

**BY-LAWS of  
SINGAPORE MALAY TEACHERS'  
CO-OPERATIVE LIMITED  
  
(SMTC)**

**Passed & Approved at the Society' General Meeting on  
Saturday, 25<sup>th</sup> September 2010.**

**Registered on 15<sup>th</sup> October 2010**

**Registration of Amendments on 23<sup>rd</sup> June 2012**

## **1. NAME, ADDRESS AND AREA OF OPERATION.**

- 1.1 The Society shall be called Singapore Malay Teachers' Co-operative Limited.
- 1.2 The registered address of the Society shall be at 785 Geylang Road, Singapore 389673. Every change of address shall be notified the Registrar and to any non-members who may be creditors of the Society.
- 1.3 The areas of operation of the Society shall be in the Republic of Singapore.
- 1.4 The Society's registration number is S31CS0008K, Date: 7 September 1931.

## **2. INTERPERATION**

- 2.1 In these By-Laws, unless the context otherwise requires:-
  - (a) "Act" means the Co-operative Societies Act (Cap. 62) or any amendment thereto for the time being in force in Singapore;
  - (b) "allowance" means the remuneration paid to a member of the Board of Directors of the Society in consideration of his voluntary services rendered to the Society on a regular basis pursuant to section 65 of the Act;
  - (c) "audit committee" means the audit committee as prescribed in section 36 of the Act;
  - (d) "Board" or "Board of Directors" means the governing body of the Society which is responsible for the management of the affairs of the Society;
  - (e) "By-Laws" means the By-Laws of the Society;
  - (f) "Central Co-operative Fund" means the fund established under section 71 of the Act;
  - (g) "deposit" means money received on current or deposit account and include subscription capital, but does not include:
    - (I) a deposit that is paid pursuant to a hire-purchase agreement or that is referable to the provision of services or to the giving of security; and
    - (II) such other deposit as may be prescribed.
  - (h) "dividend" means a portion of the net surplus of the Society distributed among the members in the proportion to paid-up share capital, bonus shares and subscription capital held by them in the Society;
  - (i) "employees" means a persons who is a full-time paid staff of the Society;

- (j) “financial service” means receiving deposits, granting loans, or such other service of the financial nature as may be prescribed, other than in relation to the carrying on of insurance business within the meaning of the Insurance Act (Cap. 142);
- (k) “honorarium” means a portion of the net surplus of the Society distributed among some or all of the members of the Board of Directors in consideration of their services which would not otherwise be remunerated;
- (l) “key employee” means a chief executive officer, chief operating officer or chief financial officer, or a person holding a position analogous to that of chief executive officer, chief operation officer or chief financial officer and includes a person purporting to act in any such capacity;
- (m) “manager” means any most senior executive employed by the Committee to run the affairs of the Society;
- (n) “member” means any person duly admitted to the membership of the Society in accordance with the By-Laws;
- (o) “net surplus” means the remaining portion of the surplus after provisions have been made for Central Co-operative Fund and the Singapore Labour Foundation in accordance with section 71 of the Act;
- (p) “officer” includes Chairman, Deputy Chairman, Honorary Secretary, Honorary Assistant Secretary, Honorary Treasurer, Honorary Assistant Treasurer member of the Board of Directors, Manager, member of any committee constituted under the By-Laws, employee, internal auditor, liquidator or any other person empowered under the Act, the Rules or the By-Laws to give directives in regard to the business of the Society or to supervise such business;
- (q) “patronage refund” means a portion of the surplus of the Society distributed among the members in proportion to the volume of business done by them with the Society from which the surplus of the Society was derived;
- (r) “Registrar” means the Registrar of the Co-operative Societies and the Assistant Registrars of the Co-operative Societies appointed under section 3 of the Act, and includes a person exercising such powers of the Registrar as may have been conferred upon him under that section;
- (s) “Rules” means the Co-operative Society Rules or any rules made under the Act for the being in force in Singapore;
- (t) “Society” means Singapore Malay Teachers’ Co-operative Limited;

- (u) “subscription capital” means a regular obligatory saving deposit made by members which is intended to serve as a guarantee capital for loans taken or guaranteed by a member and which may not be withdrawn except for such specific purposes and under such conditions as are laid down in the By-Laws or except on termination of membership;
- (v) “surplus” means the economic results of the Society as shown in the audited financial statement of the Society after provisions have been made for depreciation and the bad debts; and
- (w) Words importing the masculine gender shall include the feminine gender and words importing the singular shall include the plural.

### **3. OBJECTS**

#### **3.1 The objects of the Society shall be:-**

- (a) to promote economic interest of its members which are in accordance of Islamic principles;
- (b) to encourage thrift, co-operation, self-help and mutual assistance among its member;
- (c) to provide financial service to members;
- (d) to established and operate such co-operative schemes, ventures and projects;

#### **3.2 In furtherance of its objects, the Society shall be at liberty:-**

- (a) to appoint or to act as representative and agents for the purpose of carrying on the business of the Society;
- (b) to raise funds by obtaining loans from the members and non members as deposits from members and their immediate family members subject to the Act and the By-Laws;
- (c) to purchase, lease, rent, hold, hire, develop, mortgage, sell, or otherwise acquire, deal with or otherwise acquire, deal with dispose of such movable or immovable properties or any portion thereof as maybe required for use as shops, offices or for any other purposes of the Society for the conduct of its business and welfare of the co-operative movement;
- (d) to frame administrative policy and rules and such other regulations as may be required for the proper conduct of the Society’s business;
- (e) to invest the funds of the Society in accordance with section 69 of the Act;

- (f) to establish a funds out of the net surplus of the Society for, inter alia, the education of its members and their children and to provide members and their children with financial grant in time of bereavement or other hardship, at the discretion of the general meeting in accordance with the Act and these By-Laws;
- (g) subject to the provisions of the Act, to set up and operate child care centers or other educational development centers, or provide other social or community services as deemed necessary for the benefit of both members and non-members;
- (h) to do all other things as may be necessary, incidental or conducive to the attainment of any of the objects of the Society subject to prior approval of the Registrar.

