annual general meeting within thirty days after the receipt of the independent auditor's report, the Governing Council or the Director may at any time thereafter convene the annual general meeting which shall proceed as if it had been convened by the Executive Committee.
- b. The Executive Committee shall, subject to the approval of the Governing Council, have the discretion as to the venue where the Annual General Meeting shall be held except if the meeting is convened by the Governing Council or the Director.

13.5 **BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING:**

The businesses to be transacted at the Annual General Meeting of the Co-operative shall be as follows:

- a. to confirm the minutes of the previous annual general meeting and of any intervening special general meeting;
- b. to consider the reports of the Executive Committee and the balance sheet together with the report on audit of the accounts of the Co-operative for the previous year;
- c. to approve the accounts or if the accounts are not approved to cause the Secretary to notify the Director who shall consider the matter and make his decision thereon, and such decision as to the correctness of the accounts shall be final and conclusive;
- d. to hear and decide upon any complaints brought by members aggrieved by a decision of the Executive Committee: provided that notice of such complaints to be brought before the meeting has been given to the Secretary at least two days prior to the meeting;
- e. to determine the conditions upon which loans may be granted to members which shall include but not be limited to the following:

- i. rate of interest;
 - ii. the maximum amount which may be lent to a member;
 - iii. the maximum period which can be granted for the repayment of loans;
 - iv. the purpose for which a loan can be granted;
 - v. the consequences of default in payment or repayment of any sum due on account of loan granted; and
- f. the consequences of failure to use a loan for the purpose for which it is granted to transact any other general business of the Co-operative; and
- g. any other provisions of the Act as may become relevant.

13.6 SPECIAL GENERAL MEETING

A Special General Meeting of members may be convened at any time by the Executive Committee either on demand of the Governing Council or on receipt of a demand stating the object of the proposed meeting signed by not less than one-fifth of the members of the Co-operative. If the Chairman of the Executive Committee fails to convene a meeting within fourteen (14) days from the receipt of a demand as aforesaid, the Governing Council or the members applying for such a meeting shall have the right to convene the meeting by notice which must contain the object of the proposed meeting and a statement to the effect that the meeting is convened on the failure of the Chairman of the Executive Committee to convene the meeting demanded:

Provided that the Director may require the Chairman of the Executive Committee at any time to convene a Special General Meeting of the Co-operative in such manner and at such time and place as he may direct. The Director may also direct what matters shall be discussed at the meeting:

Provided further that if the Chairman of the Executive Committee fails to convene a Special General Meeting as required by the Director, then, in such case, the Director may convene the meeting which shall have all powers of a meeting called according to this Bye-Law.

13.7 ELECTRONIC MEETINGS:

For the purpose of this Bye Law, electronic meetings such as tele/videoconferencing shall be regarded as a meeting provided however that written minutes of the meeting shall be promptly produced, adopted by members of the General Meeting present-therein and signed by the Chairman and Secretary.

13.8 DECISIONS REQUIRING SPECIAL RESOLUTIONS:

No decision on the following issues shall be taken except upon Special Resolution duly passed by the General Meeting of the Co-operative:

- a. Expulsion of a Member of the Co-operative or removal of a member of the Governing Council, Executive Committee or a duly elected officer of the Co-operative;
- b. Amendment of this Bye-Law;
- c. Approval of annual and supplementary budget/ appropriation;
- d. Commitment of more than five percent (5%) of the Co-operative's assets to a project to be executed by the Co-operative.
- e. Such other matters as Members may decide as requiring a Special Resolution.
Special Resolution shall be said to be passed if not less than three-fourth (3/4) vote of members in the meeting is cast in support of a motion.

14 GOVERNING COUNCIL

- a. There shall be a Governing Council whose initial members shall automatically consist of all the foundational members who applied for the registration of the Co-operative.
- b. The members of the Governing Council shall not be less than 8 members at any material time and shall not be more than 15 members.
- c. It shall be the duty of the members of the Governing Council to elect additional members in any situation where a person ceases to be a member or where the need arises.
- d. Members in the Co-operative shall only be eligible to be elected into the Governing Council.
- e. The Governing Council shall hold meetings twice during each fiscal year of the Co-operative and unless otherwise agreed, a member who will be unable to attend a scheduled meeting must notify the Governing Council formally via a letter or an email at least 14 working days before the date of the meeting and he/she cannot designate or authorize any representative to act on his/her behalf in the meeting.

14.1 RESPONSIBILITIES OF THE GOVERNING COUNCIL:

- a. The Governing Council shall determine the tenure of office, powers and duties of the Executive Committee.
- b. shall determine the purposes to which the fund of the Co-operative may be applied and the mode of custody and investment of its fund;
- c. shall provide for the adequate insurance of the property of the Co-operative, or property which may be in the possession of the Co-operative, and not otherwise adequately insured, and, in addition, adequate insurance covering liability for accidents to all employees and the public;
- d. shall install an accounting system which shall be adequate to meet the requirements of the business and shall require proper records to be kept of all business transactions of the Co-operative;
- e. shall periodically check the books of the Co-operative and in addition may be tasked to perform any other duty as may be determined by a General Meeting or by the Executive Committee.

- f. The Governing Council properly constituted shall have the power to increase or reduce the number of Executive Committee members, PROVIDED that such reduction shall not bring the number of Executive Committee members to less than six (6); and
- g. may delegate to the Executive Committee all or any stated portion of the functions and powers of the Governing Council, subject to the general direction, approval, and control of the Governing Council. In such instance, copies of the minutes of any meeting of the Executive Committee shall be mailed to all members of the Governing Council within seven (7) days following such meeting.

