

BY-LAWS OF THE METHODIST CO-OPERATIVE SOCIETY LIMITED

(26 January 2013)

1 Name, Address and Area of Operation

- 1.1 The Society shall be called the Methodist Co-operative Society Limited.
- 1.2 The registered address of the Society shall be at No. 496 Upper Bukit Timah Road #04-21, John Wesley Centre, Singapore 678099. Every change of address shall be notified to the Registrar and to any non-members who may be creditors of the Society.
- 1.3 The area of operation of the Society shall be in Singapore.

2 Interpretation

2.1 In the By-laws, unless the context otherwise requires:

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

- (m) “patronage refund” means a portion of the net 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;
- (n) “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;
- (o) “Rules” means the Co-operative Societies Rules or any rule made under the Act for the time being in force in Singapore;
- (p) “Society” means the Methodist Co-operative Society Limited;
- (q) “surplus” means the economic results of the Society as shown in its audited financial statements 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

3.1 The objects of the Society shall be:

- (a) to promote the economic interest of the members in accordance with co-operative principles;
- (b) to encourage co-operation, self-help and mutual assistance amongst its members;
- (c) to develop, provide or procure childcare, educational, legal, medical, welfare, recreational, housing and transport services for the benefit of its members;
- (d) to promote the buying and selling of consumer and medical goods and services on a co-operative basis;
- (e) to promote healthy, wholesome and simple lifestyles;
- (f) to establish and operate such co-operative schemes, ventures and projects.

3.2 In furtherance of the above objects, the Society shall be at liberty to:

- (a) enter into contracts with members and non-members for the purchase, production, manufacture, processing, packaging, storage, packing, transportation, display, distribution and sale of consumer and medical goods and services;
- (b) arrange for the registration, grant or use of any copyright, trade or service mark, patent, registered design or other intellectual property or other right, license or permit;
- (c) appoint or to act as representatives and agents for the purpose of carrying on the business of the Society;
- (d) invest the funds of the Society in accordance with section 69 of the Act;
- (e) raise funds by obtaining loans from the members and non-members subject to the Act and the By-laws;

- (f) purchase, lease, rent, license, hire, hold, develop, mortgage, sell, acquire, pledge, encumber, dispose of or otherwise deal in any way with such movable or immovable properties of any nature or any interest therein as may be required for any of the purposes of the Society;
- (g) participate in such activities of any organizations in furtherance of the objects of the society as the Board may deem appropriate;
- (h) frame administrative policy and rules and such other regulations as may be required for the proper conduct of the Society's business;
- (i) utilize and apply any of the Society's funds in furtherance of any of the above objects and/or in the exercise of the above powers of the Society; and
- (j) do all other things as may be necessary, incidental or conducive to the attainment of any of the objects of the Society.

4 MEMBERSHIP

4.1 Membership of the Society shall consist of:

4.1.1 Ordinary Members whose names appear on a Methodist church roll; and

4.1.2 Associate Members who shall be non-Methodist Christians who subscribe to the objectives of the Society and enjoy only rights and benefits as the Board may from time to time allow.

4.2 Individuals applying for membership shall:

- (a) be 16 years of age or above;
- (b) be citizens of or residents in Singapore;
- (c) be in the opinion of the Board of good character;
- (d) not be legally or mentally disabled;
- (e) not be undischarged bankrupts; and
- (f) not have a conviction standing against him for an offence punishable with imprisonment.

4.3 Application for membership shall be submitted on a form prescribed by the Board and shall be accompanied by the purchase of shares and payment of entrance fee specified in By-laws 7.2 and 7.3. Such payment shall be refunded where an application for membership has been rejected. Every application for membership shall be proposed by one member and seconded by another member.

4.4 The Board shall have 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 Society.

4.5 Upon such appeal being made, the appeal shall be raised at the next general meeting of the Society (without any obligation on the part of the Society to call a meeting specifically to consider the appeal). At such general meeting, the Board shall give its reasons for its decision to reject such application to the members thereat. Thereafter, the general meeting shall vote on whether to reverse the Board's decision. The resolution to reverse the Board's decision must be approved by a majority of two-thirds of the members present and voting at the general meeting.