#### **4. MEMBERSHIP**

##### 4.1 Membership shall consists of:-

- (a) Subject to By-law 5.10.3, Ordinary Members who shall each hold a minimum of a thousand shares at \$1 per share and who shall pay monthly subscription in accordance with By-law 4.7.
- (b) Subject to By-law 5.10.3, Associate Members who shall each hold a minimum of a thousand shares at \$1 per share and who shall pay a minimum monthly subscription in accordance with By-law 4.7.
- (c) Subject to By-Law 5.10.3 Senior Members, who shall each hold a minimum of a thousand shares at \$1 per share but who shall not pay minimum monthly subscription in accordance with By-Law 4.7.

##### 4.2 Eligibility of Members

##### 4.2.1 (a) Subject to By-law 4.2.1(c) membership shall be open to:-

- (I) all grades of Muslim professional staff or teacher who are serving in or have retired from the Singapore Educational Service, the National Institute of Education, Institute of Technical Education, Government Aided School, Independent School and Institutions of Higher Learning;
- (II) all grades of Muslim professional staff or teachers who are serving in other educational bodies registered with the Ministry of Education, Ministry of Community Development, Youth and Sports or Majlis Ugama Islam Singapura provided that they have continuously served in these bodies for not less than one year; and

(III) all Muslim students of the National Institute of Education who are undergoing any course that qualify them to teach professionally in the Singapore Education Service.

(b) Subject to By-law 4.2.1(c), associate membership shall include:

(II) parents, step-parent, spouse, child, adopted child, step-child, brother, step brother, sister or step-sister of an Ordinary Member who must be under full time employment at the point of application.

(III) For the avoidance of doubt, an associate member shall cease to be such if the Ordinary Member to whom he is related ceases to be such.

(c) All members shall:

(I) be 16 years of age or above;

(II) be of good character;

(III) be citizens of Singapore or residents (i.e. permanent residents and long-term employment pass holders) in Singapore;

(IV) not be legally or mentally disabled;

(V) not be undischarged bankrupts; and

(VI) not be convicted of any offence punishable with imprisonment.

4.2.2 A working person, who is qualified under By-Law 4.2.1 may apply to be an Ordinary Member or Associate Member. A retired person who is qualified under By-Law 4.2.1(a)(I), or a person who is aged 60 and above may apply to be a Senior Member.

4.3 Application for membership shall be submitted on a form prescribed by the Board and shall be accompanied by the purchase of shares and payment of entrance fee specified in By-Law 4.1 and By-Law 4.7. Every application for membership shall be proposed by a member and seconded by another member.

4.4 The Board shall have the power to approve or reject any application without assigning any reason there-for provided that an applicant so rejected may appeal in writing to a general meeting of the Society.

4.5 For the admission to membership by a general meeting, a majority of two-thirds of those present and voting shall be necessary.

4.6 The approval or rejection of any application shall be notified such applicant without delay.

4.7 Subject to the provisions of the Act, the following dues shall become payable on admission to membership:-

(a) entrance fee \$30.00 (Dollars Thirty) or such other amount as the Board may determine from time to time;

- (b) in the case of an Ordinary Member or Associate Member purchase of at least one thousand shares in the Society;
  - (c) in the case of an Ordinary Member or Associate Member minimum subscription of \$30.00 (Dollars Thirty) per month in accordance with By-Law 8.5.1, provided an Ordinary Member admitted before 16 July 1988, shall not without his consent in writing having been first obtained, be bound and subscribe to more than \$20.00 (Dollars Twenty) per month; and
  - (d) in the case of a Senior Member, purchase of at least one thousand shares in the Society.
- 4.8 All members shall agree to pay all their dues to the Society by normal deduction from their salaries through their respective employers who shall place such sums so dedicated to the credit of the Society.
- 4.9 Every member who has been admitted to the membership of the Society shall, on payment of all obligatory dues, be deemed to have acquired all the rights, duties and liabilities of a member of the Society as laid down in these By-Laws.
- 4.10 Every member shall undertake:-
- (a) to free himself as soon as possible from all debts contract prior to his joining to the Society;
  - (b) to refrain for borrowing except from or with the consent of Society;
  - (c) not to stand surety of any loan except with the consent of the Board; and
  - (d) to furnish the Society with full and true statement of his liabilities at the time of his application for the admission to the Society and his assets, whenever required to do so.
- 4.11 Every member shall, on admission, be supplied with a copy of the By-Laws free-of-charge. Extra copies of the By-Laws may be obtained on payment of such amount as the Board may prescribe from time to time.
- 4.12 Every member shall be supplied with a statement of his personal account as at 31 December each year.
- 4.13 Every member may in writing nominate one or more persons in the presence of at least two witnesses, to whom sums due to him shall be paid on his death.
- 4.14 Every members shall keep the Hon. Secretary informed of any change in his address. All notices posted or sent to his known address shall be deemed to be duly served.

#### 4.15

4.15.1 Every Ordinary Member shall, unless otherwise disqualified under the Act or the By-Laws, have the right to:-

- (a) exercise one vote irrespective of number of shares held by him;
- (b) avail himself of all services of the Society;
- (c) stand for election to office;
- (d) be co-opted to hold office in the Society;
- (e) participate at a general meeting; and
- (f) enjoy all other rights provided under the By-Laws.

4.15.2 Every Associate Member shall, unless otherwise disqualified under the Act or the By-Laws, have the right to:-

- (a) exercise one vote irrespective of the number of shares held by him;
- (b) avail himself of all services of the Society;
- (c) enjoy all other right provided under the By-Laws; and
- (d) participate in a general meeting.

