

BY LAWS
INVESTRENEUR MULTIPURPOSE COOPERATIVE

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned Filipino citizen, of legal age, and residents of the Philippines, representing at least majority of the members of the **INVESTRENEUR MULTIPURPOSE COOPERATIVE**, a primary **multipurpose cooperative**, do hereby adopt the following code of By-laws.

Article I
Purpose/s and Goals

The purpose/s and goals of this co-operative are those set forth in its Articles of Cooperation.

Article II
Membership

Section 1. Membership. This co-operative shall have regular and associate membership.

A regular member is one who has complied with all the membership requirements and entitled to all the rights and privileges of membership.

An associate member is one who has no right to vote and be voted upon and shall be entitled only to such rights and privileges provided in this by-law.

Section 2. Qualification for Regular Membership - The membership of this co-operative is open to all natural persons, Filipino citizen, of legal age, with capacity to contract and, within the common bond and field of membership described as follows:

- a) *A former regular employees of Intel Technology Philippines, Inc., and Numonyx;*
- b) *Completed the prescribed pre-membership education training;*
- c) *Undertake and uphold the By-laws, policies, guidelines, and rules and regulations of IMPC promulgated by the Board of Directors and the General Assembly;*
- d) *Patronize the products and services of IMPC particularly the savings and loan and other allied services relative thereto.*

Section 3. Qualification for Associate Membership - The associate membership of this co-operative is open to all natural persons, Filipino citizen, of legal age, with capacity to contract described as **residing and/or working within the area of operation** as provided in Article VI of the IMPC Articles of Cooperation.

- a) *Completed the prescribed pre-membership education training;*
- b) *Undertake and uphold the By-laws, policies, guidelines, and rules and regulations of IMPC promulgated by the Board of Directors and the General Assembly;*
- c) *Patronize the products and services of IMPC particularly the savings and loan and other allied services relative thereto.*

Section 4. Requirements for Membership. A member must have complied with the following requirements:

- a. Approved application for membership;
- b. Certificate of completion of the prescribed Pre-Membership Education Seminar (PMES);
- c. Subscribed and paid the required minimum share capital and membership fee
- d. Proof of billing**
- e. Any approved Government Identification**

Section 5. Application for Membership. An applicant for membership shall file a duly accomplished form to the Board of Directors who shall act upon the application within 30 days from the date of filing. The Board of Directors shall devise a form for the purpose which shall, aside from the personal data of the applicant, include the duties of a member to participate **in all programs** including but not limited to capital build-up and savings mobilization of the co-operative and, such other information as may be deemed necessary.

The application form for membership shall include an undertaking to uphold the By-laws, policies, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly. No application for membership shall be given due course if not accompanied with a membership fee of **Five Hundred Pesos only (Php 500.00)** for regular member and **One Hundred Pesos only Php 100.00** for associate member which shall be refunded to the applicant in case of rejection.

Section 6. Appeal. An applicant whose application was denied by the Board of Directors may appeal to the general assembly by giving notice to the Secretary of the co-operative within thirty (30) days before the next General Assembly meeting, whose decision on the matter shall be final.

Section 7. Minimum Share Capital Requirement. An applicant for regular membership shall subscribe at least ***One Hundred (100) Common Shares*** and pay the value of at least ***Fifty shares equivalent to Two Thousand Five Hundred Pesos only (Php2,500.00)*** upon approval of his/her membership.

An applicant for associate membership shall subscribe at least **Ten (10) Preferred Shares** and pay the value of at least **Five (5) shares equivalent to Five Hundred Pesos (Php500.00)** upon approval of his/her membership.

However, no member shall own or hold more than **Ten percent (10%)** of the total ***subscribed share capital*** of the Cooperative. The Board of Directors shall issue membership certificate and subscription agreement with such terms and conditions as may be deemed equitable.

