

BYE-LAWS

OF THE

**PRIME ASSET HOUSING
(IKEJA)**

**CO-OPERATIVE MULTI-PURPOSE
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 Cooperative Societies Law, chapter C15 of the Laws of Lagos State of Nigeria, 2003. 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 Law”** means the Cooperative Societies Law Chapter CIS of the Laws of Lagos State of Nigeria (2003)
- 1.3 **“Bye-Laws”** means the registered bye-laws made by a society in exercise of any power conferred by this law and it includes a registered amendment of the bye-laws.
- 1.4 **“Officer”** includes a President, Secretary, Treasurer, Vice President, Financial Secretary, Assistant Secretary, Ex-Officio members of Management Committee or other persons empowered under the regulations or bye-laws to give directions with regards to the business of the society.
- 1.5 **“Persons”** include any company or association or body of persons, corporate or non-corporate.
- 1.6 **“Regulations”** means regulations made under this law as amended from time to time
- 1.7 **“The Director”** means the Director of Cooperative Services, Lagos State
- 1.8 **“Management Committee”** means the governing body of this society to whom the general management of its affairs is entrusted.
- 1.9 **“Member”** includes a person or registered society admitted to membership of the society in accordance with the bye-laws and regulations.
- 1.10 **“Bonus/Dividend”** means a share of the profit(s)/surplus of the society dividend among its members in proportion to the volume of business done with the society by them from which the appropriated surplus of the society was derived.
- 1.11 **“Functional Committee”** means an elected body of persons within the society to whom specific duties are delegated by the society.

1.12 **“The Co-operative”** means PRIME ASSET HOUSING COOPERATIVE MULTI-PURPOSE SOCIETY LIMITED.

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/her ruling

2. **NAME, ADDRESS AND AREA OF OPERATION**

2.1 The name of the society shall be PRIME ASSET HOUSING (IKEJA) CO-OPERATIVE MULTI-PURPOSE SOCIETY LIMITED

2.2 Her present location shall be Onigbagbo House (3rd Floor), 29 Mobolaji Bank-Anthony Way, Ikeja, Lagos

2.3 The area of operation of the society presently is 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 provide credit facilities to its members at fair and reasonable rates of interest for provident and productive purposes.

3.2 To encourage regular savings amongst members so that each member may cultivate the habit of making savings at least once a month, with a view to building up funds for their individual future use.

3.3 To stock consumer and producer goods for distribution to members and non-members,(with priority to members) at fair and reasonable price.

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

3.5 To acquire acres of land for sale or estate development to meet the housing needs of members or for industrial

purposes as a form of investment for the economic benefit of members

- 3.6 To acquire acre of land for farming as a form of investment for the economic benefit of members
- 3.7 To undertake or invest in Real Estate and housing developments for the acquisition of its members and other interested parties
- 3.8 To undertake and invest in new ventures beneficial to its members and the Society as approved by the Management Committee. These includes projects financing; feasibility studies etc
- 3.9 To undertake service businesses that will cater for the primary needs of members and other patrons, like petrol station, warehousing, consultancy etc, managed in the overall interest of members and the society
- 3.10 To undertake such financial management schemes like special withdrawable deposit and micro-finance banking schemes at cooperative and competitive rates for members, expatriates and other interested parties.
- 3.11 To encourage fixed deposits from members out of which a fund may be established for giving short term loans to members, to acquire stock of shares and other rewarding ventures
- 3.12 To raise capital through share holdings by members in the society to undertake such other activities as are necessary for the attainment of these objects
- 3.13 To engage in any other economic or social activity as may be approved by the general meeting of members
- 3.14 To manage financial portfolios carefully by investing in stocks but guided by the decision of members. In this way, the society shall become part owners of multinationals, banks etc

- 3.15 To seek loans for industrial housing development from banks, the cooperative circle and other financial institutions
- 3.16 To secure wholesale mortgage, either for on-lending to members or for housing development and let or sell such dwellings on mortgage basis
- 3.17 To do anything within the law and enter into any transaction which in the society's opinion is necessary to ensure the proper performance of its functions or the attainment of the above listed objectives.
- 3.18 To make measures that will promote among the members, the spirit of thrift, mutual help and self help based on cooperative principles.

4. **MEMBERSHIP AND LIABILITY**

4.1 **MEMBERSHIP:** The membership of the society shall be open to any adult of 18 years and above

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
- Any other category of person(s) approved by the general body of members as qualified to be member(s) of the society
- A member who does not belong to any other society, the primary objective(s) of which coincides with that of this society except with the permission of the Director

4.3 **ADMISSION:**

- (a) Application for membership shall be made by obtaining a Membership Application Form, which on completion shall be submitted to the secretariat office 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 Card and Personal Ledger.
- (c) A member of the society shall not seek membership of another society whose primary objectives are the same
- (d) Every application for membership shall be accompanied with a non-refundable entrance fee, which shall be determined from time to time management committee and specify among other things, the minimum monthly savings to be made by the applicant, which shall also be determined by the management committee from time to time.

