

**BYE-LAWS OF THE SHELL STAFF CO-OPERATIVE  
INVESTMENT AND THRIFT SOCIETY LIMITED**

1. DEFINITIONS

- 1.1. All words and expressions used in these bye-laws shall have the meaning respectively assigned to them below:
- 1.2. "Financial Year" means the period of twelve months beginning on 1st January and ending 31st December of same year.
- 1.3 "General Meeting" means a meeting of members be it Annual, Ordinary or Extraordinary where in the business of the society is the agenda.
- 1.4 "Gross Misconduct" means an act considered unbecoming of an officer or member of the society.
- 1.5. "The Laws" means the Co-operative Society Law of the Laws of the Federal Republic of Nigeria.
- 1.6. "Officer" includes a President, Chairman, Secretary, Treasurer, Members of the Management Committee or other persons empowered under the regulations or byelaws to give directions in regards to the business of the society.
- 1.7. "Persons" includes any company or association or body of persons corporate or incorporate.
- 1.8. Federal Director of Cooperatives
- 1.9. "Regulations" means regulations made under the Law as amended from time to time.
- 1.10. "Management Committee member" means Management Committee member of The Shell Staff Co-operative Investment and Thrift Society Limited, Lagos.

1.11. "Management Committee" means the governing body of the society to whom the general management of its affair is entrusted.

1.12. "SCiN" means Shell Companies in Nigeria

1.13. "Society" means The Shell Staff Co-operative Investment and Thrift Society Limited.

1.14. "Committee" means any body of persons within the Society to whom specific duties are delegated by the society from time to time.

## 2. INTERPRETATION

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

## 3. NAME, ADDRESS AND AREA OF OPERATION

3.1. This Society shall be called The Shell Staff Co-operative Investment and Thrift Society Limited and its address shall be Freeman House, 21/22 Marina, Lagos.

3.2. The area of operations of the Society shall be the Federal Republic of Nigeria.

## 4. OBJECTIVES OF THE CO-OPERATIVE SOCIETY

4.1. To engage in Thrift, Credit and Investment operations.

4.2. To assist members procure, lease or own consumer items at reasonable prices.

4.3. To assist members to own assets.

4.4. To inculcate investment spirit in members of the cooperative by sourcing for investible funds for members through the cooperative.

4.5. To raise capital for the achievement of its objectives

4.6. To partner with other corporate entities for sourcing funds, investments, or other financial activities for the purpose of generating income for members and the cooperative.

4.7. To carry out any other activity designed on thrift, loan and investment principles, which will encourage the spirit and practice of cooperation among the members as approved by members in a General Meeting.

## 5. MEMBERSHIP

The Society may have ordinary and associate members.

### 5.1. ORDINARY MEMBER

An ordinary member shall be: -  
a pensionable staff of any of the SCIN currently in employment who by means of an application for registration is registered as a member of the Society.

### 5.2. ASSOCIATE MEMBER

An Associate Member of the Society shall be a former Staff of any of the SCiN or any persons on short-term non-pensionable employment with any of the SCIN whom the Management Committee may admit as a member by means of an application for registration.

### 5.3. OTHER QUALIFICATIONS

A member of the society shall

5.3.1. Be a person of good character by the assessment of the Management committee.

5.3.2. Above 18 years of age.

5.3.3. Be a person of sound mind.

5.3.4. Must not have been convicted by any Court of competent jurisdiction for a criminal offence involving violence, fraud or dishonesty.

#### 5.4. ADMISSION

Any interested and qualified person shall apply in writing or complete an application form or apply by electronic mail giving required details to the Secretary of the Management Committee who shall in consultation with the members of the Management committee approve the application for membership. On approval the member shall complete a membership form, pay the admission fee, subscribe to the required minimum shares if applicable and begin to make savings contributions to the fund of the Society.

#### 5.5. MEMBERSHIP RIGHTS

Members of the Society shall be entitled to enjoy all membership rights and fully participate in the activities of the Society. Provided that:

5.5.1 An Associate Member shall not be entitled to seek any elective office of the Society.

5.5.2. An Associate Member may not be granted credit facilities by the Society in excess of twice the member's net savings with the Society, subject to any limitations imposed as a result of the terminal date of his employment.

#### 5.6. TERMINATION OF MEMBERSHIP

Membership of the Society shall be terminated by:

5.6.1. death or permanent insanity; or

5.6.2. disposal of all share(s) of the Society held by the member; or

5.6.3. withdrawal of membership by member after duly notifying the Secretary in writing provided that the member is not indebted in any way to the Society; or

5.6.4. if the society for any reason shall be unable to

directly debit a members salary account through the pay roll system administered by any of the SciN

5.6.5. Expulsion under these bye-laws.

5.7. EXPULSION

A member may be expelled from the Society on any of the following grounds:

- 5.7.1. failure to make thrift savings or subscribe to the minimum required shares of the Society in accordance with the provisions of these bye-laws.
- 5.7.2. failure to settle his indebtedness to the Society.
- 5.7.3. any conviction by a court of competent jurisdiction for a criminal offence involving violence, fraud or dishonesty.
- 5.7.4 Gross Misconduct.
- 5.7.5. failure to exhaust in-house dispute resolution options before commencing Dispute resolution through arbitration and finally any court process against the Society.
- 5.7.6. on being adjudged bankrupt under the law.
- 5.7.7. making false declaration or fraudulent misrepresentation to the Society or committing an act that is likely to bring the Society into disrepute;
- 5.7.8. causing the Society substantial loss in the opinion of the Management Committee and/or the general meeting
- 5.7.9. expulsion is without prejudice to the rights of the Society to seek redress in respect of any wrong done to it by the expelled person in accordance with the cooperative laws of Nigeria and shall not discharge any person from accrued liability to the Society.

5.7.10. an expelled member shall be able to appeal his expulsion at the next General Meeting of the Society and where such appeal is successful, the appellant shall be reinstated with effect from the date of the expulsion as though such a member was never expelled.

#### 5.8. MEMBERS LIABILITY

Subject to clause 5.7 of these bye-laws, the liability of members shall be limited to their indebtedness for shares in the Society.

#### 5.9. RIGHT OF SET -OFF

5.9.1. The Society shall have the right of set-off between accounts held by members or past members in the books of the Society or in respect of any contingent liability.

5.9.2. Any money due on any account from the Society to a member, or a past member shall be set off in payment of any sum, which he owes or for which he stands surety.

#### 6. NOMINEES

6.1. Every member shall in writing to the President of the Society nominate person(s) who shall be entitled to the value of the member's share(s) and /or net savings in the event of the member's death, or permanent insanity. In such an event, the right of membership ceases and is not transferable to the nominee.

6.2. Every member may be entitled at any time to change his nominee(s) by giving notice in writing to the President of the Society provided such notice is received before any action is taken relying on the earlier notice of nominee(s).

6.3. The Society shall fully pay the entitlement of the member to his/her nominee without any need for demand and in preference to any creditor of the deceased member not being the Society.

## 7. GENERAL MEETINGS OF MEMBERS

### 7.1. AUTHORITY

The General Meeting of members as guided by the provisions of the bye-laws shall be the ultimate authority of the Society and shall hold not less than once in a year.

### 7.2. QUORUM AT GENERAL MEETING

Quorum shall be formed where at least 25 members of the Society are present at beginning of a General Meeting.

### 7.3. ANNUAL GENERAL MEETING

The Annual General Meeting of members shall be held within the first and second quarter of the succeeding year

### 7.4. DUTIES OF THE ANNUAL GENERAL MEETING

The Annual General Meeting shall discharge the following duties:

7.4.1. Receive the Report of the preceding year's activities of the Society with the audited Statements of Account from the Management Committee.

7.4.2. Deliberate on any communication from the Management Committee/Director(s) of Cooperatives.

7.4.3. Consider and if found proper pass resolution(s) presented to the Annual General Meeting in accordance with the bye-laws.

7.4.4. Consider other matters presented by the Management Committee.

7.4.5. Elect members of the Management Committee.

7.4.6. Any other duty that may properly be carried out at a General Meeting.

### 7.5. EXTRA-ORDINARY GENERAL MEETING

An extra ordinary general meeting of the Society can be convened: -

- 7.5.1. by the Management Committee or a majority of members of the Management committee, or
- 7.5.2. at the request of the Management Committee member /Federal Director of Cooperative, or
- 7.5.3. at the request of at least twenty (20) members.

7.6. PURPOSE OF EXTRA -ORDINARY GENERAL MEETING

The Notice of the Extra-ordinary General Meeting shall expressly state the purpose for which the meeting has been called, issue(s) to be discussed and contain draft of the proposed Resolution(s) to be presented for passage at any such meeting.

7.7. NOTICE OF MEETING

7.7.1. NOTICE OF ANNUAL GENERAL MEETING

The Notice of the Annual General Meeting shall be issued to every Member entitled to attend 21 days prior to the date of the meeting stating the date of meeting, time of meeting and venue of meeting.

7.7.2. NOTICE OF EXTRA -ORDINARY GENERAL MEETING

The Notice of an Extra-ordinary General Meeting shall be issued to every Member entitled to attend 14 days prior to the date of the meeting stating (i) the date of meeting, (ii) the time and venue of meeting and (iii) the express purpose for which the meeting has been called, (iv) issue(s) to be discussed and (v) containing the draft of the Resolution(s) to be proposed for passage.

7.7.3 NOTICE OF ORDINARY GENERAL MEETING

The Notice of Ordinary General Meeting for any other matter not specified in 7.7.1 and 7.7.2 shall be issued to every member entitled to attend 14 days prior to the date of the meeting



stating the date of meeting, time and venue of the meeting.

## 7.8. RESOLUTIONS OF MEMBERS

### 7.8.1. ORDINARY RESOLUTION

A resolution shall be an Ordinary Resolution when it has been passed by simple majority of votes cast by members present and voting at a General Meeting.

