



BY-LAWS of SINGAPORE MALAY TEACHERS' COOPERATIVE LIMITED (SMTc)

Passed & Approved at the SGM's General Meeting on

Saturday, 29 August 2020.

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PREFACE

People Involved in the Preparation of This Document

Function	Name
Chairman	ABDUL RAHMAN IBRAHIM
General Manager	MOEN KASIR

Document Change History

Date	Version	Document Status	Author	Revision Notes
25 Sep 2010	3.0	Obsolete	BOD	To be revised in 2019

Document Approval

No	Name	Designation	Signature	Date
1.	Abdul Rahman Ibrahim	Chairman		
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4.	Hamsani bin Raoh	Member of the BOD		
5.	Syed Mohammad Alsagoff	Member of the BOD		
6.	Dr Kamsiah Abdullah	Member of the BOD		
7.	Mazli Mahmood	Member of the BOD		
8.	Pitrah Ahmad	Member of the BOD		
9.	Kamiti Nahim	Member of the BOD		
10.	Johari Mohd Rais	Member of the BOD		
11.	Abdullah Sardi	Member of the BOD		
12.	Muhd Ariff Mohd Noor	Member of the BOD		
13.	Mohd Faizal Ismail	Member of the BOD		

1. NAME, ADDRESS AND AREA OF OPERATIONS.

- 1.1 The Society shall be called Singapore Malay Teachers' Cooperative 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 the accounts payable of the Society.
- 1.3 The areas of operations of the Society shall be in the Republic of Singapore.
- 1.4 The Society's registration number is S31CS0008K, Date: 7 September 1931.

2. INTERPRETATION

2.1 In these By-Laws, unless the context otherwise requires:

- (a) "Act" means the Cooperative 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", in relation to the Society as a credit society, means the audit committee of the Society referred to 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 Cooperative Fund" means the fund established under section 71 of the Act;
- (g) "Central Investment Scheme" means an investment scheme facilitated by the Singapore National Cooperative Federation that the Society may participate in;
- (h) "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.
- (i) "dividend" means a portion of the net surplus of the Society distributed among the members in the proportion to either or both of the following:
 - (i) the paid-up share capital held by the members in the Society;
 - (ii) the subscription capital held by the members of the Society.

- (j) “employee” means a person who is a full-time paid staff of the Society;
- (k) “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);
- (l) “higher tertiary qualification” means a Bachelor’s degree or an equivalent qualification awarded upon graduation after completion of an undergraduate programme provided by a university, a college or an equivalent institution of higher learning.
- (m) “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;
- (n) “key employee” means an individual who holds any of the following appointments, or who purports to act in any of the following capacities, whether or not for reward;
 - (i) a chief executive officer (whether called general manager or otherwise);
 - (ii) a chief operating officer;
 - (iii) a chief financial officer;
 - (iv) a chief investment officer;
 - (v) an appointment, analogous to any appointment mentioned in paragraph (i), (ii), (iii) or (iv);
- (o) “manager” means any most senior executive employed by the Board to run the affairs of the Society;
- (p) “mandatory induction course” means any mandatory induction course that is applicable to a member of the board of directors, or an officer of the Society and is specified on the RCS website.
- (q) “member” means an individual person or institution qualifying for membership of the Society, who or which joins in the application for the registration of the Society, and an individual person or institution admitted to membership after registration in accordance with the Act, the Rules and the By-Laws;
- (r) “net surplus” means the remaining portion of the surplus after provisions have been made for Central Cooperative Fund and the Singapore Labour Foundation in accordance with section 71 of the Act;
- (s) “professional certification: means a professional certification –
 - (i) that is awarded after the completion of a professional certification course provided by a university, a college or an equivalent institution of higher learning, or by a professional certification body; and
 - (ii) that is commonly accepted within the profession concerned as equivalent to a higher tertiary qualifications;

- (t) “officer” includes Chairman, Deputy Chairman I and Deputy Chairman II, 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;
- (u) “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;
- (v) “RCS website” means the website of the Registry of Cooperative Societies at <https://www.mccy.gov.sg>;
- (w) “Registrar” means the Registrar of the Cooperative Societies appointed under section 3(1) of the Act, and includes a Deputy Registrar, an Assistant Registrar or a public officer appointed under section 3(1) of the Act, exercising such functions, duty or power of the Registrar as is delegated to the Deputy Registrar, Assistant Registrar or public officer (as the case may be) under section 3(2) of the Act;
- (x) “Restricted Investments” means any type of investment other than the following:
 - (i) any bonds issued by any body corporate or unincorporated established by or under any public Act to perform or discharge a public function;
 - (ii) any Singapore dollar deposits with any financial institution licensed, approved or otherwise registered by the Money Authority of Singapore;
 - (iii) any securities or equivalent instrument issued under the Government Securities Act (Cap 121A) or the Local Treasury Bills Act (Cap 167);
 - (iv) any capital-guaranteed investment funds or products managed by Authority of Singapore, the issuers of which guarantee the return of 100% of the capital invested at a predetermined date;
 - (v) any investment in the Central Investment Scheme that does not exceed 10% of the total value of the assets of the Society (according to the latest audited financial statements of the Society).
- (y) “Rules” means rules made under section 95 of the Act;
- (z) “Society” means Singapore Malay Teachers’ Cooperative Limited, a medium credit society, registered under the Act and subject to subsection 3.2(i) of the Cooperative Rules 2019 dated 29 August 2019 effective from 1 Nov 2019 on ‘Classification of Credit Society’;

- (aa) “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;
- (bb) “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;
- (cc) “tertiary qualification” means a diploma or an equivalent qualification awarded upon graduation after completion of a course of study provided by a polytechnic or an equivalent institution of higher learning;
- (dd) “written direction” means a written direction issued under section 93(2) of the Act;
- (ee) For the purposes of the Act, the Society shall be deemed to control a body corporate or body unincorporated if, and only if, the Society is in a position to determine or govern the financial and operating policies of the body corporate or body unincorporated;
- (ff) For the purposes of the Act, the Society is insolvent if it has insufficient assets to cover its liabilities;
- (gg) In these by-laws, where there is a reference to a number of clear days between 2 events, that number of days is exclusive of the days on which those 2 events happen; and
- (hh) Words importing the masculine gender shall include the feminine gender, and words importing the singular shall include the plural.

3. PRIVILEGES AND DUTIES

3.1 The Society to become a body corporate

3.1.1 The Society on registration shall become a body corporate by the name under which it is registered with perpetual succession, and with power to hold movable and immovable property, to enter into contracts, to sue and be sued and to do all things necessary for the purposes of its constitution.

3.1.2 The Society may, but need not, have a common seal.

3.2 Objects

3.2.1 The objects of the Society shall be:

- (a) to promote economic interest of its members which are in accordance of Islamic and cooperative principles;

- (b) to encourage thrift, co-operations, self-help and mutual assistance among its members;
- (c) to provide financial services to members;
- (d) to establish and operate such cooperative schemes, ventures and projects; and
- (e) while it has regard to the economic interests of its members in accordance with essential cooperative principles, the Society has as its object the promotion of the economic interests of the public generally, or of any section of the public.

3.2.2 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 cooperative 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 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 prior approval by the Registrar, to sustain, maintain and operate the 2 childcare centres or other educational development centres, 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.

3.3 Power to make by-laws

- 3.3.1 The Society may, subject to the approval of the Registrar, make any by-laws that are necessary or desirable for the purposes for which the Society is established.
- 3.3.2 The by-laws of the Society shall include provisions in respect of matters mentioned in the Schedule.