4.15.3 Senior Members, unless otherwise disqualified under the Act or the By-Laws, shall be entitled to attend general meeting as observers only and their attendance need not be taken in to account for purposes of determining whether a quorum is present. Senior Members shall not be eligible to stand for election or co-opted to hold office in the Society.

4.15.4 Associate Members and Senior Members shall not be entitled to the Common Good Fund (DKA) and Education Fund.

#### 4.16

4.16.1 The liability of a member present or past of the Society shall not exceed the nominal value of the shares held or subscribed by him and the nominal value of any bonus shares and bonus certificate held by him.

4.16.2 The liability of a past Ordinary Member, Associate Member and Senior Member for the debts of the Society, within the limitation of the By-Law 4.16.1, as they existed on the date he cease to be a member shall not continue for a period of more than two years reckoned from date.



- 4.16.3 The estate of a deceased member, who is not a past member to whom By-Law 4.16.2 applies, shall not be liable for the debts of the Society as the existed on the date of his death for a period of more than two years reckoned from the date of his death.
- 4.17 Membership shall cease by:-
- (a) resignation subject to By-law 4.18;
  - (b) insanity;
  - (c) permanent removal of residence beyond Singapore;
  - (d) expulsion subject by By-law 4.21;
  - (e) conviction of an offence punishable with imprisonment;
  - (f) bankruptcy;
  - (g) termination as a student of the National Institute of Education provided that he is able to secure employment in institutions stipulated in By-Laws 4.2.1(a)(I) and (II) within such time as the Board may determine; or
  - (h) death.
- 4.18 Any member who is liable to the Society as a borrower or surety may resign from the Society on giving twelve months notice of resignation in writing. The Board may accept a shorter notice of resignation at its discretion. Such member shall not be compelled to pay any subscription during the period of notice. The effective date of cessation of membership by resignation or such shorter notice approved in writing by the Board, as the case may be. However, during the period of notice such member shall not be eligible to vote or to stand for election to office or to incur fresh liabilities with the Society. If a member does not claim any outstanding net amount after twelve months from the date of resignation, and the Society has made efforts to locate him, the amount will be transferred to the Ex-Member Fund.
- 4.19 Any Ordinary Member or Associate Member who is on study leave or sabbatical leave or whose post is under suspension may, if approved by the Board continue to pay monthly subscription and interest but suspend repayment of principal on the loan but the member still enjoys its full rights as a member.
- 4.20 Rights of Senior Member and Member Continuing to Be Ordinary Member:
- 4.20.1 An Ordinary Member who retires from his employment may opt to become a Senior Member or remain as an Ordinary Member only if he is free from all liabilities as borrower, subject to the prior approval of the Board.

- 4.20.2 An Ordinary Member opting to remain as such under By-Law 4.20.1 shall continue his monthly subscription. Such member shall be eligible for all rights of membership.
- 4.20.3 An Ordinary Member who retires from employment and becomes a Senior Member under By-Law 4.20.1 may withdraw all or portion of his subscription credit and convert the balance, if any, to his shares in the Society.
- 4.20.4 Members retaining their memberships under By-Law 4.20.1 may stand for election to serve on the Board of Directors.
- 4.20.5 All members shall be eligible to apply for personal surety loans.
- 4.21 The Board shall have power, without reference to the general meeting to expel any member whose payments to the Society are more than two months in arrears or may at their discretion, impose a fine not exceeding \$5.00 (Dollars Five) for every month in which a member is more than two months in arrears provided that the member has been given written notice of the intention to expel him or to impose such a fine on him and that he has been given a reasonable opportunity to show cause why he should not be expelled or fine. No fine exceeding \$500.00 (Dollars Five Hundred) shall be imposed except with the written approval of the Registrar.
- 4.22 If a member contravenes any provisions of the Act or the Rules of the By-Laws or is guilty of conduct derogatory to the dignity of or injurious to the reputation of the Society or acts in any way detrimental to the interests of the Society, he may be expelled by a vote of not less than two-thirds of the members presents and voting at a general meeting upon a charge of which he is informed by the Board at least one week before the meeting.
- 4.23 On the cessation of membership by insanity, permanent removal of residence beyond Singapore, or death, the amount due to the member after the deduction of any amount owed by him to the Society shall be paid to him, to his nominee or his legal representative, as the case may be, at once without profits, or after the last day of the financial year, with the dividend found due thereon, at the discretion of the member or his nominee or his legal representative.
- 4.24 The net amount standing to the credit of the expelled or resigned member shall only be refunded to him after twelve months from the date of the expulsion or resignation. An expelled or resigned shall not be entitled to any dividend for the year in which his expulsion or resignation took place. If the member does not claim the outstanding amount after twelve months from the date of expulsion or resignation, and the Society has made effort to locate him, the amount will be transferred to the Ex-Member Fund.

## **5. GENERAL MEETING**

- 5.1 The supreme authority of the Society shall be vested in the general meeting of the members.
- 5.2 There shall be two kinds of general meeting, Annual General Meeting and Extra-Ordinary General Meeting.
- 5.3 Annual General Meeting shall be convened by the Board of Directors and shall be held as soon as practicable, but not later than six months after the end financial year, unless the approval of Registrar has, within the said period of six months, been obtained to extend the period.
- 5.4 An Extra-Ordinary Meeting shall be convened by the Board of Directors whenever it thinks fit, or on the receipt of a requisition for such meeting signed by at least 20% or sixty of the members of the Society who are qualified to vote, whichever is the less, stating the objects of the meeting.
- 5.5 If the Board of Directors fails to convene a meeting in accordance with By-Law 5.4 within one month of receiving the requisition for the meeting, the members making the requisition shall have the power to convene the meeting themselves by notice to all members of the Society stating the objects of the meeting and the fact that the Board of Directors has failed to convene the meeting.
- 5.6 The Registrar or his representative may at any time convene a Special General Meeting and also direct what matters shall be discussed at the meeting.
- 5.7 Notice of every general meeting shall be sent to each member entitled to attend the meeting at least seven clear days, and in the case of proposed amendment to the By-Laws at least fifteen clear days, prior to the date of general meeting. The notice shall state the matters for the discussion or the resolutions to the proposed and no other subject shall be discussed without the consent of the majority of the members and voting at such general meeting.
- 5.8 The functions of the Annual General Meeting of the Society are:-
  - (a) to consider and confirm the minutes of the last Annual General Meeting and any other intervening general meeting;
  - (b) to consider the auditor's report, the report of the Board of Directors and any other report made by the Registrar or his representative;
  - (c) to approve the financial statements;
  - (d) to consider and resolve the manner in which any available net surplus shall be distributed or invested subject to the provision of the Act, the Rules and the By-Laws;
  - (e) to consider and to adopt any amendments to the By-Laws;

