

**BYE LAWS, TERMS AND CONDITIONS OF
ACTIVE FARMERS COOPERATIVE
MULTIPURPOSE SOCIETY LTD.**

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BYE-LAWS OF ACTIVE FARMERS COOPERATIVE MULTIPURPOSE SOCIETY LTD.

1. INTERPRETATION

All words and expression used in these bye-laws have the meaning respectively assigned to

them under section 2 of the Nigeria Cooperative Societies Act , N98 of 2004

In particular, the following words or expression shall have the meaning respectively assigned to them below

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

1.2 **“The Act”** means the Nigeria cooperative societies Act NO 98 of 2004(as amended)

1.3 **“Bye-Laws”** means the registered bye-laws made by a society in exercise of any

power conferred by this law and it includes a registered amendment of the bye-laws.

1.4 “**Officer**” includes a President, General Secretary, Treasurer, Vice-President, Financial Secretary, Assistant Secretary, Assistant Financial Secretary, Ex-officio members of Committee or other person empowered under the regulations or bye-laws to give directions with regards to the business of a registered society .

1.5 “**Person**” includes any company or association or body of person corporate or incorporate.

1.6 **Primary society:** means a registered society consisting of individuals as members

1.7 “**Regulation**” means regulations made under this law as amended from time to time.

1.8 “**The Director**” means the Director of Cooperative Services, Lagos State.

1.9 “**Management Committee**” means the governing body of a registered society to whom the general management of its affairs is entrusted.

1.10 “**Member**” includes a person or registered society admitted to membership of the Society in accordance with the bye-laws and regulations.

1.11 “**Dividend**” means a share of the profit(s)/surplus of the society divided among its members in proportion to the members' savings from which the appropriated surplus of the society were derived.

1.12 “**Functional Committee**” means an elected body of persons within the society to whom specific duties are delegated by the society. Criteria for membership must be met.

1.13 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 Society shall otherwise be known as THE ACTIVE FARMERS COOPERATIVE MULTIPURPOSE SOCIETY LTD

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2.2 Its address shall be at Akoko close off lagos street Garki 11 Abuja

2.3 The area of operations of the Society shall be within Abuja State and any other areas within Nigeria and beyond where the society might have interest.

1. 3. OBJECTIVES OF THE SOCIETY

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

3.1 To make microcredit available thereby increasing farming activities.

3.2 To increase to discourage rural urban migration

3.3 To encourage cash crop production in commercial quantity or at exportable quantity

3.4 To make agriculture activities the major revenue generator in Nigeria thereby reducing the poisonous emission of chloro-floro carbon

- 3.5 To acquire or pool members' farmlands for large scale arable and livestock farming;;
- 3.6 To cultivate such land for food and cash crops and also rear livestock, including poultry, piggery, fishery etc
- 3.7 To undertake or invest in new ventures beneficial to the members and the society as approved by the management committee. These include Project Financing, Production e.t.c.
- 3.8 To encourage fixed deposits from members out of which a fund may be established for giving; short-term loans to members, to acquire stock of shares and other rewarding ventures
- 3.9 To raise capital and do such other things as are necessary for the attainment of these objects;
- 3.10 To set up small and medium scale industries; e.g block making industry and cottage etc., to produce economical and viable items for the benefits of members.
- 3.11 To operate warehouse and cold room facilities for the storage of these consumers and producer goods and let out these facilities to interested parties;
- 3.12 To manage financial portfolios carefully by entering the stock market for investment in stocks and financial futures options' market, guided by the decision of members. In this way, the society shall become part owners in businesses that produce goods and services that members buy
- 3.13 To seek loans for industrial/housing development from banks, the cooperative circle and other financial institutions;
- 3.14 To take measures that would promote among the members, the spirit of thrift, mutual-help and self-help based on cooperative principles; and
- 3.15 To engage in consultancy and any other economic or social activities as may be approved by the general body of members
- 3.16 To encourage in any other economic or social activity as may be approved by the general meeting of members;
- 3.17 To provide credit facilities to its members at fair and reasonable rates of interest for provident and productive purposes
- 3.18 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 the individual future use

3.19 To stock consumers and producer goods for distribution to member and non-member; (with priority to members) at fair and reasonable rates of interest .

