

# BYE-LAWS

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*MACTAY STAFF* Cooperative Multipurpose  
Society Limited

This document contains the bye-laws of the MACTAY STAFF Cooperative Multipurpose Society Limited, and is legally binding on all parties who are signatories thereto either by membership or by any other association.

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# **BYE-LAWS OF THE MACTAY STAFF COOPERATIVE MULTIPURPOSE SOCIETY LIMITED**

## **1. INTERPRETATIONS**

All words and expressions used in these Bye-Laws have the meaning respectively assigned to them under section 2 of the Co-operative Societies Law, chapter C15 of the Laws of Lagos State of Nigeria, 2003. 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 Co-operative Societies Law Chapter C15 of the Laws of Lagos State of Nigeria (2003).
- 1.3. “*Bye-Laws*” means this registered Bye-Laws made by the MACTAY STAFF Co-operative Multipurpose Society Limited in exercise of the powers 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 members of Committees or other persons empowered under the regulations or Bye-Laws to give directions with regards to the business of this 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 Co-operative Services, Lagos State.
- 1.8. “*Management Committee*” means the governing body of this Society to whom the general management of its affairs is entrusted.
- 1.9. “*Member*” includes a person or registered Society admitted to the 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 surpluses of the Society were derived.

- 1.11. “*Functional Committee*” means an elected or appointed body of persons within the Society to whom specific duties are delegated by the Society or the Management Committee.
- 1.12. “*The Company*” means **Mactay Staff CMS Limited**
- 1.13. Words importing the singular shall include the plural and vice versa and the words importing one gender shall include the other gender.
- 1.14. 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 be **MACTAY STAFF CO-OPERATIVE MULTIPURPOSE SOCIETY LIMITED.**
- 2.2. Its address shall be: **c/o Mactay House, 5 Prince Adelowo Adedeji Street, Off Admiralty way, Lekki, Lagos.**
- 2.3. The area of operation of the Society shall be **within Nigeria**

## **3. OBJECTIVES OF THE SOCIETY**

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

- 3.1. To encourage regular savings amongst members so that each member may cultivate the habit of making savings at least once monthly, with a view to building up funds for their individual future use;
- 3.2. To take measures that would promote among the members, the spirit of thrift, mutual-help and self-help based on co-operative principles.
- 3.3. To provide credit facilities to its members at fair and reasonable rates of interest for provident and productive purposes;

- 3.4. To stock consumer and producer goods for distribution to members and non-members; (with priority to members) at fair and reasonable prices;
- 3.5. To undertake or invest in Real Estate and Housing developments for the acquisition of its members and other interested parties;
- 3.6. To undertake and invest in new ventures beneficial to its members and the Society as approved by the members at a general meeting upon the recommendation of the Management Committee.
- 3.7. To undertake service businesses that will cater for the primary needs of members and other patrons managed in the overall interest of members and the Society;
- 3.8. To manage financial portfolios carefully and undertake such financial management schemes as Special Deposit and Community Banking Schemes at co-operative and competitive rates for members and other interested parties
- 3.9. To seek loans for residential, commercial or industrial housing development from banks, the co-operative circle and other financial institutions;
- 3.10. To raise funds through share holdings by members in the Society to undertake such other activities as are necessary for the attainment of these objects;
- 3.11. To engage in any other legitimate economic or social activity as may be necessary to ensure the proper performance of its functions or the attainment of the above listed objects, and approved by the general meeting of members.

#### **4. MEMBERSHIP AND LIABILITY**

- 4.1. **MEMBERSHIP:** The membership of the Society shall be open to any direct or indirect employee of the Company or the Society (including their subsidiaries) who applies and is admitted in accordance with these Bye-Laws.

4.2. **QUALIFICATION FOR MEMBERSHIP:** Every member of the Society must be:

- of good character.
- 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.
- A member who does not belong to any other society, the primary object of which conflicts with that of this Society except with the permission of the Director.