Section 8. Duties and Responsibilities of a Member. Every member shall have the following duties:

- a. Pay the installment of his/her share capital subscription as it falls due and to participate in the capital build-up and savings mobilization activities of the Cooperative;
- b. Patronize the Cooperative's businesses and services;
- c. Participate in the membership education programs;
- d. Attend and participate in the deliberation of all matters taken during general assembly meetings;
- e. Observe and obey all lawful orders, decisions, rules and regulations adopted by the Board of Directors and the general assembly; and
- f. Promote the purposes and goals of the Cooperative, the success of its business, the welfare of its members and the co-operative movement in general.

Section 9. Rights and Privileges of Members. A member shall have the following rights and privileges:

- a. Attend during general membership meetings;
- b. Avail himself of the services of the Cooperative, subject to certain conditions as may be prescribed by the Board of Directors;
- c. Inspect and examine the books of accounts, the minutes books, the share register, and other records of the co-operative during reasonable office hours;
- d. Secure copies of co-operative records/documents pertaining to the account information of the concerned member;
- e. Has preference in the payment of interest on share capital and in the distribution of the net assets of the co-operative in case of liquidation; and
- f. Such other rights and privileges as may be granted by the General Assembly.

Section 10. Member Entitled to Vote. Any regular member who meets the following conditions is a member entitled to vote:

- a. Paid the membership fee and the value of the minimum shares required for membership and;
- b. Not delinquent in the payment of his/her share capital subscriptions and other accounts or obligations and;
- c. Participate in the capital build-up and savings mobilization activities of the Cooperative; and
- d. Not violated any provision of this By-laws, the terms and conditions of the subscription agreement; and the decisions, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly;
- e. **Completed the continuing education program prescribed by the Board of Directors; and**
- f. Participated in the affairs of the co-operative and patronized **any of its businesses in accordance with cooperative's policies and guidelines.**

Failure of the member to meet any of the above qualifications shall mean loss of right to vote, after notice and hearing, as declared by the board of directors through board resolution.

Section 11. Rights of Member Entitled to Vote. A member entitled to vote shall have the following rights:

- a. Participate and vote on all matters deliberated upon during general assembly meetings;
- b. Seek any elective or appointive position, subject to the provisions of this By-laws and the **Philippine Cooperative Code of 2008**;
- c. Avail himself of the services of the Cooperative, subject to certain conditions as may be prescribed by the Board of Directors;
- d. Inspect and examine the books of accounts, the minutes books, the share register, and other records of the co-operative during reasonable office hours;
- e. **Participate in the continuing education and other training programs of the cooperative; and**
- f. Such other rights and privileges as may be provided by the General Assembly.

Section 12. Liability of Members. A member shall be liable for the debts of the co-operative only to the extent of his/her subscribed share capital.

Section 13. Termination of Membership. Termination of membership may be automatic, voluntary or involuntary, which shall have the effect of extinguishing all rights of a member in the Cooperative, subject to refund of share capital contribution under Section 14 hereof.

- a. *Automatic Termination of Membership.* The death, insanity, permanent incapacity or judicial declaration by a competent court or the insolvency of a member shall be considered an automatic termination of his/her membership in the Cooperative.
- b. *Voluntary Termination.* A member may, for any reason, withdraw his/her membership from the co-operative by giving a sixty (60) day notice to the Board of Directors. However, no member shall be allowed to withdraw or terminate his/her membership during any period in which he/she has any pending obligation with the Cooperative. **Withdrawal of membership means that member is selling his/her share to IMPC (please refer to IMPC Membership policy)**
- c. *Involuntary Termination.* A member may be terminated by a vote of the majority of all the members of the Board of Directors for any of the following causes:
 - i. Has not patronized the services/ businesses of the co-operative as provided for in the policies approved by the general assembly;
 - ii. Has continuously failed to comply with his/her obligations as provided for in the policies approved by the general assembly;
 - iii. Has violated any provision of this By-laws and the policies promulgated by the board of directors as approved by the general assembly; and
 - iv. For any act or omission injurious or prejudicial to the interest or the welfare of the Cooperative.

Section 14. Manner of Involuntary Termination. The Board of Directors shall notify in writing the member who is being considered for termination and shall give him the opportunity to be heard.

The decision of the board of directors is appealable to the general assembly and the procedure of which shall be in accordance with the last paragraph of Article 30 of RA 9520.