3.20 To take other measures designed to encourage the spirit and practice of cooperative and self-help among members.

4. MEMBERSHIP AND LIABILITY

This is a faith-based cooperative and thus is restricted to all genuine persons

4.1 MEMBERSHIP: The membership of the society shall be open to;

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

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

4.2 QUALIFICATION FOR MEMBERSHIP:

Every member of the society must be;

a) Must be a Christian or Muslims

b) Of good character

c) Of not less than 18years of age except in the case of an heir and dependents of registered members and where the Director grants exemption from this qualification

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

4.3 ADMISSION:

a) Application for membership shall be made by obtaining a membership/entrance form, which on completion shall be submitted to the General Secretary of the society.

b) All application for membership shall be approved by the management committee. Every member shall, on admission be required to sign the Membership Attendance Register and Personal Ledger.

c) Every application for membership shall be accompanied with a non-refundable entrance fee of N3,000.00 (Three Thousand Naira Only), or any such amount which shall be determined from time to time by the Management Committee and specify among others things, the minimum monthly savings to be made by the applicant, which shall also be determined by the management committee from time to time.

d) Declaration of Obligation: every member, on joining the Society and in application for a loan from the Society shall render to the Management

Committee, a true and complete statement of his indebtedness to other societies or organization

4.4 LIABILITY OF MEMBERS AND PAST MEMBERS:

4.4.1 The liability of members for debts incurred by the society shall be determined by the 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 properties of 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 one person to whom his shares or interest shall be transferred to, in the event of such member's death or becoming permanently insane. The member may, at any point in time, change his or her 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:

Membership shall be terminated by;

- a) Death;
- b) Permanent Insanity; or
- c) Withdrawal shall be by One Month's Notice conveyed in writing to the Management Committee provided that the withdrawing member is neither indebted to the Society nor surety for an unpaid debt; and
- d) Expulsion under provisions of Bye-law 4.8 (below).

e) Completely withdrawing ordinary savings and any other deposits

4.7 RE: ADMISSION INTO MEMBERSHIP:

Any past member may re-apply for membership after a reasonable interval of not less than six months from date of withdrawal from the society.

4.8 EXPULSION:

A member may be expelled for;

- a) Repeated failure to make thrift savings as laid down in Bye-law
- b) Repeated failure to make up for debts due from him/her to the society over a reasonable time limit;
- c) Conviction on a criminal offence involving dishonesty like fraud, financial impropriety
- d) Misconduct or other acts contrary to the stated objectives of the Society or to the interests of the Cooperative Movement. When membership terminates owing to death, permanent insanity or expulsion, the society shall pay as in the former, to the nominee/beneficiary, or if none was nominated, then to the legal representative and/or the latter,

to the expelled member, the sum of his credit less any sum due to the society.

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 from the members' credit or liability he has guaranteed.

4.10 MEMBERSHIP REGISTER:

Every member, on admission and on payment of the appropriate entrance fees shall sign the membership acknowledgement form as an evidence of membership. By this, he/she acquires the right of full participation in the affairs of the society and assumes all obligations relating thereto

5.0 CONSTITUTION AND DUTIES OF GENERAL MEETING:

5.1 POWERS OF THE GENERAL MEETING:

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

5.2 QUORUM:

The presence of at least a quarter (1/4) of the members shall be necessary for the disposal of any business at the general meeting. If no quorum is formed at a meeting, an adjournment may be made for a period not less than seven (7) days or more than fourteen (14) days. Thereafter, the number of members present at any such adjournment shall form a quorum.

5.3 THE ANNUAL GENERAL MEETING (AGM):

The AGM 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;

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

b)Dealing with any communication received from the Director;

c) Election/Reelection of the Management Committee members for the ensuing year; and

The ultimate authority under 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 Annual Statements of Accounts have been prepared and approved by the Director.

e) Other matters as presented by the Management Committee.

5.4 THE DUTIES OF THE ORDINARY GENERAL MEETING:

When necessary an Ordinary General Meeting shall be conveyed to;

a)Suspend or remove from office, any Officer or Member of the Committee in accordance with these Bye-laws;

b)Confirm the expulsion of member(s);

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

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

5.5 MEETINGS:

a) The notice required for all types of General Meetings from the commencement of these

Bye-laws shall be twenty-one (21) days from the date on which the Notice was sent out;

b) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of votes cast by such members of the Society as being entitled to do so, at a General Meeting of which seven (7) days Notice, specifying the intention of passing the resolution as an Ordinary Resolution has been duly given; and

c) A resolution shall be a Special Resolution when it has been passed by not less than the 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 twenty-one (21) days Notice, specifying the intention of passing the resolution as a Special Resolution has been duly given.

d) All resolution for the purpose of;

a. Removing a Management Committee Member

b. Amending the provisions of these Bye-laws;

Shall from time to time be decided by the Management Committee through a special resolution.

