

BY-LAWS OF SECUREGUARD SECURITY SERVICES CO-OPERATIVE LTD

1. NAME, ADDRESS AND AREA OF OPERATION

- 1.1 The Co-operative shall be called **SECUREGUARD SECURITY SERVICES CO-OPERATIVE LIMITED**.
- 1.2 The Registered address of the Co-operative shall be at 95 Killiney Road, Singapore 239539. Every change of address shall be notified to the Registrar and to any non-member who may be creditors of the Co-operative.
- 1.3 The area of operation of the Co-operative shall be in Singapore.

2. INTERPRETATION

2.1 In this By-law, unless the context otherwise requires:

- (a) "Act" means the Co-operative Societies Act (Cap. 62) or any amendment thereto for the time being in force in Singapore;
- (b) "Manager" means the most senior Executive employed by the Board to run the business of the Co-operative;
- (c) "Board" or "Board of Directors" means the governing body of the Society which is responsible for the management of the affairs of Society;
- (d) "By-laws" means the By-laws of SecureGuard Security Services Co-operative Limited;
- (e) "Central Co-operative Fund" means the fund established under Section 71 of the Act;
- (f) "Co-operative" or "Society" means the SecureGuard Security Services Co-operative Ltd;
- (g) "dividend" means a portion of the net surplus of the Co-operative distributed among the members in proportion to the paid-up share capital and bonus shares held by them in the Cooperative;
- (h) "employee" means a person who is a full-time paid staff of the Co-operative;
- (i) "honorarium" means a portion of the net surplus of the Cooperative distributed among some or all of the members of the Board of Directors in consideration of their services, which would not otherwise be remunerated;
- (j) "allowance" means the remuneration paid to a member of the Board of Directors in consideration of his voluntary services rendered to the Co-operative on a regular basis pursuant to section 65 of the Act;
- (k) "member" means any co-operative society, trade union or person duly admitted to the membership of the Co-operative in accordance with the By-laws;
- (l) "net surplus" means the remaining portion of the surplus after provisions have been made for the Central Cooperative Fund and the Singapore Labour Foundation in accordance with section 71 of the Act;
- (m) "officer" includes a Chairman, Vice-Chairman, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, member of the Board of Directors, Manager, member of any committee constituted under the By-laws, employee, internal auditor, liquidator or any other person empowered under the Act, the Rules or the By-laws to give directives with regards to the business of the Co-operative or to supervise such business;

- (n) "patronage refund" means a portion of the net surplus of the Co-operative distributed among the members in proportion to the volume of business done by them with the Co-operative from which the surplus of the Co-operative was derived;
- (o) "Registrar" means the Registrar of Co-operative Societies and the Assistant Registrars of Co-operative Societies appointed under Section 3 of the Act, and includes a person exercising such powers of the Registrar as may have been conferred upon him under that section;
- (p) "Rules" means the Co-operative Societies Rules or any rules made under the Act for the time being in force in Singapore;
- (q) "surplus" means the economic results of the Co-operative as shown in the audited financial statement of the Co-operative after provisions have been made for depreciation and bad debts;
- (r) Words importing the masculine gender shall include the feminine gender and words importing the singular shall include the plural.

3. OBJECTS OF THE CO-OPERATIVE

3.1 The objects of the Co-operative shall be:

- (a) to promote and carry on the business of a security agency on co-operative basis;
- (b) to promote the economic interest of its members;
- (c) to encourage co-operation, self-help and mutual assistance among its members;
- (d) to promote security awareness among members and the general public;
- (e) to provide gainful employment for suitable retirees, Singapore citizens and permanent residents and other persons;
- (f) to establish and operate such schemes and facilities as may be reasonable and practicable for the conduct of the security agency trade;
- (g) to render services in general demand at competitive prices; and
- (h) to establish and operate, either by itself or in partnership with others, such ventures, schemes or projects of consumer goods and services on a co-operative basis.