4.3. **ADMISSION:**

- 4.3.1. Application for membership shall be made by obtaining a Membership/Entrance Form, which on completion shall be submitted to the Secretariat office of the Society.
- 4.3.2. All applications for membership shall be approved by the Management Committee. Every member shall on admission be required to abide by the byelaws of the society as well as other rules and regulations that may be validly established thereafter.
- 4.3.3. A member of this Society shall not seek membership of another society whose primary objectives are in conflict with the objects of this Society.
- 4.3.4. Every application for membership shall be accompanied with a non-refundable entrance fee, which shall be determined from time to time by the Management Committee. It shall also specify among other things, the monthly contribution to be made by the applicant, which shall not be lower than the minimum contribution to be determined by the Management Committee from time to time.
- 4.3.5. **Declaration of Obligation:** Every member, on joining the Society, shall render to the management, a true and complete statement of his indebtedness outside the Society.

4.4. LIABILITY OF MEMBERS AND PAST MEMBERS:

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

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

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

4.5. NOMINEES: Every member shall in writing nominate a person or persons to whom his shares or interest shall be transferred, in the event of such member's death, incapacity or becoming permanently insane. The member may at any 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 insanity 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:

4.6.1. Membership shall be terminated by death or permanent insanity.

4.6.2. Withdrawal of membership 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 stands surety for an unpaid debt.

4.7. EXPULSION: A member may be expelled for:

- Repeated failure to make thrift savings as laid down in Bye-Laws 8.7;
- Repeated failure to repay debts due from him to the Society over a reasonable time limit;
- Conviction on a criminal offence involving dishonesty such as fraud, financial impropriety, etc.; and

- 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 has been nominated, to the legal representative and/or in the case of expulsion, to the expelled member, the sum standing to his credit less any sum due to the Society.

- 4.8. **RE-ADMISSION INTO MEMBERSHIP:** Any ex-member who meeting the set requirements for membership, wishes to be re-admitted into the Society may re-apply for membership upon payment of a re-admission fee as may be prescribed from time to time by the Management Committee.
- 4.9. **DUES TO MEMBERS:** Any money due on any account from this Society to a member or a past member shall first be offset against the member's credit or liability he has suretied.

## **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 one fourth of the members shall be necessary for the disposal of any business at the general meeting. If no quorum is formed at a meeting, an adjournment may be made for a period not less than 7 days or more than 15 days. Thereafter, the number of members present at any such adjournment shall form a quorum.
- 5.3. **THE ANNUAL GENERAL MEETING:** The Annual General Meeting shall be held within the first and second quarters of the succeeding year after the Annual Statements of Accounts have been prepared and approved by the Director.
- 5.3.1 **DUTIES OF THE ANNUAL GENERAL MEETING:** These shall include: -



- Receiving a report on the preceding year's operations of the Society with the Statement of Accounts from the Management Committee;
- Dealing with any communication received from the Director;
- Election of the Management Committee members for the ensuing year;
- Other matters as presented by the Management Committee.

5.4 THE DUTIES OF THE ORDINARY GENERAL MEETING: When necessary an Ordinary General Meeting shall:

- Suspend or remove from office, any Officer or Member of the Management Committee in accordance with these Bye-Laws.
- Confirm the expulsion of member(s);
- Amend or repeal any existing Bye-Laws or enact a new Bye-Laws in accordance with Bye-Law 14.5;
- Dispose of any other business duly brought before it.

5.5 MEETINGS:

5.5.1 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 was sent out to members.

5.5.2 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 7days' Notice, specifying the intention of passing the resolution as an Ordinary Resolution has been duly given.

5.5.3 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.

5.5.4 All resolutions for the following purposes shall be special resolutions:

- a. Removing a Management Committee Member
- b. Amending the provisions of this Bye-Laws
- c. As the Management Committee shall from time to time decide.