3.4 Amendment and registration of by-laws

- 3.4.1 The Society may, subject to the Act, amend its by-laws.
- 3.4.2 No by-law or amendment to a by-law of the Society shall be valid until it has been registered by the Registrar.
- 3.4.3 No amendment of by-laws shall be registered unless a resolution to amend the by-laws is passed either –
 - (a) by not less than three-quarters of the members present and voting at a general meeting duly summoned; or
 - (b) 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 of the Society and that the number of returned votes is not less than one-third of the total membership or 500, whichever is the less, and the returned votes are examined and counted under the supervision of the Registrar.
- 3.4.4 Every application for the registration of the amended by-laws shall -
 - (a) be signed by the chairman and 2 members of the Board of Directors of the Society;
 - (b) contain such information as the Registrar may require;
 - (c) be accompanied by a copy of the amendment and the relevant resolution, and such other document as the Registrar may require; and
 - (d) be accompanied by such fee as may be prescribed.
- 3.4.5 The Registrar may register a by-law or an amendment to a by-law if he is satisfied that it is not inconsistent with the provisions of the Act and the Rules.
- 3.4.6 If the Registrar refuses to register a by-law or an amendment to a by-law, he shall record in writing the reasons for his refusal and shall inform the Society of his decision.
- 3.4.7 Where the Registrar refuses to register a by-law or an amendment to a by-law, an appeal may be made to the Minister within 2 months after the Registrar informs the Society of the Registrar's decision under subsection 3.4.6 and the decision of the Minister shall be final.

- 3.4.8 Where the Registrar registers a by-law or an amendment to a by-law, he shall send a copy of the by-law or the amendment thereto with a notice of registration to the Society.

3.5 By-laws to bind members

- 3.5.1 Subject to subsection 3.5.2, the by-laws and any amendment to the by-laws of the Society shall, when registered, bind the Society and the members thereof to the same extent as if they were signed by each member and contained covenants on the part of each member for himself and his personal representatives to observe all the provisions of the by-laws.

- 3.5.2 An amendment of the by-laws of the Society that has any of the following effects does not bind anyone who becomes a member of the Society before the registration of that amendment under section 3.4, unless that member consents in writing to that amendment binding that member:

- (a) that amendment requires that member –
 - (i) to take or to subscribe for more shares than the number held by that member immediately before the date of registration of that amendment under section 3.4; or
 - (ii) to pay upon the shares so held by that member any sum exceeding the amount unpaid upon those shares at that date;
- (b) that amendment increases (in any other way) the liability of that member at any time to contribute to the share, subscription or loan capital of the Society; and
- (c) that amendment will cause or require any shares of that member (being an institutional member) to be converted into permanent shares.

3.6 Control of the Society

- 3.6.1 The Society, a credit society, shall not, without the written approval of the Registrar, provide, or enter into any partnership, joint venture or other arrangement with any person to provide, any financial service other than the financial service or services which it is registered to provide.
- 3.6.2 If the Society contravenes subsection 3.6.1, it shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50 000 and, in the case of a continuing offence, to a further fine not exceeding \$5 000 for every day or part thereof during which the offence continues after conviction.

4. MEMBERSHIP: RIGHTS AND LIABILITIES

4.1 Qualifications for membership

4.1.1 The qualifications for membership of the Society shall be –

- (a) in the case of an individual, that the individual –
 - (i) has attained 16 years of age or above;
 - (ii) is of good character;
 - (iii) is a citizen of Singapore or is a resident in Singapore;
 - (iv) is not legally or mentally disabled;
 - (v) is not an undischarged bankrupt;
 - (vi) has not been convicted of any offence punishable with Imprisonment; and
 - (vii) meets such other requirements with regard to residence, employment profession and other matters as are prescribed by the by-laws of the Society
- (b) in the case of an institution, that it is a society or is a trade union.

4.1.2 Membership shall consist of:

- (a) Subject to subsection 3.5.2, Ordinary Members who shall each hold a minimum of 1 000 shares at \$1 per share and who shall pay monthly subscription in accordance with subsection 4.2.7.
- (b) Subject to subsection 3.5.2, Associate Members who shall each hold a minimum of 1 000 shares at \$1 per share and who shall pay a minimum monthly subscription in accordance with subsection 4.2.7.
- (c) Subject to subsection 3.5.2, Senior Members, who shall each hold a minimum of 1 000 shares at \$1 per share but who shall not pay minimum monthly subscription in accordance with subsection 4.2.7.
- (d) Subject to subsection 3.5.2 Institutional Members, who shall each hold a minimum of 10 000 shares at \$1 per share but who shall not pay the minimum monthly subscription in accordance with subsection 4.2.7.

4.2 Criterion for membership

4.2.1 (a) Subject to subsection 4.1.1(a) membership shall be open to:

- (i) all grades of Muslim professional staff or teachers 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 Social and Family Development, or Majlis Ugama Islam Singapura (MUIS) 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 and of the National Institute of Early Childhood Development who are undergoing any course that qualifies them to teach professionally in the Singapore Education Service and at pre-school childcare centres in Singapore.
 - (b) Subject to subsection 4.1.1(a), associate membership shall include:
 - (i) parents, step-parents, 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.
 - (ii) 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.
 - (iii) employee of the Society and his membership shall cease once he left the Society.
 - (c) Subject to By-law 4.1.1(b), an institutional member shall be a society or is a trade union.
- 4.2.2 A working person, who is qualified under subsection 4.2.1(a) and 4.2.1(b) may apply to be an Ordinary Member or Associate Member. A retired person who is qualified under subsection 4.2.1(a)(i), or a person who is aged 60 and above may apply to be a Senior Member.
- 4.2.3 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 section 4.1 and subsection 4.2.7. Every application for membership shall be proposed by a member and seconded by another member.
- 4.2.4 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.
- 4.2.5 For the admission to membership by a general meeting, a majority of two-thirds of those present and voting shall be necessary.
- 4.2.6 The approval or rejection of any application shall be notified to such applicant without delay.

4.2.7 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 1 000 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 subsection 8.4.1, 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;
- (d) in the case of a Senior Member, purchase of at least 1 000 shares in the Society;
- (e) in the case of each institutional member shall have at least 10 000 shares in the Society;
- (f) Except as provided in Subsection (g), a member cannot hold more than 20% of the share capital of the Society.
- (g) A member may hold more than 20% of the share capital of the Society, if the Registrar grants written approval for the Society to issue more than 20% of its share capital to that member; and
- (h) Sub-sections 4.2.7(f) and 4.2.7(g) do not apply to an institutional member who is another society or a trade union.

4.2.8 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.

4.2.9 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.

4.2.10 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 the 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.
- 4.2.11 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.
- 4.2.12 Every member shall be supplied with a statement of his personal account as at 31 December each year.
- 4.2.13 Every member shall keep the General Manager informed of any change in his residential address and personal email. All notices posted or sent to his known address shall be deemed to be duly served.

4.3 Exercising membership rights

- 4.3.1 Every Ordinary Member shall, unless otherwise disqualified under the Act or the By-Laws, have the right to:
 - (a) exercise only 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.
- 4.3.2 Every Associate Member shall, unless otherwise disqualified under the Act or the By-Laws, have the right to:
 - (a) exercise only 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.
- 4.3.3 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.
- 4.3.4 Associate Members and Senior Members shall not be entitled to the Common Good Fund (DKA) and Education Fund.

4.3.5 Institutional Members shall, unless otherwise disqualified under the Act or the By-Laws, have the right to:

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

4.3.6 Despite subsections 4.3.1(a), 4.3.2(a) and 4.3.5(a), where a member lacks the capacity to manage the member's property and affairs –

- (a) if the member had created a lasting power of attorney or a leaving will conferring on a donee authority to make decisions about the member's property and affairs (either generally or for the purposes of the Act), that donee may vote on behalf of the member; or
- (b) if a deputy has been, or is deemed to have been, appointed to make decisions on the member's behalf in relation to the member's property and affairs (either generally or for the purposes of the Act), that deputy may vote on behalf of the member.