3.2 In furtherance of its objects, the Co-operative shall be at liberty:

- (a) to enter into contracts with members and non-members for the purchase, produce, manufacture, processing, packaging, storage, packing, transportation, display, distribution or sale of security equipment and services and to arrange for the registration, grant or use of any trade mark, patent right, licence or permit in relation thereto;
- (b) to appoint or to act as representatives and agents for the purpose of carrying on the business of the Co-operative;
- (c) to invest the funds of the Co-operative in accordance with section 69 of the Act; ;
- (d) to raise funds by obtaining loans from the members and non-members subject to the Act and the By-laws;
- (e) to purchase, lease, rent, hold, hire, develop, mortgage, sell or otherwise acquire, deal with or dispose of such moveable or immovable properties or any portion thereof as may be required for use as shops, offices or for any other purposes of the Cooperative for the conduct of its business and the welfare of the co-operative movement;

- (f) to join the Consumers' Association of Singapore;
- (g) to frame administrative policies and rules and such other regulations as may be required for the proper conduct of the Co-operative's business; and
- (h) to do all other things as may be necessary, incidental or conducive to the attainment of any of the Co-operative subject to the prior approval of the Registrar.

4. MEMBERSHIP

4.1 Membership of the Co-operative shall comprise:

- (a) a Founder Member, which shall be TCC Credit Co-operative Ltd. (TCC);
- (b) Institutional Members, which shall be co-operative societies or trade unions; and
- (c) Personal Members, who are:
 - (i) members of TCC;
 - (ii) 16 years of age or above;
 - (iii) citizens of or residents in Singapore;
 - (iv) of good character;
 - (v) not legally or mentally disabled;
 - (vi) not undischarged bankrupts; and
 - (vii) not convicted of an offence punishable with imprisonment.

4.2 Application for membership shall be submitted on a form prescribed by the Board and shall be accompanied by the payment of shares and entrance fee specified in By-law 7.3 and 7.4, provided that such payment shall be refunded where the application for membership has been rejected. Every application for membership shall be proposed by one member and seconded by another member except the first 10 applications for Institutional or Personal Membership shall be proposed by the Founder Member. Every subsequent application shall be proposed and seconded by another member of the same category except that every application for Institutional Membership shall not be valid without the endorsement of the Founder Member.

4.3 The Board shall have the power to approve or reject any application without assigning any reason thereof provided that an applicant so rejected may appeal in writing to a general meeting of the Co-operative.

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

4.5 The election or rejection of any application shall be notified to such applicant without delay.

4.6.1 Every member who has been admitted to the membership of the Co-operative shall on payment of the entrance fee and the required shares, be deemed to have acquired all the rights, duties and liabilities of a member of the Co-operative as laid down in the By-laws.

4.6.2 Every member shall, unless otherwise disqualified under the Act or the By-laws, have the right to:

- (a) avail himself of all services of the Co-operative;
- (b) participate at a general meeting; and
- (c) enjoy all other rights provided under the By-laws.

- 4.7 Every member shall, on admission, be provided with 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.
- 4.8 Statement of Accounts shall be sent to every member at least once a year.
- 4.9 Every Personal Member may, in writing nominate one or more persons in the presence of at least two witnesses to whom sums due to him shall be paid on his death.
- 4.10 Every member shall keep the Secretary informed of any change of his address. All notices posted or sent to his last known address shall be deemed to be duly served.
- 4.11 The liability of a member, present or past, of the Co-operative shall not exceed the nominal value of the shares held or subscribed by him and the nominal value of the bonus certificates or bonus shares held by him. The liability of a past member for the debts of the Co-operative 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 reckoned from that date.
- 4.12 Membership shall cease by:
- (a) resignation subject to By-law 4.13;
 - (b) insanity;
 - (c) permanent removal of residence beyond Singapore;
 - (d) expulsion subject to By-law 4.14;
 - (e) conviction of an offence punishable with imprisonment;
 - (f) bankruptcy;
 - (g) termination of employment unless approved by the Board of Directors;
 - (h) death or deregistration, as the case may be.
- 4.13 Any member who is not liable to the Co-operative may resign from the Co-operative on giving six months' notice of resignation in writing. The Board may accept a shorter notice of resignation. The effective date of cessation of membership by resignation shall be upon expiry of six months' notice or such shorter period accepted by the Board, as the case may be. During the period of notice, such member shall not be eligible to vote or to incur fresh liabilities with the Co-operative.
- 4.14 If any member contravenes any provisions of the Act, the Rules or these By-laws or acts in any way detrimental to the interests of the Co-operative, he may be expelled by the Board provided that he is given a reasonable opportunity to show cause as to why he should not be expelled. An expelled member may, however, appeal in writing to the next general meeting, which may reverse the decision of the Board of not less than two-thirds of the members present and voting so decide,