### 7.8.2. SPECIAL RESOLUTION

A resolution shall be a Special Resolution when it has been passed at a General Meeting by not less than  $\frac{3}{4}$  (three-quarters) of votes cast by members present and voting thereat provided fourteen (14) days notice of the Special Resolution has been given by the Sponsor of the Resolution prior to the date of the meeting.

### 7.8.3. DECISIONS REQUIRING SPECIAL RESOLUTIONS

No decision on the following issues shall be taken except upon Special Resolution duly passed by the Society:

7.8.3.1. passing a vote of no confidence on Management Committee

7.8.3.2. removal of a Member of the Management Committee;

7.8.3.3. amendment of the bye-laws;

7.8.3.4. Commitment of an amount in excess of 10% of the net assets of the Society. (An EGM will have to be called to seek for members support if commitment of the amount is in excess of 10% of Net assets of the society)

## 8. VOTING

### 8.1. VOTING AT MEETINGS

- 8.1.1. All questions except unanimously resolved shall be decided by a majority of votes of the members present and voting.
- 8.1.2. Each member shall have only one (1) vote at all meetings save that the President shall have a casting vote in the event of a tie.
- 8.1.3. Voting at general meeting shall be by show of hand, unless a ballot on any question is demanded by at least  $\frac{1}{4}$  (one-quarter) of members present. This decision in itself is decided by show of hand.

8.2.1. VOTING FOR ELECTION OF Management Committee MEMBERS

For the purpose of electing members into the Management Committee of the Society; balloting or electronic voting may be adopted.

9. MANAGEMENT COMMITTEE

9.1. COMPOSITION OF Management Committee

The Society shall have a Management Committee consisting of seven (7) members, who shall be duly elected by members from the membership of the Society. The Chief Executive Officer of the Society shall be the seventh member of the Management Committee. Members of the Management Committee shall be sworn into office after being elected.

9.2 QUALIFICATION OF MEMBERS:

To be a Management Committee member a person must:

- 9.2.1.1. be of sound mind
- 9.2.2. have been a member of the Society for at least 5 years and have no record of indictment in financial matters. For the office of Treasurer and Financial Secretary, the person must be a Chartered Accountant. For the office of the

President, the person must have been a member for not less than eight years.

9.3. CASUAL VACANCY

The members in general meeting shall have powers to fill any casual vacancy arising from the death, resignation, retirement or removal from office of any of the Management Committee members at the next general meeting of the members.

9.4. APPOINTMENT TO FILL CASUAL VACANCY

Any such elected Management Committee member shall complete the term of office the Management Committee member has been elected to replace.

9.5. TERM OF OFFICE

The term of office of a member elected to the Management Committee shall be for a period of two years after which the member shall be required to retire with an option to be nominated for reelection for a second term of two years. No Member shall be eligible to hold office for more than two consecutive terms. A past member of the Management Committee may however be eligible for election for a fresh term after the expiration of two years from the end of his last two consecutive terms in office.

9.6. ELECTION

9.6.1. NOMINATION

For any member to stand election for a seat on the Management Committee the member shall be nominated by another member and the nomination shall be supported by at least 1 (one) other member.

9.6.2. SUBMISSION OF NOMINATION

The nomination shall be submitted to the Electoral Committee within the time frame provided by the Committee and in accordance with its published electoral guidelines.

9.7. CHAIRMANSHIP OF THE Management Committee

The Management Committee shall be presided over by the person elected by the Members of the Society into the office of the President.

9.8. REMOVAL OF A MEMBER OF THE Management Committee

9.8.1. REMOVAL RESOLUTION

The members may by a Special Resolution passed at its General meeting remove any member of the Management Committee before the expiration of the member's term.

9.8.2. Management Committee MEMBER'S RIGHT TO MAKE REPRESENTATION

Any member of the Management committee shall, before his/her removal, be given an opportunity to make a written representation to all members on the allegations leveled against him/her, to be published in the same medium the notice of removal was published not less than seven days before the date of the members' meeting to decide on his/her removal. The Management Committee member may also make oral representation at the members' meeting where his matter is to be discussed.

9.9. VACANCY CREATED BY REMOVAL

Any vacancy created by the removal of a Management Committee member shall be regarded as a casual vacancy and filled in accordance with the provisions of this Bye - laws.

9.10. PROCEEDINGS OF Management Committee' MEETINGS

9.10.1. FREQUENCY OF MEETING.

The Management Committee shall meet at least once every quarter for the conduct of business and generally regulate their meetings as they deem fit.

9.10.2. ELECTRONIC AND VIDEO TELECONFERENCING MEETINGS.

For the purpose of this Article, electronic meetings such as video, audio Tele)/videoconferencing shall be regarded as a meeting provided however that a written minutes of the meeting shall be promptly produced, adopted by members of the Management committee present therein and signed by the Chairman and Secretary.