4.3.7 In subsection 4.3.6 –

- (a) "deputy", "donee", and "lasting power of attorney" have the same meanings as in Section 2(1) of the Mental Capacity Act (Cap. 177A); and
- (b) a member lacks capacity in relation to a matter if the member lacks capacity within the meaning of Section 4 of the Mental Capacity Act in relation to that matter.

4.4 Liability of member limited by shares

4.4.1 Notwithstanding provisions of any by-laws, 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.

4.4.2 Where in the by-laws of the Society the amount of the liability of a member is expressed to be greater than the nominal value of any shares held or subscribed for by him, then the liability of the member shall extend to such greater amount.

4.5 Liability of past member and of estate of deceased member for debts of the Society

- 4.5.1 The liability of a past Ordinary Member, Associate Member, Senior Member and Institutional Member for the debts of the Society, within the limitation of section 4.4, as they existed on the date on which he ceased to be a member shall not continue for a period of more than two years after that date.
- 4.5.2 The estate of a deceased member, who is not a past member to whom subsection 4.5.1 applies, shall not be liable for the debts of the Society as they existed on the date of his death for a period of more than two years after the date of his death.

4.6 Right of member to withdraw from and/or continue with the Society

- 4.6.1 A member may withdraw from the Society subject to such conditions and by giving notice to withdraw to the Society not exceeding one year. Membership shall cease by:
- (a) resignation subject to subsection 4.6.2;
 - (b) insanity;
 - (c) expulsion subject by section 4.11;
 - (d) conviction of an offence punishable with imprisonment;
 - (e) bankruptcy;
 - (f) termination as a student of the National Institute of Education or the National Institute of Early Childhood Development provided that he is able to secure employment in institutions stipulated in subsections 4.2.1(a)(i) and (ii) within such time as the Board may determine; or
 - (g) death.
- 4.6.2 Any member who is not liable to the Society as a borrower or surety may resign from the Society by giving 12 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.

- 4.6.3 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 shall still enjoy the full rights as a member.
- 4.6.4 Rights of Senior Member and Member continuing to Be Ordinary Member:
- (a) 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.
 - (b) An Ordinary Member opting to remain as such under subsection 4.6.4(a) shall continue his monthly subscription. Such member shall be eligible for all rights of membership.
 - (c) An Ordinary Member who retires from employment and becomes a Senior Member under subsection 4.6.4(a) may withdraw all or portion of his subscription credit and convert the balance, if any, to his shares in the Society.
 - (d) Members retaining their memberships under subsection 4.6.4(a) may stand for election to serve on the Board of Directors.
 - (e) All members shall be eligible to apply for personal surety loans.

4.7 Charge and set-off in respect of shares or interest of members

- 4.7.1 Subject to section 24 of the Act, the Society shall have a charge upon the share or interest in the capital and on the deposits of a member or past member or deceased member and upon a dividend or patronage refund payable to a member or past member or to the estate of a deceased member in respect of a debt due to the Society from the member or past member or estate, and may set-off a sum credited or payable to a member or past member estate of a deceased member for the payment of any such debt.

4.8 Shares or interest not liable to attachment or sale

- 4.8.1 Subject to section 24 of the Act, the share or interest of a member in the capital of the Society shall not be liable to attachment or sale under any decree or order of a court in respect of a debt or liability incurred by the member, and neither his assignee in insolvency nor a receiver duly appointed shall be entitled to, or have a claim on, that share or interest.

4.9 Nomination

- 4.9.1 A member of the Society may in writing nominate a person in the presence of at least 2 witnesses, to whom on the death of the member the Society may transfer the share or interest.
- 4.9.2 The Society shall keep a register of all persons so nominated.

4.10 Transfer of shares or interest where member dies or lacks capacity

- 4.10.1 On the death of a member, the Society may transfer the share or interest of the deceased member –
- (a) to the person nominated by the member in accordance with section 45 of the Act;
 - (b) if there is no person so nominated, to such person as may appear to the Board of Directors of the Society to be the legal personal representative of the deceased member; or
 - (c) if either of those persons referred to in paragraphs (a) and (b) are not qualified under this Act or under the by-laws of the Society for membership, to such other person who is so qualified, to be specified within 6 months after the death of the deceased member by the nominee or legal personal representative, as the case may be.
- 4.10.2 The Society may pay all other moneys due to the deceased member from the Society to such nominee or legal personal representative, as the case may be.
- 4.10.3 Where the Board of Directors of the Society is satisfied that an individual (being a member or a person claiming through a member) lacks capacity to manage the individual's property and affairs and that it is just and expedient to do so, the Society may pay or transfer the individual's share or interest, or the value of all the moneys due to the individual from the Society, to a person whom the Board of Directors is of the view is the proper party to receive the same on the individual's behalf.
- 4.10.3A A payment or transfer cannot be made under subsection 4.10.3 where the individual lacks capacity to manage the individual's property and affairs, and -
- (a) there is in force a lasting power of attorney conferring on a donee authority to make decisions about the individual's property and affairs (either generally or for the purposes of this Act); or
 - (b) a deputy is or is deemed appointed to make decisions on the individual's behalf in relation to the individual's property and affairs (either generally or for the purposes of this Act).
- 4.10.4 The value of the share or interest of a member mentioned in subsection 4.10.1, or of an individual (being a member or a person claiming through a member) shall be represented by the sum actually paid by the member to acquire the share or interest unless the by-laws provide the calculation thereof otherwise.
- 4.10.5 All transfers and payments made by the Society in accordance with this section shall be valid and effectual against a demand made upon the Society by another person.

4.10.6 In this section –

- (a) “deputy”, “donee” and “lasting power of attorney” have the same meanings as in section 2(1) of the Mental Capacity Act (Cap 177A); and
- (b) an individual lacks capacity in relation to a matter if the individual lacks capacity within the meaning of section 4 of the Mental Capacity Act in relation to that matter.

4.11 Expulsion of member

- 4.11.1 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, subject to subsection 22(2) of the Act.
- 4.11.2 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.
- 4.11.3 On the cessation of membership by insanity, 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.
- 4.11.4 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-Members Fund.

5. ORGANISATION AND MANAGEMENT

5.1 General meeting

- 5.1.1 The supreme authority of the Society shall be vested in the general meeting of the members, at which every member has a right to attend and to vote.

- 5.1.2 There shall be two kinds of general meeting, Annual General Meeting and Extraordinary General Meeting.

5.2 Annual general meeting

- 5.2.1 The Society shall convene an annual general meeting within 6 months after the end of the Society's financial year or such longer period as the Registrar may allow in a particular case.
- 5.2.2 The Society –
- (a) shall provide in the by-laws for an annual general meeting to be convened in accordance with subsection 5.2.1 by its Board of Directors, and to be held as soon as practicable; and
 - (b) may also provide in the by-laws for other general meetings.
- 5.2.3 Unless the by-laws otherwise provide, a notice of every general meeting shall be sent to each member, and each delegate entitled to attend the general meeting, at least 15 clear days prior to the date of the meeting. The notice shall state the matters for discussion and the resolutions to be proposed and no other subject shall be discussed without the consent of the majority of the members present and voting at the general meeting.
- 5.2.4 A copy of each of the following documents shall be made available to every member, entitled to attend the general meeting, at least 15 clear days, or such longer period as may be provided for in the Society's by-laws, before the date of the meeting:
- (a) the Society's annual report, audited financial statements and audit report mentioned in section 34(1) of the Act, including every document required under this Act to be attached to those reports and statements; and
 - (b) such other document as the Registrar thinks necessary and directs to be made available.