15 EXECUTIVE COMMITTEE

15.1 The Co-operative shall have an Executive Committee comprising of six (6) members, who shall be elected by members in the General Meeting from time to time.

- a. The Executive Committee shall consist of:
 - i. Chairman
 - ii. Vice Chairman
 - iii. Secretary
 - iv. Treasurer
 - v. Financial Secretary
 - vi. One (1) ex-officio member who should be the immediate past Chairman of the Co-operative. In the event that the immediate past Chairman declines or is re-elected, the immediate past Vice Chairman, Secretary, Treasurer or Financial Secretary in that order can make up the Executive Committee.
- b. Subject to the Act, the Bye-law and the resolution of the General Meeting, the executive management responsibility of the Co-operative shall be vested in the Executive Committee.
- c. The Executive Committee shall, under the supervision of the Governing Council, have power to lay down administrative rules and procedures for the smooth running of the Co-operative provided such rules and procedures do not contravene the provisions of the Act and this Bye Law.
- d. The Executive Committee shall, under the supervision of the Governing Council, have the power to employ staff of the Co-operative and terminate the appointment of such staff of the Co-operative that contravenes the provisions in Articles 14.11(d) of this Bye Law.
- e. Members of the Executive Committee shall be sworn into office at the Annual General Meeting following their election into office by the Director of Co-operatives or his representative.

15.2 QUALIFICATION OF EXECUTIVE COMMITTEE MEMBERS

- a. A Member of the Executive Committee shall be:
 - i. a person of sound mind;

- ii. without a record of indictment in any financial fraud or criminal matters.
- b. Members that will contest for the offices of Treasurer and Financial Secretary of the Co-operative shall be required to demonstrate awareness of accounting and financial matters with courses such as budgeting and financial analysis, finance for non-finance professionals, understanding financial reporting etc.

15.3 **TERM OF OFFICE**

- a. The term of office of a member elected to the Executive Committee shall be for a period of two (2) years from the date of appointment. Such a member of the Executive Committee shall be eligible for re –election into the same office for a consecutive term of two (2) years.
- b. Without prejudice to the foregoing, where a position in the Executive Committee becomes vacant for any reason and a Member is elected to serve out the tenure of the vacant Executive Committee position, such tenure completion would not be counted against the new member in determining his eligibility to occupy the same office in any subsequent elections.

15.4 **DUTIES OF THE EXECUTIVE COMMITTEE**

The duties of the Executive Committee shall be as follows:

- a. to comply with the Act and this Bye-Law of the Co-operative and to see that the business of the Co-operative is conducted properly;
- b. to control the business and the affairs of the Co-operative and shall make all rules and regulations not inconsistent with the enabling laws governing co-operative societies or this Bye-Law for the management of the business and the guidance of the members, officers, employees and agents of the Co-operative.
- c. to ensure that true and accurate accounts are maintained and that a true account of assets and liabilities is kept;
- d. to ensure that a correct register of members is maintained;
- e. to lay before the annual general meeting an income and expenditure account, or a final revenue and expenses account and a balance sheet;
- f. to assist the inspection of books by any person authorized to see them;
- g. to take adequate security from officers and employees;
- h. to ensure that loans are applied to the approved purpose for which they are made;
- i. to appoint any subcommittees deemed necessary for the seamless operation of its affairs;
- j. to determine the terms of admission of members of the Co-operative and the admission fees subject to the approval of the General Meeting and the Governing Council;
- k. to determine the mode of appointment of members of staff subject to the approval of the Governing Council;

- l. to determine the meetings of members, the procedure and powers of those meetings;
- m. to determine the appointment, suspension and removal of members of any sub-committee appointed by her or the Co-operative and powers and duties of the sub-committees;
- n. to maintain a transparent and efficient system of decision making that is inclusive of the membership and supportive of the mission and vision of the Co-operative;
- o. to keep detailed, accurate accounts of all receipts and of all expenditures of every kind. It shall have such accounts audited and render an annual written report thereof to the Director, Governing Council and the General Meeting of the Co-operative. The Executive Committee shall thereupon turn over to the Co-operative any balance remaining in its hands free of obligation;
- p. to perform all other functions as may be delegated to it by the Director, General Meeting, Governing Council and the Act.

15.5 RESPONSIBILITIES OF EXECUTIVE COMMITTEE MEMBERS

a. CHAIRMAN

The Chairman shall:

- i. preside over all the General Meetings of the Co-operative and the Executive Committee Meetings;
- ii. coordinate all activities of the Executive Committee;
- iii. provides direction and leadership to the Executive Committee of the Co-operative;
- iv. presents at the General Meetings of the Co-operative an address in writing to highlight the accomplishments, problems, prospects and future direction of the Co-operative;
- v. acts as the principal spokesperson of the Co-operative;
- vi. ensure, with the assistance of the Secretary and the National Treasurer, the efficient and economic use of the Co-operative assets and resources through prudent investments, acquisitions and disposals as may be necessary from time to time subject however to the overall approval of the General Meeting and the Governing Council;
- vii. sign or counter-sign all minutes and resolutions of the General Meeting and the Executive Committee and all correspondence going out of the Co-operative;
- viii. be one of the signatories to the bank accounts of the Society;
- ix. sign or counter-sign all vouchers, money bills and cheques emanating from the Treasurer or any other officer;

- x. exercise responsibility for the overall welfare of the Co-operative and take such actions that are appropriate to the wellbeing of the Members;
- xi. have the power to ratify any decisions of the Executive Committee which action is appropriate to the benefit of the Members;
- xii. perform all other functions that may be assigned to him by the Director, General Meeting, Governing Council and the Executive Committee and which are incidental to the furtherance of the aims and objectives of the Co-operative.