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 appointed liquidator 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 to in the event of such member's death or becoming insane. The member may, at any point in time, change his nominee. The name and address of the nominee shall be enter 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 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:

- ❖ Death
- ❖ Insanity
- ❖ Withdrawal shall be by three month 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
- ❖ Expulsion under Bye-Law 4.7.

4.6 (ii) RE-ADMISSION OF MEMBERSHIP INTO THE SOCIETY

Any past member whose interest becomes renewed in the cooperative may re-apply for membership after a reasonable interval of not less than 12 calendar months from date of withdrawal from the society.

4.7 EXPULSION

A member may be expelled for:

- Repeated failure to make thrift savings as laid down in Bye-Law 8.7
- Repeated failure to make up for debts due from him to the society as decided by Management Committee from time to time.
- Conviction by any competent court of law on a criminal offence involving dishonesty like fraud, financial impropriety, etc and
- Misconduct or other acts contrary to the stated objects of the society or to the interests of the cooperative movement

When membership terminates owing to death, 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 latter to the expelled member, the sum of his credit less any sum due to the society.

4.8 DUES TO MEMBERS

Any money due on any account from this society to a member or a past member shall first be offset from the member's credit or liability he/she has sure tied.

4.9 Every member, on admission and on payment of the appropriate entrance fee shall sign or thumbprint the membership

and attendance register as an evidence of membership. By this, he acquires the right of full participation in the affairs of the society and assumes all obligations relating thereto.

5. CONSTITUTION AND DUTIES OF GENERAL MEETING

5.1 POWERS OF THE GENERAL MEETING:

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

5.2 QUORUM

The number of members present at any general meeting shall form a quorum provided notice of meeting is given 21 days before the day of such meeting provided it is not less than 10(inclusive of at least a member of the Management committee.

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 years 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
- Appointment of External Auditor.

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 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-Law in accordance with Bye-Law 15.
- 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 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 7 days Notice, specifying the intention of passing the resolution as an Ordinary Resolution has been duly given.
- c) A resolution shall be a Special Resolution when it has been passed by not less than three-fourth of the votes cast by such members of the Society as being entitled to do so, who shall vote in person at a General Meeting of which 21 days Notice, specifying the intention of passing the resolution as a Special Resolution has been duly given.
- d) All resolutions for the purpose of:
 - a. Removing a Management Committee Member
 - b. Amending the provisions of this Bye-Laws
 - c.) The Management Committee shall from time to time recommend to the General Meeting.

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 objective of such proposed meeting shall be transacted or discussed at such meeting
- c) Where the Director convenes such a meeting he/she 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 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.

6. THE MANAGEMENT COMMITTEE:

6.1 COMPOSITION AND POWERS OF THE MANAGEMENT COMMITTEE

6.1.1 Subject to the Law, the Regulations and these Bye-Laws, the day-to-day administration of this society shall be vested in the Management Committee. It also shall have power to create sub-committees/functional committees to which it may delegate 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 two (2) Ex-officio members. Where such members become re-elected or rejects the position, the slot shall be made open to any of the immediate past management committee members or any member of the society.

6.1.4 Any member aspiring for the position of the President, Vice President, General Secretary and Treasurer must have spent

not less than three(3,) Two(2), One(1) year(s)respectively as a member of the Cooperative.

- 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 new Management Committee member to fill any casual vacancy arising out of death, resignation, retirement, or removal of a member of the Committee
- 6.1.7 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
- 6.1.8 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 below five
- 6.1.9 The tenure of office for a Management Committee member shall be a period of Three years, (two tenures). He shall resign at the AGM of the third year in office but shall be eligible for re-election for the same position for the second term.
- 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; they shall have informed the Society's office by a notice in writing, signed by a member for which such notice is given, of his/her intention to propose such person for election, and his/her willingness to be elected

6.1.11 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 in office

6.2.2 Where notice is given of an intended resolution to remove a member of the Management Committee under this section and such member makes written representations to the Society requesting notification of the said intended resolution of removal 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 proven 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 an equality of votes, the Chairman shall have a second or casting vote.
- 6.3.3 A member of the Management Committee may, at any time summon a meeting of the Committee so long as such request is supported by a simple majority of members of the Committee.
- 6.3.4 A resolution in writing, signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Management Committee duly convened and held.
- 6.3.5 Each member of the Committee shall be entitled to a vote each at the Management Committee Meetings.
- 6.3.6 The quorum necessary for the transaction of the business of the Management Committee shall be four(4).The Committee members present at a particular meeting if there is a quorum may elect a Chairman for the meeting in the absence of the President of the Society.
- 6.3.7 Where the Management Committee is unable to act because a quorum cannot be formed, the General Meeting may act in place of the Committee.