5.3 Extraordinary general meeting

- 5.3.1 An extraordinary general meeting shall be convened at any time except that at least 7 clear days', and in the case of a proposed amendment to by-laws at least 15 clear days' written notice of the meeting and of the subjects on the agenda for discussion have been sent to each member or delegate, as the case may be, or given as provided in the by-laws.
- 5.3.2 An extraordinary general meeting of the Society shall be convened by the Board of Directors on receipt of a requisition for such a meeting signed by at least 20% or 60 of the members or delegates of the Society, whichever is the less, stating the objects of the meeting.
- 5.3.3 If the Board of Directors fails to convene a meeting in accordance with subsection

5.3.2 within 1 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.

5.3.4 The Registrar or his representative may at any time convene a Special General Meeting and may also direct what matters shall be discussed at the meeting.

5.4 Functions of annual general meeting

5.4.1 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 provisions 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 auditors of the Society;
- (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 section 8.5;
- (k) to consider and authorize the payment of allowance or honorarium and provision of other benefits subject to subsection 6.8.1;
- (l) to write off impairment losses of loans; and
- (m) to transact any other general business of the Society of which due notice has been given to members.

5.5 Quorum at general meeting

5.5.1 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 30 of all members or delegates qualified to vote, whichever is less.

- 5.5.2 If a quorum is not present within 30 minutes after the time fixed for a general meeting, the members or delegates present shall form a quorum, except that -
- (a) a general meeting with such reduced quorum shall not have the power to amend the by-Laws; and
 - (b) any resolution passed at the meeting shall not be valid unless it is passed with a majority of two-thirds of members present.

5.6 Voting at general meeting

- 5.6.1 Subject to the Act or in these by-laws a question referred to the members or delegates present at a general meeting shall be decided by a majority vote.
- 5.6.2 In the case of an equality of votes the motions shall be held to be lost. The chairman shall have no casting votes.
- 5.6.3 In the case of election or removal of officers, voting shall be by secret ballot.

5.7 Minutes of general meeting

- 5.7.1 The Board of Directors of the Society must –
- (a) endorse the minutes of each general meeting of the Society within 60 days after the date on which that general meeting is held; and
 - (b) after the minutes of any general meeting of the Society have been considered and confirmed at an annual general meeting of the Society, cause those minutes to be entered in the minute book within 30 days after the date on which that annual general meeting is held.
- 5.7.2 The minutes of the general meeting must contain:
- (a) the number of members and delegates present at the meeting;
 - (b) the name of the Chairman who presided at the meeting;
 - (c) the time the meeting commenced and ended; and
 - (d) all resolutions and decisions made at the meeting.
- 5.7.3 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 the general manager, and when so signed shall be evidence of anything contained therein.

6. CONSTITUTION OF THE BOARD OF DIRECTORS

6.1 Board of Directors

- 6.1.1 The Society shall have a Board of Directors consisting of not less than 5 and not more than 15 individuals (each of whom need not be a member of the Society), and the Board of Directors shall -
- (a) include the chairman, the deputy chairman I and the deputy chairman II, who shall be elected by the Board of Directors from among themselves; and
 - (b) as a credit society, comprise at least a majority of individuals who are independent of the Society in the manner prescribed.
- 6.1.2 All members of the Board shall be elected at the Annual General Meeting of the Society for a term of 3 years expiring at the third Annual General Meeting thereafter.
- 6.1.3 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.
- 6.1.4 A motion for the election of 3 or more individuals as members of the Board of Directors by a single resolution at a general meeting shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.
- 6.1.5 A resolution passed in pursuance of a motion made in contravention of subsection 6.1.4 shall be void, whether or not its being so moved was objected to at the time.
- 6.1.6 Where a resolution pursuant to a motion made in contravention of subsection 6.1.4 is passed, no provision for the automatic re-election of retiring members of the Board of Directors in default of another election shall apply.
- 6.1.7 For the purposes of this section, a motion for approving an individual's election, or for nominating an individual for election, must be treated as a motion for the individual's election.
- 6.1.8 Where the Board of Directors appoints an individual as a full-time chief executive officer of the Society –
- (a) all the duties of the secretary and treasurer shall be delegated to the chief executive officer; and
 - (b) where all duties of the secretary and treasurer are so delegated, the Society shall operate without electing a secretary or a treasurer, or both.

- 6.1.9 The duties of the chairman and the chief executive officer shall be as provided in the Act, the Rules and the By-Laws.
- 6.1.10 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 5 shall co-opt an individual (who need not be a member of the Society) to serve on the Board of Directors until the next general meeting of the Society.
- 6.1.11 Where an individual's appointment to the Board of Directors is made under any by-laws mentioned in subsection 6.1.10, the appointment must be approved by a majority of all of the existing members of the Board.

6.2 Eligibility for membership of the Board of Directors, or to be key employee

- 6.2.1 An individual is not eligible for membership of the Board of Directors of the Society, to be a key employee or to remain a member of the Board or a key employee -
- (a) if he is below 18 years of age;
 - (b) except with the Registrar's written approval, if he is not –
 - (i) a citizen of Singapore; or
 - (ii) subject to subsection 6.2.2, resident in Singapore;
 - (c) if he is an undischarged bankrupt (whether he was adjudicated bankrupt by a Singapore court or a foreign court having jurisdiction in bankruptcy);
 - (d) if he has been convicted of an offence under the Act;
 - (e) if he has been dismissed as an employee of a society;
 - (f) if he gives notice of resignation to the Board of Directors of the Society;
or
 - (g) except with the Registrar's written approval, if he has previously been removed by the Registrar from the Board of Directors of any society, or suspended by the Registrar under section 94(1) or 94A(1) of the Act.
- 6.2.2 For the purposes of subsection 6.2.1(b)(ii), the Registrar may, by written directions, stipulate the number or proportion of individuals resident in Singapore who shall be eligible for membership of the Board of Directors of the Society.
- 6.2.3 An individual is not eligible to be, or remain, a key employee of the Society or a member of the Board of Directors, except with the written approval of the Registrar, where he has been convicted, whether in Singapore or elsewhere, of any offence (not being an offence under the Act) involving fraud or dishonesty.
- 6.2.4 A member of the Board of Directors who resigns under subsection 6.2.1(f) shall not be eligible for election to the Board of Directors until after an interval of not

less than one year.

- 6.2.5 For the purposes of section 60(7) of the Act, an individual is not eligible to be re-elected as a member of the Board of Directors of the Society during an annual general meeting of the Society, if the individual fails to complete the mandatory induction course before that annual general meeting.
- 6.2.6 For the purposes of section 60(7) of the Act, an individual is not eligible to be co-opted as a member of the Board of Directors of the Society, if the individual is not eligible under subsection 6.2.1 to be re-elected as member of the Board of Directors.
- 6.2.7 A member of the Board of Directors who ceases to be a member shall not be eligible for election until after an interval of not less than two years under the following circumstances
- (a) he is removed by a general meeting; or
 - (b) he fails to be present at 3 consecutive meetings of the Board of Directors without satisfactory reasons acceptable to the Board of Directors.

6.3 Functions of the Board of Directors

- 6.3.1 The Board of Directors shall, immediately after the election and in any case not later than 7 days from the date of the general meeting, meet to elect among themselves a Chairman, 2 Deputy Chairmen, and such other officers as it deems fit.
- 6.3.2 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.
- 6.3.3 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.
- 6.3.4 Without limiting the generality of subsection 6.3.3, 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 that year, and such other documents as the Registrar may direct;
- (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 it considers necessary to maintain or improve the services 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 Cooperative 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 Cooperative movement;
- (p) to expel any member in accordance with section 4.11; and
- (q) to carry out business of the Society generally and to frames rules for the conduct of such business as may be necessary.

6.3.5 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.

6.4 Appointment of Officers of the Society

6.4.1 Appointment of chief executive officer and chief financial officer of the Society: For the purpose of section 59B(1) of the Act, the Society must –

- (a) appoint a chief executive officer (whether called a general manager or otherwise); and
- (b) appoint a chief financial officer, or engage, for the purposes of discharging the function of a chief financial officer, a person who is chosen by the Society and approved by the Registrar in writing.