b. VICE CHAIRMAN

The Vice Chairman shall:

- i. in the absence of the Chairman, perform all the functions of the Chairman and in his presence, assist him in the discharge of his duties;
- ii. perform all other functions that may be assigned to him by the Chairman, Director, General Meeting, Governing Council and the Executive Committee.

c. THE SECRETARY

The Secretary shall:

- i. be under the overall direction of the Chairman;
- ii. be in charge of the secretariat;
- iii. on the instruction of the Chairman or in accordance with a previous decision of the Director, General Meeting, Governing Council or Executive Committee or pursuant to a requisition made in accordance with the provisions of this Bye-Law, summon a General Meeting of Co-operative or other meetings of the Co-operative;
- iv. prepare agenda for all General Meetings in accordance to this Bye-Law after due consultation with the Chairman and the Executive Committee;
- v. summon all meetings of the Executive Committee at the instance of the Chairman and shall prepare the agenda for such meetings after due consultation with the Chairman;
- vi. record the minutes of meetings of the General Meeting and Executive Committee Meeting;
- vii. keep the seal, minutes' book and stamps of the Co-operative which should be used only with the knowledge of the Chairman;

- viii. prepare and give periodic reports of the activities of the Co-operative in the Executive Committee meetings and to the Governing Council;
- ix. see to the day-to-day running of the Secretariat;
- x. be an ex-officio member of all committees of the Co-operative; and
- xi. perform all other functions that may be assigned to him by the Chairman, Director, General Meeting, Governing Council and the Executive Committee.

d. THE TREASURER

The Treasurer shall:

- i. monitor the account of the Co-operative and record all income received by electronic means;
- ii. receive and deposit in the bank account(s) of the Co-operative all contributions received by cash;
- iii. cooperate with the team of accountants employed and retained by the Co-operative;
- iv. keep inventory of all the assets of the Co-operative;
- v. be a signatory to the Co-operative bank account; and
- vi. perform all other functions that may be assigned to him by the Chairman, Director, General Meeting, Governing Council and the Executive Committee.

e. THE FINANCIAL SECRETARY

The Financial Secretary shall:

- i. keep and maintain proper and accurate accounts of all financial transactions of the Co-operative;
 - ii. be prepared in due notice to give such financial statistics as he/she may be called upon to supply;
 - iii. deputize for the Treasurer during his/her absence;
 - iv. perform all other functions that may be assigned to him by the Chairman, Director, General Meeting, Governing Council and the Executive Committee.
- f. For practical considerations, employees of the Co-operative shall be responsible to carry out tasks assigned to them by the Executive Committee officer for the day to day running of the cooperative operations. The respective Executive Committee officers shall be accountable for the tasks so assigned.

15.6 ELECTION

a. APPOINTMENT OF ELECTORAL COMMITTEE

- i. The General Meeting shall appoint the Electoral Committee of at least 3 members and not more than 6 members not less than 8 (Eight) weeks to the expiration of the tenure of office of the Executive Committee or elected officers of the Co-operative.
- ii. The Governing Council shall release the Electoral Guidelines containing all electable positions within thirty days to the Election. Electoral Guidelines shall be in accordance with the provision of this Bye-Law.

b. NOMINATION

- i. For any Member to stand for an election, the Member shall be nominated and sponsored by three (3) other Members of the Co-operative, and shall be required to demonstrate at least seventy percent (70%) attendance participation in the Co-operative's General Meetings within the past two (2) years preceding the nomination.
- ii. The nominee and the sponsors shall be members in good standing with the Co-operative, without any disciplinary action.

c. SUBMISSION OF NOMINATION

- i. The nomination shall be submitted to the Electoral Committee within the time frame provided by the Electoral Committee and in accordance with the Electoral Guidelines.

d. DUTIES OF CANDIDATES

- i. Candidates shall submit not more than four pages of A4- size electronic copy of their Curriculum Vitae, comprehensive manifestoes and other campaign material to the Electoral Committee for publication in the Co-operative website, not later than the day fixed by the Electoral Committee.
- ii. The publication, printing or distribution of any campaign material, gifts and any form of souvenir whatsoever by a candidate or his supporter(s) is hereby prohibited and any candidate who contravenes this provision shall be disqualified from being voted for.

e. DUTIES OF ELECTORAL COMMITTEE

- i. Not later than the sixty (60) days to the day of the election, the Electoral Committee shall announce the date of the election as fixed by the Executive Committee and invite nominations for candidates for office, and shall publicize the provisions of this Bye-Law relating to eligibility to contest and eligibility to vote; provided that no candidate shall commence any form of public campaign until the campaign guidelines are issued or released.