- (f) to elect or remove members of the Board of Directors;
- (g) to appoint the external auditors;
- (h) to consider and deal with the expulsion of a member recommended by the Board of Directors and applications for membership refused by the Board;
- (i) to consider and deal with any complaint which individual member may prefer against the Board of Directors of which due written notice shall have been given;
- (j) to consider and determine the maximum amount the Society may borrow subject to the provision of the Act and By-Law 10.11;
- (k) to consider and authorise the payment of allowance or honorarium and provision of other benefits subject to By-Law 6.13.1;
- (l) to write off bad debt; and
- (m) to transact any other general business of the Society of which notice has been given to members.

5.9.1 No business shall be transacted at any general meeting unless a quorum of the members is present. The quorum necessary for such transaction shall be 20% or thirty of all members qualified to vote, whichever is less.

5.9.2 If a quorum is not present within thirty minutes after the time fixed for a general meeting, the members present shall form a quorum, except that a general meeting with such reduced quorum shall not have the power to amend the By-Laws and that any resolution passed at the meeting shall not be valid unless it is passed with a majority of two-thirds of members present.

## **5.10**

5.10.1 Except as otherwise provided in the Act or in these By-Laws a question referred to the members present at a general meeting shall be decided by a majority vote. In the case of an equality of votes the motions shall be held to be lost. The Chairman shall have no casting votes. In the case of election or removal of officers, voting shall be secret ballot.

5.10.2 In the case of amendment of By-Laws, a resolution to amend the By-Laws shall be passed either:-

- (a) by not less than three quarters of the total number of votes at the disposal of the members present and voting at a general meeting duly summoned;  
or
- (d) if a referendum is held, by not less than three quarters of the votes returned, provided that the voting papers have been sent to all members qualified to vote and the number of returned votes is not less than two-

third of the total memberships or five hundred, whichever is the less, and of the returned votes are examined counted under the supervision of the Registrar.

5.10.3 No By-Law or amendment to a By-Law of the Society shall be valid until it has been registered by the Registrar. A member of the Society shall not, without the consent in writing having been first obtained, be bound by any amendment of the By-Laws registered after he became a member, if and so far as that amendment in any way requires him to take or to subscribe for more shares than the number held by him at the date of registration of the amendment, or to pay upon the shares so held any sum exceeding the amount unpaid upon him at that date or in any way increases his liability to contribute to the share capital of the Society.

## **5.11**

5.11.1 Minutes of the general meeting shall be entered in the minute book and shall contain:-

- (a) the number of members present at the meeting and the name of the Chairman who presided;
- (b) the time the meeting commenced and ended; and
- (c) all resolutions and decisions made at the meeting.

5.11.2 The minutes of each meeting shall be read or shall be taken as read previously circulated at the next meeting and, if confirmed or after amendment, signed by the Chairman of the meeting and Secretary, and when so signed shall be evidence of anything contained therein.

## **6. BOARD OF DIRECTORS**

6.1 The control of the affairs of the Society shall be entrusted to the Board of Directors consisting of not less than five and not more than fifteen members.

6.2

6.2.1 All members of the Board shall be elected at the Annual General Meeting of the Society for a term of three years expiring at the third Annual General Meeting thereafter.

6.2.2 The Board shall retire, with the number closest to one-third at each Annual General Meeting. Retiring board members shall be eligible for re-election unless otherwise restricted in the Act, Rules or By-Laws.

6.3 No person shall be eligible for membership of the Board, to be a key employee, or remain a member of the Board or a key employee if:

- (a) he is under 21 years of age;

- (b) (I) he is not a citizen of Singapore; or  
(II) he is not resident in Singapore, subject to section 60(2) of the Act, except with the approval of the Registrar.
- (c) he is undischarged bankrupt;
- (d) he has convicted an offence involving fraud or dishonesty, except with the approval of Registrar;
- (e) he has been convicted an offence under the Act;
- (f) he has been dismissed as an employee of a co-operative society;
- (g) he has been found to have previously misused or mismanaged the funds of a co-operative society; or
- (h) he becomes ineligible under any of the By-Laws of the Society.

The Board shall suspend a member of the Board of Directors or a key employee from being a member of the Board or a key employee, respectively, if any proceedings are instituted against the member of the Board or the key employee in respect of any offence involving fraud or dishonesty.

## 6.4

6.4.1 A member of the Board of Directors shall cease to office hold if:-

- (a) he has becomes in ineligible for membership of the Board of Directors in accordance with By-Law 6.3.1;
- (b) he passes away;
- (c) he becomes legally or mentally unsound;
- (d) he gives notice of resignation to the Board of Directors;
- (e) he is removed by a general meeting; or
- (f) he fails to be present at three consecutive meetings of the Board of Directors without satisfactory reasons acceptable to the Board of Directors.

6.4.2 A member of the Board of Directors who resigns under By-Law 6.4.1(d) shall not be eligible for election to the Board of Directors until after an interval of not less than one year.

