

BYE-LAWS OF COOPLAG CO-OPERATIVE INVESTMENT AND THRIFT SOCIETY LIMITED.

(A Shell and Renaissance Staff Cooperative Society)

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 on 31st December of the same year.

1.3. "General Meeting" means a meeting of members, be it Annual, Ordinary, or Extraordinary, where 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 and shall include dishonesty, gross negligence, malicious damage of property of the Society, theft, serious breach of the Society's policies, fraud, and physical violence. 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 bye-laws to give directions regarding 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" means the official responsible for overseeing cooperative societies.

1.9. "Regulations" means regulations made under the Law as amended from time to time.

1.10. "Management Committee member" means a member of the Management Committee of the COOPLAG Co-operative Investment and Thrift Society Limited.

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

1.12. "SCiN" means Shell Companies in Nigeria.

1.13. "**Renaissance**" means Renaissance Africa Energy Company.

1.14. "Society" means COOPLAG Co-operative Investment and Thrift Society Limited.

1.15. "Committee" means anybody of persons within the Society to whom specific duties are delegated by the society and/or the Management Committee 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 COOPLAG 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 in procuring, leasing, or owning consumer items at reasonable prices.

4.3. To assist members in owning assets.

4.4. To inculcate an investment spirit in members of the cooperative by sourcing 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 staff of any of the SCiN or **Renaissance** 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 **Renaissance** or any person on short-term employment with any of the SCiN or **Renaissance** 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. Be 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 (by completing a physical hardcopy or an online application form or applying 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 80% of the member's net savings with the Society, subject to any limitations imposed because of the terminal date of their 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 the member after duly completing the requisite form online 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 member's salary account through the pay roll system administered by any of the SCiN or Renaissance;

or

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 their 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. On being adjudged bankrupt under the law.

5.7.6. Making false declarations or fraudulent misrepresentation to the Society or committing an act that is likely to bring the Society into disrepute.

5.7.7. Causing the Society substantial loss in the opinion of the Management Committee and members as agreed in a general meeting.

5.7.8. 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 or other laws of Nigeria and shall not discharge any expelled person from accrued liability to the Society.

5.7.9. An expelled member shall be able to appeal their 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 an ordinary member, or an associate member shall be set off in payment of any sum, which he owes or for which he stands surety.

6. NOMINEES

6.1. In the event of the death or permanent Insanity of an Ordinary member or Associate member, the Society shall be bound by the law and the prevailing Society policy in determining the person who shall be entitled to the value of the member's share (s) and/or net savings based on the member's prior nomination. In such an event, the right of membership ceases and is not transferable to the nominee.

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.

6.2. Every member may be entitled at any time to change their 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 their 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 30 members of the Society are present at the beginning of a General Meeting.

7.3. ANNUAL GENERAL MEETING

The Annual General Meeting of members shall be held before the end of May of every 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. Inaugurate members of the Management Committee.

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

7.5. EXTRAORDINARY GENERAL MEETING

An Extraordinary 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 a Management Committee member/Federal Director of Cooperative, or

7.5.3. At the request of at least thirty (30) members excluding the Management committee of the Society.

7.6. PURPOSE OF EXTRAORDINARY GENERAL MEETING

The Notice of the Extraordinary General Meeting shall expressly state the purpose for which the meeting has been called, the issue(s) to be discussed, and contain a 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 the meeting, time of the meeting, and venue of the meeting.

7.7.2. NOTICE OF EXTRAORDINARY GENERAL MEETING

The Notice of an Extraordinary 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 the meeting, (ii) the time and venue of the meeting, (iii) the express purpose for which the meeting has been called, (iv) the 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 an 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 the 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 a 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 the 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. Any financial commitment more than 10% of the net assets of the Society. (An Extraordinary General Meeting will have to be called to seek members' support if the commitment of the amount is more than 10% of the net assets of the Society.)

7.8.3.5. Amendment of the honorarium

8. VOTING

8.1. VOTING AT MEETINGS

8.1.1. All questions except those 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 meetings shall be by show of hands, 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 a show of hands.

8.2. VOTING FOR ELECTION OF MANAGEMENT COMMITTEE MEMBERS

For the purpose of electing members into the Management Committee of the Society, electronic voting or balloting 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 of the society. The General Manager, upon appointment, shall sit in meetings with the Members of the Management Committee and shall NEITHER have voting rights NOR enjoy privileges accruing to elected members of the Management Committee. ALL ELECTED Members of the Management Committee shall be sworn into office after being elected.

9.1.1. DUTIES OF THE MANAGEMENT COMMITTEE

9.1.1.1 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.