- ii. The Electoral Committee shall scrutinize all nominations to ensure that they comply with the provisions herein and shall notify candidates who fail to qualify of their disqualification within seven (7) days of any decision to such effect; provided that such a disqualified candidate may apply to the Electoral Committee for a review of the decision within seven (7) days.
- iii. Where there is no qualified candidate to fill an office, the Electoral Committee shall fix a date for a Bye-election in respect of that office and shall call for fresh nominations thereto.
- iv. Not less than thirty (30) days prior to the election, the Electoral Committee shall cause a list of the candidates for election to various offices to be publicized by the same being displayed at the Secretariat and pasted at the venue of the election and such other places as it may deem fit.
- v. Upon the close of nominations, the Electoral Committee shall cause ballot papers to be printed for the election with funds to be provided by the Branch.

f. **VOTING**

- i. The election of Members shall be by secret ballot. For this purpose, physical and/or electronic voting may be adopted.
- ii. Voting shall be held within forty five (45) days of release of the Electoral Guidelines.
- iii. Where electronic voting method is adopted, the Electoral Committee shall engage the services of competent and credible service providers to provide the electronic voting platform and shall conduct the elections in a transparent and fair manner in accordance with clear published guidelines.
- iv. Votes at elections shall be counted immediately after the close of voting.

g. **RESULTS**

- i. Results shall be announced by the Chairman of the Electoral Committee not later than Twenty-Four (24) hours after conclusion of the elections.
- ii. The winner of any position shall be the candidate that scores the highest number of votes.
- iii. In the event of a tie in any position, the Electoral Committee shall conduct a reelection for that position within one (1) week of the result. After that election, the elected officers will be sworn in, during the swearing in ceremony.

Disputes on electoral results shall be settled within two (2) weeks by an Appeal Committee to be appointed by the Governing Council.

h. SWEARING IN OF NEWLY ELECTED OFFICERS/ASSUMPTION OF OFFICE AND HANDING OVER

- i. Following the declaration of the results, the newly elected officers shall be sworn-in at the Annual General Meeting of the Co-operative immediately following the elections by the administration of the Oath of Office on them by the Chairman of the Governing Council or anyone appointed by him. All elected officers shall be deemed to have assumed office immediately after being sworn in.
- ii. Except otherwise resolved at a General Meeting, all Standing and Ad-hoc Committees of the Co-operative shall automatically become dissolved upon the swearing-in of the new elected officers.
- iii. All vacating officers and committee secretaries of the Co-operative shall handover all records, monies, receipts, cheque books and any other property of the Co-operative in their possession to the newly elected Chairman of the Executive Committee within seven (7) days of assumption of office by the incoming officers.
- iv. It shall amount to an act of gross misconduct for any member or former officer of the Co-operative to violate Article 5.6(h)(iii) above and any such case shall be referred to the Governing Council for disciplinary measures.

i. TENURE OF THE ELECTORAL COMMITTEE

The Electoral Committee shall cease to exist immediately after an election has been successfully concluded.

15.7 REMOVAL OF EXECUTIVE COMMITTEE MEMBER OR DULY ELECTED OFFICERS

- a. Members may by a Special Resolution passed at a General Meeting remove any member of the Executive Committee or duly elected officers of the Co-operative before the expiration of the member's term.
- b. A member of the Executive Committee may be recommended for removal by a written petition signed by at least four (4) members in good standing without disciplinary action or two-thirds (2/3) members of the Executive Committee. The allegations being raised shall be supported with objective evidence.
- c. The Governing Council shall within five (5) working days of the receipt of such petition set up a three (3) member independent panel of enquiry, which shall not include any member of Executive Committee or any signatory to the petition, to investigate the allegations against such member.

Any person who is a member of both the Governing Council and Executive Committee shall not participate in the activities.

- d. The panel of enquiry shall during the investigation of any allegation against the member, grant the member an opportunity to be heard both in writing and orally. The investigation shall be completed and the relevant report issued to the Governing Council.
- e. Within three (3) weeks of the receipt of the report of the investigative panel, the Governing Council shall cause the report to be presented to Members at a General Meeting for consideration. A written representation by the member shall be published in the same medium that the notice of removal has been published to members not less than seven (7) days before the meeting to decide on his removal. The member shall also be given an opportunity to make oral representation to the general meeting where his matter is discussed.
- f. A vacancy created by the removal of a member of the Executive Committee under this section shall be filled at the meeting at which he is removed or subsequently as a Casual Vacancy.
- g. Vacancy caused by death, permanent insanity resignation, retirement, leave of absence or removal from office of any of the Executive Committee members may also be deemed as a Casual Vacancy.

15.8 **CASUAL VACANCY**

- a. Members in General Meeting shall have powers to fill any casual vacancy arising from the death, resignation, removal or retirement from office of any of the Executive Committee members or duly elected officers of the Co-operative at the next General Meeting of the Co-operative.
- b. Any such elected Executive Committee member or duly elected officers of the Co-operative shall complete the term of office the member has been elected to replace

15.9 **EXECUTIVE COMMITTEE MEETINGS**

- a. The Executive Committee shall meet at least once every month for the conduct of business of the Co-operative and generally regulate their meetings as they deem fit.

- b. **ELECTRONIC MEETINGS:**

For the purpose of this Bye Law, electronic meetings such as tele/videoconferencing shall be regarded as a meeting provided however that written minutes of the meeting shall be promptly produced, adopted by members of the Executive Committee present therein and signed by the Chairman and Secretary.

- c. **CONDUCT OF COMMITTEE MEETINGS:**

The Secretary shall at each Executive Committee meeting,

- ii. read the minutes of the preceding meeting unless copies of such minutes have been distributed prior to the meeting among the members of the Committee;
- iii. produce cash book, detail of the entries of receipts and payments made therein since the last meeting and with the Treasurer produce the cash in their possession or the account statement for verification by the Committee with the cash book;
- iv. produce a statement showing the loans due and unpaid, for determination by the Committee as to the action to be taken in each case;
- v. produce applications for loans, if any, for determination by the Committee in accordance with the priority of receipt; and
- vi. submit any other business for consideration by the Committee.