6.5 Disqualifications for chief executive officer, chief financial officer and chief investment officer, etc.

6.5.1 The same individual may hold any 2, but not all 3, of the following offices in the Society:

- (a) chief executive officer;
- (b) chief financial officer;
- (c) chief investment officer.

6.5.2 The chief executive officer, chief financial officer, or chief investment officer of the Society must not be the chairman of the board of directors of the Society.

6.6 Qualifications and experience for chief executive officer and chief financial Officer

6.6.1 An individual is eligible to be the chief executive officer of the Society, a medium credit society, if the individual –

- (a) is a salaried employee, whether or not also a member (other than the chairman) of the Board of Directors of the Society;
- (b) has at least 5 years of work experience in performing management duties in any organization; and
- (c) has at least a tertiary qualification.

6.6.2 An individual is eligible to be the chief financial officer of the Society, a medium credit society, if the individual –

- (a) is a salaried employee, or a member (other than the chairman) of the Board of Directors, of the Society;
- (b) has at least 3 years of work experience in performing accounting,

audit, business or financial duties in any organization; and

- (c) has at least a tertiary qualification in accountancy, business, economics or finance.

6.7 Mandatory induction course for appointed officers

- 6.7.1 Every chief executive officer or chief financial officer of the Society, must within one year starting on the date of his or her appointment to that office, complete the mandatory induction course applicable to that office.
- 6.7.2 A chief executive officer or chief financial officer who contravenes subsection 6.7.1 is not eligible to remain in that office after the end of the one-year period mentioned in that subsection.

6.8 Miscellaneous – Transitional provisions

- 6.8.1 For a period of 3 years starting on 1 November 2019, Rule 4(b) requirements of the Cooperative Societies Rules 2019 do not apply to the audit committee members appointed before that date by the Board of Directors of the Society.
- 6.8.2 For a period of 3 years starting on 1 November 2019, Rules 5(1) and (2) requirements of the Cooperative Societies Rules 2019 do not apply to a member of the Board of Directors who is elected or co-opted before that date, to be a member of the Board.

6.9 Duties and Responsibilities of the Officers of the Society

6.9.1 Chairman

The duties and responsibilities of the Chairman shall include the following:

- (a) to preside at all general meetings 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.

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

6.9.3 Chief Executive Officer or General Manager cum Chief Financial Officer

The duties and responsibilities of the Chief Executive Officer or the General Manager shall include the following:

- (a) directing the Society in keeping with the vision outlined for the Society by the Board of Directors;
- (b) partnering with other staff to grow the Society, strengthen it and ensure its sustainability;
- (c) representing the Society as required, including attendance of important functions, industry events and public meetings;
- (d) working closely with the CFO (Chief Financial Officer) to prepare annual budgets, complete risk analysis on potential investments, and advise the Board of Directors with regard to investment risk and return;
- (e) working closely with Human Resources (HR) regarding hiring practices, payroll and benefit disbursement;
- (f) overseeing quality control throughout the Society, establishing goals for each department in partnership with the supervisors;
- (g) attending all meetings of the Society and of the Board of Directors and to carry out all the instructions of the Board;
- (h) maintaining, correctly and up-to-date, all records, papers and registers of the Society;
- (i) managing the business belonging to the Society;
- (j) recording or causing to be recorded the whole of the transactions of the Society in the book prescribed for the purpose;
- (k) signing on behalf of the Board of Directors and conduct its correspondence;
- (l) be solely responsible for the processing and approval of General Savings withdrawal, Personal Surety Loans amounting to not more than \$15,000. Such approval shall adhere to the guidelines governing Loans;
- (m) summoning and attending the general meeting and meeting of the Board of Directors and to record the proceedings of such meeting in the minutes

book;

- (n) having custody of the common seal of the Society;
- (o) submitting all minutes of meeting and such information, returns and statements required under the Act or called for by the Registrar within the prescribe period;
- (p) taking 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;
- (q) preparing or causing to be prepared all receipts, vouchers, financial statements and documents required by the By-Laws or called for by the Board of Directors;
- (r) be responsible for the proper and the punctual keeping of all the keeping of accounts and the books of accounts of the Society; and
- (s) conducting 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;

6.10 Meetings of the Board of Directors

- 6.10.1 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 3 months.
- 6.10.2 Notice of every meeting of the Board shall be sent to each member of the Board at least 7 clear days prior to the date of the meeting.
- 6.10.3 The quorum for the meeting for the Board of Directors shall be half the number of its members.
- 6.10.4 Decisions shall be taken on a simple majority of votes and the chairman shall have no casting vote.
- 6.10.5 No member of the Board of Directors shall vote on any matter in which he is individually interested.
- 6.10.6 Minutes of every meeting of the Board of Directors shall be recorded by the chief executive officer or the manager in the Minute-Book within 60 days after the date on which the meeting is held 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.

6.11 Liability of the Members of the Board of Directors.

- 6.11.1 A member of the Board of Directors shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office.
- 6.11.2 Subject to subsection 6.11.3, a member of the Board of Directors may, when exercising powers or performing duties as such a member, rely on reports, statements, financial data and other information prepared or supplied, and on professional or expert advice given, by any of the following persons:
- (a) an employee of the Society whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
 - (b) a professional adviser or an expert in relation to matters which the member believes on reasonable grounds to be within the person's professional or expert competence; or
 - (c) any other member, or any committee of such members on which the members concerned did not serve, in relation to matters within that other member's or committee's designated authority.
- 6.11.3 Subsection 6.11.2 shall apply to a member of the Board of Directors if, and only if, the member –
- (a) acts in good faith;
 - (b) makes proper inquiry where the need for inquiry is indicated by the circumstances; and
 - (c) has no knowledge that such reliance is unwarranted.
- 6.11.4 An officer or agent of the Society must not make improper use of either of the following to gain, directly or indirectly an advantage for himself or for any other person, or to cause detriment to the Society:
- (a) his position as an officer or agent of the Society;
 - (b) any information acquired by virtue of that position.
- 6.11.5 Any member of the Board of Directors who contravenes subsection 6.11.1, or any officer or agent of the Society who contravenes subsection 6.11.4 –
- (a) shall be liable to the Society for any profit made by him or for any damage suffered by the Society as a result of such contravention; and
 - (b) shall be guilty of an offence and liable on conviction to a fine not exceeding \$5 000 or to imprisonment for a term not exceeding 12 months or to both.
- 6.11.6 Where the Board of Directors has appointed a person as a chief executive officer or 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.

6.11.7 In this section, unless the context otherwise requires –

“agent”, in relation to the Society, includes a banker, a solicitor or an auditor of the Society and any personal who at any time has been a banker, a solicitor or an auditor of the Society;

“officer”, in relation to the Society, includes a person who at any time has been an officer of the Society.

6.11.8 This section shall be in addition to and not in derogation of any other written law or rule of law relating to the duty or liability of officers of the Society.

6.12 Disclosure of interests in transactions, property, offices, etc.

6.12.1 Subject to this section, every 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 of his interest at a meeting of the Board of Directors of the Society.

6.12.2 The requirements of subsection 6.12.1 shall not apply –

(a) in any case where the interest of the member of the Board of Directors of the Society consists only of being a member or account payable of a corporation which is interested in a transaction or proposed transaction with the Society if the interest of the member of the Board of Directors may properly be regarded as not being a material interest; or

(b) in such other cases as the Minister may prescribe.