5.6 EXTRA-ORDINARY GENERAL MEETING:

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

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

c) Where the Director convenes such meeting he may direct what matters shall be discussed at the meeting and may not need to give 21 days notice as in bye-laws 5.6 (a) above

5.7 VOTING:

Voting at general meetings shall be by open ballot on any special or when sensitive matter is demanded by, at least, five members present good financial standing in the Society. All questions shall be decided by a majority of votes of the meetings, the Chairman shall have casting vote, if votes are equal or he may call for a second voting

6.0 THE MANAGEMENT COMMITTEE

6.1.1. Subject to the law, the regulations and these Bye-laws, the day to day administration of this society shall be vested in the Management Committee. It also shall have power to create sub committees/functional committees to which it may delegate parts of its functions provided that a member of the Management Committee shall head such functional committee(s).

-6.1.2 It shall consist of active members over the age of 18 and shall be elected by the General Meeting or the AGM.

6.1.3 The Management Committee shall consist of at least seven (7) members including the President, Vice President, General Secretary, Treasurer, Financial Secretary, and one or more Ex-officio members one of whom shall be the immediate past President and any of the others immediate past Trustees. Where such member(s) become re-elected or reject the position, the slot shall be made open to any of the immediate past management committee members or any members of the society. The management committee shall represent the various interest areas/units of the Society, provided that the total membership is an odd number

6.1.4 The Management Committee shall have power to lay down administrative rules and procedures 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

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

the Committee

6.1.6 Where the Committee fills a casual vacancy, the person may be approved by the General Meeting or at the next Annual General Meeting and if not so approved, he shall forthwith cease to be a Management Committee member

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

6.1.8 The tenure of office for a Management Committee member shall be a period of two years and shall cease at the AGM of the second year in office but shall be eligible for reelection, for the same position, provided that no Management Committee member shall occupy a particular position for more than two consecutive terms

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

6.2 REMOVAL OF MANAGEMENT COMMITTEE MEMBERS:

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

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

6.2.3 Where such representations are unable to be sent out as required in 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.

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

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

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

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

6.3.6 The quorum necessary for the transaction of the business of the Management Committee shall be four (4). The Committee member present at a particular Meeting if there is a quorum may elect a Chairman for the meeting in the absence of the President of the Society

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

6.4 HONORARIUM AND OTHER PAYMENTS:

6.4.1 The honorarium of the Management Committee member shall from time to time be determined by the Society at its general meeting and such honorarium shall not be more than 5% of the net surplus (before charging the honorarium) of the society for any particular year. The amount will be shared by all the Management Committee members in proportions to be agreed within themselves

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 of 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 honorariums 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 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 ordinary skillful Committee member would act in the circumstances.

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

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

- 6.5.5. To prepare and lay before the general meeting a profit and loss account, audited balance sheet and a budget
- 6.5.6. To consider the audit and inspection reports of the Auditor and the Director of Co-operative Services.
- 6.5.7. To purchase, sell, build upon, lease, mortgage or exchange any property or land and to enter into any contracts and settle the terms thereof.
- 6.5.8. To ensure safe custody of the society's property.
- 6.5.9. To pay all such expenses, including travelling expenses, as are properly incurred by any committee member or person co-opted to the committee or sub-committee in the execution of his duties.
- 6.5.10. To issue new and transfer old shares.
- 6.5.11. To enter into contracts on behalf of the Society.
- 6.5.12. A Management Committee member shall exercise his powers as specified in these bye-laws and such exercise shall not constitute a breach of duty, as 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 provisions, whether contained in these bye-laws or in any contract, shall relieve any Management Committee member of the day to day act in accordance with this Section or relieve him from any liability incurred as a result of any breach of the duties conferred upon him under this section.
- 6.5.15 Members of the Management Committee shall, conduct the affairs of the Society in line with the law, regulations and these Bye-laws.
- 6.5.16 The Committee shall 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 rejection.
- 6.5.18 The Committee shall examine the accounts, sanction the contingent exposure and ensure the maintenance of books and records as may be prescribed by the Director.
- 6.5.19 The Committee shall consider the Inspection Report of the Government Co-operative staff and take corrective action.
- 6.5.20 The Management Committee shall summon General Meetings.
- 6.5.21 The Committee shall assist in the inspection of the books and records of the Society by any person authorized to do so by the Director
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- 6.5.22 **Engagement of Paid Officers:** The Management Committee may engage the services of paid officers 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 CONDUCTS OF DUTIES AND INTERESTS:

6.6.1 A Management Committee member shall not allow his personal interest 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 utilization 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 unexplained 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

6.6.5 Where, prior to the transaction a Management Committee member discloses his interests to the General Meeting before the transaction and if 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 accounts for the profit.

6.7 LEGAL POSITION OF MANAGEMENT COMMITTEE MEMBERS:

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

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

6.8 DUTIES OF OFFICERS OF THE SOCIETY:

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

6.8.1 President:

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

6.8.2 Vice President;

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

6.8.3 Treasurer:

- a. Shall keep the records of income and expenditure of the society.
- b. Shall keep records of payment on loans and membership forms accruing to the

society.

c. He shall chair the meeting of the credit committee.

d. Shall perform other functions as directed by the Management Committee.

6.9.1 General Secretary:

a. Shall keep and maintain correctly and up-to-date the prescribed books and registers.

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

c. Shall be the head of Secretariat of the Society

d. Shall prepare all receipts, vouchers and documents required by the regulations or bye-laws or called for, by the management committee.

e. He shall sign on behalf of the society and conduct all its correspondences.

f. Shall be a member of the credit committee.

g. Shall summon and attend all General and Management Committee meetings and prepare the Secretary's report for the Annual General Meeting.

h. Shall prepare and submit to the Management Committee the annual accounts and statement and certified copies of entries in the books under Section 32 of the Ordinance.

i. Shall perform other functions as directed by the Management Committee.

6.9.2 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 Management committee

6.9.3 Financial Secretary:

a. Shall keep the records of income and expenditure of the society

b. Shall keep records of payment on loans and membership forms accruing to the society

c. Shall perform other functions as directed by the management committee

6.9.4 The Secretariat

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

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

c. The secretariat shall employ officers who will work in the secretariat on the day-to-day running of the activities of the society.

d. Appropriate entry point and conditions of service for any employed staff shall be

determined by the Management Committee from time to time.

e. Secretariat Staff shall spend minimum of 3 years before promotion can be considered.

f. Secretarial staff shall be entitled to remuneration, allowances and incentives as agreed to, by the Management Committee.

g. Secretariat staff shall be considered for confirmation as a full staff after two years of continuous service.

h. Secretariat staff shall be entitled to gratuity based on years of service according to the staff of the society

i. The Management Committee shall put in place comprehensive staff policy to spell out in clear terms the understated as;

1. Procedure for employment

2. What should be the staff strength

3. Entitlements like; i. Remuneration, ii. Annual leave bonus, iii. Maternity leave, iv. Sick leave, v. Examination leave, vi. Direct loan as obtainable in the Federal Civil Service (e.g Car Loan, Correspondence Loan etc.

4. Order of hierarchy of line staff

5. To whom do they report to.

6. Disciplinary measure to erring staff.

7. Procedure for disengagement of staff.

6.10 BONDING OF OFFICERS AND EMPLOYEES:

Every officer or employee of the society who receives or pays out money on behalf of the society shall before assuming 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 REMOVAL OF MEMBER OF THE MANAGEMENT COMMITTEE:

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

6.11.1 Ceases to be a member of the society

6.11.2 Becomes of unsound mind;

6.11.3 Becomes a paid servant of the society

6.11.4 Is convicted on major criminal offence and;

6.11.5 Acts in a manner prejudicial to the interest of the society and he is removed by a majority vote of 2/3 of members present and voting at a special general meeting. The society may fill any vacancy arising from death, resignation any incapacity or any removal

6.12 PROPERTY TRANSACTION BY MANAGEMENT COMMITTEE MEMBER:

6.12.1 The Society shall not enter into an agreement;

a) Whereby a Committee member of the society, or a person connected with such member, acquire one or more non-cash assets of the requisite values from the Society or

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

6.12.2 For the purpose of subsection (a) of this section, a non-cash asset is of the requisite value if at

the time the arrangement in question is entered into, its value is not less than N----- or 10% of the Society's total assets value. The total assets value shall be based on account prepared and approved in respect of the last preceding year of the Society's operations.