5. GENERAL MEETING

- 5.1 The supreme authority of the Co-operative shall be vested in the general meeting of members.
- 5.2 There shall be two types of general meetings, Annual General Meeting (AGM) and Extra-Ordinary General Meeting (EOGM).
- 5.3 Annual General Meeting shall be convened by the Board and shall be held as soon as practicable, but not less than six months after the end financial year, unless the approval of the Registrar has, within the said period of six months, been obtained to extend that period.

- 5.4 An Extra-ordinary General Meeting shall be convened by the Board whenever it thinks fit, or on receipt of a requisition for such a meeting signed by at least 20% or 60 personal members and delegates of the Co-operative, whichever is the less, stating the objects of the meeting.
- 5.5 If the Board fails to convene a meeting in accordance with By-law 5.4 within one month of receiving the requisition for the meeting, the members making the requisition shall have the power to convene the meeting themselves by notice to all members of the Co-operative stating the objects of the meeting and the fact the Board failed to convene the meeting.
- 5.6 The Registrar or his representatives may at any time convene a Special General Meeting and may also direct what matters shall be discussed at the meeting.
- 5.7 Notice of every general meeting shall be sent to each member entitled to attend the meeting at least seven clear days and in the case of a proposed amendment to the By-laws at least fifteen clear days, prior to the date of the general 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 such general meeting.
- 5.8 The functions of the General Meeting of the Co-operative are:
- (a) to consider and confirm the minutes of the last Annual General Meeting and any other intervening general meetings;
 - (b) to consider the auditors' report, the reports of the Board and any reports made by the Registrar or his representatives;
 - (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 adopt any amendments to the By-laws;
 - (f) to elect or remove members of the Board;
 - (g) to elect internal auditors;
 - (h) to appoint the external auditors of the Co-operative;
 - (i) to authorise the payment of allowance or honorarium and provision of other benefits subject to By-law 6.23;
 - (j) to consider and determine the maximum amount the Cooperative may borrow subject to the provisions of the Act and By-law 8.11;
 - (k) to write-off bad debts; and
 - (l) to transact any other general business of the Cooperative of which due notice has been given to the members.
- 5.9.1 No business shall be transacted at any general meeting unless a quorum of personal members and delegates is present. The quorum of all general meetings shall be 20% or thirty (30) of personal members and delegates qualified to vote whichever is the lesser.
- 5.9.2 If a quorum is not present within 30 minutes after the time fixed for a general meeting, the personal members and delegates present shall form a quorum, except that a general meeting with such reduced quorum shall not have the power to amend the By-laws and that any resolution passed at the meeting shall not be valid unless it is passed with a majority of two-thirds of the personal members and delegates present.
- 5.9.3 Except as otherwise provided in the Act or in these By-laws a question referred to the personal members and delegates present at a general meeting shall be decided by a majority of votes. In case of an equality of votes the motion shall be held to be lost. The Chairman shall have no casting

votes. In the case of election or removal of officers, voting shall be by secret ballot.