6.12.3 For the purposes of subsection 6.12.1, a general notice given to the members of the Board of Directors of the Society by a member of the Board to the effect that he is an officer of a specified corporation or a member of a specified firm or a partner or an officer of a specified limited liability partnership and is to be regarded as interested in any transaction which may, after the date of the notice, be made with that corporation, firm or limited liability partnership shall be deemed to be a sufficient declaration of interest in relation to any transaction so made if –

(a) it specifies the nature and extent of his interest in the specified corporation, firm or limited liability partnership;

(b) his interest is not different in nature or greater in extent than the nature and extent so specified in the general notice at the time any transaction is so made; and

(c) it is given at a meeting of the Board of Directors or the member of the Board of Directors takes reasonable steps to ensure that it is brought up and read at the next meeting of the Board after it is given.

6.12.4 Every member of the Board who holds any office or possesses any property whereby, whether directly or indirectly, duties or interests 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.

6.12.5 The declaration referred to in subsection 6.12.4 shall be made at the first meeting of the Board held:

- (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 referred to in that subsection;

as the case requires.

6.12.6 The General Manager shall record every declaration under this section in the minutes of the meeting at which it was made.

6.12.7 For the purposes of this section, an interest of a member of the family of a member of the Board shall be treated as an interest of the member of the Board and the words “member of the family of a member of the Board of the Society” shall include his spouse, son, adopted son, step-son, daughter, adopted daughter and step-daughter.

6.12.8 This section shall be in addition to and not in derogation of the operations of any rule of law or any provision in the by-laws restricting a member of the Board of the Society from having any interest in transactions with the Society or from holding offices or possessing properties involving duties or interests in conflict with his duties or interests as a member of the Board of the Society.

6.12.9 In this section, unless the context otherwise requires –

“corporation” means any body corporate incorporated, formed or existing in Singapore or elsewhere and includes any foreign company within the meaning of section 4(1) of the Companies Act (Cap.50);

“officer” –

- (a) in relation to a corporation, has the same meaning as in section 4(1) of the Companies Act; and
- (b) in relation to a limited liability partnership, has the same meaning as section 2(1) of the Limited Liability Partnerships Act (Cap. 163A).

6.12.10 Any member of the Board of Directors of the Society who contravenes any provision of this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5 000 or to imprisonment for a term not exceeding 12 months or to both.

6.13 Restrictions relating to honoraria, etc., of members of the Board of

Directors and employees

- 6.13.1 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 if, and only if, 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.
- 6.13.2 An employee of the Society shall not decide his own remuneration.

6.14 Suspension of officers

- 6.14.1 Notwithstanding any other written law, if any proceedings are instituted against a member of the Board of Directors, or a key employee, of the Society in respect of any offence involving fraud or dishonesty, the Board shall suspend the member or key employee from a being a member of the Board or key employee of the Society, respectively.
- 6.14.2 Every member of the Board of Directors of the Society which has contravened subsection 6.14.1 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5 000 and, in the case of a continuing offence, to a further fine not exceeding \$500 for every day or part thereof during which the offence continues after conviction.
- 6.14.3 No criminal or civil liability shall be incurred by the Society or its Board of Directors, or any person acting on behalf of the Society or the Board of the Society, in respect of anything done or omitted to be done with reasonable care and in good faith in the discharge or purported discharge of the obligations of the Society or the Board of Directors of the Society under this section.

7. AUDIT OF THE SOCIETY

7.1 Annual Audit of the Society

- 7.1.1 The Society shall once at least in every year have its books and accounts audited by a public accountant or a person authorized by the Registrar in writing.
- 7.1.2 No person shall be eligible to be or remain an auditor of the Society if –
- (a) he has outstanding liabilities with the Society or any of its related entities;
 - (b) he is an officer of the Society;
 - (c) he is a partner, an employer or an employee of an officer of the Society; or
 - (d) he is a partner, or an employee of an employee of an officer of the Society.
- 7.1.3 An auditor of the Society, shall have power –

- (a) to have at all reasonable times free access to all accounting and other records relating directly or indirectly to the financial transactions of the Society;
- (b) to require the production of any book or document relating to the affairs of, or any property belonging to, the Society by its officer, agent, employee or member in possession of the book, document or property;
- (c) to require any officer, agent, employee or member of the Society to furnish any information in regard to any transaction of the Society or the management of its affairs; and
- (d) to make copies of or extracts from accounting and other records, or retain possession of such records for such period as may be necessary to enable them to be inspected.

7.1.4 In this section, “related entity”, in relation to the Society, means –

- (a) the parent society of the Society, or a subsidiary of such a parent society;
or
- (b) a subsidiary of the Society.

7.2 Special audit of the Society

7.2.1 The Registrar or an authorized person may at any time conduct a special audit of the Society that may cover one or more the following matters:

- (a) the governance of the Society;
- (b) the operations of the Society;
- (c) the financial condition of the Society;
- (d) the affairs of the Society.

7.2.2 The Registrar or authorized person may, for the purpose of conducting the special audit, exercise all or any of the power in section 77 of the Act.

7.3 Annual reports, accounts and financial statements

7.3.1 The Society shall, as soon as practicable but not later than 6 months after the close of each financial year, submit to the Registrar an annual report on its activities during the year together with a copy of the audited financial statements of the Society and the audit report for that year.

7.3.1A The annual report of the Society must be prepared in such form and manner, and contain such information, as the Registrar may require.

7.3.2 The Society shall do all things necessary to ensure that all payments out of its moneys are correctly made and properly authorized and that adequate control is

maintained over the assets of, or in custody, the Society and over the expenditure incurred by the Society.

7.3.2A The Society must –

- (a) keep such accounting and other records of its transactions and affairs as will sufficiently –
 - (i) explain the transactions and financial position of the Society; and
 - (ii) enable the preparation from time to time of true and fair financial statements and any documents required to be attached to the financial statements;
- (b) cause the records to be kept in such manner as to enable them to be conveniently and properly audited; and
- (c) ensure that the financial statements give a true and fair view of the financial position and performance of the Society.

7.3.3 The Society shall, as soon as practicable but not later than 6 months after the close of the financial year, prepare and submit the financial statements in respect of that year to the auditor who shall audit and report to them.

7.3.4 Notwithstanding subsection 7.3.3, the Registrar may, on application by the Society, extend the period of 6 months referred to in that subsection, if for any special reason he thinks fit to do so.

7.3.5 Subject to subsections 7.3.7 and 7.3.8, the financial statements of the Society shall be in compliance with –

- (a) such accounting standards as may be made or formulated by the Accounting Standards Council under Part III of the Accounting Standards Act (Cap 2B) and applicable to the Society; or
- (b) other requirements substituted by the Minister in lieu of compliance with one or more requirements of the accounting standards referred to in paragraph (a).

7.3.6 The Board of Directors of the Society must cause to be attached, to the audited financial statements of the Society, such report (if any), in such form and manner and containing such information, as the Registrar may require.

7.3.7 Where the financial statements prepared in accordance with any accounting standard or requirement referred to in subsection 7.3.5 would not give a true and fair view of the financial position and performance of the Society as at the end of the period to which they relate, the financial statements need not be in compliance with that accounting standard or requirement to the extent that this is necessary for them to give a true and fair view of the financial position and performance of the Society.

7.3.8 In the event of any non-compliance with any accounting standard or requirement referred to in subsection 7.3.5, there shall be included in the financial statement -

- (a) a statement by the auditor of the Society that he agrees that such non-compliance is necessary for the financial statements to give a true and fair view of the financial position and performance of the Society;
- (b) particulars of the departure, the reason therefor and its effect, if any, and
- (c) such further information and explanation as will give a true and fair view of the financial position and performance of the Society.

7.3.9 If the Society fails to comply with subsection 7.3.5, it shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50 000.

7.4 Duties of auditor

7.4.1 The auditor shall inspect and audit the accounts and other relevant records of the Society and shall immediately draw the attention of the Registrar and the Society to any irregularity disclosed by the inspection and audit that is, in the opinion of the auditor, of sufficient importance to justify his so doing. The financial statements submitted by the Society after the close of the financial year shall be audited and reported on by the auditor.