15.10 HONORARIUM AND OTHER PAYMENTS

- b. The Executive Committee members shall be entitled to an honorarium for every year of service. The honorarium payable to members of Executive Committee annually shall from time to time be determined by the members in a General Meeting and such honorarium shall for the time being be equal to five percent (5%) of the distributable profit of the Co-operative for any particular year.
- c. The Executive Committee shall have the power to propose to the General Meeting of members, for approval, reasonable honoraria not exceeding fifty percent (50%) of the Executive Committee honorarium to any member(s) of the Co-operative carrying out any special assignment on behalf of the Co-operative.
- d. Honorarium for Executive Committee, members of subcommittee or co-operative members shall be subject to satisfactory performance of the terms of reference and value added contributions to the Co-operative.

15.11 OBLIGATIONS OF THE EXECUTIVE COMMITTEE

a. CONFLICT OF DUTY AND INTEREST

- a. A member of the Executive Committee shall not allow his personal interests to conflict with his duties as a member of the Executive Committee under this Bye-Law.
- b. A member of the Executive Committee shall not, either in the course of the management of the affairs of the Co-operative or in the utilization of the Cooperative's property, make any secret profit or other unexplained benefits for himself or for any other person.
- c. The duty cast upon a member of the Executive Committee not to misuse corporate information shall continue notwithstanding the suspension, resignation or expulsion of the member from the Co-operative and such member shall still be accountable and can be lawfully restrained

from misusing such information to which he was privy by virtue of his prior position in the Executive Committee of the Co-operative.

- d. Where prior to a transaction a member of the Executive Committee discloses his interest to the General Meeting before the transaction and before the profit are made, he may not be liable for conflict of interest if authorized to continue with the transaction by the General Meeting. In any other case, he shall account for the profits.
- e. Executive Committee shall develop a conflict of interest form that covers at least all the elements under Article 15.11 and each member of the Executive Committee must complete the conflict of interest form not later than 30 days after resuming office and subsequently by every 31st December and file a signed copy with the secretariat.

b. **BUSINESS TRANSACTIONS WITH THE CO-OPERATIVE**

The Co-operative shall not enter into an arrangement:

- i. Whereby a member of the Executive Committee or any person connected with such member, acquires or is to acquire a benefit of the requisite value from the Co-operative; or
- ii. Where the Co-operative acquires or is to acquire a benefit of the requisite value from such an Executive Committee member or person so connected; unless such arrangement is first approved by an Ordinary Resolution of the general meeting of the Co-operative.
- iii. For the purpose of paragraph (i) and (ii) above, non-cash benefit is of the requisite value if, at the time the arrangement in question is entered into, its value is not less than ₦100,000.00k (One Hundred Thousand Naira Only)

c. **COLLECTIVE RESPONSIBILITY**

Every Member of the Executive Committee shall be jointly and severally responsible for the actions of the Committee whether or not such member was absent from the deliberation of the Committee at which the decision was taken.

d. **POLICIES AND PROCEDURES**

Executive Committee shall put up policies and (or) procedure guiding the smooth running of the Co-operative provided such policies and procedures do not violate or contravene the spirit and letters of the Act and this Bye-Law. Such Policies and procedures which shall be subject to the stipulation of this Bye-Law and approval of the General Meeting shall include but not limited to;

- i. Contracting,
- ii. Financial and Investment Policy,
- iii. Governance - Audits & Control,
- iv. Conduct of formal meetings,

- v. Credit and Loans operations,
- vi. Projects
- vii. HR (Employment, Employee Progression & Disengagement)
- viii. Employee Condition of service
- ix. Accounting Guidelines.

e. **ESTABLISHMENT OF COMMITTEES**

The Executive Committee shall from time to time constitute or establish committees with defined mandate as may be deemed necessary subject to the provisions of this Bye-Law to support the smooth running of the Co-operative.

15.12 **LIABILITIES FOR BREACH OF ARTICLE 15.11**

An arrangement entered into by the Co-operative in contravention of **Article 15.11** of this Bye-Law and any transaction entered into pursuant thereof (whether by the Co-operative or any other person), shall be voidable at the instance of the Co-operative unless one or more of the following conditions specified in **Article 15.12 (a) - (c)** hereunder obtain:

- a. Where restitution of any money or other assets which are the subject matter of the arrangement or transaction is no longer possible or where the Co-operative has been indemnified in pursuance of this Section by any other person for loss or damage suffered by it; or
- b. Any right acquired bona fide 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 Co-operative in a General Meeting.
- d. Where a member of the Executive Committee or any person connected with him enters into an arrangement with the Co-operative in contravention of **Article 15.11** herein, that Executive Committee member and the person so connected, and any other Executive Committee member who authorizes the arrangement or any transaction entered into in pursuance of such an arrangement, shall account to the Co-operative for any gain which he has made directly or indirectly by the arrangement or transaction; and
- e. Jointly and severally with any other person involved in the transaction indemnify the Co-operative for any damage resulting from the arrangement or transaction.
- f. A person is connected with an Executive Committee member if he (not being himself an Executive Committee member) is:-
 - 1. A Committee member's spouse, child, or stepchild;
 - 2. Except where the context otherwise requires, a body corporate with which the Committee member, is associated; or

3. A person acting as a trustee of any trust, the beneficiaries of which include the Executive Committee member, his spouse, and any children or step children or a body corporate with which he is associated, or a trust whose terms confer powers on the trustees that may be exercised for the benefit of the Executive Committee member, his spouse or any children or step-children of his, or any such body corporate; or
4. A person acting as partner of that Executive Committee member or of any person who, by virtue of paragraphs (a), (b) or (c) of this subsection, is connected with that Executive Committee member.