9.10.3. MAJORITY AND CHAIRMAN'S CASTING VOTE

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

9.10.4. MANAGEMENT COMMITTEE MEMBER'S POWER TO CALL A MEETING

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

9.10.5. WRITTEN Management Committee RESOLUTION

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

9.10.6. VOTE OF MANAGEMENT COMMITTEE MEMBER

Each member of the Management Committee shall be entitled to one vote at the Management Committee meetings on any issue.

9.10.7. QUORUM

The Quorum necessary for the transaction of the business of the Management Committee shall be four (4).

9.10.8. ABSENCE OF CHAIRMAN FROM A MEETING

In the absence of the Chairman of the Management Committee, the Vice President of the Society

shall chair the meeting, and if both the President and the Vice President are absent, any member of the Management Committee present at a particular meeting, provided a quorum has been formed, maybe elected to act as Protem Chairman for the meeting only. Subject to the provisions of these bye-laws, every act of the Protem Chairman shall be deemed to be valid and binding on the Chairman.

#### 9.10.9. HONORARIUM AND ALLOWANCES

##### 9.10.10. HONORARIUM

The members annually shall from time to time determine the honorarium payable to members of Management Committee in General Meeting and such honorarium shall for the time being be equal to or not exceeding five percent (5%) of the distributable profit of the Society. Such honorarium shall cover that payable as determined by the management committee to serving committees appointed by the management committee in any particular year.

##### 9.10.11. RE-IMBURSEMENT OF EXPENSES

The Management Committee members shall also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Management committee and other meetings of the Society or on behalf of the Society.

##### 9.10.12. SITTING ALLOWANCE

Each Member of the Management Committee shall be entitled to a sitting allowance for every formal meeting attended. Provided that the rates upon which the allowances shall be paid would have been determined by the Management Committee at the beginning of the Financial Year subject to approval by the General Meeting.

##### 9.10.13. DUTIES OF THE Management Committee

#### 9.10.14. FIDUCIARY DUTY

The members of the Management Committee of the Society 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.

#### 9.10.15. DUTY OF CARE AND SKILL

The Management Committee and its members shall 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 Management committee and member should act in the circumstances.

#### 9.10.16. DUTY TO SET PERFORMANCE TARGETS

The Management Committee shall set targets for and monitor the performance of the Executive Committee.

#### 9.10.17. DUTY TO EMPLOY STAFF

The Management Committee shall set the policy on staff matters and approve the employment of all staff of the Society.

#### 9.10.18. DUTY OF RESPONSIBLE DELEGATION

Neither the Management Committee nor any of its members shall 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.

#### 9.10.19. LIABILITY FOR BREACH OF DUTY

No provision, whether contained in these bye-laws or in any contract, shall relieve any member of the Management Committee from the duty to act in accordance with this Clause or relieve

him of any liability incurred as a result of any breach of the duties conferred upon him under this Clause.

9.10.20. ENFORCEABILITY OF DUTIES

Any duty imposed on a member of the Management Committee under this Clause shall be enforceable against such a member by the Society.

9.10.21. COMPLIANCE WITH LAWS, REGULATIONS AND BYE - LAWS  
Members of the Management Committee shall, in all transactions observe the provisions of the Laws, Regulations and bye-laws governing the Society.

9.10.22. DUTY TO MAINTAIN TRUE AND ACCURATE ACCOUNTS  
The Management Committee shall have the responsibility of ensuring the maintenance of true and accurate accounts of all financial transactions and all the assets and liabilities of the Society.

9.10.23. DUTY TO PRESENT REPORTS AND ACCOUNTS

The Management committee shall lay before the Annual General Meeting an Audited Income and Expenditure Account and Balance Sheet, together with the reports of its activities in any particular year.

9.10.24. DUTY OF FULL DISCLOSURE

The Management Committee shall examine the accounts, disclose the contingent liability and supervise the maintenance of the prescribed registers. In addition, the savings and loans balances of the management committee members as the balance sheet date will be included by way of note to the reports and accounts.

9.10.25. DUTY TO FACILITATE INSPECTION



The Management committee shall facilitate inspection of the books of the Society by any person authorised to do so.

9.10.26. INSPECTION REPORT

The Management Committee shall consider the Inspection Report of the Government Cooperative staff and the recommendations of the Society's auditors and take appropriate actions thereon.

9.10.27. DUTY TO CALL ANNUAL GENERAL MEETING

The Management Committee shall summon General Meetings and thereat present detail reports of their stewardship in a proper format.

9.10.28. LEGAL PROCEEDINGS

The Management Committee shall take full responsibility for legal proceedings by or against the Society or its officers or employees in matters concerning the affairs of the Society.

9.10.29. CONFLICT OF DUTY AND INTEREST

9.10.29.1. A member of the Management Committee shall not allow his personal interests to conflict with his duties as a member of the Management Committee under these bye-laws.

9.10.29.2. A member of the Management Committee shall not, either in the course of the management of the affairs of the Society or in the utilisation of the Society's property, make any secret profit or other unexplained benefits for himself or for any other person.