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

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

- 4.8 Every member shall, on admission, be provided 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.
- 4.9 Statement of Accounts shall be sent to every member at least once a year.
- 4.10 Every member may in writing nominate one person in the presence of at least two witnesses, to whom his share, interest and all other sums due to him shall be paid on his death.
- 4.11 Every member shall keep the Secretary informed of any change of his address. All notices and correspondence posted to his last address on the Society's records by ordinary post shall be deemed to have been duly served on him in the ordinary course of posting.
- 4.12 Only ordinary members shall, unless otherwise disqualified under the Act, the Rules or the By-laws, have the right to:
- (a) exercise only one vote in person and not by proxy, irrespective of the number of shares held by him;
 - (b) stand for election to office on the Board;
 - (c) be co-opted to hold office in the Society;
 - (d) participate and vote at a general meeting; and
 - (e) enjoy all other rights provided under the By-laws.
- 4.13 The liability of a member, present or past, shall not exceed the nominal value of the shares held or subscribed by him and the nominal value of any bonus certificates or bonus shares held by him. The liability of a past member for the debts of the Society 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.
- 4.14 Membership shall cease by:
- (a) resignation subject to By-law 4.15;
 - (b) insanity;
 - (c) permanent removal of residence beyond Singapore;
 - (d) expulsion subject to By-law 4.16;
 - (e) conviction of an offence punishable with imprisonment;
 - (f) bankruptcy;
 - (g) death; or
 - (h) disqualification under the provisions of By-law 4.1.
- 4.15 Any member who is not liable to the Society may resign from the Society on giving three months' notice of resignation in writing. The Board may accept a shorter period of notice of resignation at its discretion. The effective date of cessation of membership by resignation shall be upon the expiry of the relevant notice period. During the period of notice, such member shall not be eligible to vote or to incur fresh liabilities to the Society.
- 4.16 A member who contravenes any of the provisions of the Act, the Rules or the By-laws or acts in any way detrimental to the interests of the Society 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 appeal in writing to the general meeting of the Society. Upon such appeal being made, the appeal shall be raised at the next general meeting of the Society without any obligation on the part of the Society to call a meeting to consider the appeal. At such general meeting, the Board shall give its reasons for its decision to expel such member to the members thereat. Thereafter, the general meeting shall vote on whether to reverse the Board's decision. The resolution to reverse the Board's decision must be approved by a majority of two-thirds of the members present and voting at the general meeting.

5 GENERAL MEETING

- 5.1 The supreme authority of the Society shall be vested in the general meeting of members. The general meeting may give directions to the Board in respect of the conduct of the Society's business or the exercise of the Board's discretion hereunder and the Board shall be bound to comply therewith.
- 5.2 There shall be 2 types of general meetings, Annual General Meeting and Extraordinary General Meeting.
- 5.3 Annual General Meeting shall be convened by the Board and shall be held as soon as practicable but not later than 6 months after the end of the financial year, unless the approval of the Registrar has, within the said period of 6 months, been obtained to extend that period.
- 5.4 An Extraordinary 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 60 members or 20% of the total membership, 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 power to convene the meeting themselves by notice to all members of the Society entitled to attend the meeting stating the objects of the meeting and the fact that the Board has failed to convene the meeting.
- 5.6 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.
- 5.7 Notice of every general meeting shall be sent to each member entitled to attend the meeting and to the Registrar at least 7 clear days and, in the case of a proposed amendment to the By-laws, at least 15 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 Annual General Meeting shall be:
- (a) to confirm the minutes of the last Annual General Meeting and any other intervening general meeting;
 - (b) to consider the Auditor's report, the reports of the Board and any report made by the Registrar or his representative;
 - (c) to approve the audited 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 external auditors;
 - (i) to authorize the payment of allowance and honorarium to members of the Board subject to By-law 6.24;