All other resolutions shall be ordinary resolutions

5.6 EXTRA-ORDINARY GENERAL MEETING:

5.6.1 An extraordinary General Meeting may be called at any time by a majority of the Management Committee or on a request from the Director or from not less than one-fourth of the members of the Society.

5.6.2 Only the advertised object of such proposed meeting shall be transacted or discussed at such meeting.

5.6.3 Where the Director convenes such meeting he may direct what matters shall be discussed at the meeting and may not need to give 21 days' notice as in these Bye-Laws.

5.7 VOTING:

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

5.7.2 Members who are resident outside Lagos area or working out stations of Mactay Group or are unable for whatever reason to attend any of the general meetings shall be allowed to cast their votes through a duly appointed proxy or electronic voting system or any other manner as may be approved by the Director.

5.7.3 Where an aspirant for any position in the Management Committee is unopposed but is not the incumbent of that position, it shall be

necessary to conduct a Yes or No vote by members, and such an aspirant shall only be elected if he has a simple majority of the Yes votes, failing which fresh nominations shall be called for.

## **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 shall also have power to create sub-committees/functional committees to which it may delegate parts of its functions provided that a member of the Management Committee shall head such functional committees.

6.1.2. It 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 seven members including the **President, Vice President, General Secretary, Treasurer, Financial Secretary, Assistant General Secretary, and not more than three (3) Ex-officio members**, at least one (1) of whom shall be a member of the immediate past Management Committee, in the order of the President or General Secretary or Treasurer. Where such members become re-elected or reject 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 minimum qualification and experience for each of the Management Committee positions shall be as follows;

6.1.4.1 **President** - He must be an active participant in the affairs of the Society. He shall not be below the position of a Manager in the Company. He must have spent not less than one (1) year in the employment of the Company. He must have no record of indictment in financial or other matters.

- 6.1.4.2 **Vice President** – He must have all the qualifications and experience of the President, except that he shall not be below the position of a Supervisor in the Company.
- 6.1.4.3 **General Secretary, Treasurer** - He must be an active participant in the affairs of the Society. He shall not be below the position of a Supervisor in the Company. He must have spent not less than six (6) months in the employment of the Company. He must have no record of indictment in financial or other matters.
- 6.1.4.4 **Financial Secretary** – He must be an active participant in the affairs of the Society. He shall not be below the position of a Supervisor in the Company. He must have no record of indictment in financial or other matters. He must be an accountant or possess a related or special qualification and experience which in the opinion of the electoral committee is suitable for the position.
- 6.1.4.5 **Others** – They shall be active participants in the affairs of the Society. They must have no record of indictment in financial or other matters.
- 6.1.5. The Management Committee shall have power to lay down administrative rules and procedure for the smooth running of the Society provided such rules and procedures do not violate or contravene the spirit and letters of the Law, Regulations and these Bye-Laws.
- 6.1.6. It shall have the power to appoint or elect new Management Committee member to fill any casual vacancy arising out of death, incapacitation, resignation, or absence; until the next elections are held subject to clause 6.1.7.
- 6.1.7. Where the Committee fills a casual vacancy, the appointment may be approved by the General Meeting or at the next Annual General Meeting and if not so approved, the appointee shall forthwith cease to be a Management Committee member.