16. LEGAL ADVISER

- 16.1 There shall be a Legal Adviser for the Co-operative for such terms and of such remuneration and upon such conditions as may be approved by the Members in a General Meeting. Any Legal Adviser so appointed by the Executive Committee may be removed by the Executive Committee upon unsatisfactory fulfilment of its obligations prior to a written approval of the Governing Council.
- 16.2 The duties of the Legal Adviser shall include but not limited to the following:
 - a. draft and review all legal documents for the Co-operative;
 - b. Review and draft all documents relating to the sale, purchase acquisition of landed property by the Co-operative and any other assets;
 - c. Participate in the negotiations, documentation, due diligence and perfection of title of any property purchased by the Co-operative;
 - d. Provide legal advisory services to the Co-operative;
 - e. Provide any other legal service as may be determined by the Executive Committee.

17. FUNDING OF THE CO-OPERATIVE'S ACTIVITIES AND OPERATIONS

17.1 APPLICATION FEE

Every intending Member shall pay a non-refundable membership application fee of ₦5,000:00k (Five Thousand Naira only).

17.2 SHARE CAPITAL

- a. The nominal value of each share of the Co-operative shall be ₦1 (One naira)
- b. The market value of each share for the purpose of admission or termination of membership shall be the value as determined by the Executive Committee at the last preceding accounting year end

- c. Every member shall subscribe to a minimum of 1 (One) share of the Co-operative and shall be allowed to subscribe for additional shares of the Co-operative subject to 20% (Twenty percent) maximum holding provisions of Section 27 of the Act.
- d. No Member shall be entitled to withdraw his share capital unless his membership is terminated or withdrawn.
- e. The shares and other interests of a member in the Society are personal property which are transferable.
- f. The transfer of the shares of the Society shall be by instrument of transfer.
- g. The Society shall not register a transfer of shares unless a proper instrument of transfer has been delivered to it. Provided that nothing in this Section shall prejudice any power of the Society to register as shareholder, any person to whom the right to any share in the Society has been transmitted by operation of law.
- h. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of the shares.
- i. On the application of the transferor of any share in the Society, the Society shall enter, in its register of members the name of the transferee in the same conditions as if the application for the entry were made by the transferee.
- j. The Society may refuse to register the transfer of a share to a person it does not approve and may also refuse to register the transfer of a share on which the Society has a lien.
- k. The Society may refuse to recognize any instrument of transfer unless:
 - i. the instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.
- l. If the Society refuses to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with it, send notice of the refusal to the transferor.

17.3 SAVINGS OF MEMBERS

- a. **THRIFT SAVINGS:** Every member shall make regular daily, weekly or monthly savings at a minimum rate to be determined by the Executive Committee and approved by the General Meeting from time to time.
- b. **SAVINGS RULES:** Every member shall make regular monthly savings at a minimum rate to be determined by the Executive Committee and approved by the General Meeting from time to time.

- c. **INTEREST RATES ON SAVINGS:** The Executive Committee shall determine the interest rates payable on savings. The rates of interest shall be geared towards stimulating savings culture among Members.

17.4 **DEPOSIT FROM MEMBERS**

A member may in addition to their regular savings and shareholding, place deposits with the Co-operative on terms to be specified by the Executive Committee on behalf of the Co-operative.

17.5 **DEPOSITS AND LOANS FROM NON-MEMBERS**

The Co-operative may in the ordinary course of business accept deposits and obtain loans from non-members, including corporate bodies and financial institutions. The Co-operative shall however require the approval of Members in a General Meeting to borrow sums in excess of ten percent (10%) of the total asset of the Co-operative.

17.6 **MISCELLANEOUS SOURCES**

The Executive Committee shall develop other funding sources provided the cost of such funds shall not exceed the cost of other sources mentioned above.

17.7 **SHARE CAPITAL**

- a. The Share Capital of the Co-operative shall be determined along the growth pattern of the Co-operative.
- b. No member shall be entitled to withdraw his share capital unless his membership is terminated.
- c. Shares are not unconditionally withdrawable, but if at the end of the financial year the Co-operative's financial situation is favourable, the Executive Committee may repay to any member whose membership was terminated during the year a sum not exceeding the amount paid by him on account of shares, provided that not more than five percent of the total paid share capital shall be thus paid out in any one year without the Director's and Governing Council's permission. Such a withdrawal shall be made by application in writing, and shall not be made earlier than two years from commencement of membership.
- d. Shares shall be paid up in not more than twelve (12) monthly instalments. Any member may pay up the full value in advance at any time. Members not paying their instalments by the due date may be penalized for every full month of arrears.

18. USE AND CUSTODY OF FUNDS

18.1 APPLICATION OF FUNDS

- a. The funds of the Co-operative shall be judiciously applied solely for the furtherance of the Co-operative's objectives and for financing the working capital requirements of the Co-operative, as well as its capital and recurrent expenditure in accordance with the provisions of this Bye-Law.

18.2 INVESTMENTS

- a. **FUNDING INVESTMENT:** The funds of the Co-operative shall be judiciously applied solely for the furtherance of the Co-operative's objectives and for financing the working capital requirements of the Co-operative, as well as its capital and recurrent expenditure in accordance with the provisions of this Bye-Law.
- b. **INVESTMENT POLICY:** The Executive Committee shall put in place an investment policy to guide the investment activities of the Co-operative.
- c. **INVESTMENT CONSORTIUM:** For purposes of pulling significant resources to achieve a dominant positioning in an investment, the Executive Committee may approve the formation of investment consortium led by the Co-operative. The consortium may include members and non-members as well as corporate organizations provided the Co-operative shall carry no liability whether direct or contingent on behalf of any party to the consortium.