- (j) to consider and determine the maximum amount the Society may borrow, subject to the provisions of the Act, the Rules and the By-laws;
 - (k) to write off bad debts; and
 - (l) to transact any other general business of the Society 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 members is present. The quorum necessary for such transaction shall be 20% of all members qualified to vote or 30 such members, whichever is less.
- 5.9.2 If a quorum is not present within 30 minutes after the time fixed for a general meeting, the members present shall form a quorum, except that a general meeting with such reduced quorum shall not have the power to amend the By-laws and that any resolution passed at the meeting shall not be valid unless it is passed with a majority of two-thirds of the members present.
- 5.10.1 Except as otherwise provided in the Act, the Rules or in the By-laws, a question referred to the members present at a general meeting shall be decided by a majority of votes of the members present and voting. In the case of an equality of votes, the motion shall be held to be lost. The Chairman shall have no casting vote. In the case of election or removal of officers, voting shall be by secret ballot.
- 5.10.2 In the case of amendment of the By-laws, any resolution to amend the By-laws shall be passed either:
- (a) by not less than three-quarters of the total number of votes at the disposal of the members present and voting at a general meeting duly summoned; or
 - (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 in accordance with By-law 4.11 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.
- 5.10.3 No By-law or amendment to any By-law shall be valid until it has been approved by the General Meeting and has been registered by the Registrar. A member of the Society 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 by any sum exceeding the amount unpaid upon them at the date, or in any way increases his liability to contribute to the share capital of the Society.
- 5.11.1 Minutes of the general meeting shall be entered in the minutes book and shall contain:
- (a) the number of members present at the meeting and the name of the Chairman who presided;
 - (b) the time the meeting commenced and ended; and
 - (c) all resolutions and decisions made at the meeting.
- 5.11.2 The minutes of each meeting shall be read or shall be taken as read if previously circulated, at the next meeting and shall, if confirmed or after amendment, be signed by the Chairman of that 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 Society shall be entrusted to a Board of Directors consisting of 12 members.
- 6.2 All members of the Board of Directors shall be elected at the Annual General Meeting of the Society for a term of three years and shall hold office from the date of such Annual General Meeting. Retiring Directors shall be eligible for re-election unless otherwise restricted in the Act, Rules or By-laws.
- 6.3 No member shall be eligible for membership of the Board of Directors or to remain a member of the Board if:
- (a) he is under 21 years of age;
 - (b) (i) he is not a citizen of Singapore; or
(ii) he is not resident in Singapore, subject to section 60(2) of the Act,
except with the approval of the Registrar;
 - (c) he is an undischarged bankrupt;
 - (d) he has been convicted of an offence involving fraud or dishonesty subject to By-law 6.4;
 - (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.
 - (i) he is not a member of the Society; or
 - (j) he is disqualified as an Ordinary Member under By-law 4.1.
- 6.4 A person who is not eligible for membership of the Board of Directors or remain a member of the Board under By-law 6.3(d), shall not be eligible for membership of the Board of Directors 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.
- 6.5 A member of the Board shall cease to hold office if:
- (a) he becomes ineligible for membership of the Board in accordance with By-law 6.3 or membership of the Society in accordance with By-law 4.14;
 - (b) he becomes legally or mentally unsound;