9.1.1.10 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.

9.1.1.11 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 of the balance sheet date will be included by way of note to the reports and accounts.

9.1.1.12 DUTY TO FACILITATE INSPECTION

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

9.1.1.13 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.

9.1.1.14 DUTY TO CALL ANNUAL GENERAL MEETING

The Management Committee shall summon General Meetings and there at present detailed reports of their stewardship in a proper format.

9.1.1.15 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.

9.2. DUTIES OF THE MANAGEMENT COMMITTEE AND THE GENERAL MANAGER

The following officers of the society shall have the following duties assigned to their offices:

9.2.1. President

9.2.1.1. Shall serve as the Chief Executive Officer of the Society

9.2.1.2. Shall preside at all General and Management Committee Meeting of the Society

9.2.1.3. Shall supervise over all operations of the Society and shall act on its behalf.

9.2.1.4. Shall have powers to convene Management Committee meetings or other meetings as provided for by the Bye-Laws

9.2.1.5. Shall ensure the proper management of the society's activities

9.2.1.6. Shall be accountable for all standing and Adhoc committees apart from the audit committee

9.2.2. Vice President

9.2.2.1. Shall support the President in executing their functions.

9.2.2.2. Shall carry out all duties and other functions as directed by the General Meeting, President and the Management Committee.

9.2.2.3. Shall in the absence of the President chair the meetings of the Society and exercise all powers of the President.

9.2.2.4. Shall be responsible for all special projects /adhoc committee, in the absence of the President apart from the Audit Committee.

9.2.3. General Secretary

9.2.3.1. Shall be responsible for the operations of the Society.

9.2.3.2. Shall keep, maintain correctly, and update prescribed books and register of the Society.

9.2.3.3. Shall be responsible for keeping and/or maintaining all documents required by the law or the byelaws or by the Management Committee.

9.2.3.4. Shall sign on behalf of the Society and conduct all its correspondence.

9.2.3.5. Shall at the instance of the President or in accordance with the bye-laws convene all General and Management Committee Meeting.

9.2.3.6. Shall perform other functions as directed by the Management Committee and General Meeting.

9.2.4. Assistant General Secretary

9.2.4.1. Shall in the absence of the General Secretary perform the duties of the General Secretary.

9.2.4.2. Shall attend and record all proceedings of the meetings of the Management Committee.

9.2.4.3. Shall assist the General Secretary in the preparation of the General Secretary's report to the General Meetings.

9.2.4.4. Shall assist the General Secretary in the running of the Society's secretariat.

9.2.4.5. Shall perform other functions as directed by the General Secretary, Management Committee and General Meeting.

9.2.5. Treasurer

9.2.5.1. Shall have general financial oversight of the Society.

9.2.5.2. Ensure that appropriate financial systems and controls are in place.

9.2.5.3. Ensure proper financial planning, budgeting and reporting.

9.2.5.4. Custodian or control in relation to fixed assets, cash flow and stock.

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

9.2.5.6. Perform oversight function over the Risk and Investment Committee

9.2.6. Financial Secretary

9.2.6.1. Shall keep records of income and expenditure of the Society.

9.2.6.2. Shall keep the records of payment on loans and membership forms accruing to the Society.

9.2.6.3. Shall present budgets, accounts and financial statements to the Management Committee.

9.2.6.4. Shall be responsible for financial reporting, banking, book-keeping and record-keeping.

9.2.6.5. Shall certify copies of entries in the books in line with the bye-laws.

9.2.6.6. Shall perform other functions as directed by the Management Committee and General Meeting.

9.2.7. Assistant Financial Secretary

9.2.7.1. Shall in the absence of the Financial Secretary perform the duties of the Financial Secretary.

9.2.7.2. Shall assist the Financial Secretary keep records of income and expenditure of the Society.

9.2.7.3. Shall assist the Financial Secretary keep the records of payment on loans and membership forms accruing to the Society.

9.2.7.4. Shall assist the Financial Secretary present budgets, accounts and financial statements to the Management Committee.

9.2.7.5. Shall assist the financial Secretary for financial reporting, banking, book-keeping and record-keeping.

9.2.7.6. Shall assist the financial secretary certify copies of entries in the books in line with the byelaws.

9.2.7.6. Shall perform other functions as directed by the Management Committee and General Meeting.

9.2.8. Ex-Officio

9.2.8.1. Shall perform functions as directed by the Management Committee and shall be a former member of the Management Committee.