- 6.1.8. The Annual General Meeting shall have the power to increase or reduce the number of Management Committee members generally and may determine in what rotation the Management Committee members shall retire provided that such reduction shall not bring the number to below five.
- 6.1.9. The tenure of office for a Management Committee member shall be a period of not more than (2) years from date of election or appointment. Every member of the Management Committee shall resign at the AGM of the second year in office but shall be eligible for re-election, for the same position, provided that no Management Committee member shall occupy a particular position for more than two terms or tenures.
- 6.1.10. No person other than a Management Committee member retiring at the meeting shall (unless otherwise recommended by the General Meeting or an Electoral Committee) be eligible for election to the office of a Management Committee member at any general meeting unless not less than three (3) days or more than twenty-one (21) days before the date appointed for the meeting there shall have been submitted to the Society's General Secretary or office a notice in writing, signed by a member by whom such notice is given, of his/her intention to propose such person for election, and the candidate's willingness to be elected.
- 6.1.11. No person other than *bonafide* members of the Society, as defined by Bye-Laws 4.1, 4.2 and 4.3, are eligible to be elected to, 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 or a duly convened Extra-Ordinary General Meeting, remove Management Committee member(s) before the expiration of their tenure of office.
- 6.2.2. A member of the Management Committee shall be removed from (or cease to hold) office if he:

- 6.2.2.1. Ceases to be a member of the Society;
  - 6.2.2.2. Becomes of unsound mind;
  - 6.2.2.3. Becomes a paid-servant or employee of the Society;
  - 6.2.2.4. Is convicted of any criminal offence involving fraud or dishonesty or any offence which in the opinion of the General Meeting makes him ineligible to hold or continue in office, and
  - 6.2.2.5. Acts in a manner prejudicial to the interest of the Society and he is removed by a majority vote of 2/3 of members present and voting at a special general meeting.
- 6.2.3. Where notice is given of an intended resolution to remove a member of the Management Committee under this section and such Management Committee member makes written representations to the Society requesting notification of the said intended resolution of removal to members of the Society, the Society shall, unless the representations are received by it 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 this Section as a result of its being received too late or due to the Society's default, the aggrieved Management Committee Member may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting: The foregoing provisions need not be complied with if it is found and proved that the rights conferred by the section are being or about to be abused. 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, including conducting Electronic meetings such as video, audio/Tele/videoconferencing.
- 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 request that a meeting of the Committee be summoned 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 three (3). The Committee members present at a particular meeting if there is a quorum may elect a Chairman for the meeting in the absence of the President and Vice President of the Society.
- 6.3.7. The Management Committee may by a special resolution supported by not less than three quarters of members present at a meeting summoned for that purpose, pass a vote of no confidence on any of its members. Upon passing a vote of no confidence, such a member shall be suspended from the Management Committee, but the Management Committee shall within 30 days give notice of an intended resolution to remove the member from the Management Committee and convene an Extra Ordinary General meeting of the Society to take a decision on the matter. Such Management

Committee member shall be entitled to defend himself as stipulated in Clause 6.2 of these Bye Laws.

6.3.8. 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 of the Management Committee and all other ad hoc or standing committees shall from time to time be subject to the approval of the Society at its general meeting and such honorarium shall not be more than 5% of the net surplus of the Society for any particular year. The distribution of the amount between and within the various committees shall be at the discretion of the management committee.

6.4.2. The Management Committee members may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Management Committee or any Functional Committee 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 payment 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 carried 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 skilful 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 profit and loss account, audited balance sheets and the 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 secure and 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. Members of the Management Committee shall individually and collectively ensure the maintenance of 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 an Income and Expenditure Account and the Audited Balance Sheet for acceptance or otherwise.
- 6.5.18. The Committee shall examine the accounts, sanction the contingent expenditure and ensure the maintenance of the prescribed registers.
- 6.5.19. The Committee shall consider the Inspection Report of the Office or Representatives of the Director 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 by any person authorised to do so.
- 6.5.22. The Committee may engage the services of paid officers or service providers to assist it carry 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 Bye-Laws.

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 by or any unexplainable benefit 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 monies and properties in their care and as such must account for the monies over which they exercise control and shall refund any money(ies) improperly paid away, and shall exercise their powers honestly in the interest of the Society as a whole and not in their own or sectional interests.