- (c) he gives notice of resignation to the Board;
 - (d) he is removed by a general meeting; or
 - (e) he fails to be present at three consecutive meetings of the Board without satisfactory reasons acceptable to the Board.
- 6.6 A member of the Board, who resigns under By-law 6.5(c) shall not be eligible for election to the Board until after an interval of not less than one year.
- 6.7 A member of the Board who ceases to be a member under By-law 6.5(d) or (e) shall not be eligible for election until after an interval of not less than two years.
- 6.8 If, during the term of office of the Board, a vacancy occurs in the Board, the Board of Directors may, and if the number of officers falls below five, shall co-opt a member of the Society approved by the Board to serve on the Board until the next general meeting of the Society. The Society may elect members at the next general meeting to fill any vacancies for the remaining term of office of the Board.
- 6.9 The Board of Directors shall, immediately after their election and in any case not later than 7 days from the date of the general meeting, meet and elect from among themselves, a Chairman, a Vice-Chairman, a Secretary, an Assistant Secretary, Treasurer, an Assistant Treasurer and such other officers as it deems fit. The offices of the Secretary and Treasurer may be held by one and the same person.
- 6.10 The Chairman and Treasurer shall not hold office for more than 2 consecutive terms.
- 6.11 The Board shall be empowered to appoint a Secretary/Assistant Secretary and/or a Treasurer/Assistant Treasurer from among the employees of the Society. In such case, the Secretary/Assistant Secretary and/or Treasurer/Assistant Treasurer shall not be a member of the Board but shall have the right and duty to attend all meetings of the Board.
- 6.12 The Board shall have power to appoint committees or sub-committees from among themselves and/or the employees or members of the Society to be responsible for the daily efficient functioning of the Society and/or for any other purposes which it may deem fit.
- 6.13.1 The Board of Directors shall represent the Society before all competent public authorities and in all dealings and transactions with third persons, with power to institute or defend suits brought in the name of or against the Society and, in general, direct and supervise the business and property of the Society and shall exercise all the 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 the members and subject to any restrictions duly laid down in a general meeting or in the By-laws.
- 6.13.2 Without limiting the generality of By-law 6.13.1, the duties and 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 and applications to transfer shares to third persons;
 - (c) to call for and regularly examine reports from committees, sub-committees, officers or employees which will disclose the true position of the Society, its operations and financial conditions;

- (d) to appoint committees or sub-committees;
 - (e) to keep members informed of the progress of the Society and encourage interest and a sense of ownership on the part of the members;
 - (f) to present to the Annual General Meeting of the Society an annual report on the activities of the Society during the preceding financial year, together with the audited financial statements of the Society and the auditor's report for the year;
 - (g) to prepare and 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, the Rules 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 it deem necessary to maintain or improve the services provided by the Society to the members;
 - (i) to consider and take immediate action on matters reported by the Registrar or the auditor;
 - (j) to frame such policies, rules and regulations referred to in By-law 3.2(h);
 - (k) to exercise any or all of the powers and discretions conferred on the Board in the 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; and
 - (m) generally to carry on the business of the Society.
- 6.14 A full and correct record shall be kept of all proceedings of the Board in carrying out its duties, and the records shall be available for inspection by the Registrar and by the auditor.
- 6.15 The Board may appoint, on such terms and conditions as it thinks fit, a manager to administer and manage the affairs of the Society and to perform the duties under By-law 6.28 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 duties of the Secretary or Treasurer, or both of them may be delegated to such manager. Where all such duties are so delegated, the Society may operate without electing a Secretary or Treasurer.
- 6.16 The Board shall meet as often as the business of the Society may require and in any case not less frequently than once in every 3 months. 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.
- 6.17 The quorum for a meeting of the Board shall be half of the number of the members of the Board. Decisions shall be taken by a simple majority of votes of those present and voting. The Chairman shall have no casting vote. All members of the Board must declare their personal interest in any matter put before the Board for consideration, and no member of the Board shall vote on any matter in which he is personally interested.
- 6.18 Minutes of Board meetings 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 business done and decisions taken including whether each decision was taken unanimously or by a majority.
- 6.19 In the conduct of the affairs of the Society, the members of the Board shall exercise the prudence and diligence of ordinary men of business and shall be jointly and severally liable for any loss sustained through failure to exercise such prudence and diligence or through any act which is contrary to the provisions of the Act or the Rules or the By-laws or the directions of the general meeting.
- 6.20 A member of the Board who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the Society shall as soon as practicable after the relevant facts have come to his knowledge declare the nature and extent of his interest at a meeting of the Board.
- 6.21 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 The Secretary shall record every declaration made pursuant to By-laws 6.20 and 6.21 in the minutes of the meeting at which the declaration was made.
- 6.23 Where the Board has appointed a manager or a committee or sub-committee to administer and manage any of the affairs of the Society, such appointment shall not absolve the Board from its responsibility for the proper direction of the affairs of the Society.
- 6.24 A member of the Board, who is not an employee of the Society, may receive an honorarium or allowance (but not both) and other benefits from the Society, provided that the payment of an honorarium or allowance and the provision of any such benefits are authorized by a resolution to that effect passed by a general meeting of the Society.
- 6.25.1 The duties of the Chairman shall include the following:
- (a) to preside at all general meetings and meetings of the Board;
- (b) to sign the minutes of all general meetings and Board meetings to confirm their correctness;
- (c) to exercise general supervision over the officers and employees of the Society;
- (d) to represent the Society for any purposes 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 direction of the general meeting or the Board;
- (f) to serve on appropriate committees or sub-committees constituted by the Board; and
- (g) to perform such other duties specified in the By-laws or entrusted to him by the Board.