18.3 PROJECT FINANCE STRATEGY

- a. For every project investment, the Executive Committee, subject to the approval of the Governing Council, shall constitute a Committee with responsibility to produce an investment strategy in writing with a clear business case/economics to include but not limited to project viability, self-financing capability and an exit strategy for the Co-operative to approve.
- b. All projects investments that do not affect all members of the Co-operative will be funded one hundred percent (100%) by the investing participating members that are interested in such ventures so as not to erode the Co-operative dividend of non-investing members.
- c. Where it is required to use the Co-operative money to fund project investment, such money shall be taken as a loan and must be approved in accordance with this Bye-Law.

18.4 BANK ACCOUNTS

The Co-operative shall maintain accounts with any designated commercial bank with operations in Nigeria as may be approved by the Members in a General Meeting. The Executive Committee shall, subject to the approval of the Governing Council, determine the manner of receiving,

depositing, and disbursing the funds of the Co-operative and the form of cheques and the person or persons by whom they shall be signed and the person or persons signing such cheques and the form thereof at will.

19. ASSETS

19.1 QUALITY OF ASSETS

The Executive Committee shall ensure that the Co-operative builds a high quality asset base for the Co-operative and maintain a balance in its asset portfolio.

19.2 ASSET COMPOSITION

The composition ratios of the Co-operative's asset shall include fixed assets, current assets, cash and money market instruments, loans, stock; other receivables and investments etc.

20. SUBSIDIARIES AND AFFILIATES

20.1 ESTABLISHMENT OF SUBSIDIARIES AND AFFILIATES

The Co-operative may establish subsidiaries and/or have affiliates subject to approval in a General Meeting.

20.2 APPROVAL TO ESTABLISH SUBSIDIARIES AND AFFILIATES

The Executive Committee shall require a resolution of the Governing Council and members in a General Meeting for any investment in a subsidiary, affiliate or consortium.

20.3 MANAGEMENT OF SUBSIDIARIES AND AFFILIATES

The Executive Committee shall ensure efficient and profitable management of any subsidiary or affiliate and efficient corporate governance and financial structure.

21. LOANS

21.1 The Co-operative may, at its discretion and subject to availability of funds, grant loans to Members subject to the approval of the Executive Committee, and for a defined purpose in accordance with the Co-operative's loans procedure.

21.2 OTHER CONDITIONS FOR THE GRANT OF LOANS

Loans may be granted to:-

- a. Current Members of the Co-operative.
- b. Members making regular monthly thrift contributions in accordance with this Bye Law.

- c. No loan shall be given to a Member within six months of his joining the Co-operative except in the case of transfer of an existing loan of a past Member to his nominee or other successor in interest.
- d. The Executive Committee in granting loan shall also determine the following:
 - i. rate of interest;
 - ii. the maximum amount which may be lent to a member;
 - iii. the maximum period which can be granted for the repayment of loans;
 - iv. the purpose for which a loan can be granted;
 - v. the consequences of default in payment or repayment of any sum due on account of loan granted; and
 - vi. the consequences of failure to use a loan for the purpose for which it is granted.

21.3 APPLICATION FOR LOANS

- a. Every Member wishing to obtain a loan from the Co-operative shall complete an application for loan form duly signed by him or her.
- b. Applications may be made electronically or in physical form.
- c. Submission of electronic loan applications to the Secretariat shall be deemed to have been signed by the applicant with authorization to process the application and be retained for record keeping.
- d. Loans to members shall be compliant with loan procedure of the Co-operative.
- e. Every approved loan must be backed by either two guarantors who are current members or one who is an existing member and a non-member.

Documents to be provided by Non-Member Guarantors Include:

- i. A Passport Photograph;
- ii. Copy of Means of Identification (National ID, International Passport, Permanent Voter's Card or Driver's Licence);
- iii. Most recent 3 Months Bank Statement;
- iv. A guarantor letter from each of the guarantors addressed to the Secretary (confirming their willingness to guarantee the applicant); and
- v. 10% of the intended loan amount paid into the Cooperative's bank account (which will be refunded upon repayment completion).

22. DISPOSAL OF SURPLUS FUNDS

Except otherwise stated, surplus fund of the Co-operative in the manner listed shall be appropriated in accordance to the provisions of the Act:

22.1 RESERVE FUND

The reserve fund of a registered Co-operative, created in pursuance of the provisions of Section 34(2) of the Act is indivisible and no member is entitled to claim a specific share in it and shall be deposited in a special bank account which can be utilized in the business of the Co-operative if approved by the General meeting, Governing Council and Director. At least one-fourth of the net profits of the Co-operative as ascertained by the audit report, shall be paid into a fund to be called the “reserve fund” which shall be applied as specified in this Act, but the Director may in case of the Co-operative grant, from time to time, exemptions from further contributions to the reserve fund, or reduce the rate thereof, and may at any time revoke the exemption or reduction.

22.2 EDUCATION FUND

The Co-operative may, with the approval of the Director, and after one fourth of the net profits in any year has been paid into a reserve fund, contribute an amount not exceeding ten per cent of the remainder of the net surplus to an education fund.

22.3 DONATION OR OTHER APPROPRIATIONS

These categories of appropriation shall be as proposed by the Executive Committee and approved by the Governing Council and the General Meeting.

22.4 DIVIDEND

The Executive Committee, subject to the approval of the Governing Council, shall determine the dividend payable on shares and no dividend shall be paid if any overdue claim to a depositor or lender remains unsatisfied. The rate of the dividend payment on shares shall always be 5% higher than the rate of interest paid on members' savings. 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.