6.8. TRUSTEES: The President, General Secretary and the Treasurer, shall be the Trustees of the Society. The duty of the Trustees shall include:

6.8.1 Signing on behalf of the Society all cheques and legal documents including those concerned with the transfer of funds, acquisition and disposal of properties;

6.8.2 Advise the Society and the Management Committee of investment opportunities;

6.8.3 Ensure the security and safety of the Society's investments;

6.8.4 Any other functions that may be assigned to them by the Society.

6.9. DUTIES OF OFFICERS OF THE SOCIETY: Unless otherwise stated or directed by the General Meeting, the following officers of the Society shall have the following duties assigned to their offices:

**6.9.1. 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 the casting vote in the event of a tie

**6.9.2. Vice President:**

- a. Shall in the absence of the President chair the meetings of the Society and have all powers of the President
- b. Shall be the chairman of the Consumer Committee
- c. Shall be a member of the Credit Committee.
- d. Shall perform other functions as directed by the President and the Management Committee.

**6.9.3. Treasurer:**

- a. Shall be responsible for the day to day management of the funds of the Society.
- b. Shall maintain records of all payments into, and out of the Society's bank and other such accounts.

- c. Shall be the chairman of the Credit Committee
- d. Shall be a member of the Consumer Committee
- e. Shall perform other functions as directed by the Management Committee

**6.9.4. General Secretary:**

- a. Shall be the head of the Secretariat of the Society
- b. Shall keep and maintain correctly and up-to-date the prescribed books and registers
- c. Shall procure from borrowers the due execution of bonds with security
- d. Shall sign on behalf of the Society and conduct all its correspondence
- e. Shall be a member of the Consumer Committee
- f. Shall summon and attend all General and Management Committee meetings and prepare the Secretary's report for the Annual General Meeting
- g. Shall perform other functions as directed by the Management Committee.

**6.9.5. 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.

**6.9.6. Financial Secretary:**

- b. Shall keep records of income and expenditure of the Society and produce relevant financial statements and schedules on a regular basis
- c. Shall prepare all receipts, vouchers and documents required by the regulations or Bye-Laws or called for the Management Committee
- d. Shall prepare and submit to the Management Committee the annual accounts and statement and certify copies of entries in the books in accordance with the provisions of the Law.
- e. Shall be a member of the credit committee
- f. Shall perform other duties as directed by the Management Committee.

**6.9.10. The Secretariat:**

- a. The Society shall have a secretariat where its day to day activities shall be conducted and coordinated.
- b. The secretariat shall be supervised by the General Secretary and other Management Committee members
- c. The Secretariat may be staffed by direct employees of the Society or outsourced to a third party service provider

6.10 BONDING OF OFFICERS AND EMPLOYEES: Every officer or employee of the Society (including the Trustees) who receives or pays out money on behalf of the Society shall before assuming his duties furnish a bond with sureties and in an amount to be determined by the Management Committee. In addition, the Society may also take Fidelity Insurance for its paid employees who handle cash or stocks on behalf of the Society.

6.11 NON-CASH TRANSACTIONS BY MANAGEMENT COMMITTEE MEMBERS: The Society shall not enter into an arrangement:

- 6.11.1 Whereby a Committee member of the Society, or a person connected with such member, acquires or is to acquire one or more non-cash assets of the requisite value from the Society, or

6.11.2 Whereby the Society acquires or is to acquire one or more non-cash assets of the requisite value from such a member or person so connected; unless the arrangement is first approved by a resolution of the Society in General Meeting and such connection expressly disclosed.

6.11.3 For the purpose 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=100,000 or 10% of the Society's total assets value, whichever is lower. The total assets value shall be based on accounts prepared and approved in respect of the last preceding year of the Society's operations.

## 6.12 LIABILITIES ARISING FROM CONTRAVENTION OF SUBSECTION 6.11

6.12.1 An arrangement entered into by the Society in contravention of Section 6.11 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 6.12.2 hereunder are satisfied.

6.12.2 The conditions shall include the following:

1. Where restitution of any of the monies 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
2. 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
3. The arrangement is, within a reasonable period, affirmed by the Society in a General Meeting.