9.10.29.3. A member of the Management Committee shall be accountable to the Society for any secret profit made by him or any benefit derived by him contrary to the provisions of this Clause of the Bye-Laws.

9.10.29.4. The duty cast upon a member of the Management Committee not to misuse corporate information shall continue notwithstanding the suspension, resignation or expulsion of the member from the Society and such member shall still be accountable and can be lawfully restrained from misusing such information to which he was privy by virtue of his prior position in the Management Committee of the Society.

9.10.29.5. Where prior to a transaction a Management Committee member discloses his interest to the general meeting before the transaction and before the profit 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.

9.10.29.6. Each Management Committee member must complete a conflict of interest form not later than 30 days after resuming office and subsequently every December.

#### 9.10.30. LIABILITY FOR BREACH OF DUTY OF CARE

Every Member of the Management committee shall be liable in negligence for any breach of the duty of care contained in this Clause of the Bye-Laws.

#### 9.10.31. COLLECTIVE RESPONSIBILITY

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

9.10.32. TRUSTEE POSITION OF MANAGEMENT COMMITTEE MEMBERS  
The President and Chairman of the Management Committee, the Secretary and the Treasurer are

Trustees of the Society's assets and the powers and rights of the members and shall manage the assets with utmost honesty and commitment, and exercise the rights and powers in furtherance of the Society's interest and business.

9.10.33. MANAGEMENT COMMITTEE MEMBERS' BUSINESS  
TRANSACTIONS WITH THE SOCIETY

The Society shall not enter into an arrangement

- 9.10.33.1. Whereby a member of the Management Committee or any person connected with such member, acquires or is to acquire a benefit of the requisite value from the Society; or
- 9.10.33.2. Where the Society acquires or is to acquire a benefit of the requisite value from such a Management Committee member or person so connected; unless such arrangement is first approved by a Resolution of the Society.
- 9.10.33.3. The purpose of paragraph (i) and (ii) above, non-cash benefit is of the requisite value if, at the time the arrangement in question is entered into, its value is not less than N100,000.00 [One hundred Thousand Naira Only].

9.10.34. LIABILITIES ARISING FROM CONTRAVENTION OF CLAUSE  
9 OF THE BYE LAWS

- 9.10.34.1. An arrangement entered into by the Society in contravention of Clause 9 of this bye-law and any transaction entered into in pursuance of the arrangement whether by the Society or any other person, shall be voidable at the instance of the Society unless one or more of the conditions specified in Clause 9.10.34.1.1 to hereunder 9.10.34.2.6 specified.

The condition shall include the following: -

- 9.10.34.1.1. Where restitution of any moneys or other assets which are the subject matter the arrangement or transaction is no longer possible or where the Society has been indemnified in pursuance of this Clause by any other person for loss or damage suffered by it; or
- 9.10.34.1.2. Any right acquired bona fide for value and without actual notice of the contravention by any person who is a party to the arrangement or transaction would be affected by its avoidance; or
- 9.10.34.1.3. The arrangement is, within a reasonable period, affirmed by the Society in a General Meeting.
- 9.10.34.1.4. Where a member of the Management Committee or any person connected with him enters into an arrangement with the Society in contravention of Clause 9 of this bye-law, 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 account to the Society for any gain which he has made directly or indirectly by the arrangement or transaction; and;
- 9.10.34.1.5. Jointly and severally with any other person involved in the transaction indemnify the Society for any damage resulting from the arrangement or transaction.
- 9.10.34.1.6. Clause shall without prejudice to any sanction imposed otherwise than by that Clause, and is subject to the following two Clauses, and the sanction under Clause arises whether or not the arrangement or

transaction entered into has been avoided in pursuance of Clause.

- 9.10.34.1.7. an arrangement is entered into by the Society and a person connected with a member of the Management Committee in contravention of Clause of this bye-law, no sanction stated under Clause shall be attracted by such Member if he shows that he took all reasonable steps to secure the Society's interest.
- 9.10.34.2. This Clause shall have effect with regard to references the bye-law to a person being "connected" with Management Committee member, and to a Management Committee member being "associated with" or "controlling" a Body corporate.
  - 9.10.34.2.1. A person is connected with a Management Committee member if he [not being himself a Management Committee member] is that Management Committee member's spouse, child, or step-child;
  - 9.10.34.2.2. Except where the context otherwise requires, a body corporate with which the Management Committee member, is associated; or
  - 9.10.34.2.3. A person acting as a Trustee of any trust, the beneficiaries of which include
  - 9.10.34.2.4. The Management Committee member, his spouse, and any children or step children; or
  - 9.10.34.2.5. A body corporate with which he is associated, or a trust whose terms confer powers on the Trustees that may be exercised for the benefit of the Management Committee member, his spouse, or any children or step-children of his, or any such body corporate; or
  - 9.10.34.2.6. 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 Clause, is connected with that Management Committee member.

## 10. EXECUTIVE COMMITTEE

### 10.1. COMPOSITION

The Society Operations Officer shall be the General Manager and Departmental heads of the Society. The General Manager shall be the Chairman of all meetings of the operations committee in which he is present.