6.5 A member of the Board of Directors who ceases to be a member under By-Laws 6.4.1(e) or (f) shall not be eligible for election until after an interval of not less than two years.

6.6 If, during the term of office of the Board of Directors, a vacancy occurs in the Board, the Board may, and if the number of the members falls below five shall co-opt an Ordinary Member of the Society to serve on the Board of Directors until the next general meeting of the Society.

#### 6.7 **Election of Officers**

6.7.1 The Board of Directors shall, immediately after the election and in any case not later than seven days from the date of the general meeting, meet to elect among themselves a Chairman, two Deputy Chairman, an Honorary Secretary, an Honorary Assistant Secretary, an Honorary Treasurer, two Honorary Assistant Treasures and such other officers as it deems fit.

6.7.2 The Board shall have the power to appoint Committees or Sub-Committees from among themselves or the employee or the members of the Society to be fully responsible for the daily efficient functioning of the Society or for any other purposes which it may deem fit.

#### 6.8

6.8.1 The Board of Directors shall represent the Society before all competent public authorities and in all dealings and transactions with third persons, with power to institute defend suits brought in the name of or against the Society and, in general, direct and supervise the business and the property of the Society, shall exercise all necessary powers to ensure the full and proper administration and management of the affairs of the Society, except those powers reserved for the general meeting of members and subject to any restrictions duly laid down in a general meeting or the By-Laws.

6.8.2 Without limiting the generality of the By-Laws 6.8.1, the duties and the powers of the Board of Directors are:-

- (a) to consider and approve or reject applications for membership of the Society;
- (b) to consider and approve or reject applications for additional shares in the Society;
- (c) to call for and regularly examine reports from Committees or Sub-Committees or officers or employees which will disclose the true position of the Society, its operations and financial conditions;
- (d) to appoint committees or sub-committees;
- (e) to keep members informed of the progress of the Society and encourage interest and a sense of ownership on the part of the members;
- (f) to present to the Annual General Meeting of the Society, an annual report on the activities of the society during the preceding financial year,

together with the audited financial statements of the Society and the auditor's report for the year;

- (g) to prepare and to present to the Annual General Meeting of the Society a proposal for the distribution of any net surplus accrued during the preceding financial year, in accordance with the Act and the By-Laws;
- (h) to make a report to the Annual General Meeting of the work of the Board of Directors during the preceding financial year with such recommendations as the deem necessary to maintain or improve the service provided by the Society to the Members;
- (i) to consider and to take immediate action on matters reported by the Registrar, the audit committee or the auditor;
- (j) to consider and approve or reject application for loans subject to the provisions laid down in Section 67 of the Act and these By-Laws;
- (k) to exercise any or all of the powers conferred in these By-Laws;
- (l) to sanction additional expenditure up to a maximum, as may be prescribed by members at a general meeting, in excess of the approved budget for any one year;
- (m) to define the duties of employees of the Society and fix their remuneration if any;
- (n) to appoint delegates or representatives to represent the Society in the Singapore National Co-operative Federation or other such organization in which the Society may have interest;
- (o) to elect or nominate representatives to attend conferences, seminars, training course and meeting related to co-operative movement;
- (p) to expel any member in accordance with By-Laws 4.21 and 4.22; and
- (q) to carry out business of the Society generally and to frames rules for the conduct of such business as may be necessary.

6.8.3 A full and correct record shall be kept of all proceeding of the Board of Directors in carrying out their duties, and the records shall be available for inspection by the Registrar and by the auditor.

6.8.4 The Board of Directors may appoint, on such terms and conditions as it think fit, a manager to administer and manage the affairs of the Society and may employ such other persons as it consider necessary to assist the manager in the discharge of his duties. Where full-time manager is appointed, any or all the duties of the Secretary or Treasurer, or both may be delegated to such manager and when all the duties of the Secretary or Treasurer, or both are so delegated to such manager and where all the duties of the Secretary or Treasurer, or both are



so delegated, the Society may operate without electing a Secretary or Treasurer, or both.

- 6.9 The Board of Directors shall meet as often as the business of the Society may require and any case not less frequently than once in every three months. Notice of every meeting of the Board shall be sent to each member of the Board at least seven clear days prior to the date of the meeting.
- 6.10 The quorum for the meeting for the Board of Directors shall be half the number of its members. Decisions shall be taken on a simple majority of votes. The chairman shall have no casting vote. No member of the Board of Directors shall vote on any matter in which he is individually interested.
- 6.11 Minutes of Board of Directors meeting shall be recorded by the Secretary in the Minutes Book and shall include:-
- (a) the number and names of those present:
  - (b) the names of the Chairman of the meeting; and
  - (c) a brief record of business done and decisions taken including whether such decision taken unanimously or by majority.
- 6.12 Liability of the Members of the Board of Directors.
- 6.12.1 In the conduct of the affairs of the Society, a member of the Board shall at all time act honestly and use reasonable diligence in the discharge of the duties of his office.
- 6.12.2 A member of the Board who is any way, whether directly or indirectly, interested in a transaction or proposed transaction with the Society shall as soon as practicable after the relevant facts have come to his knowledge declare the nature and extent of his interest at a meeting of the Board.
- 6.12.3 A member of the Board who holds any office or possesses any property whereby, whether directly or indirectly, duties or interest might be created in conflict with his duties or interests as a member of the Board shall declare at a meeting of the Board the facts and nature, character and extent of the conflict. The declaration shall be made:-
- (a) after he becomes a member of the Board; or
  - (b) If he is already a member of the Board, then after he commenced to hold office or possess the property;  
as the case requires.
- 6.12.4 The Secretary shall record every declaration made pursuant to the By-Laws 6.12.2 and 6.12.3 in the minutes of the meeting at which the declaration was made.

6.12.5 Where the Board of Directors has appointed a person as a manager or a Committee or Sub-Committee to administer and manage the affairs of the Society, such appointment shall not absolve the Board of Directors from responsibility for the proper directions of the affairs of the Society.