- 5.9.4 The Founder Member shall be represented by a maximum of eight delegates. Each delegate shall be entitled to exercise, at a general meeting, such number of votes corresponding to the total number of shares held by the Founder Member divided by the number of delegates attending such general meeting.
- 5.9.5 Each Institutional Member shall be represented by one delegate and shall be entitled to exercise on behalf of the Cooperative or trade union he represents 1 vote for each 1,000 shares or part thereof contributed to the share capital of his cooperative society or trade union.
- 5.9.6 Personal Members shall have one vote each.
- 5.9.7 Where it is provided in the Act or in the By-laws that a resolution shall be passed by not less than a prescribed majority of the members present and voting at a general meeting, the resolution shall be deemed to be passed if not less than the prescribed majority of the total number of votes are cast in favour of the resolution.
- 5.9.8 In the case of an amendment to the By-laws, a resolution to amend the By-laws shall be passed either:-
- (a) by not less than three-quarters of the total number of votes at the disposal of the personal members and delegates 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 the members of the Co-operative and that the number of returned votes is not less than one-third of the total membership or five hundred, whichever is less and the returned votes are examined and counted under the supervision of the Registrar.
- 5.9.9 No By-law or amendment to a By-law of the Co-operative shall be valid until it has been registered by the Registrar. A member of the Co-operative shall not without his consent, in writing having been first obtained, be bound by any amendment of the By-laws registered after he became a member, if and so far as that amendment requires him to take or to subscribe for more shares than the number held by him at the date of registration of the amendment, or to pay upon the shares so held any sum exceeding the amount unpaid upon him at that date or in any way increases his liability to contribute to the share capital of the Co-operative.
- 5.9.10 Minutes of the general meeting shall be entered into the minute book and shall contain:-
- (a) the number of members present at the meeting and the name of the Chairman who presided;
 - (b) the time the meeting commenced and ended; and
 - (c) all resolutions and decisions made at the meeting.
- 5.9.11 The minutes of each meeting shall be read or shall be taken as read if previously circulated at the next meeting and, if confirmed or after an amendment, signed by the Chairman of the meeting and the Secretary and when so signed shall be evidence of anything contained therein.

6. BOARD OF DIRECTORS

- 6.1 The control of the affairs of the Co-operative shall be entrusted to a Board of Directors consisting of not less than eight members and not more than 12 members.
- 6.2 Each Founder Member shall have the right to nominate not less than four members and not more than eight members to stand for election to the Board of Directors.
- 6.3 Institutional Members shall collectively have the right to nominate not more than two members from among their delegates to stand for election to the Board of Directors.

- 6.4 Personal Members shall collectively have the right to nominate one member and not more than two members from among themselves to stand for election to the Board of Directors.
- 6.5 Each member of the Board of Directors shall hold office for a term expiring at the end of the third Annual General Meeting thereafter and shall be eligible for re-election. Any member of the Board who ceases to be a delegate of the Founder or Institutional Member he represents may, with the approval of the Board, continue to hold office until the next election to the Board, unless decided otherwise by the Founder or Institutional Member of which he was a delegate.
- 6.6.1 No person shall be eligible for membership of the Board of Directors of the Co-operative or remain a member of the Board if:-
- (a) he is under twenty-one years of age;
 - (b) (i) he is not a citizen of Singapore; or
(ii) he is not resident in Singapore, subject to section 60(2) of the Act
except with the approval of the Registrar;
 - (c) he is an undischarged bankrupt;
 - (d) he has been convicted of an offence involving fraud or dishonesty subject to By-law 6.6.2;
 - (e) he has been convicted of an offence under the Act;
 - (f) he has been dismissed as an employee of a co-operative society;
 - (g) he has been found to have previously misused or mismanaged funds of a co-operative society; or
 - (h) he becomes ineligible under any of the By-laws of the Co-operative.
- 6.6.2 A person who is not eligible for membership of the Board or remain a member of the Board under By-law 6.6.1(d), shall not be eligible for membership of the Board or remain a member of the Board for the following periods except with the written approval of the Registrar:
- (a) where he has been sentenced to imprisonment in respect of the offence, for a period commencing from the date of his conviction until 5 years after his release from prison; or
 - (b) where he has not been sentenced to imprisonment in respect of the offence, for a period of 5 years commencing from the date of his conviction or such shorter period with the leave of the High Court.
- 6.7 A member of the Board shall cease to hold office if:-
- (a) he becomes ineligible for membership in accordance with By-law 4.12 ;
 - (b) he passes away;
 - (c) he becomes legally or mentally unsound;
 - (d) he gives notice of resignation to the Board;
 - (e) he is removed by a general meeting, in the case of an elected member or by a Founder Member in the case of an appointed member;
 - (f) he fails to be present at three consecutive meetings of the Board without satisfactory reasons acceptable to the Board; or
 - (g) he ceases to be a member of the Institutional Member, in the case of an Institutional Member's delegate elected to the Board under By-law 6.3 subject to By-law 6.5.