7.4.2 The auditor shall report –

- (a) whether the financial statements give a true and fair view of the financial position and performance of the Society; and
- (b) such other matters arising from the audit as he considers should be reported.

7.4.3 The 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 the acquisition and disposal of assets by the Society during the year have been in accordance with the by-laws and the provisions of the Act and the Rules.

7.4.4 The auditor may at any other time report to the Registrar and the Society upon any matters arising out of the performance of the audit.

7.4.5 The audit of the accounts of the Society shall include an examination of and report on overdue debts, if any, and an examination of and report on the valuation of the assets and liabilities of the Society.

7.4.6 The Registrar may impose additional duties on an auditor, including but not limited to the following:

- (a) a duty to submit to the Registrar such additional information in relation to

his audit as the Registrar considers necessary;

- (b) a duty to enlarge or extend the scope of his audit of the transactions and affairs of the Society;
- (c) a duty to carry out any other examination or establish any procedure in any particular case;
- (d) a duty to submit a report to the Registrar on any of the matters referred to in paragraphs (b) and (c),

and the auditor shall carry out such duty or duties.

7.4.7 The Society shall remunerate the auditor in respect of the discharge of such duty or duties as the Registrar may impose on the auditor under subsection 7.4.6, subject to the written directions of the Registrar.

7.4.8 If an auditor of the Society, in the course of the performance of his duties as auditor, has reason to believe that an offence involving fraud or dishonesty is being or has been committed against the Society by any officer or employee of the Society and –

- (a) the offence is punishable by imprisonment for a term that is not less than 2 years; and
- (b) the value of the property obtained or likely to be obtained from the commission of such an offence is not less than \$20 000,

the auditor shall immediately report the matter to the Registrar.

7.4.9 An officer of the Society who refuses or fails, without lawful excuse, to allow an auditor of the Society access, in accordance with this section, to any accounting and other records including registers, of the Society or control, or to give any information or explanation as and when required under this section, or otherwise hinders, obstructs or delays an auditor in the performance of his duties or the exercise of his powers, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$4 000.

7.5 The audit committee of the Society

7.5.1 The Society shall have an audit committee.

7.5.2 An audit committee shall be appointed by the Board from among themselves and shall be composed of at least 3 members who shall be independent of the Society in the manner prescribed in.

7.5.3 For the purposes of section 36(2)(b) of the Act, that at least 1 member of the audit committee of the Society, as a medium credit society, must have either or both of the following qualifications and experience:

- (a) at least 4 years of work experience in performing accounting, audit, business, financial or management duties in any organization;

- (b) at least 2 years of work experience in performing accounting, audit, business, financial or management duties in any organization, and at least a tertiary qualification in accountancy, business, economics or finance.
- 7.5.4 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 3 members.
- 7.5.5 The functions of the audit committee shall be:
 - (a) to review:
 - (i) with the auditor, the audit plan;
 - (ii) with the auditor, his audit report;
 - (iii) the assistance given by the officers of the Society to the auditor;
 - (iv) the scope and results of the audit procedures; and
 - (v) the financial statements of the Society and, as the Society is a parent society, the consolidated financial statements to the audit committee by the Society-or the parent society, and thereafter to submit them to the members of the Board of Directors of the Society or the parent society; and.
 - (b) to nominate a person or persons as auditor, notwithstanding anything contained in the by-laws or section 33(1) of the Act,

together with such other functions as may be agreed to by the audit committee and the Board of Directors of the Society.
- 7.5.6 The auditor has the right to appear and be heard at any meeting of the audit committee and shall appear before the audit committee when required to do so by the audit committee.
- 7.5.7 Upon the request of the auditor, the chairman of the audit committee shall convene a meeting of the audit committee to consider any matter the auditor believes should be brought to the attention of the members of the Board, or the members of the Society.
- 7.5.8 The audit committee may regulate its own procedure and in particular, the calling of meetings, 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.

7.6 Change of auditors

- 7.6.1 Subject to Part III Section 6 of the Cooperative Societies Rules 2009, the Society shall change its auditor at least once every 5 years, either to another auditor from the same auditing firm or company or to another auditor from a different auditing firm or company.
- 7.6.2 If the Society contravenes subsection 7.6.1, it shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10 000.

8. PROPERTY AND FUNDS OF THE SOCIETY

8.1 Capital

- 8.1.1 The capital of the Society shall be raised by all or any of the following means:
- (a) entrance fees which shall not be refundable except in cases where an application for membership has been rejected;
 - (b) ordinary shares subscribed and paid up by members;
 - (ba) permanent shares subscribed and paid up by institutional members
 - (c) as a credit society –
 - (i) subscription capital; and
 - (ii) other deposits from members which shall be withdrawable subject to conditions laid down in the by-laws;
 - (d) deposits or loans from non-members subject to such restrictions as are laid down in the Act and in the by-laws;
 - (b) 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;
- 8.1.2 The issue of bonds or debentures by the Society shall be subject to the approval of the Registrar;

8.2 Ordinary Shares

- 8.2.1 The Society shall issue ordinary shares.
- 8.2.2 Every member on application of the membership purchases at least 1 000 shares at \$1.00 each. The members may, at any time, purchase more shares subject to subsection 8.2.3.
- 8.2.3 The member shall not hold more than one-fifth (20%) of the share capital of the Society.
- 8.2.4 The member may withdraw or transfer the ordinary shares which the member is

required to hold under subsection 8.2.2 only when the member ceases to be a member of the Society;

- 8.2.5 Where a member of the Society holds ordinary shares of the Society in excess of the minimum number the member is required to hold under subsection 8.2.2, the member may withdraw or transfer the excess shares in accordance with the Act and the by-laws of the Society.

8.3 Permanent Shares

- 8.3.1 The Society shall issue permanent shares only to an institutional member;

- 8.3.2 An institutional member of the Society must obtain the written approval of the Registrar to be entitled to subscribe, in accordance with the by-laws of the Society for permanent shares issued by the Society, if the institutional member is a credit society.

- 8.3.3 A permanent share issued by the Society to an institutional member of the Society –

- (a) cannot be withdrawn by that institutional member; and cannot be converted to an ordinary share; but
- (b) may, with the approval of the Board of Directors of the Society and in accordance with the Act and the by-laws of the Society, be transferred by that institutional member to another institutional member of the Society.

- 8.3.4 The Society –

- (a) may, with the written approval of the Registrar, buy back a permanent share issued by the Society under this section; but
- (b) cannot be required to buy back that share.

- 8.3.5 The Society, on buying back a permanent share issued by it under this section may-

- (a) hold that share;
- (b) with the approval of the Board of Directors of the Society and in accordance with the Act and the by-laws of the Society, transfer that share to an institutional member of the Society; or
- (c) cancel that share.

8.4 Subscription Capital

- 8.4.1 Every Ordinary Member and Associate Member shall subscribe a minimum of \$30.00 (Dollars Thirty) to the Subscription Capital, subject to subsection 4.2.7 of the by-laws. 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.
- 8.4.2 A member's subscription shall not be withdrawable, except on cessation of membership or in accordance with subsection 4.6.4(c) of the by-laws, provided that a member may, with approval of the Board make three withdrawals during his term of the memberships, each circumstance which fulfills all the following conditions:
- (a) his membership is of at least 5 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 1 month's notice in writing.
- 8.4.3 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.
- 8.4.4 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.
- 8.5 Restrictions on borrowing**
- 8.5.1 The Society may receive loans from persons who are not members of the Society only to such extent and under such conditions as may be prescribed by its by-laws and in the Rules.
- 8.5.2 The Society shall not receive any deposit from any person other than a member of the Society, or his immediate family member to such extent and under such conditions as may be described by its by-laws.
- 8.5.3 The Society, which under its by-laws, has power to borrow money shall determine from time to time at a general meeting –

- (a) the maximum liability which it may incur in loans from non-members; and
- (b) where the Society is a credit society, the maximum liability which it may incur in loans or deposits from its members and their immediate family members.