6.13 A member of the Board, who is not an employee of the Society, may receive honorarium or allowance (but not both) and other benefits from the Society, provided that the payment of an honorarium or allowance and the provision of any such benefits are authorized by a resolution to that effect passed by a general meeting of the Society.

#### **6.14 Chairman**

6.14.1 The duties of the Chairman shall include the following:-

- (a) to preside at all general meeting of the Society and all meetings of the Board of Directors;
- (b) to sign minutes of all meetings at which such minutes are confirmed in terms of their correctness;
- (c) to exercise general supervision over the officers and employees of the Society;
- (d) to represent the Society for any purposes the Board of Directors may decide;
- (e) to certify or sign appropriate documents, returns and statements required under the Act, the Rules, the By-Laws or the direction of the Board of Directors;
- (f) to serve on appropriate Committee or Sub-Committee constituted by the Board of Directors; and
- (g) to perform such other duties specified in these By-Laws or entrusted him by the Board of Directors.

6.14.2 In the absence of the Chairman, his duties shall be carried out by the Deputy Chairman or in the absence of both Chairman and the Deputy Chairman, by any other person elected by the majority of those present at that meeting.

#### **6.15 Secretary**

6.15.1 The duties of the Secretary shall include the following:-

- (a) to maintain, correctly and up-to-date, all records, papers and registers of the Society;
- (b) to keep the inventory of the property belonging to the Society;

- (c) to sign on behalf of the Board of Directors and conduct its correspondence;
- (d) to summon and attend the general meeting and meeting of the Board of Directors and to record the proceedings of such meeting in the minutes book;
- (e) to have custody of the common seal of the Society;
- (f) to submit all minutes of meeting and such information, returns and statements required under the Act or called for by the Registrar within the prescribe period; and
- (g) to conduct the ordinary business of the Society and perform all the duties entrusted to him by the Board of Directors or specified in these By-Laws;

6.15.2 The Assistant Secretary shall perform such duties and such transact such business which customarily pertain to his office and which are prescribed by the Board.

## **6.16 Treasurer**

6.16.1 The duties of the Treasurer shall include the following:-

- (a) to take charge of all transactions of the Society including all moneys received by the Society from a bank, members or others and to make disbursements in accordance with the directions of the Board of Directors;
- (b) to prepare or cause to be prepared all receipts, vouchers, financial statements and documents required by the By-Laws or called for by the Board of Directors;
- (c) to be responsible for the proper and the punctual keeping of all the keeping accounts and the books of accounts of the Society; and
- (d) to perform all duties entrusted to him by the Board of Directors or of specified in these By-Laws.

6.16.2 The two Assistant Treasurers shall perform such duties and transact such business which customarily pertain to his office and which are prescribed by the Board.

6.17 The Duties of the manager shall include the following:-

- (a) to manage the business property of the Society;
- (b) to attend all meeting of the Society and of the Board of Directors and to carry out all the instructions of the Board;
- (c) to record or cause to be recorded the whole of the transactions of the Society in the book prescribed for the purposes; and
- (d) to be solely responsible for the processing and approval of General Saving withdrawal, Personal Surety Loans amounting to not more than

\$15,000. Such approval shall adhere to the guidelines governing Loans; and

- (e) to perform all or any of the duties of the Secretary or Treasurer as may be entrusted to him by the Board.

6.18 The offices of Chairman and Manager shall not be held by one and the same person.

## **7. AUDIT COMMITTEE**

7.1 An audit committee shall be appointed by the Board from among themselves and shall be composed of at least three members who shall be independent of the Society in the manner prescribed in the Rules.

7.2 If a member of the audit committee resigns, dies or for any other reason ceases to be member with the result that the number of members is reduced below three, the Board shall within three months of the event, appoint such number of new members as may be required to make up the minimum number of three members.

7.3 The functions of the audit committee shall be:-

(a) to review:-

- (I) with the external auditor, the audit plan;
- (II) with the external auditor, his audit report;
- (III) the assistance given by the officers of the Society to the external auditor;
- (IV) the scope and results of the audit procedures; and
- (V) the balance-sheet and income and expenditure statement of the Society and if any, the consolidated balance-sheet and income and expenditure statement submitted by the Society's subsidiary.

(b) nominate a person or persons as external auditor; and

(c) any other functions as may be agreed to by the audit committee and the Committee.

7.4 Upon the request of the external auditor, the chairman of the audit committee shall convene a meeting of the audit committee to consider any matter the external auditor believes should be brought to the attention of the members of the Board, or the members of the Society.

7.5 the audit committee may regulate its own procedure and in particular, the calling of meeting, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

## **8. FUNDS OF THE SOCIETY**

8.1 The funds of the Society shall consist of:-

- (a) Share Capitals, Bonus Shares and Bonus Certificates;
- (b) Subscription Capital;
- (c) Members' Deposits;
- (d) Common Good Fund;
- (e) Donations made by third persons, except that no donations from foreign source whether offered directly or otherwise, shall be received by the Society without the prior approval of the Registrar;
- (f) Loan Default Fund;
- (h) Staff Welfare Fund;
- (i) Donation Fund;
- (j) Education Fund;
- (k) Building Repair Fund; and
- (l) Dana Kebajikan Bersama Fund.

8.2 The funds of the Society may be invested without seeking the Registrar's approval subject to section 69 of the Act.

8.3 The entrance fee shall be as specified in By-Law 4.7(a). Entrance fee shall be treated as income and expenditure accounts.

### **8.4 Share Capital**

8.4.1 The authorized share capital of the Society shall be \$10,000,000.00 (Dollars Ten Million) which shall be divided by 10,000,000 shares of value \$1.00 each. Every member on application of the membership purchase at least 1000 shares at \$1.00 each. The members may, at any time, purchase more shares subject to By-Laws 8.4.2.