9.2.9. General Manager

9.2.9.1. Shall perform functions based on the Job Description as put together by the Management Committee.

9.2.10. Business Plan

The Management Committee shall within 3 months of its inauguration share their 2-year Business plan with the members for ratification via an Extraordinary General Meeting.

This shall be updated and presented to the General Meeting yearly at the Ordinary General Meeting for approval and ratification.

9.3. QUALIFICATION OF MEMBERS

To be a Management Committee member, a person must:

9.3.1. Be of sound mind.

9.3.2. Have been a member of the Society for at least 3 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 5 years.

9.4. 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.

9.5. APPOINTMENT TO FILL CASUAL VACANCY

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

9.6. 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 re-election 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 their last two consecutive terms in office.

9.7. ELECTION

9.7.1. NOMINATION

For any member to stand for 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 one (1) other member.

To foster inclusivity among COOPLAG members (which comprises Shell and Renaissance staff), it is helpful to develop an arrangement that rotates management committee leadership between Shell and Renaissance members every 2 terms. The President, the Financial Secretary and the Assistant Secretary will come from one company while the Vice President, the Treasurer and the General Secretary will come from the other company starting with the current management committee arrangement. The position of the Ex officio who must be a former management committee member is opened for both companies. Having the entire MC from either Shell or Renaissance per tenure does not make for inclusivity, integration and potentially weakens internal controls.

9.7.2. 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.

9.8. 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.

9.9. REMOVAL OF A MEMBER OF THE MANAGEMENT COMMITTEE

9.9.1. 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.

9.9.2. MANAGEMENT COMMITTEE MEMBER'S RIGHT TO MAKE REPRESENTATION

Any member of the Management Committee shall, before their 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 their removal. The Management Committee member may also make an oral representation at the members' meeting where their matter is to be discussed.

9.10. 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 these bye-laws.

9.11. PROCEEDINGS OF MANAGEMENT COMMITTEE MEETINGS

9.11.1. 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.

9.11.2. 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 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.

9.11.3. MAJORITY AND CHAIRMAN'S CASTING VOTE

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.

9.11.4. 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 a request is supported by a simple majority of members of the Management Committee.

9.11.5. WRITTEN MANAGEMENT COMMITTEE RESOLUTION

A resolution in writing, endorsed by a 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.

9.11.6. 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.

9.11.7. QUORUM

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

9.11.8. ABSENCE OF CHAIRMAN FROM A MEETING

In the absence of the President of the Society, the Vice President shall chair the meeting. 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, may be 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 provided the notice of such meeting has been duly circulated as required by the bye law.

9.11.9. HONORARIUM AND ALLOWANCES

The members shall have the power to propose and approve honorarium payable to Management Committee in general meetings and such honorarium shall be between 1 - 5% of the distributable profit of the Society.

9.11.10. REIMBURSEMENT 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 on behalf of the Society.

Each member of the management committee shall be entitled to monthly stipend to be determined by the management committee subject to the approval of the general meeting.

9.11.11. CONFLICT OF DUTY AND INTEREST

9.11.11.1.

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

9.11.11.2.

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

9.11.11.3.

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

9.11.11.4.

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. Such member shall still be accountable and fully restrained from misusing such information to which he was privy by virtue of their prior position in the Management Committee of the Society.

9.11.11.5.

Prior to a transaction, a Management Committee member should be excused from decision making once conflict is declared and will be sanctioned in accordance with the provision of the byelaw if the member fails to declare or such conflict is declared after profit is made.

9.11.11.6.

Each Management Committee member must complete a Conflict of Interest form not later than 30 days after assuming office and subsequently every December and for every business transacted on the Society's behalf wherein there is a potential, perceived or actual Conflict of Interest.

9.11.12. 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 to the Society contained in this Clause of the Bye-Laws. The sanction will be as agreed in the General Meeting ranging from suspension, forfeiture of benefits and removal from office depending on the severity of the breach.

9.11.13. 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.

9.11.14. 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.

9.11.15. MANAGEMENT COMMITTEE MEMBERS' BUSINESS TRANSACTIONS WITH THE SOCIETY

The Society shall not enter an arrangement:

9.11.15.1.

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

9.11.15.2.

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.

9.11.16. LIABILITIES ARISING FROM CONTRAVENTION OF CLAUSE 9 OF THE BYE-LAWS

9.11.16.1.

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 9.10.34.2.6 hereunder are specified.

The conditions shall include the following:

9.11.16.1.1.

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

9.11.16.1.2.

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

9.11.16.1.3.

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

9.11.16.1.4.

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

9.11.16.1.5.

Jointly and severally with any other person involved in the transaction indemnify the Society for any damage resulting from the arrangement or transaction.