6.4. HONORARIUM AND OTHER PAYMENTS:

6.4.1 The honorarium of the Management Committee members shall from time to time be determined by the Society at its general meeting and such honorarium shall not be more than 7.5% 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 traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Management Committee or any Functional Committee of the Management Committee or in connection with the business of the Society.

6.4.3 The honorarium payment to Management 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 contract and settle the terms thereof

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

6.5.9. To pay all such expenses, including traveling expenses, as are properly incurred by any committee member or person co-opted to the Committee or sub-committee in the execution of his duties

6.5.10. To issue new and transfer old share

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 Law, Regulations and these Bye-Laws

6.5.16. To 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 and 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 Government Co-operative staff and take corrective actions

6.5.20. The Committee shall summon General Meetings

6.5.21. The Committee shall assist in the inspection of the books by any person authorized to do so.

6.5.22. **Engagement of Paid Officers:** The 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 **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 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 unexplainable benefit derived contrary to the provisions of Sub-section 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**

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

6.8 **Trustees:** The President, General Secretary and the Treasurer, shall be the Trustees of the society. It shall be their duty to sign on behalf of the society all cheque and legal documents including those concerned with the transfer of funds, acquisition and disposal of properties.

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 the society's activities
- d. He shall have decisive vote in case of a tie-vote
- e. He shall chair the meeting of the credit committee

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. In the absence of the President and Vice President, a member of the management committee shall be elected chairman of the meeting
- c. Shall perform other functions as directed by the President and the management committee
- d. Record of payments and receipts from & to the bank.
- e. In charge of Bank records and cheque books.
- f. The Cooperative Treasury.

6.9.3 Treasurer

- a. Shall keep the records of income and expenditure of the society
- b. Shall keep the records of payment on loans and membership Forms accruing to the society
- c. Shall be a member of the credit committee
- d. Shall perform other functions as directed by the Management Committee

6.9.4 General Secretary

- a. Shall keep and maintain correctly and up-to-date the prescribed books and register
- b. Shall procure from borrowers the due execution of bonds with security
- c. Shall be the head of the Secretariat of the Society
- d. Shall prepare all receipts, vouchers and documents required by the regulations or bye-laws or called for by the management committee
- e. He shall sign on behalf of the society and conduct all its correspondence
- f. Shall be a member of the credit committee
- g. Shall summon and attend all General and Management Committee meetings and prepare the Secretary's report for the Annual General Meeting
- h. Shall prepare and submit to the Management Committee the annual accounts and statement and certify copies of entries in the books under Section 32 of ordinance
- i. Shall perform other functions as directed by the Management Committee

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

- a. Shall keep records of income and expenditure of the society
- b. Shall keep records of payments on loans and membership forms accruing to the society
- c. Shall be a member of the credit committee
- d. Shall keep record of payments and receipts from and to the bank.
- e. Shall be in charge of bank records, cheque books.
- f. Shall be in charge of cooperative treasury.
- g. Shall perform other duties as directed by the Management Committee.

6.9.7 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. Staff shall spend minimum of 2 years before promotion can be considered

- f. Staff shall be entitled to remuneration, allowances and incentives as agreed to by the Management Committee
- g. Staff shall be considered for confirmation as a full staff after six month of service
- h. The management shall put in place comprehensive staff policy to spell out in clear terms the understated codes such as:
 - 1. Procedure for employment
 - 2. What should be the staff strength
 - 3. Entitlements like:
 - i. Remuneration & benefits.
 - ii. Sick Leave
 - iii. Examination Leave
 - iv. 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
 - 8. Job titles & Descriptions.