- 6.25.2 In the absence of the Chairman, his duties shall be carried out by the Vice-Chairman. If the Chairman and Vice-Chairman are both absent at any general meeting or meeting of the Board, the duty to preside at the meeting shall be carried out by any other person elected by a majority of those present at that meeting.
- 6.26 The duties of the Secretary and Assistant Secretary shall include the following:
- (a) to maintain, correctly and up-to-date, all the records, papers and registers of the Society;
 - (b) to keep an inventory of the property belonging to the Society;
 - (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 a minutes book;
 - (e) to have custody of the common seal of the Society;
 - (f) to submit all minutes of meetings and such information, returns and statements required under the Act or Rules or called for by the Registrar within the prescribed period; and
 - (g) to conduct the ordinary business of the Society and perform all the duties entrusted to him by the Board or specified in the By-laws.
- 6.27 The duties of the Treasurer and Assistant Treasurer shall include the following:
- (a) to take charge of all financial 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;
 - (b) to prepare or cause to be prepared all the receipts, vouchers, financial statements and documents required by the Act, Rules or By-laws or called for by the Board;
 - (c) to be responsible for the proper and punctual keeping of all the accounts and books of accounts of the Society; and
 - (d) to perform all the duties entrusted to him by the Board or specified in the By-laws.
- 6.28 The duties of the manager shall include the following:
- (a) to manage the business and property of the Society;
 - (b) to attend all meetings of the Society 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 Society in the books prescribed for that purpose; and
 - (d) to perform all or any of the 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 SOCIETY

- 7.1 The funds of the Society shall consist of:
- (a) share capital, bonus shares and bonus certificates;
 - (b) Common Good Fund;
 - (c) donations made by third persons except that no donations from any foreign source, whether offered directly or otherwise, shall be received by the Society without the prior approval of the Registrar.
- 7.2 The authorized share capital of the Society shall be \$50 million which shall be divided into 5 million shares of \$10 each. Each new member shall hold at least 100 shares. No member, other than a society or trade union, shall hold more than 1,000 shares of the Society.
- 7.3 The entrance fee shall be of such amount as the Board may determine from time to time and shall not be refundable except in cases where the applications have been rejected.
- 7.4 The funds of the Society may be invested without seeking the Registrar's approval subject to section 69 of the Act.
- 7.5 The Common Good Fund shall be used for the benefit of members of the Society and may be devoted to any educational, medical, social or charitable purposes. The Common Good Fund shall be derived from annual appropriation of the net surplus of the Society. Donations, subject to By-laws 7.1(c) and 8.2 may be accepted. The Common Good Fund shall be operated under such rules as the Board may impose under By-law 3.2(h).

8 FINANCIAL MATTERS

- 8.1 The financial year of the Society shall begin on 1st August and end on 31st July.
- 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 Society may opt under section 71(2)(b) of the Act.
- 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% pro rata on the amount of shares and 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 refund to members in proportion to the volume of business done by them with the Society from which the surplus of the Society was derived;
 - (c) by payment of honoraria to some or all of the members of the Board in consideration of their services which would not otherwise be remunerated subject to section 65(1) of the Act and By-law 6.24;
 - (d) by contribution to a charitable purpose;
 - (e) by contribution to the Common Good Fund;
 - (f) by payment of bonus certificates or bonus shares.