- 6.8 A member of the Board who resigns under the By-law 6.7 (d) shall not be eligible for election to the Board until after an interval of not less than one year.
- 6.9 An elected member of the Board who ceases to be a member under By-law 6.7 (e) and (f) shall not be eligible for election until after an interval of not less than two years.
- 6.10 If, during the term of office of the Board, a vacancy occurs in the Board, the Board may, and if the number of members falls below eight, shall, co-opt a member of the Co-operative to serve on the Board until the next general meeting of the Co-operative. Co-option of a member nominated by the Founder Member, Institutional Members or Personal Members can only be filled by the same class or member.
- 6.11 The Board of Directors shall, immediately after their election and in any case not later than seven days from the date of the general meeting, meet and elect from among themselves, a Chairman and a Vice-Chairman an Honorary Secretary, an Honorary Treasurer and such other officers as it deems fit. The office of Secretary and Treasurer may be held by the same person.
- 6.12 The Board shall have the power to appoint Committees or Sub-Committees from among themselves or the employees or the delegates of the Institutional Members or the Personal Members of the Co-operative to be in charge of the daily efficient functioning of the Co-operative or for any other purpose which it may deem fit.
- 6.13 The Board of Directors shall represent the Co-operative before all competent public authorities and in all dealings and transactions with the third persons, with power to institute or defend suits brought in the name of or against the Co-operative and in general, direct and supervise the business and property of the Co-operative, and shall exercise all necessary powers to ensure the full and proper administration and management of the affairs of the Co-operative, except those powers reserved for the general meeting of the members and subject to any restrictions duly laid down in a general meeting or in the By-laws.
- 6.14 Without limiting the generality of By-law 6.13, the duties and powers of the Board of Directors are:-
- (a) to consider and approve or reject applications for membership of the Co-operative;
 - (b) to consider and approve or reject applications for additional shares in the Co-operative;
 - (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 Co-operative, in its operation and financial conditions;
 - (d) to appoint Committees and Sub-Committees;
 - (e) to keep members informed of the progress of the Co-operative and encourage interest and a sense of ownership on the part of the members;
 - (f) to present to the Annual General Meeting of the Co-operative an annual report on the activities of the Co-operative during the preceding financial year, together with the audited financial statements of the Co-operative and the auditor's report for the year;
 - (g) to prepare and present to the Annual General Meeting of the Co-operative, 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 during the preceding financial year with such recommendations as they deem necessary to maintain or improve the services provided by the Cooperative to its members;
 - (i) to consider and take immediate action on matters reported by the Registrar or the auditors;
 - (j) to exercise any or all of the powers conferred in the By-laws;
 - (k) 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; and

- (l) to carry on the business of the Co-operative generally and to frame rules for the conduct of such business as may be necessary.
- 6.15 A full and correct record shall be kept of all proceedings of the Board in carrying out their duties, and the records shall be available for inspection by the Registrar and by the auditor.
- 6.16 The Board may appoint, on such terms and conditions as it thinks fit, a manager to administer and manage the affairs of the Co-operative and may employ such other persons as it considers necessary to assist the Manager in the discharge of his duties. Where a full-time Manager is appointed, all or any of the duties of the Secretary and Treasurer may be delegated to such Manager. Where all duties of the Secretary and Treasurer are so delegated the Co-operative may operate without electing a Secretary or Treasurer, or both.
- 6.17 The Board shall meet as often as the business of the Co-operative may require and in any case not less frequently than once in every three months. Notice of every meeting of the Committee shall be sent to each member of the Committee at least 7 clear days prior to the date of the meeting.
- 6.18 The quorum for meeting of the Board shall be half of the number of its members. Decisions shall be taken on a simple majority of votes. The Chairman shall have no casting vote. No members of the Board shall vote on any matter in which he is individually interested.
- 6.19 Minutes of the Board Meeting shall be recorded by the Secretary in the minute book and shall include:-
- (a) the number and names of those present;
 - (b) the name of the Chairman of the meeting; and
 - (c) a brief record of the business done and the decisions taken including whether each decision was taken unanimously or by a majority.
- 6.20 In the conduct of the affairs of the Co-operative, a member of the Board shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office.
- 6.21 Where the Board has appointed a person as a manager or a Committee or Sub-Committee to administer and manage the affairs of the Co-operative, such appointment shall not absolve the Board from its responsibility for the proper direction of the affairs of the Co-operative.
- 6.22.1 A member of the Board who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the Co-operative shall as soon as practicable after the relevant facts have come to his knowledge declare the nature and extent of his interest at a meeting of the Board.
- 6.22.2 A 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 fact and nature, character and extent of the conflict. The declaration shall be made:
- (a) after he becomes a member of the Board; or
 - (b) if he is already a member of the Board, then after he commenced to hold office or to possess the property,
- as the case requires.
- 6.22.3. The Secretary shall record every declaration made pursuant to By-laws 6.22.1 and 6.22.2 in the minutes of the meeting at which the declaration was made.
- 6.23 A member of the Board, who is not an employee of the Co-operative, may receive an honorarium or allowance (but not both) and other benefits from the Co-operative, provided that the payment of an honorarium or allowance and the provision of any such benefits are authorised by a resolution to that effect passed by a general meeting of the Co-operative.