6.10 BONDING OF OFFICER OR EMPLOYEE:

Every officers 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 and any incapacity or any removal

6.12 PROPERTY TRANSACTION BY MANAGEMENT COMMITTEE

6.12.1 **MEMBERS:** The Society shall not enter into an arrangement:

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

For the purpose of sub-section (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 N100, 000 or 10% of the Society's total assets value. The total assets value shall be based on accounts prepared and approved in respect of the last preceding year of the Society's operations

6.13 LIABILITIES ARISING FROM CONTRAVENTION OF SUB-SECTION 6.12

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

6.13.2 The conditions shall include the following:-

- (a) 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

- (b) Any rights acquired bonafide for value and without actual notice of the contravention by any person who is a party to the arrangement or transaction would be affected by its avoidance; or
- (c) The arrangement is within a reasonable period, affirmed by the Society 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 bye-laws, that Management Committee member and the person so connected, and any other Management Committee member who authorizes the arrangement or any transaction entered into in pursuance of such an arrangement, shall be guilty of an offence and liable:-

- a) To account to the Society for any gain which he has made directly or indirectly by the arrangement or transaction; and
- b) Jointly and severally with any other person liable under this sub-section 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.

6.13.5 This section shall have effect with regard to references in sections 6.12, of this bye-law to person being ~~%connected+~~ with a Management Committee member, and to a

Management Committee member being ~~associated with~~ or ~~controlling~~ a corporate body.

6.13.6 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 step-child
- b) Except where the context otherwise requires a corporate body with which the Management Committee member is associated; or
- c) A person acting as a trustee of any trust, the beneficiaries of which include:

1. The Management Committee member, his spouse, any children or step-children; or
2. A corporate body 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 corporate body; 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

7.0 **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 and an inspection of the securities, cash amount, 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 by-laws

- 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 and a written financial statement 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

7.2 CREDIT COMMITTEE

7.2.1 COMPOSITION OF CREDIT COMMITTEE

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

7.2.2 DUTIES OF CREDIT COMMITTEE

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

- a. To decide on the terms of repayment of loans granted
- b. To call for at regular intervals, comparative statements of delinquent loans and reasons for them in order to evaluate the quality of their worth
- c. The committee may at its discretion waive a member's contribution towards the ordinary savings during the currency of a loan, the repayment of which may impose more hardship on such member if he were to continue to make his normal savings along with the repayment of his loan. Alternatively, the committee may adopt a level plan payment which enables a borrower continue

a proportion of his total payments to his ordinary savings while repaying his loan.

7.3 BUILDING COMMITTEE

7.3.1 COMPOSITION OF BUILDING COMMITTEE

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

7.3.2 DUTIES OF BUILDING COMMITTEE

- a. Shall be responsible for acquisition of landed properties for the benefit of members of the Society
- b. Shall ensure that landed properties to be bought are free of any encumbrances
- c. Shall be responsible for processing all title documents of the Society's land
- d. Shall set guidelines for the management and maintenance of all properties in the Society's Estates
- e. Shall render a quarterly report on the operations and finances of the committee to the Management Committee

7.4.0 CONSUMER COMMITTEE

7.4.1 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

7.4.2 DUTIES OF CONSUMER COMMITTEE

- a. To arrange for the purchase of commodities like daily use household goods, household appliances, etc
- b. To arrange for the sale of commodities thus purchased to members and consumers in general, at reasonable market prices

- c. To promote a shopping floor that will be accessible to members and the general public
- d. To render a quarterly report on the operations and finances of the committee to the Management Committee

7.5.0 FARMING COMMITTEE

7.5.1 COMPOSITION OF FARMING COMMITTEE

There shall be a Farming 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

7.5.2 DUTIES OF FARMING COMMITTEE

- a. Shall be responsible for acquisition of acres of land for farming purposes
- b. Shall ensure that the acres lands bought are free of any encumbrance
- c. To co-ordinate all that is required to achieve a successful farm settlement.
- d. To organize sales of farming lots to interested members of of the cooperative and the public.
- e. To arrange for the purchase of farming tools and machineries
- f. To arrange for the purchase of seeds, fertilizers and pesticides for farming purpose
- g. 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 N0.50k each;
- 8.1.2 Entrance Fees, proceeds from sales of loans and membership forms;
- 8.1.3 Savings of members as defined in Bye-law 8.7.
- 8.1.4 Surplus arising out of the business of the Society
- 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, to any other activity permitted in these Bye-laws, and any other purposes approved by the General Meeting and the Director.