6.12.3 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 authorises the arrangement or any transaction entered into in pursuance of such an arrangement, shall be guilty of an offence and liable:

1. To account to the Society for any gain which he has made directly or indirectly by the arrangement or transaction; and
2. 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.

6.12.4 Subsection 6.12.3 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 6.12.3 arises whether or not the arrangement or transaction entered into has been avoided in pursuance of subsection 6.12.1.

6.12.5 If an arrangement is entered into by the Society and a person connected with a member of the Management Committee in contravention of Subsection 6.11 of these Bye-Laws, that member shall not be liable under subsection 6.12.3 if he shows enough grounds that he took all reasonable steps to secure the Society's interest.

6.12.6 This section shall have effect with regard to references in sections 6.11 of these Bye-Laws to a person being "connected" with a Management Committee member, and to a Management Committee member being "associated with" or "controlling" a body corporate.

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

- i. A Management Committee member's spouse, child, stepchild, sibling or blood relative;



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

## **7. SUPERVISORY COMMITTEE**

A Supervisory Committee, which shall comprise three (3) members of the Society not being members of the Management or any other committees of the Society, one (1) of the members shall be appointed by the Company and two (2) 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 and other investments, cash account, loans and stock of goods.

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. Make a report of the Society's "State of Affairs" to the Annual General Meeting.

7.2. CREDIT COMMITTEE

7.2.1. COMPOSITION OF CREDIT COMMITTEE: The Credit Committee shall consist of at least 3, and at most 5 members appointed by the Management Committee under the chairmanship of the Treasurer.

7.2.2. DUTIES OF CREDIT COMMITTEE:

- b. To process applications for loans against the background of the financial conditions, previous record of borrowing, purpose of loans, ability to repay fully and promptly, and the character and financial standing of the sureties and thereafter recommend for the approval of the Management Committee.
- c. To decide on the terms of repayment of loans granted.
- d. To call for at regular intervals, comparative statements of delinquent loans and reasons for them in order to evaluate the quality of their worth.
- e. 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 contribute a proportion of his total payments to his ordinary savings while repaying his loan.

7.3 CONSUMER COMMITTEE

7.2.3. CONSTITUTION OF CONSUMER COMMITTEE: There shall be a Consumer Committee, which shall consist of at least 3, and at most 5

members appointed by the Management Committee under the chairmanship of the Vice President.

#### 7.3.1 DUTIES OF CONSUMER COMMITTEE

- a. To arrange for the purchase of commodities including household goods, household appliances, consumables and commodities, etc.
- b. To promote a shopping floor that will be accessible to members and the general public.
- c. To render a quarterly report on the operations and finances of the committee to the Management Committee.

#### 7.4 ELECTORAL COMMITTEE

7.4.1 CONSTITUTION OF ELECTORAL COMMITTEE: There shall be an Electoral Committee, which shall consist of at least five (5) members appointed by the Management Committee and the leadership of which shall also be appointed by the Management Committee.

#### 7.4.2 DUTIES OF ELECTORAL COMMITTEE

- a. To set the date for general election, and also specify the guidelines, qualifications and experience for the various positions in accordance with these Bye Laws;
- b. To vet and approve the nomination of candidates seeking election based on the guidelines.
- c. To prescribe the mode of voting at elections, as the Committee may deem appropriate;
- d. To oversee the conduct of elections and announcement of results.
- e. To provide a post-election report on the performance of the entire electoral process.

## 8. SOURCES OF FUNDS

8.1. The funds of the Society shall comprise of: -

8.1.1. Entrance Fees, proceeds from sales of goods and membership forms;

8.1.2. Savings of members as defined in Bye-Laws 8.7;

8.1.1 Issuance of shares

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

8.1.3. Grants or Donations from **Mactay Group**

8.1.4. Miscellaneous 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 The Society may issue shares for the purpose of financing any particular project in pursuance of the realisation of its objects. The shares must be offered to all members and shall not be transferable except to a nominee in accordance with Bye-Laws 4.5. The minimum or maximum share-holding shall be determined 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 as may be decided by the Management Committee.