6.13 LIABILITIES ARISING FROM CONTRAVENTION OF SUBSECTION 6.12:

6.13.1 An arrangement entered into by the Society in contravention of Section 6.12 of this bye-law and any transaction entered into in pursuance of the arrangement (whether by the Society or other person), shall be avoidable at the "instance" of the Society unless one or more of the conditions specified in subsection 6.13.2

6.13.2 The conditions shall include the following;

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

b) Any rights acquired 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;

c) The arrangement is, within reasonable period, affirmed by the Society in a General Meeting.

6.13.3 Where a member of the Management Committee or any person connected with him enters into an arrangement with the Society in contravention of Section 6.12 of these byelaws, that Management Committee member and the person so connected and any other Management Committee member who authorizes the arrangement or any transaction entered into in pursuance of such an arrangement, shall be guilty of an offence and liable;

a) To account to the Society for any given amount which he has made directly or indirectly

a) To account to the Society for any given amount which he has made directly or indirectly by the arrangement or transaction; and

b) Jointly and severally with any other person liable under this subsection, to indemnify the Society for any loss or damage resulting from the arrangement or transaction.

6.13.4 Subsection 6.13.3 shall be without prejudice to any liability imposed otherwise than by that subsection, and is subject to the following two

subsections; and the liability under subsection 6.13.3 arises whether or not the arrangement or transaction entered into has been avoided in pursuance of subsection 6.13.1.

6.13.5 If an arrangement is entered into by the Society and a person connected with a member of the Management Committee in contravention of Subsection 6.12 of this bye-law, that member shall not be liable under Subsection 6.13.3 if he shows enough grounds that he took all reasonable steps to secure the Society's interest.

6.13.6 This section shall have effect with regard to reference in sections 6.12 of this byelaw to a person being "connected" with a Management Committee member, and to a Management Committee member being "associated" with or "controlling" a Body corporate

6.13.7 A person is connected with a Management Committee member – if he (not being himself a 6.13.7 A person is connected with a Management Committee member – if he (not being himself a Management Committee member) is –

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

7.0 SUPERVISORY COMMITTEE:

Supervisory committee which shall comprise of three members, 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 an inspection of the securities, cash account, loans and stock of goods investments

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

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

7.1.4 Make an Annual Audit of written financial statements and submit same to the Annual General Meeting.

7.1.5 To verify the Passbook of the members with the accounts of the Treasurer annually, while paying attention to the following checklist:

1. Is a receipt issues for every item of cash received?
2. Is there a payment voucher for every amount paid out?
3. Is too much cash kept on hand?
4. Are any unused cheques signed in blank?
5. Is the cash book balanced regularly (daily, weekly and monthly)?
6. Are all expenses approved by the Management Committee and vouchers signed by the President?
7. Are the members balances complied monthly?
8. Do these balances agree with the general control accounts?
9. Are the minutes signed by the Chairman and the Secretary?
10. How many loans are delinquent?

Name.....

Amount.....

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

12. What actions are being taken to recover them?

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

14. Does the Society carry a burglary and robbery insurance?

Has the borrower in addition to the loan agreement entered into a special agreement with the society, authorizing the Society to claim from his retiring benefits or gratuities, termination of appointment?

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

7.1.6. The Supervisory Committee shall have the power to recommend the suspension of any officer or all members of the Management Committee or call a special meeting of the Society to consider any violation of the Law, Regulations or the Bye-Laws of the Society.

7.2 THE CREDIT COMMITTEE:

7.2.1. COMPOSITION OF THE CREDIT COMMITTEE:

The Credit Committee shall consist of at least 5 member appointed by the Management Committee under the leadership of Treasurer.

7.2.2 DUTIES OF CREDIT COMMITTEE:

a) To process applications for loans against the background of the financial conditions, previous record of borrowing, purpose of loans, ability to repay fully and promptly, and the character and financial standing of the sureties and thereafter

recommend for the approval of the Management Committee

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

c) To call for, at regular intervals, comparative statement of delinquent loans and reasons for them in order to evaluate the quality of their worth .

d) The committee may at its discretion waive a member's contribution towards the ordinary

e) savings during the currency of a loan, the repayment of which may impose more hardship on

f) such member if he were to continue to make his normal saving along with the repayment of his

g) loan. Alternatively, the committee may adopt a level plan payment which enables a borrower

h) continue a proportion of his total payment to his ordinary savings while repaying his loan.