8.4.2 No member shall hold more than one-fifth of the share capital of the Society.

8.4.3 Shares shall not be quoted for sale or purchase in the stock exchange or in any public manner.

## **8.5 Subscription Capital**

8.5.1 Every Ordinary Member and Associate Member shall subscribe a minimum of \$30.00 (Dollars Thirty) to the Subscription Capital, subject to By-Law 4.7. There shall be no maximum. The rate of subscription shall not be changed more than twice in any financial year without the consent of the Board. Provided an Ordinary Member admitted before 16 July 1998 shall not, without his consent in writing having been first obtained, be bound to subscribe more than \$20.00 (Dollars Twenty) per month.

8.5.2 A member's subscription shall not be withdrawable, except on cessation of membership or in accordance with the By-Law 4.20.3, provided that a member may, with approval of the Board make three withdrawals during his term of the memberships, each circumstances which fulfill all the following conditions:-

- (a) his membership is of at least five years standing;
- (b) his subscription balance is not less than \$4,000.00 (Dollars Four Thousand);
- (c) the withdrawal should not exceed such sum as would leave a balance of less than \$500.00 (Dollars Five Hundred) in his subscription account;
- (d) he shall apply the sum withdrawn for the purchase of a house/flat/land for his use, or for the Haj Pilgrimage and Education expenses for himself, his spouse or his children;
- (e) he is not liable to the Society as borrower or surety; and
- (f) he has given one month's notice in writing.

8.5.3 A member may, by giving notice to the Board of Directors, transfer any amount of his subscription not exceeding \$500.00 (Dollars Five Hundred) as fully paid shares valued at par.

8.6 The Society shall introduce various saving schemes as the Board may determine from time to time. The Board shall frame the Administrative Policy and Rules governing such saving schemes as it may deem fit.

## **8.7 Common Good Fund**

8.7.1 The Common Good Fund (DKA) shall be used for the benefit of Ordinary Members of the Society and may be devoted to any educational, medical, social or charitable purposes.

8.7.2 The Society shall pay into the Common Good Fund such portion of its net surplus as the Board may decide from time to time. Donations, subject to By-Law 8.1(f), may be accepted to the Common Good Fund.

## **9. LOANS**

- 9.1 The Society shall introduce various loans schemes as the Board may determine from time to time. The Board shall frame the Administrative Policy and Rules Governing such loans as it may deem fit.

## **10. FINANCIAL MATTERS**

- 10.1 The financial year of the Society shall begin on the 1<sup>st</sup>. January and end on the 31<sup>st</sup>. December.

- 10.2 At the close of each financial year, an amount of not less than five per cent of the first \$500,000 of the surplus shall be contributed to the Central Co-operative Fund and twenty per cent of any surplus in excess of \$500,000 shall be contributed to the Central Co-operative Fund or the Singapore Labour Foundation as the Society may opt under section 71(2)(b) of the Act.

- 10.3 The remainder of the surplus of the Society may be distributed in one or more of the following ways at the discretion of the general meeting;

- (a) by payment of a dividend not exceeding ten per cent pro rate on the amount of fully-paid shares or bonus shares and subscription held by members whose names appeared as members in the books of the Society as at the end of the financial year for which the net surplus is distributed;
- (b) by payment of a rebate or patronage refund to members in proportion to the volume of business done by them with the Society from which the surplus of the Society is derived;
- (c) by payment of honoraria to some or all of the members of the Board in consideration of their services which would not otherwise be remunerated subject to section 65((1) of the Act and By-Laws 6.13.1;
- (f) by contribution not exceeding ten per cent of the net surplus to the Common Good Fund;
- (g) by contribution to an Education Fund;
- (h) by contribution to a Building Fund for the purchase of a building for the Society;
- (i) by contribution to a charitable purposes;
- (j) by contribution to a Loan Default Fund;
- (k) by payment of bonus certificates or bonus shares;
- (l) by contribution to a General Reserve Fund;

- (m) Staff Welfare Fund;
  - (n) Donation Fund;
  - (o) Building Repair Fund;
  - (p) Dana Kebajikan Bersama Fund; and
  - (q) In any other manner as approved by the general meeting in accordance with the provisions of the Act and the By-Laws.
- 10.4 A member whose name appeared in the books of the Society on the last day of the financial year shall be eligible to draw dividend on fully-paid shares, bonus shares and subscription when declared subject always to any restrictions imposed in these By-Laws. The dividend payable shall be paid on pro-rata basis. Dividend when declared shall be credited to the General Savings Account of the member unless the member makes a claim to the Society.
- 10.5 A member holding bonus certificates shall only entitled to claim payment out of the funds of the Society after five years from the date when the bonus certificate were issued. No interest or dividend shall be paid to such bonus certificates.
- 10.6 A member holding bonus shares shall only be entitled to claim payment out of the funds of the Society after ten years from the date when the bonus shares were issued. A member or a past member shall be eligible to draw dividend on the bonus shares when declared.
- 10.7 The minimum number of shares prescribed in By-Law 4.1 shall not be withdrawable except on cessation of membership in accordance with By-Law 4.17. Shares in excess of the prescribed minimum may be withdrawable and transferable, subject to the provision of the Act and any limitations laid down in the By-Laws. The value of the shares withdrawn shall not exceed the nominal value of the shares or the book value as shown in the last audited balance sheet, whichever is the less.
- 10.8** The Board shall open or cause to open in the name of the Society such accounts with any bank registered under the Banking Act to which all money received shall be deposited.
- 10.9**
- 10.9.1 All cheques drawn on such accounts shall have a validity period not exceeding 180 days. All cheques shall be signed by Treasurer and at least two other officers authorized by the Board.
- 10.9.2 All cheques drawn for Personal Surety Loans, Purchasing Loans and General Saving withdrawal, amounting not more than \$15,000 shall be signed by the Manager and his assistant. In the absence of the Manager and his assistant, the cheques shall be signed by any two of the Executive Committee Members as assigned by the Board. All payments shall be correctly made and properly authorized in accordance with the direction of the Board.