8.3 SHARE HOLDING

- 8.3.1 Every member must hold at least 24,000 shares at a nominal value of N0.50 per share, which shall not be transferable except to a nominee in accordance with Bye-Law 4.5. The minimum share holding can be increased or decreased by the decision of the general meeting as the business of the society may demand
- 8.3.2 A member may pay by installments as approved by the Management Committee provided the full value of the minimum shareholding is paid within the stipulated period of 12 months or as may be decided by the Management Committee
- 8.3.3 Members who do not pay the full value off the minimum shareholding by the due date shall not be entitled to any bonus from the investment of the share capital
- 8.3.4 No member can hold any number of shares in excess of the minimum shareholding by all members at any point in time

8.4 WITHDRAWAL OF SHARES

Shares shall not be withdrawn unconditionally, but if at the end of the financial year the Society's financial situation is

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

8.5 LIMIT ON SHARE HOLDING

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

8.6 ENTRANCE FEES / RE-ENTRY FEES

Every member, on joining the Society shall pay 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 during the following financial year, after not less than 12 calendar 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 N1,000 (One 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 shall be determined after the surplus has been ascertained and necessary reserves created

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

8.7.5 A member who fails to make monthly savings for a period of Six months consecutively within a calendar year shall forfeit all rights, privileges and all manners of concessions until all required

and necessary formalities (which shall include but not limited to consistency in his next 6 (six) monthly savings without fail from the month he resumes contribution again) as set down by the Management Committee has been effected.

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 Savings Account or cash, term deposits or Federal Government Treasury Bills
- f) Stocks of share or goods
- g) Mortgage fund
- h) Thrift fund

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 and as approved by the Director

9.4 OPERATION OF BANK ACCOUNT

The Society shall operate a Trustee Bank Account. Before money is withdrawn from the bank, the cheque or withdrawal slip 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 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 Bye-law 8.0 for a period exceeding the time limit fixed by the General Meeting
- d) Declaration of Obligation: On accessing the Society's loan, a member shall render to the Management, a true and complete statement of his total indebtedness at the time of the loan to an amount exceeding his maximum credit limit.

10.2 **APPLICATIONS FOR LOANS**

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

10.3 **LOANS TO MEMBERS**

No loans shall be made to a member earlier than six months of becoming a member of the Society except in the case of transfer of an existing loan of a past member to his nominee or other successor in interest

10.4 **MAXIMUM CREDIT LIMIT**

- 10.4.1 **Members in Service:** The maximum credit limit of each applicant for a loan shall be determined as five times 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.

10.5 **INTEREST ON LOAN TO MEMBERS**

Interest on loan to members shall be charged at a rate agreed to with the administering Bank/Agent and the Management committee. In case of default in repayment, penal interest shall be charged determined by the Management Committee and/or the thrift administrator

10.6 **SUPPLY OF CONSUMER GOODS**

10.6.1 The Society shall purchase for supply to members such household equipment 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 10.4

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

10.7 **BONDS AND SURETIES**

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

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

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) Firstly, to 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**

11.1.1 **APPROPRIATION:** At the close of each financial year, the excess of the Society's income over expenses, shall be appropriated to the following funds; At least one-fourth shall

be carried to the Reserve Fund, unless a lower rate is prescribed by the Director

11.1.2 2% to the Education Fund

11.1.3 Honoraria, donation or other appropriations as may be decided by the Management Committee and approved by the Director

11.1.4 Dividend on membersq savings, share capital and loans, shall not be less than 30% off the net surplus

11.1.5 Building up a General Reserve

11.2 **DIVIDEND**

The Committee shall determine the dividend payable on shares, loan repaid and savings, provided that the appropriated net surplus for dividend shall not be less than 30%. No dividend shall be paid if any overdue claim to a depositor or lender remains unsatisfied. A lien shall be placed on such dividend and applied to service such outstanding loan.

11.3 **RESERVE FUND**

The Reserve Fund is indivisible and no member is entitled to claim a specific share in it. Except with the permission of the Director, it shall not be utilized in the business of the Society, but shall be deposited or invested in accordance with 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 recognized body approved by the Director

12 BOOKS OF ACCOUNTS

12.1 PRESCRIBED BOOKS OF INSPECTION

Accounts and Records shall be maintained in the forms prescribed by the 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 of 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 Meeting

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 byelaws shall be available for inspection at the Registered Address of the Society at all reasonable hours.

12.3 ANNUAL STATEMENT

12.3.1 The Society shall prepare yearly in such form, as may 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
- 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 capital paid up. The remainder shall be placed by the Director of Cooperatives in the 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 to any other co-operative society he might deem fit.

14. MISCELLANEOUS PROVISIONS.

14.1 AFFILIATION TO SECONDARY COOPERATIVE BODY:

Unless there are *reasons to the contrary* accepted by the Director, the Society shall affiliate itself at the earliest possible *moment to* any secondary co-operative body farmed in its area of operations.

14.2 DISPUTES

Any disputes 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 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 a surcharge on any member, not exceeding Five Thousand Hundred Naira (N5, 000) in any 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 **PRIME ASSET HOUSING (IKEJA) Co-operative Multi-Purpose 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.

**DIRECTOR OF CO-OPERATIVE SERVICES
LAGOS STATE OF NIGERIA.**