7.3.0 CONSUMER COMMITTEE:

7.3.1 CONSTITUTION OF CONSUMER COMMITTEE:

There shall be a Consumer 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

7.3.2 DUTIES OF CONSUMER COMMITTEE:

a. To arrange for the purchase of commodities like, daily consumable items, house-hold appliances, etc.

b. . To arrange for the sale of commodities thus purchased for members and consumers in general, at reasonable market prices

c. To promote a shopping floor that will be accessible to members and the general public.

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

8.0 CREATION OF FUNDS:

8.1 SOURCES OF FUNDS:

The funds of the Society shall comprise of;

8.1.1 An undetermined number of shares of the value of N..... each.

8.1.2 Entrance fees, proceeds from sales of loan and membership forms

8.1.3 Savings of members as defined in Byelaw 8.7

8.1.4 Surplus arising out of the business of the Society

8.1.5 Interest received from loans, and

8.1.5 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, or to any other activity permitted in these Byelaws, and any other purposes approved by the General Meeting and the Director

8.3 SHARE HOLDINGS:

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

8.3.2 A member may pay by installments as approved by the Management Committee provided the full value of the minimum share holding is paid within the stipulated period of six (6) months or as may be decided by the Management Committee.

8.3.3 Members who do not pay the full value of the minimum shareholder by the due date shall be entitled to few or some bonus from the investment of the share capital.

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

8.4 WITHDRAWAL OF SHARES:

Shares may not be withdrawn unconditionally, but if at the end of the financial year the Society's financial situation is favourable, Management Committee may repay to any member whose membership was terminated during the years a sum not exceeding the amount paid by him on account of shares. Provided that not more than five per cent (5%) of the total paid share capital shall be thus paid in anyone year without the Director's permission

8.5 LIMIT ON SHAREHOLDING:

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

8.6 ENTRANCE FEES/RE-ENTRY FEES:

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

8.7 COMPULSORY SAVINGS:

8.7.1 Every member shall make regular thrift savings, minimum of which shall not be below N5,000.00 (Five Thousand Naira Only) per month

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

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

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

9.0 USE AND CUSTODY OF FUNDS:

9.1. INTERNAL FUNDS

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

- a) A reserve fund;
- b) A depreciation fund
- c) An insurance fund
- d) Development, Educational propaganda or other funds approved by the General Meeting and the Director

;

e) Current or Saving Accounts, Cash, Term Deposit or Federal Government Treasury Bill and

f) Stocks of share of goods.

9.2 USE OF FUNDS:

The funds of the Society shall be applied only for the furtherance of its objectives in accordance with these Byelaws

.9.3 INVESTMENTS:

Such funds that the Society does not require for current use may be invested in any manner permitted by Law and Regulations and approved by the Director

.9.4 OPERATION OF BANK ACCOUNT:

The Society shall operate Trustee Bank Accounts and before money is withdrawn from the bank the cheques or withdrawal slips shall be signed by at least two of the Trustees.

10.0 LOANS:

Loans may be granted to members subject only to availability of funds and shall be for the 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 installments of shares are in arrears;

c) Any member who has not made thrift savings under Byelaw 8.0 for a period exceeding the time limit fixed by the General Meeting, if it would bring a member's total indebtedness at the time of the loan to an amount exceeding his maximum credit limit

.

10.2 APPLICATION FOR LOANS:

These shall be made to and disposed of, by the Management Committee.

10.3 LOANS OF MEMBERS:

No loans shall be made to members earlier than two (2) months (or three month?) of becoming a member of the Society except in the case of transfer or an existing loan of a past member to his nominee or other successor in interest.

10.4 MAXIMUM CREDIT LIMIT:

10.4.1 The maximum credit limit of each applicant for a loan shall be determined as twice the total savings of the applicant as at the time of the applicant. 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. predominantly investment. Hence, members may only access 20% of their savings and/or

10.4.2 This Society shall focus on the objectives of the Society Bye laws which is contributions. This shall not however, cover any funds deposited under any fixed deposit arrangements, target savings etc.