- 8.4 A member whose name appeared in the book of the Society on the last day of the financial year shall be eligible to draw dividend on shares and bonus shares when declared, subject always to any restrictions imposed in the By-laws. Dividend, if unclaimed, shall be credited to the Dividend Unclaimed Account of the member.
- 8.5 A member holding bonus certificates shall only be entitled to claim payment out of the funds of the Society 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 only be entitled to claim payment out of the funds of the Society after ten years from the date when the bonus shares were issued. A member or a past member shall be eligible to draw dividend on bonus shares when declared.
- 8.7 The minimum number of shares prescribed in By-law 7.2 shall not be withdrawable except on cessation of membership in accordance with By-law 4.14. Shares in excess of the prescribed minimum may be withdrawable and transferable, subject to the provision of the Act and any limitations laid down in the By-laws. The value of the shares withdrawn shall not exceed the nominal value of the shares or the book value as shown in the last audited balance sheet, whichever is the less.
- 8.8 The Board shall open or cause to be opened in the name of the Society bank accounts with any bank registered under the Banking Act in which monies of the Society shall be deposited.
- 8.9 All cheques and other withdrawal instructions in respect of the bank accounts of the Society shall be signed by the Treasurer or Assistant Treasurer and at least one other officer authorized by the Board. All payment shall be correctly made and properly authorized in accordance with the direction of the Board.
- 8.10 Receipts shall be issued for all monies paid to the Society. All receipts shall be signed by the Treasurer or Assistant Treasurer.
- 8.11 The Society shall have power to borrow money to be used in its business from members and non-members provided that the Society shall determine from time to time at a general meeting the maximum liability which it may incur in loans from members and non-members. The Society shall obtain approval from the Registrar on the maximum liability which it may incur in loans from non-members.
- 8.12 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 of that year.
- 8.13 The Board shall from time to time authorize the maximum amount of cash of the Society which may be retained by any officer at any one time subject to any limit which the Registrar may impose.

9 BOOKS, DOCUMENTS AND SEAL OF THE SOCIETY

- 9.1 The following books and documents shall be kept:
- (a) Register of Members and Nominees;
 - (b) Register of Shares, Bonus Certificates and Bonus Shares;
 - (c) Cash Book;

- (d) Journals and Ledgers;
 - (e) Inventory of the Society's Assets;
 - (f) Minutes Books;
 - (g) Copies of the Act, the Rules and the By-laws;
 - (h) Administrative policies and rules governing the different funds of the Society; and
 - (i) 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 Rules, the By-laws and a list of members open to inspection by its members free of charge, at all reasonable time at the registered address of the Society.
- 9.3 The Society shall have its own common seal of a design approved by the Board. All bonds, contracts and material documents required to be executed by the Society shall be sealed with the common seal of the Society. The common 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 2 officers authorized by the Board, who shall affix their signatures to every document so sealed.

10 AUDITORS

- 10.1 Subject to section 33(1) and (2) of the Act, the books and accounts of the Society shall be audited by an external auditor at least once a year. The auditor shall inspect and audit the accounts and other relevant records of the Society and shall forthwith draw the attention of the Registrar and the Society to any irregularity disclosed by the inspection and audit that is, in his opinion, of sufficient importance to justify his so doing.
- 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 Society;
 - (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 Society; 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 acquisition and disposal of assets by the Society during the year have been in accordance with the Act, the Rules and the By-laws.
- 10.4 The external auditor may at any other time report to the Registrar and the Society 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 overdue debts, if any, and an examination of and report on the valuation of assets and liabilities of the Society.

- 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 Society. Internal auditors shall inspect, examine and audit the books of the Society every 6 months 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 Society for the performance of his duties provided that the payment has to be authorized by a resolution to that effect passed by a general meeting of the Society. 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 organization or firm as internal auditor. If approved by the general meeting, the election of internal auditors under By-law 10.7 shall be dispensed with.

11 GENERAL

- 11.1 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.
- 11.2 The By-laws are supplementary to the provisions of the Act and the Rules. The Society shall be governed by the Act, the Rules and the By-laws read together. Nothing in the 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 his personal representatives to observe all the provisions of the By-laws.
- 11.4 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 any 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.