9.11.16.1.6.

This Clause shall be without prejudice to any sanction imposed otherwise than by that Clause, and is subject to the following two Clauses, and the sanction under this Clause arises whether or not the arrangement or transaction entered into has been avoided in pursuance of this Clause.

9.11.16.1.7.

Where an arrangement is entered into by the Society and a person connected with a member of the Management Committee in contravention of this Clause of the bye-law, no sanction stated under this Clause shall be attracted by such Member if he shows that he took all reasonable steps to secure the Society's interest.

9.11.16.2.

This Clause shall have effect with regard to references in the bye-law to a person being "connected" with a Management Committee member, and to a Management Committee member being "associated with" or "controlling" a body corporate.

9.11.16.2.1.

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;

9.11.16.2.2.

Except where the context otherwise requires, a body corporate with which the Management Committee member is associated; or

9.11.16.2.3.

A person acting as a Trustee of any trust, the beneficiaries of which include:

9.11.16.2.4.

The Management Committee member, their spouse, and any children or stepchildren; or

9.11.16.2.5.

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, their spouse, or any children or stepchildren of theirs, or any such body corporate; or

9.11.16.2.6.

A person acting as a 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. OPERATIONS COMMITTEE

10.1. COMPOSITION

The Society's Operations Committee shall comprise of 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 OPERATIONS 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 Operations Committee shall appoint other staff for the Society as the Management Committee may approve.

10.4. DUTIES OF THE GENERAL MANAGER

- **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/her by the Management Committee or the General Meeting.

10.5. REMOVAL FROM OFFICE

The General Manager/Chief Operating 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 OF:

- **11.1.1.** Entrance Fees
- **11.1.2.** Members Savings
- **11.1.3.** Shares
- **11.1.4.** Deposits and Loans from members.
- **11.1.5.** Surplus arising out of the business of the society
- **11.1.6.** Miscellaneous sources approved by the Director of Cooperatives. Miscellaneous sources of funds shall not come from outside of organizations regulated by Nigerian statutory Financial Regulatory Agencies such as Central Bank of Nigeria, Bank Of Industry, Securities and Exchange Commission, Asset Management Corporation Of Nigeria, BOA, etc.
- **11.1.7** Deposits and loans from Shell affiliated entities e.g., Shell Nigeria Closed Pension Fund or Renaissance

11.2. ORDINARY SAVINGS

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 a fine of not more than One thousand Naira for every full month of arrears.

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 a 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 at a rate to be determined from time to time by the Management Committee.

12.2. DEPOSIT WITHDRAWALS

Deposits shall be withdrawable by a member filling and submitting an electronic withdrawal form with the approval of the Management Committee. Funds shall be disbursed by the Cooperative to the member in compliance with terms of the applicable Service Level Agreement.

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 accounts. 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 less than 25% of the net profit shall be paid into the reserve fund if statutory reserve is equal to or less than Five hundred million Naira, 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 5% of the 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 interest on members' savings.
- 13.4.5. General reserve.

13.5. RESERVED FUND

When the amount appropriated to the reserve fund equals N 500 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 shall be paid on members' savings once a year at a rate to be determined by the Management Committee based on income earned by the Cooperative during the year. The Management Committee may decide to pay an interim dividend (being a fraction of the total amount intended to be paid) before the ratification of the dividend at the General Meeting.

13.7. EDUCATION FUND

Not more than 5% 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 Cooperative activities. Management Committee shall organize at least 2 trainings for the benefit of Society's members which will cover themes such as investment opportunities, cottage industries, agro-allied business etc. No further transfer to the fund shall be made if the balance outstanding in the fund equals to N5 million (five million naira only)

13.8. DIRECTOR'S APPROVAL

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

13.9. COOPERATIVE FINANCING STRUCTURE

Where a material change(s) in the financing structure of the Society is proposed:

- i. The Management Committee shall seek advisory from a reputable investment management company.
- ii. Educational campaign for members shall be conducted clearly stating the pros and cons of each option, as advised by the Investment Management company.
- iii. A minimum of 75% of members shall vote to support the change in the financial structure after adoption of preferred option by the Management Committee.

14. AUDIT FEES

The Society's accounts shall be audited by a reputable Audit Firm (Tier 1 or Tier 2 only) appointed via competitive Tendering. Reappointment of Auditor shall be ratified by the Ordinary General Meeting annually while a change of Auditor shall be done every 5 years. Audit fees shall be payable at an amount determined by the Management Committee.