8.3.3 A member can hold any number of shares in excess of the minimum shareholding but not exceeding 10% of the total paid up share contribution at any point in time.

8.3.4 The proceeds from the investment that the share issue was used to finance shall be ring-fenced and distributed only to members who subscribed to the issue in proportion to their subscription.

8.3.5 Any member may elect not to subscribe to a share offer.

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 favourable, the Management Committee may repay to any member whose membership was terminated during the year a sum not exceeding the amount paid by him on account of shares. Provided that not more than five per cent of the total paid share capital shall be thus paid out in any one year without the Director's permission.

8.5 LIMIT ON SHARE HOLDING:

No member shall hold more than one-tenth 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/RE-ADMISSION FEES:

Every member, on joining the Society shall pay an entrance fee, as may be determined by the Management Committee from time to time. While any member who had earlier resigned/withdrawn his membership can only be re-admitted after at least three (3) months of resignation/withdrawal of membership, and payment of re-admission fee, which shall also be prescribed by the Management Committee from time to time.

8.7 COMPULSORY SAVINGS (CONTRIBUTION):

8.7.1 Every member shall make regular thrift savings, minimum of which shall not be below ₦5000.00 (five thousand naira) 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 or contribution 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 compulsory savings or contribution except on withdrawal of membership. The Management Committee may however propose other options for disposal or application of balances on members' contribution accounts if and when circumstances demand, provided that no such proposals shall be implemented unless they have been approved by a special resolution of a General Meeting of members.

## **9. USE AND CUSTODY OF FUNDS**

### **9.1 INTERNAL FUNDS:**

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

- i. A Reserve Fund;
- ii. A Depreciation Fund;
- iii. An Insurance Fund;
- iv. Development, Educational or other Funds approved by the General Meeting;
- v. Current or Savings Accounts or Cash, Term Deposits or Federal Government Treasury Bills.
- vi. 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 these Bye-Laws.

9.3 **INVESTMENT:** Such funds of the Society as are not required for current use may be invested in any manner permitted by Law and Regulations or as approved by the Director.

9.4 **OPERATION OF BANK ACCOUNT:** The Society shall operate any number of bank accounts as may be deemed necessary. Before money is withdrawn or paid out of any of the Society's accounts, the cheques or withdrawal slips shall be signed by at least two of the Trustees.

## 10. LOANS

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

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 for a period exceeding the time limit fixed by the General Meeting
- d) Any member earlier than six month after 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.
- e) If it would bring a member's total indebtedness at the time of the loan amount exceeding his maximum credit limit

10.2 MAXIMUM CREDIT LIMIT:

10.2.1 The maximum credit limit of each applicant for a standard loan shall be determined as twice the total savings of the applicant as at the time of the application. This however is subject to maximum credit approved by the General Meeting, availability of funds, the principle of making credit available to as many members as are qualified and the securities offered.

10.3 INTEREST ON LOAN TO MEMBERS: Interest on any loan to members shall be charged at a rate determined by the Management Committee but shall at all times be equal to or less than the benchmark interest rate set by the Central Bank of Nigeria (CBN). In case of default in repayment, penal interest shall be charged at twice the nominal rate.

10.4 SUPPLY OF CONSUMER GOODS:

10.4.1 The Society shall purchase for supply to members such household equipments or consumer items as are necessary for the improvement of members' living condition. Where the member is not in a position

to pay cash for these goods, the value of the supplies may be treated as a loan subject to Bye-Law 10.3;

10.4.2 The Society may also stock domestic and personal requirements including foodstuff for sale to members and other members of the public.