- 6.24 The duties of the Chairman shall include the following: -
- (a) to preside at all general meetings of the Co-operative and all meeting of the Board;
 - (b) to sign the minutes of all meetings, at which such minutes are confirmed in token of their correctness;
 - (c) to exercise general supervision over the officers and employees of the Co-operative;
 - (d) to represent the Co-operative on any co-operative organisation or for any purpose as the Board may decide;
 - (e) to certify or sign appropriate documents, returns and statements required under the Act, the Rules, the By-laws or the directions of the Board;
 - (f) to serve on appropriate Committees or Sub-Committees constituted by the Board; and
 - (g) to perform such other duties specified in these By-laws or entrusted to him by the Board.
- 6.25. In the absence of the Chairman, his duties shall be carried out by the Vice-Chairman or in the absence of both the Chairman and the Vice-Chairman, by any other person elected by a majority of those present at the meeting.
- 6.26 The duties of the Secretary shall include the following: -
- (a) to maintain, correctly and up-to-date, all records, papers and registers of the Co-operative;
 - (b) to keep an inventory of the property belonging to the Co-operative;
 - (c) to sign on behalf of the Board and conduct its correspondence;
 - (d) to summon and attend the general meetings and meetings of the Board and to record the proceedings of such meetings in the minute book;
 - (e) to have custody of the common seal of the Co-operative;
 - (f) to submit all minutes of meetings and such information, returns and statements required under the Act or called for by the Registrar within the prescribed period; and
 - (g) to conduct the ordinary business of the Co-operative and perform all the duties entrusted to him by the Board or specified in these By-laws.
- 6.27 The duties of the Treasurer shall include the following:-
- (a) to take charge of all financial transactions of the Co-operative including all monies received by the Co-operative from a bank, members or others and to make disbursements in accordance with the directions of the Board;
 - (b) to prepare or caused to be prepared all receipts, vouchers, financial statements and documents required by the By-laws or called for by the Board;
 - (c) to be responsible for the proper and punctual keeping of all accounts and books of accounts of the Co-operative; and
 - (d) to perform all duties entrusted to him by the Board or specified in these By-laws.
- 6.28 The duties of the Manager shall include the following:-
- (a) to manage the business and property of the Co-operative;
 - (b) to attend all meetings of the Co-operative and of the Board and to carry out all the instructions of the Board;

- (c) to record or cause to be recorded the whole of the transactions of the Co-operative in the books prescribed for that purpose, and
- (d) to perform all or any duties of the Secretary or Treasurer as may be entrusted to him by the Board.

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

7. FUNDS OF THE CO-OPERATIVE

7.1 The funds of the Co-operative shall consist of:-

- (a) Share Capital, Bonus Certificates and Bonus Shares;
- (b) General Reserve Fund;
- (c) Common Good Fund; and
- (d) Donations made by third persons except that no donations from any foreign source, whether offered directly or otherwise, shall be received by the Co-operative without prior approval of the Registrar.

7.2 The funds of the Co-operative may be invested without seeking the Registrar's approval subject to section 69 of the Act.