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 Register 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 an electronic statement of account showing particulars of their accounts with the Society. The statement of account shall be periodically prepared and made available to members by the Society through the Operations Committee.

16. CONSTITUTION AND DUTIES OF ADHOC AND SUPERVISORY COMMITTEES

16.1. SUPERVISORY AUDIT COMMITTEE

At the Annual General Meeting, there shall be elected 3 members as the Supervisory Audit Committee.

- **16.1.1.** 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.
- **16.1.2.** 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.

- **16.1.3.** Make a written report to the Management Committee of its findings following each examination.
- **16.1.4.** Make an annual audit and a written report and submit it to the Annual General Meeting.
- **16.1.5.** Annual reconciliation of members' financial standing (savings, loan balances and shareholding).
- **16.1.6.** The committee shall pay attention to the following checklist:
 - **16.1.6.1.** Receipt issued for every item of cash received.
 - **16.1.6.2.** There is a payment voucher for every amount paid out.
 - **16.1.6.3.** Is too much cash kept on hand.
 - **16.1.6.4.** Unused cheques on hand signed in blank.
 - **16.1.6.5.** The cashbook is balanced regularly (daily, weekly, and monthly).
 - **16.1.6.6.** All expenses are approved by the Management Committee and vouchers signed by the President.
 - **16.1.6.7.** Members' balances are compiled monthly.
 - **16.1.6.8.** Balances agree with the general control account.
 - **16.1.6.9.** Minutes are signed by the chairman and secretary.
 - **16.1.6.10.** Number of delinquent loans.
 - **16.1.6.11.** Number of loans that are overdue (a) within 1 year (b) over 2 years.
 - **16.1.6.12.** Actions taken to recover the loans.
 - **16.1.6.13.** All officers handling cash ARE duly bonded.
 - **16.1.6.14.** The Society has burglary and robbery insurance.
 - **16.1.6.15.** Has the borrower, in addition to the agreement, entered into a special agreement with the Society, authorizing the Society to claim from their retiring benefits or gratuities any unpaid balance of the loan in the event of death, retirement, or termination of appointment?
 - **16.1.6.16.** Has the auditor's report been read and discussed at a meeting of the Management Committee?
- **16.1.7.** 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 or the bye-laws of the Society.

16.3. ADHOC COMMITTEES

Subject to Articles 9.1.1.5 on responsible delegation and Article 9.1.1.6 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 ordinary 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 their 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 one (1) surety who shall be a member 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 borrower's securities are based.
- 17.7.3. That the loan is used for the purpose stated by the borrower in their application. The surety has an obligation to ensure that any misuse 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 proven.
- 17.8.2. If the borrower resigns their membership.
- 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 the majority of its members at the General Meeting.

17.10 COMMITMENT AS SURETY

A member's commitment as surety shall not, when taken together with their own existing borrowing, exceed their 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 at least one-third of the members, authorize such members to form themselves into a separate society of the same type and to this shall be transferred the total unencumbered 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 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 Sections 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 of as decided by the General Meeting with the approval in writing of the Federal Director of Cooperatives.

20. MISCELLANEOUS PROVISIONS

20.1. FINES

Any officer who absents themselves from a general or committee meeting without reasonable excuse or any member who otherwise acts 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. SEAL

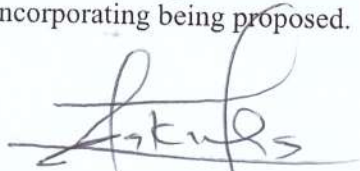
The General Secretary shall hold in safe custody the seal of the Society on behalf of the trustees. The seal shall be of a pattern approved by the Federal Director of Cooperatives. Documents shall be sealed by at least two of the trustees, one of whom must be the Secretary.

20.3. AMENDMENT OF BYE-LAWS

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

20.4. ADOPTION OF THESE BYE-LAWS

These Bye-Laws are hereby adopted by members of Cooplag Co-operative Investment and Thrift Society Limited this ...day of 2025 at the Special General Meeting held for the purpose. The bye-laws are signed and sent to the Federal Director of Cooperatives for signature after incorporating being proposed.



FRANCISE ADEOYE
PRESIDENT



OLUWATOBI ARIBIKE
GENERAL SECRETARY

CERTIFICATION

I hereby certify that the foregoing Byelaw of the COOLAG Co-operative Investment and Thrift Society Ltd no 011 have been registered under section 5 of the Nigeria Co-operative Act CAP no.98 of 1993 LFN

Dated at Abuja this Day of
..... 2025.



Alhaji Idris Sanni
Federal Department of Cooperatives
Abuja, Nigeria