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

10.6 DUTIES OF A SURETY: A surety must be a reputable member of the Society and shall personally guarantee;

10.6.1 Repayment of the loan if the borrower defaults;

10.6.2 Repayment of the loan if the borrower defaults;

10.6.3 The correctness of the particulars on which the value of the borrower's securities are based;

10.6.4 That the loan is used for the purpose stated by the borrower on the application form.

10.6.5 The surety shall report misuse of the loan to the Management Committee immediately.

10.7 APPROPRIATION OF DEBIT PAYMENT: When a member from whom money is due pays any sum to the Society, it shall be appropriated in the following order:

a) Firstly, to compulsory savings/contribution or share payments, penalty and other miscellaneous charges due by him.

b) Secondly, to interest on loan, and

c) Thirdly, to 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:-
- 11.1.1 At least one-fourth (25%) shall be carried to the Reserve Fund, unless a lower rate is prescribed by the Director
  - 11.1.2 Not more than 2 ½% to the Education Fund
  - 11.1.3 Honoraria, Donation or other appropriations as may be decided by the Management Committee or approved by the Director;
  - 11.1.4 Dividend on savings/contribution, shares, purchases and loans, shall not be less than 50% of the net surplus, except a lower rate is approved by the Annual General Meeting (AGM)
  - 11.1.5 Building up a General Reserve;
- 11.2 **DIVIDEND:** 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 share in it. Except with the permission of the Director, it shall not be utilised in the business of the Society, but shall be deposited or invested in accordance with Sections 33 and 34 of the Nigerian Co-operative Societies Decree 90 of 1993 and section 25 of the Law but subject to the written permission of the Director.
- 11.4 **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 the regulations.
- 11.5 **AUDIT AND SUPERVISION FEES.** Audit and Supervision Fees is the rate assessed by the Director and paid annually by the Society to any recognised 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 Chief Registrar 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 Meetings;
  - 12.1.7. Register of Share Payments;
  - 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 of any accredited Co-operative Official provided that no person other than an officer or committee member of the Society or a co-operative official shall be allowed to see the personal account of any member without that member's consent. Copies of the Law, the Regulations and of these Bye-Laws shall be available for inspection at the Registered Address of the Society at all reasonable hours.

12.3 ANNUAL STATEMENTS:

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

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

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

12.4 RECEIPTS: It shall be the duty of every member: -

1) To obtain a separate printed receipt from the proper receipt book, or such other form of receipt as may be approved by the chief Registrar, for every sum of money paid to the Society. :

2) To sign, or make his thumb print in the proper book, in token 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 54 and 55 of the Law.

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 and secondly in the repayment of the share contribution paid up. The remainder, if any, shall be distributed among members in proportion to their share holding in the Society

**14. MISCELLANEOUS PROVISIONS**

14.1. AFFILIATION TO SECONDARY CO-OPERATIVE BODY: Unless there are reasons to the contrary accepted by the Director, the Society shall

affiliate itself at the earliest possible moment to any secondary co-operative body formed in 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 44 of the Co-operative Societies Law.

14.3 SEAL: The General Secretary 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 under the hand or with the signatures of at least two of the trustees.

14.4 PENALTY: The General Meeting of the Society may impose penalty on members, not exceeding Five Thousand Naira (N5,000.00) in anyone case, for flagrant or repeated contravention of the Bye-Laws.

## 15. AMENDMENT OF BYE-LAWS

Any amendment of or addition to these Bye-Laws shall be made by General Meeting of the Society in accordance with section 14 and Regulations 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 the **MACTAY STAFF Co-operative Multipurpose Society Limited**

**No: LSCS**..... of.....

has been registered under Section 8 of the Co-operative Societies Law, Cap. C15, Laws of Lagos State of Nigeria, 2003.

**DATED THIS ..... DAY OF ..... 2016**

.....

**DIRECTOR OF COOPERATIVE SERVICES**

**LAGOS STATE OF NIGERIA**