7.3 The authorised share capital of the Co-operative shall be \$5,000,000 which shall be divided into 5,000,000 shares of the value of \$1/- each. Each Founder Member shall hold at least 10,000 shares with no maximum. Every Institutional Member shall hold at least 1,000 shares subject to a maximum of 100,000 shares. Each Personal Member shall hold 50 shares subject to a maximum of 5,000 shares. Each member may hold shares subject to a maximum of one-fifth of the paid-up share capital of the Co-operative.

7.4 The entrance fee shall be \$10/- or such other amount as the Board may determine from time to time. Entrance fee shall be treated as income for the purpose of determining the surplus of the Co-operative.

7.5 The General Reserve Fund of the Co-operative shall be kept in the form of liquid assets. The Co-operative shall pay into the General Reserve Fund such portion of its net surplus as the Board may determine from time to time.

7.5.1 The General Reserve Fund shall be indivisible and no member shall be entitled to claim a specific share of it. The General Reserve Fund shall be used:-

- (a) to meet unforeseen losses; and
- (b) to provide a margin beyond the liabilities of the Co-operative so as to ensure its liabilities in full in the event of dissolution.

7.6 The Co-operative shall pay into the Common Good Fund such portion of its net surplus as the Board may decide from time to time. Donations subject to By-law 7.1 (d) may be accepted to the Common Good Fund.

8. FINANCIAL MATTERS

8.1 The financial year of the Co-operative shall begin on 1st January and end on 31st December.

8.2 At the close of each financial year, an amount of not less than 5% of the first \$500,000 of the surplus shall be contributed to the Central Co-operative Fund and 20% of any surplus in excess of \$500,000 shall be contributed to the Central Co-operative Fund or the Singapore Labour Foundation as the Co-operative may opt under section 71(2)(b) of the Act.

- 8.3 The remainder of the surplus of the Co-operative may be distributed in one or more of the following ways at the discretion of the general meeting:-
- (a) by payment of a dividend not exceeding ten percent pro rata on the amount of shares or bonus shares held by members as at the end of the financial year for which the net surplus is distributed;
 - (b) by payment of a rebate or patronage fund to members in proportion to the volume of the business done by them with the Co-operative from which the surplus of the Co-operative was derived;
 - (c) by payment of an honorarium 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 Bylaw 6.23;
 - (d) by a contribution not exceeding ten percent of the net surplus to the Common Good Fund;
 - (e) by contribution not exceeding ten percent of the net surplus to a charitable purpose;
 - (f) by payment of bonus certificates or bonus shares;
 - (g) by further contribution to the General Reserve Fund or the Central Co-operative Fund; and
 - (h) in any other manner as approved by the general meeting in accordance with the provisions of the Act and these By-laws.
- 8.4 A member whose name appeared in the books of the Co-operative on the last day of the financial year shall be eligible to draw a dividend on shares when declared subject always to the restrictions imposed in these By-laws. Dividend, if unclaimed, shall be credited to the Dividend Unclaimed Account of the members.
- 8.5 A member holding bonus certificate shall only be entitled to claim payment out of the funds of the Co-operative after five years from the date when the bonus certificates were issued. No interest or dividend shall be paid on such bonus certificates.
- 8.6 A member holding bonus shares shall be entitled to claim payment out of the funds of the Co-operative after ten years from the date when the bonus shares were issued. A member or past member shall be eligible to draw dividend on bonus shares when declared.
- 8.7 The minimum number of shares prescribed in By-law 7.3 shall not be withdrawable except on cessation of membership in accordance with By-law 4.12. Shares in excess of the prescribed minimum may be withdrawable and transferable, subject to the provisions of the Act and any limitations laid down in the By-laws. The value of the shares withdrawn shall not exceed the nominal value of the shares or the book value as shown in the last audited balance sheet, whichever is the less.
- 8.8 The Board of Directors shall open or cause to be opened in the name of the Co-operative such account with any bank registered under the Banking Act to which all monies received shall be deposited.
- 8.9 All cheques drawn on such accounts shall be signed by at least two officers authorised by the board. All cheques drawn on such account shall have a validity not exceeding 180 days. All payments shall be correctly made and properly authorised in accordance with the direction of the Board.
- 8.10 Receipts shall be issued for all moneys paid to the Co-operative. All receipts shall be signed by any person authorised by the Board.
- 8.11 The Co-operative shall have the power to borrow money to be used in its business from members and non-members provided that the Co-operative shall determine from time to time at a general meeting the maximum liability which it may incur in loans from members and non-members. The Co-operative shall obtain approval from the Registrar on the maximum liability which it may incur in loans from non-members

- 8.12 The Co-operative shall as soon as practicable but not later than six months after the close of the financial year submit to the Registrar one copy of the audited financial statements of the Co-operative and the audit report for the year.
- 8.13 The Board, shall from time to time authorise the maximum amount of cash which may be retained by any officer at any time.