22.5 DIRECTOR'S APPROVAL

The appropriation of the net surplus shall be subject to approval by the Director and governed in all respects by the provisions of the Act.

23. BOOK OF ACCOUNTS

23.1 PRESCRIBED BOOKS OF ACCOUNTS FOR INSPECTION

The Co-operative shall maintain prescribed accounts and records in compliance with the Act.

23.2 INSPECTION OF BOOKS

Inspection of the Bye Law, books, account, register and papers of Co-operative by members and any accredited Co-operative official, provided the confidentiality of the personal account of any

other member shall not be breached without the consent of the other member at the registered address of the Co-operative at all reasonable hours, shall be governed by the Act.

24. ANNUAL STATEMENT

The Co-operative shall prepare yearly, in such form, as may be prescribed by the Financial Secretary:

- a. An account showing the income and expenditure for the year; and,
- b. A balance sheet.
- c. The account and a copy of each account shall be submitted to the Director for approval in compliance to the Co-operative Societies Regulation 38.

25. RECEIPTS

- a. It shall be the duty of every member:
 - i. To insist on obtaining a separate printed receipt from the proper receipt book, or such other form of receipt as may be approved, for every sum of money paid to the Co-operative.
 - ii. To sign, or make his thumb print in the proper book or an acknowledgement of receipt as evidence of transaction between the member and the Co-operative.

26. LIQUIDATION

The Co-operative shall not be liquidated except in accordance with Sections 40, 42, 44 and 45 of the Act.

27 MISCELLANEOUS PROVISIONS

27.1 BORROWING POWERS

In compliance with Section 31 of the Act, the Executive Committee shall, subject to majority decision or consent of the General Meeting of the members and the Governing Council, borrow whether by way of mortgage or otherwise on such terms and conditions sums of money as may be required for the purposes for which the Co-operative is established. There shall be attached to the decision or consent to borrow the condition that the money shall be utilized for a specific purpose or purposes.

27.2 AUDIT COMMITTEE

The General Meeting shall appoint the Audit Committee of at least 3 members to audit the financial records of the Co-operative annually and submit an audited report to the Annual General Meeting of the Co-operative. Other duties and remunerations of members of the Audit Committee shall be as approved by the General Meeting.

27.3 DISPUTES

No member shall commence any judicial or investigative proceeding against the Co-operative or any Member of the Co-operative if a dispute touching the business of the Co-operative arises without first employing fully the dispute resolution option contained in this Bye-Law.

- a. Every member of the Co-operative shall be required to employ the provisions of Sections 49 and 50 of the Act, if a dispute touching the business of the Co-operative arises –
 - i. Among present or past members and persons claiming through present or past members and deceased members; or
 - ii. Between a present, past or deceased member and the Co-operative, its committee or any officer, agent or servant of the Co-operative; or
 - iii. Between the Co-operative and any other committee and any officer, agent or servant of the Co-operative; or
 - iv. Between the Co-operative and any other registered Co-operative, the dispute shall be referred to the Federal Director of Co-operatives for settlement.
- b. A claim by a registered society for any debt or demand due to it from a member or nominee, heir or estate of a deceased member, shall be deemed to be a dispute touching the business of the society within the meaning of subsection (a) of this section.
- c. The Director shall on receipt of a reference under subsection (a) of this section—
 - i. settle the dispute; or
 - ii. subject to the provisions of any regulations made under this Act refer it to an arbitrator appointed in accordance with regulations made under this Act for disposal.
- d. A decision made by an arbitrator under paragraph (ii) of subsection (c) of this section shall, except as otherwise provided in subsection (f) of this section be final.
- e. The decision shall, on the application of the party in whose favour it is made, be enforced by any court which has jurisdiction in a civil suit between the parties to the dispute to give a judgment for the payment of the amount awarded or, where the decision does not relate to the payment of money, to give a similar decision in the same manner as if the decision has been a judgment or decision of the court.
- f. A party aggrieved by a decision of the Director or of the arbitrator made under the provision of subsection (d) or (e) of this section may appeal to the Minister or the Commissioner, as the case may be, within 30 days from the date of the decision and the decision of the Minister or the Commissioner shall be final and conclusive.

27.4 CUSTODY AND USE OF SEAL

- a. The Executive Committee shall provide for safe custody of the seal which shall only be used by the Secretary of the Co-operative or any other member of the Executive Committee authorized by the Members in a General Meeting and the seal shall not be affixed to any instrument except over the signature of the Chairman and the Secretary or any other Member of the Executive Committee authorized to do so by the Executive Committee.
- b. The Secretary shall hold in safe custody the seal of the Co-operative. The seal shall be of a pattern approved by the Members in a General Meeting and all documents of the Co-operative shall where sealing is required be sealed and witnessed by the Secretary or any Member of the Executive Committee authorized to do so by the Executive Committee.

27.5 SURCHARGE

Subject to Section 11(4) of the Act, the General Meeting of the Co-operative may impose surcharges on members, not exceeding ₦20,000:00k (Twenty Thousand Naira only) in any one case, for flagrant or repeated contravention of the Bye Law.

28 AMENDMENTS OF THE BYE-LAWS

- i. To promote and engender improvement culture for sustainability of the Co-operative, amendment(s) to this Bye Law may be initiated by a single member or more than one member.
- ii. The proposed amendment shall be subjected to the Act and such amendments shall not be valid until registered by the Director.

SIGNED INTO EFFECT BY THE CHAIRMAN OF CLOUD COOPERATIVE LIMITED

MR BABALOLA OLUWASEUN BAMIRO