### 10.2. DUTIES OF THE EXECUTIVE COMMITTEE

10.2.1. To carry out duties assigned to it under these Bye-Laws.

10.2.2. To develop and implement strategies that will drive the Society's operations and promote its business undertakings.

10.2.3. To advise the Chief Operating Officer and the Management Committee of the Society.

10.2.4. Execute any other responsibilities as shall be assigned by the Management Committee or the General Meeting.

### 10.3. CHIEF OPERATING OFFICER APPOINTMENT

The Management Committee shall appoint a Chief Operating Officer for the Society on terms and conditions as the Management Committee shall deem fit and report such appointment to the General Meeting of members.

10.3.1. The Executive Committee shall appoint other staff for the Society as the Management Committee may approve.

#### 10.4. DUTIES

- 10.4.1. Shall be the Chief Executive Officer of the Society.
- 10.4.2. Shall have responsibilities for the day to day running of the activities and operations of the Society under the supervision of the Management Committee.
- 10.4.3. Shall oversee all the functional areas of the Society's operations.
- 10.4.4. Shall preside at all the meetings of the Executive Committee at which he is present.
- 10.4.5. Shall have responsibilities for implementing Management committee decisions and Society policies.
- 10.4.6. Execute all other responsibilities as shall be assigned to him by the Management committee or the General Meeting.

#### 10.5. REMOVAL FROM OFFICE

The Chief Operating Officer/Chief Executive Officer may be removed from office by a resolution of the Management committee if ratified and supported by not less than four members of the Management committee or of the Chairman plus a simple majority of members at a General Meeting.

#### 11. SOURCES OF FUNDS

##### 11.1. THE FUNDS OF THE SOCIETY SHALL BE MADE UP

- 11.1.1. Entrance Fees
- 11.1.2. Members Savings
- 11.1.3. Shares
- 11.1.4. Deposits and Loans from members and non-members

11.1.5. Surplus arising out of the business of the society

11.1.6. Miscellaneous sources approved by the Director of Cooperatives

## 11.2. ORDINARY SAVING

Every member shall contribute at the end of every month a sum of money to be known as ordinary savings. Payment of ordinary savings shall be effected by deduction from salary at source where practicable, Failure to pay for ordinary savings by the due date may result in fine of not more than one thousand naira for every full month of arrears.

## 11.3. DEPOSIT AND LOAN FROM NON-MEMBERS

11.3.1. The Society shall have the powers to accept deposits from non-members subject to the provisions of this Bye law and all relevant laws; provided that it shall not begin to accept any such deposits from non-members without the written permission of the Federal Director of Co-operatives and provided also that the society may borrow from a Co-operative Central Financing Organisation of which it is a member to the extent laid down in the bye-laws of such organization.

11.3.2. The Society shall not incur any liability towards non-members in excess of a sum equal to tree fourths of the total aggregate value of the member's savings.

## 12. WITHDRAWALS

### 12.1. ORDINARY SAVINGS

No member shall have a right to withdraw all ordinary savings except on termination or final



withdrawal of membership from the society. However, part withdrawal subject to maximum of 85% of savings is allowed. This will be made through the next payroll and where it is requested earlier than that will attract a penalty of the rate to be determined from time to time by the management committee.

12.2. DEPOSIT

Deposits shall be withdrawable provided a notice in writing of at least 7 days is given to the Management Committee.

13. USE AND CUSTODY OF FUNDS

13.1. The funds of the society may be deposited in the Commercial Banks as deemed fit by the management committee in accordance with the Laws of Nigeria or in any other Central Financial Society in which the society is eligible to hold membership.

13.2. INVESTMENTS

Such funds of the society as are not required for current use may be invested in any manner permitted by the Law and the Regulations and as approved at a management committee meeting.

13.3. OPERATION OF BANK ACCOUNT

The Society's bank accounts shall be trustee Account. Before money is withdrawn from the bank, at least a member of the Trustees and any other member of the management committee shall sign the cheque or withdrawal slips.

13.4. DISPOSAL OF SURPLUS

The Annual Net Surplus of the society shall be appropriated in the following manner: -

13.4.1. Not More than 25% to the reserve fund if statutory reserve is equal to or more than N100,000,000.00, but in accordance with section 34(2) of the Nigerian Co-operative Societies Acts 1993, the Director may grant from time to time exemptions from further contributions to the

reserve fund, or reduce the rate thereof, and may at any time revoke the exemption or reduction.

13.4.2. Not more than 10% of remainder to the Education Fund

13.4.3. Such honorary donations or other appropriations as may be decided upon by the general meeting.

13.4.4. Dividend on members savings and loan

13.4.5. General reserve

13.5. RESERVED FUND

When the amount appropriated to the reserve fund equals N100 million no further contribution may be made to this account. The reserve fund shall belong to the society and no one is entitled to claim a specific share in it except with the written permission of the Federal Director of Cooperatives. It shall be utilized in the business of the society, in any way or method approved by the society in its general meetings.