10.5 INTEREST ON LOAN TO MEMBERS:

10.5.1 Interest on loan to members shall be charged at a rate approved by the General Meeting but shall not exceed 15% per annum nor shall it be below 10% per annum. In case of default in repayment pattern, interest shall be charged at twice the nominal rate.

10.5.2 As long as Bye Law 10.4.2 applies, interest on loan shall not exceed 7.5% per annum nor shall it be below 5%.

10.6 SUPPLY OF CONSUMER GOODS:

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

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

10.7 BONDS AND SURETIES:

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

10.7.2 Loans granted under Bye Laws 10.4.2 shall be self-guaranteed. And third party surety or collateral shall be needed.

10.8 DUTIES OF A SURETY:

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

10.8.1 Repayment of the loan if the borrower defaults;

10.8.2 The correctness of the particulars on which the value of the borrower's securities is based;

10.8.3 That the loan is used for the purpose stated by the borrower on the application form and

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

10.9 APPROPRIATION OF DEBIT PAYMENT:

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

a. Share payments, penalty and other miscellaneous charges due by him.

b. Interest on loan, and

c. Principal loan.

11. DISPOSAL OF SURPLUS:

11.1 APPROPRIATION:

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

;

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

b) Education Fund: 2.5% to the Education fund

c) Honoraria (not more than 5%) and Donation or other appropriation – as may be decided by the Management Committee and approved by the Director

d) Dividend on members' saving, Bonus on patronage, share capital interest shall not be less than 50% of the net surplus and

e) Building up a General Reserve;

11.2 DIVIDEND:

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

11.2.2 There could also be surplus/profit plough back if there is a reasonable reason to do. This would however be subject to an approval at the general meeting.

11.3 RESERVE FUND:

The reserve fund is indivisible and no member is entitled to claim a specific share in it. Except with the permission of the Director, it shall not be utilized in the business of the Society, but shall be deposited or invested in accordance with sections 33 and 34 of the Nigerian Cooperative Societies Decree 90 of 1993 (now Act 2004) and section 25 of 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 (A.S.F):

Audit and Supervision Fees is one percent (1%) of the gross income or any rate assessed by the Director and annually by the Society to any recognized body approved by the Director

11.6 EDUCATION FUND

Not less than 2.5% of the yearly net surplus shall be carried to an Education Fund reserve, half of extension of co-operative principles and values

12.0 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 Byelaws 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 installment for repayment of loans;

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

12.1.7 Register of share payment;

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

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

12.2 INSPECTION OF BOOKS:

The books of accounts, register and papers of the Society shall be opened at all reasonable times for the inspection of members and of any accredited Cooperative Official provided that no person other than a Committee member of the Society or a Cooperative Official shall be allowed to see the personal account of any member without that member's consent. Copies of the law, the regulation and of these byelaws 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 31st day of March or such other date as the Director may direct, and a copy of each account shall be sent to the Director for approval within such time as the Director may direct

.12.4 RECEIPTS: It shall be the duty of every member;

1. To insist upon obtaining 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; and

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

.13. LIQUIDATION:

13.1 The society shall not be liquidated except in accordance with Section 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 capital paid up. The remainder shall be placed by the Director of Cooperatives in Bank until a new Cooperative Society with a similar area of operations is registered in which event the funds shall be credited to the Reserve funds of the society or any other cooperative society he might deem fit.

14.0 MISCELLANEOUS PROVISIONS:

14.1 AFFILIATION TO SECONDARY COOPERATIVE BODY:

Unless there are reasons to the contrary accepted by the Director, the Society shall affiliate itself at the earliest possible moment to the approved Cooperative Union within its area of operations

14.2 DISPUTES:

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

14.3 SEAL:

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

14.4 SURCHARGE:

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

15.0 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 regulation 5 of the law, but such amendments shall not be valid until it is registered by the Director

16.0 CERTIFICATION:

I hereby certify that the foregoing Bye-Laws of The ACTIVE FARMERS Cooperative Multipurpose Society Ltd.

No. LSCS..... ofday
....., 2020 has been

registered under Section 11 of the Cooperative Societies Act , N98 of 2004 15,Laws
of Abuja State of Nigeria, 2004

.DIRECTOR OF COOEPRATIVE SERVICES ABUJA STATE, NIGERIA