9. BOOKS, DOCUMENTS AND SEAL OF THE CO-OPERATIVE

- 9.1 The following books and documents shall be kept:-
- (a) Register of members and their nominees;
 - (b) Cash Books;
 - (c) Journals and Ledgers;
 - (d) Inventory of Co-operative's Assets;
 - (e) Sales Book;
 - (f) Purchase Book;
 - (g) Register of Members' Liabilities;
 - (h) Minutes Book;
 - (i) Copy of Act, the Rules and By-laws;
 - (j) Administrative Policies and Rules governing the different funds of the Co-operative; and
 - (k) any other books and documents that may be found necessary or prescribed by the Registrar.
- 9.2 The Co-operative shall keep a copy of the Act, the Rules, the By-laws and a list of members of the Co-operative open to inspection by its members free of charge, at all reasonable times at the registered address of the Co-operative.
- 9.3 The Co-operative shall have its own common seal of a design approved by the Board. All bonds, contracts and important documents shall be sealed with the Seal of the Co-operative. The Seal shall not be affixed to any document except with the authority of the Board and such sealing shall be done in the presence of at least three officers authorised by the Board, who shall affix their signatures to every document so sealed.

10. THE AUDITORS

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

(c) such other matters arising from the audit as he considers should be reported.

10.3 The external auditor shall state in his report whether:-

(a) proper accounting and other records have been kept;

(b) the receipt, expenditure and investment of monies and the acquisitions and disposal of assets by the Co-operative during the year have been in accordance with the Act, Rules and these By-laws.

10.4 The external auditor may at any time report to the Registrar and the Co-operative upon any matters arising out of the performance of the audit.

10.5 The audit of the accounts shall include an examination of and report on over due debts, if any, and an examination of and report on the valuation of the assets and liabilities of the Co-operative.

10.6 An external auditor shall have the powers prescribed under the Act. The appointment of the External Auditor shall not exceed 5 consecutive years.

10.7 Subject to By-law 10.9, two internal auditors shall be elected yearly by and from among members at the Annual General Meeting of the Co-operative. Internal auditors shall inspect, examine or audit the books of the Co-operative monthly and shall sign them if correct and if they are found to be incorrect to report to the Chairman.

10.8 An internal auditor may be paid an allowance by the Co-operative for the performance of his duties provided that the payment has to be authorised by a resolution to that effect passed by a general meeting of the Co-operative. An internal auditor shall not be eligible to receive an honorarium.

10.9 The Board may recommend to the general meeting the appointment of any organisation or firm as internal auditors. If approved by the general meeting the election of the two internal auditors as stipulated in these By-laws shall be dispensed with.

11. PRESIDENT AND VICE-PRESIDENT

11.1 The Board may invite one or more reputable citizens to fill the position of the President and Vice-President of the Co-operative. They shall be honorary members of the Co-operative and shall advise the Board on its general administration. They shall have a right to attend all meetings of the Co-operative and the Board but shall have no financial responsibility or liability in respect of debts of the Co-operative. The President shall preside at all meetings of the Co-operative when present. In his absence, the Vice-President shall preside when present.

12. GENERAL

12.1 Disputes concerning requirements of the Act relating to the constitution, election of officers or conduct of general meetings may be referred to the Registrar in the manner provided in the Act.

12.2 These By-laws are supplementary to the provisions of the Act and Rules. The Co-operative shall be governed by the Act, the Rules and the By-laws read together. Nothing in these By-laws shall have any power to limit the authority of the Registrar.

12.3 The By-laws of the Co-operative shall when registered bind the Co-operative and the members thereof to the same extent as if they were signed by each member and contain covenants on the part of each member for himself and his personal representatives to observe all provisions of the By-laws.

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