13.6. INTEREST

Interest to be paid on members' savings twice a year at a rate to be determined by the Management Committee. Additional interest may be payable to members at a ratio of members savings on the basis of income earned by the Cooperative during the year.

13.7. EDUCATION FUND

Not less than 10% of the yearly net surplus, after 25% of the net surplus has been transferred into a reserve fund, shall be carried to an Education Fund, which shall be used for the training of members in co-operative activities. However, no further transfer to the

fund shall be made if the balance outstanding in the fund equal to or N2million.

13.8. DIRECTOR'S APPROVAL

The appropriation of the net surplus shall be subject to approval by the Federal Director of Co-operatives and governed in all respects by the spirit and letter of the Law and the regulations.

14. AUDIT FEES

Audit fees shall be payable at an amount approved by members in general meeting to the society's external auditors.

15. BOOKS AND ACCOUNTS

15.1. PRESCRIBED BOOKS AND RECORDS

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

- 15.1.1. Membership and Attendance Registrar showing the name, address and occupation of every member, the date of admission to membership, the nominees and member's attendance at meetings.
- 15.1.2. A cash book showing the receipts, expenditure and balance on each day business is done.
- 15.1.3. General Ledger
- 15.1.4. Personal Ledger with accounts for each member Depositor or Creditor.
  - 15.1.4.1. Loan Register showing installments of repayment of loans.
  - 15.1.4.2. Minutes book for proceedings of General and Committee meetings.

15.1.4.2.1. Loan Bond file containing bonds for all loans issued.

15.1.4.2.2. Such other records as may be prescribed by the Federal Director of Cooperatives.

15.1.5. PASSBOOK

Every member shall keep and maintain a passbook showing particulars of his accounts with the society.

16. CONSTITUTION AND DUTIES OF ADHOC AND SUPERVISORY COMMITTEES

16.1. CREDIT COMMITTEE

The Credit Committee shall consist of 3 members, who are the Trustees of the society.

16.1.1. DUTIES OF THE CREDIT COMMITTEE SHALL BE

16.1.1.1. To receive applications for loans and examine them against the background of the financial conditions, personal habits, previous record of borrowing, purpose of loans, ability to repay fully and promptly and the character and financial standing of the sureties and in doing so shall comply with these bye-laws.

16.1.1.2. To decide on the terms of repayment in granting loans

16.1.1.3. To call for at regular intervals comparative statements of loans, analysis of delinquent loans and reasons for them in order to evaluate the quality of their work.

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 lever plan payment which enables a borrowing member to continue to contribute a proportion of his total payments to his ordinary savings while repaying his loan.

16.2. SUPERVISORY AUDIT COMMITTEE

At the Annual General Meeting there shall be elected 3 members as supervisory audit committee.

16.2.1. The Committee shall meet at least once every three months to make or cause to be made an examination of the affairs of the society which examination shall include an audit of its books and an inspection of the securities, cash accounts and loans.

16.2.2. Ascertain that all actions by the Management Committee and any other committee are in conformity with the ordinance and the bye-laws of the society.

16.2.3. Make a written report to the Management Committee of its findings following each examination.

16.2.4. Make an annual audit and a written report and submit to the Annual General Meeting

16.2.5. Verify the passbooks of the members with the accounts of the treasurer annually.

16.2.6. They shall pay attention to the following checks list:

16.2.6.1. Is a receipt issue for every item of cash received?

16.2.6.2. Is there a payment voucher for every amount paid out?

16.2.6.3. Is too much cash kept on hand?

- 16.2.6.4. Are any unused cheques on hand signed in blank?
- 16.2.6.5. Is the cashbook balanced regularly (daily, weekly and monthly)?
- 16.2.6.6. Are all expenses approved by the management Committee and vouchers signed by the President?
- 16.2.6.7. Are the members' balances compiled monthly?
- 16.2.6.8. Do these balances agree with the general control account?
- 16.2.6.9. Are the minutes signed by the chairman and secretary?
- 16.2.6.10. How many loans are delinquent?
- 16.2.6.11. How many loans are overdue (a) within 1 year (b) Over 2 years?
- 16.2.6.12. What actions are taken to recover them?
- 16.2.6.13. Are all officers handling cash duly bonded?
- 16.2.6.14. Does the society carry a burglary and robbery insurance?
- 16.2.6.15. Has the borrower in addition to the agreement entered into a special agreement with society, authorizing the society to claim from his retiring benefits or gratuities any unpaid balance of the loan in the event of death, retirement, or termination of appointment?
- 16.2.6.16. Has auditor's report been read and discussed at meeting of the Management Committee?
- 16.2.7. The supervisory audit Committee shall have the power to recommend the suspension of any officer, any or all members of the management

committee or to call a special meeting of the society to consider any violation of the ordinance of the bye-laws of the society.