8.5.4 Where the Society as a credit society –

- (a) the maximum liability determined under subsection 8.5.3(a) is subject to the Registrar's approval; and
- (b) the Registrar, may, at any time, reduce either or both of the maximum liabilities determined subsection 8.5.3(a) and (b) or impose such conditions (for either or both of those maximum liabilities) as the Registrar thinks necessary.

8.5.4A The Registrar, must, before reducing either or both of the maximum liabilities determined under subsection 8.5.3(a) and (b) or imposing any condition, give the Society –

- (a) notice in writing of the Registrar's intention to do so; and
- (b) an opportunity to make written representations, within the time specified in the notice (being at least 14 days after the date of service of the notice), as to why the Registrar should not reduce the maximum liabilities or impose the condition (as the case may be).

8.5.4B The Registrar must issue the Society a written notice of the Registrar's decision whether to reduce either or both of the maximum liabilities determined under subsection 8.5.3(a) and (b) or to impose any condition.

8.5.4C Where the Registrar decides to reduce either or both of the maximum liabilities determined under subsection 8.5.3(a) and (b) or to impose any conditions, the written notice in subsection 8.5.4B must specify a date at least 14 days after the date of the notice upon which the Registrar's decision or condition is to take effect.

8.5.4D When the Society, aggrieved by the Registrar's decision under subsection 8.5.4B may, within 14 days after the date of the decision or such longer period as the Minister may allow in any particular case, appeal in writing to the Minister, whose decision is final.

8.5.4E If the Society appeals to the Minister under subsection 8.5.4D, the decision appealed against does not take effect unless the decision is confirmed by the Minister, or the appeal is withdrawn or is for any reason dismissed by the Minister.

8.5.5 In this subsection, unless the context otherwise requires –

“immediate family member” shall have such meaning as may be prescribed;

“loan”, in relation to the Society means –

- (a) the granting of an advance and other facility by a person to the Society whereby the Society has access to funds or financial guarantees; or
- (b) the incurring by the person of other liabilities on behalf of the Society.

8.6 Investment of funds

8.6.1 The Society may invest or deposit its funds in such manner as it thinks fit.

8.6.1A Despite subsection 8.6.1, the Society must invest or deposit its funds in accordance with any restrictions on investment contained in written directions issued by the Registrar.

8.6.2 Notwithstanding section 63 of the Act, any person who exercises any power of investment in relation to the funds of the Society pursuant to subsection 8.6.1 or 8.6.1A shall, when exercising such power of investment, be subject to the same duty of care imposed on a trustee under section 3A of the Trustees Act (Cap 337).

8.7 Contribution to Central Cooperative Fund

8.7.1 There shall be established a fund to be known as the Central Cooperative Fund which shall be used to further cooperative education, training, research, audit and for the general development of the cooperative movement in Singapore.

8.7.2 The Society shall contribute –

- (a) 5% (or such other rate as may be prescribed in substitution) of the first \$500 000 of the surplus resulting from the operations of the Society during the preceding financial year to the Central Cooperative Fund; and
- (b) 20% (or such other rate as may be prescribed in substitution) of any surplus in excess of \$500 000 from the operations of the Society during the preceding financial year to the Central Cooperative Fund as the Society may opt.

8.7.3 The Society shall be deemed to have opted to contribute to the Central Cooperative Fund under subsection 8.7.2(b) if the Society does not exercise its option within such time and in such manner as the Registrar may require.

8.7.4 The Society may from time to time change its option in respect of its contribution under subsection 8.7.2(b) by notifying the Registrar in such manner as the Registrar may require and the change in option shall apply to the contribution of the Society for the financial year in which falls the second anniversary of the date on which the Registrar was notified under this subsection and to all contributions of the Society thereafter until the Society again changes its option.

8.8 Distribution of net surplus

8.8.1 The financial year of the Society shall begin on the 1st January and end on the 31st December.

8.8.2 At the close of each financial year, an amount of not less than 5 per cent of the first \$500,000 of the surplus shall be contributed to the Central Cooperative Fund and 20 per cent of any surplus in excess of \$500,000 shall be contributed to the Central Cooperative Fund as the Society may opt under section 71(2)(b) of the Act.

8.8.3 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 10 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;
- (aa) Subsection 72(2) of the Act stipulates that the Society must not pay a dividend on paid-up share capital or subscription capital exceeding –
 - (i) in any case where the Society, as a credit society, does not meet any prudential requirement contained in written directions issued by the Registrar – a maximum rate specified in written directions issued by the Registrar to the Society; or
 - (ii) in any case – a maximum rate prescribed in the Rules.
- (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 subsection 6.8.1 of the by-laws;
- (d) by contribution not exceeding 10 per cent of the net surplus to the Common Good Fund;
- (e) by contribution to an Education Fund;
- (f) by contribution to a Building Fund for the purchase of a building for the Society;
- (g) by contribution to a charitable organization;
- (h) by payment of bonus certificates or bonus shares;

- (i) Staff Welfare and Incentive Compensation Plan Fund;
 - (j) Donation Fund;
 - (k) Building Repair Fund;
 - (l) Dana Kebajikan Bersama Fund; and
 - (m) In any other manner as approved by the general meeting in accordance with the provisions of the Act and the By-Laws.
- 8.8.4 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.
- 8.8.5 A member holding bonus certificates shall only entitled to claim payment out of the funds of the Society after 5 years from the date when the bonus certificate was issued. No interest or dividend shall be paid to such bonus certificates.
- 8.8.6 A member holding bonus shares shall only be entitled to claim payment out of the funds of the Society after 10 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.
- 8.8.7 The minimum number of shares prescribed in subsection 4.1.2(a) of the by-laws shall not be withdrawable except on cessation of membership in accordance with subsection 4.6.1 of the by-laws. 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 statement of financial position, whichever is the less.
- 8.8.8 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.
- 8.8.9 All cheques drawn on such accounts shall have a validity period not exceeding 180 days. All cheques shall be signed by 3 out of 4 members of the Board authorized by the Board of Directors of the Society.
- 8.8.10 All cheques drawn for Secured Loans, Unsecured Loans and General Savings withdrawals, 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 members of the Board as assigned by the Board of Directors of the Society. All payments shall be

correctly made and properly authorized in accordance with the direction of the Board.

- 8.8.11 All payments drawn 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.
- 8.8.12 All receipts shall be issued for all moneys paid to the Society. Receipts shall be signed by the General Manager and one other officer authorized by the Board provided that the General Manager may sign receipt for sum of \$300.00 (Dollars Three Hundred).
- 8.8.13 The Society shall as soon as practicable but not later than 6 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.
- 8.8.14 The Board shall from time to time, authorized the maximum amount of cash which may be retained by any officer at any one time.

9. BOOKS, DOCUMENTS AND SEAL OF THE SOCIETY

9.1 The following books and documents shall be ~~kept~~ maintained:

- (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, Written Directions and 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.

- 9.2 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.
- 9.3 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 sealed of the Society. The sealed 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. PATRON, PRESIDENT AND VICE-PRESIDENT

- 10.1 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.
- 10.2 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.

11. GENERAL MATTERS

- 11.1 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.
- 11.2 These By-Laws are supplementary to the provisions of the Act and the Rules. The Society shall be governed by the Act, the Rules, Written Directions, and the By-Laws read together. Nothing in these By-Laws shall have any power to limit the authority of the Registrar.
- 11.3 The By-Laws of the Society, shall, when registered, bind the Society and the members thereof 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.
- 11.4 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.