- 10.9.3 All payments drawn shall on such account may also be paid directly to the members' bank accounts by the inter-bank GIRO and such payments shall be deemed to be made with the members' consent.
- 10.10 All receipts shall be issued for all money paid to the Society. Receipts shall be signed by the Treasurer and one other officer authorized by the Board provided that the Treasurer may sign receipt for sum of \$300.00 (Dollars Three Hundred).
- 10.11 (a) The Society shall have the power to take loans from non-members, provided that the Society shall determine from time to time at a general meeting the maximum liability, which it may incur in loans from non-members. The Society shall obtain approval from the Registrar on the maximum liability which may incur in loans from non-members.
- (b) The Society shall have the power to take loans or deposits from members provided that the Society shall determine from time to time at general meeting the maximum liability which may incur in loans or deposits from members. The Society shall obtain approval from Registrar on the maximum liability which it may incur in loans or deposits from members.
- 10.12 The Society shall as soon as practicable but not later than six months after the close of the financial year submit to the Registrar one copy of the audited financial statements of the Society and the audit report for the year.
- 10.13 The Board shall from time to time, authorized the maximum amount of cash which may be retained by any officer at any one time.

## **11. BOOKS, DOCUMENTS AND SEAL OF THE SOCIETY**

11.1 The following books and documents shall be kept:-

- (a) Register of members and their nominees;
- (b) Register of shares, bonus certificates, and bonus share;
- (c) Register of members' Subscriptions;
- (d) Cash Book;
- (e) Journals and Ledgers;
- (f) Inventory of Society's assets;
- (g) Sales Book;
- (h) Purchase Book;
- (i) Loan and Deposit Register;
- (j) Minutes Book;

- (k) Copy of the Act, Rules and the By-Laws;
  - (l) Administrative Policies, Rules governing the different funds of the Society; and
  - (m) Any other books and documents that may be found necessary or prescribed by the Registrar.
- 11.2 The Society shall keep a copy of the Act, the By-Laws, the Rules and a list of members of the Society open to inspection by the members free of charge, at all reasonable times at the registered address of the Society.
- 11.3 The Society shall have its own common seal of design approved by the Board. All bonds, contracts, and important documents shall be sealed with the seal of the Society. The seal shall not be affixed to any documents except with the authority of the Board and such sealing shall be done in the presence of at least three officers authorized by the Board, who shall affix their signatures to every document so sealed.

## **10. EXTERNAL AUDITOR**

- 12.1 Subject to section 33(1) and (2) of the Act, the books and accounts of the Society shall be audited by an external auditor at least once a year. The auditor shall inspect and audit the accounts and other relevant records of the Society and shall forthwith draw the attention of the Registrar and the Society to any irregularity disclosed by the inspection and audit that is, in his opinion, of sufficient importance to justify his so doing.
- 12.2 The external auditor shall report:-
- (a) whether the financial statements give a true and fair view of the financial transactions and the state of affairs of the Society;
  - (b) particulars of non-compliance with any accounting standard or requirement referred to in section 34(5) of the Act, the reasons and the effects of the non-compliance and such other information and explanation as will give a true and fair view of financial transactions and the state of affairs of the Society; and
  - (c) such other matters arising from audit as he considers should be reported.
- 12.3 The external auditor shall state in his report whether:-
- (a) proper accounting and other records have been kept; and

- (b) the receipt, expenditure and investment of moneys and acquisition and disposal of assets by the Society during the year have been in accordance with the Act, the Rules and these By-Laws.
- 12.4 The external auditor may at any other time report to the Registrar, the audit committee and the Society upon any matters arising out of the performance of the audit.
- 12.5 The audit of the accounts shall include an examination of the report on overdue debts, if any and an examination of and report on the valuation of the assets and liabilities of the Society.
- 12.6 An external auditor shall have the powers prescribed under the Act. The appointment of the External Auditor shall not exceed five consecutive years.
- 12.7 The external auditor has the right to appear and be heard at any meeting of the audit committee and shall appear before audit committee when required to do so by the audit committee.

### **13. PATRON, PRESIDENT AND VICE PRESIDENT**

- 13.1 The Board may invite a distinguished person in the government to be a patron of the Society. The Patron shall have the right to attend all meetings of the Society, the Board and any Committee or Sub-Committee, but shall have no voting power. He shall have no financial responsibility or liability in the respect of the debts of the Society.
- 13.2 The Board may invite one or more reputable citizen preferably from Education Service to fill the positions of President and Vice President of the Society. They shall be honorary members of the Society and shall advise the Board on its general administration. They shall have the right to attend all meetings of the Society, the Board, and any Committee or Sub-Committee but shall have no voting power. They shall have no financial responsibility or liability in respect of the debts of the Society. The President shall preside at all meeting of the Society when present. In his absence, the Vice-President shall preside when present.

### **14. GENERAL**

- 14.1 Disputes concerning requirements of the Act relating to the constitution, election of officers or conduct of the general meeting may be referred to the Registrar in the manner provided in the Act.
- 14.2 These By-Laws are supplementary to the provisions of the Act and the Rules. The Society shall be governed by the Act, the Rules and the By-Laws read

together. Nothing in these By-Laws shall have any power to limit the authority of the Registrar.

14.3 The By-Laws of the Society, shall, when registered, bind the Society and the members there of to the same extent as if they were signed by each member and contained covenants on the part of each member for himself and for his personal representative to observe all the provisions of the By-Laws.

14.4 No act of the Society or the Board or sub-committee constituted by the Board or any officer shall be deemed to be invalid by reason only to the existence of any defect in the constitution of the Society or of the Board or of any Committee or Sub-Committee in the appointment or election of an officer or on the ground that such officer was disqualified for his appointment.