16.3. ADHOC COMMITTEES

Subject to Articles 8.19.5 on responsible delegation and Article 8.19.17 on liability for duty of breach, the Management Committee has the authority to constitute adhoc committees to carry out special assignments on their behalf from time to time.

17. LOAN

17.1. PURPOSE FOR LOANS

Loans shall be restricted to members only and shall be made for provident and productive purposes only upon such security and terms, as the credit committee shall have approved.

17.2. APPLICATION FOR LOANS

Application for loans shall be on forms prepared and furnished by the management committee and shall set out the purpose for which the loan is desired, the security (if any) and such other data as may be desired.

17.3. CONDITIONS GOVERNING LOANS

No loan shall be granted.

17.3.1. To any individual other than a member of the society

17.3.2. To any member whose monthly savings are in arrears

17.3.3. For a period exceeding the time limit fixed by the General Meeting

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

17.4. RATE OF INTEREST ON LOANS

Rate of interest shall be fixed from time to time by the Management Committee

17.5. MAXIMUM CREDIT LIMIT

The maximum credit limit of each applicant for a loan shall be as determined by the management committee from time to time. The Committee shall bear in mind the availability of funds the principle of making credit available to as many members as are qualified and the securities offered.

17.6. BONDS AND SURETIES

Every borrower shall execute a bond and shall furnish two sureties who must be members of the society.

17.7. DUTIES OF SURETY

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

17.7.1. Repayment of the loan if the borrower defaults

17.7.2. The correctness of the particulars on which the value of the borrowers securities are based.

17.7.3. That the loan is used for the purpose stated by the borrower in his application. The surety has an obligation to ensure that any miss-use of the loan is reported to the Management Committee immediately.

17.8. RECALL OF LOANS

All loans shall be issued subject to the right of the society to call for immediate repayment in the following circumstances:

17.8.1. If any misapplication is proved

17.8.2. If the borrower gives an indication of



resignation

17.8.3. Persistently defaults for a period of over three months

17.9. LOANS TO ANOTHER SOCIETY

Subject to the prior approval of the Federal Director of Cooperatives, a loan may be granted to another registered society with the consent of majority of it's members at the General Meeting.

17.10. COMMITMENT AS SURETY

A member's commitment as surety shall not when taken together with his own existing borrowing exceed his maximum credit limit.

18. DISSOLUTION AND DIVISION OF THE SOCIETY; SPLITTING UP OF THE SOCIETY:

At any time the Federal Director of Cooperatives may on the written request of not less than one-third of the members, the number not being less than 25 or when the membership exceeds 90 on the written request of at least 30 members authorize such members to form themselves into separate society of the same type and to this shall be transferred the total savings of those members and proportionate amount of the original society's funds and liabilities.

19. DISPUTES AND LIQUIDATION:

19.1. DISPUTES

Any disputes arising or concerning the society, its members past or present or persons claiming through them shall be referred to the Federal Director of Cooperatives for settlement by arbitration as provided for in the ordinance.

19.2. LIQUIDATION:

The society shall not be liquidated except by order of the Federal Director of Cooperatives or the court in accordance with Section 38 and 39 of the Act. In case there is any surplus after meeting all liabilities of the society and repaying all sums to the credit of members such surplus shall be disposed off as decided by the general meeting with the approval in writing of the Federal Director of Cooperatives.

20. MISCELLANEOUS PROVISIONS

20.1. FINES

Any member or officer who absents himself from a general or committee meeting without reasonable excuse or otherwise act in a manner considered to be against the best interest of the society may be fined an amount as determined from time to time by the management committee and, or the general meeting

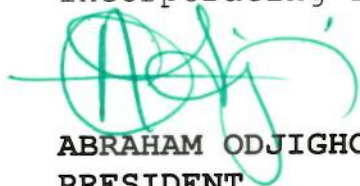
20.2.1. SEAL

The Secretary shall hold in save custody the seal of the society on behalf of the trustees. The seal shall be of a pattern approved by the Federal Director of Cooperatives. Documents shall be sealed at least by two of the trustee, one of whom must be the Secretary.

These Bye-Laws shall not be amended except in accordance with section 12(1-7) of the Cooperative Act No. 98 of 1993.

20.2.3 ADOPTION OF THESE BYE-LAWS

These Bye Laws are hereby adopted by members of The Shell Staff Co-operative Investment and Thrift Society Limited this .....day of 2008 at the Special General Meeting held for the purpose. Signed the bye laws and send to Federal Director of Co-operatives for signature after incorporating is proposed.



**ABRAHAM ODJIGHORO  
PRESIDENT**



**SIMON NJOKU  
GENERAL SECRETARY**

**CERTIFICATION**

I hereby certify that the foregoing Bye-Laws of The Shell  
Staff Co-operative Investment and Thrift Society Ltd No.

..... have been registered  
under section 5 of the Nigerian Co-operative Societies  
Act CAP No. 98 of 1993 LFN:

Dated at Abuja this ..... day of  
..... 2008

**Jonathan Dangwaran  
Federal Director of Co-operatives  
Abuja, Nigeria**