Section 15. Refund of Share Capital Contribution. A member whose membership is terminated shall be entitled to a refund of his/her share capital contribution and all other interests in the Cooperative. However, such refund shall not be made if upon payment the value of the assets of the co-operative would be less than the aggregate amount of its debts and liabilities exclusive of his/her share capital contribution. In which case, the terminated member shall continue to be entitled to the interest of his/her share capital contributions, patronage refund and the use of the services of the co-operative until such time that all his/her interests in the co-operative shall have been duly paid. Upon the acceptance of his/her withdrawal or approval of his/her termination, however, he/she loses his/her right to attend participate and vote in any meeting of the Board of Directors or the general assembly.

ARTICLE III Administration

Section 1. The General Assembly (GA). The general assembly is composed of all the members entitled to vote, duly assembled and constituting a quorum and is the highest policy-making body of the Cooperative.

Section 2. Powers of the General Assembly. Subject to the pertinent provisions of the Philippine Cooperative Code of 2008 and the rules issued thereunder, the general assembly shall have the following exclusive powers which cannot be delegated:

- a. To determine and approve amendments to the co-operative Articles of Cooperation and By-laws;
- b. To elect or appoint the members of the board of directors, and to remove them for cause;
- c. To approve developmental plans of the cooperative; and
- d. To delegate some of its power to a smaller body of the co-operative as authorized by the Philippine Cooperative Code of 2008.

Section 3. Meetings. Meetings of the general assembly, board of directors and committees may be regular or special. All proceedings and businesses undertaken at any meeting of the general assembly or Board of Directors, if within the powers or authority of the Cooperative, there being a quorum, shall be valid.

Section 4. Regular General Assembly Meeting. The General Assembly shall hold its annual regular meeting at the principal office of the co-operative or at any place within the Philippines every **fourth (4th) week of March** of every year or within ninety (90) days after the close of each fiscal year.

Section 5. Special General Assembly Meeting. The Board of Directors may, by a majority vote of all its members, call a special general assembly meeting at any time to

consider urgent matters requiring immediate membership decision. The Board of Directors must likewise call a special general assembly meeting within one (1) month from receipt of a written request from a) at least ten percent (10%) of the total number of members entitled to vote; b) the Audit Committee; or c) the Federation or Union to which the co-operative is a member, or upon Order of the Cooperative Development Authority.

Section 6. Notice of Meeting. All notices of meetings shall be in writing and shall include the date, time, place, and agenda thereof stated therein.

- a. *Regular General Assembly Meeting.* Notice of the annual regular general assembly meeting shall be served by the Secretary, personally or his/her duly authorized representative, by registered mail, or by electronic means to all members of record at his/her last known postal address, **or by posting or publication, or through other electronic means,** at least **one (1) week** before the said meeting. It shall be accompanied with an agenda, minutes of meeting of the last general assembly meeting, consolidated reports of the Board of Directors and Committees, audited financial statements, and other papers which may assist the members to intelligently participate in the proceedings.
- b. *Special General Assembly Meeting.* Notice of any special general assembly meeting shall be served by the Secretary personally or his/her duly authorized representative, by registered mail, or by electronic means upon each members who are entitled to vote at his/her last known postal address, or by posting or publication, or through other electronic means, at least one (1) week before the said meeting. It shall state the purpose and, except for related issues, no other business shall be considered during the meeting.

Section 7. Order of Business. As far as practicable, the order of business of a regular general assembly meeting shall be:

- a. Roll Call;
- b. Proof of due notice;
- c. Call to order;
- d. Consideration of the minutes of the previous meeting;
- e. Matters arising from the minutes;
- f. Consideration of the consolidated report of the board of directors, officers, and the committees, including audited financial statements of the co-operative;
- g. Consideration of annual operations plan and budget;
- h. Election of directors and committee members;
- i. Unfinished business;
- j. New business; and
- k. Adjournment

Section 8. Quorum for General Assembly Meeting. During regular or special general assembly meeting, at least *Twenty Five percent (25%)* of the total number of members entitled to vote shall constitute a quorum.

Section 9. Voting System. Only members entitled to vote shall be qualified to participate and vote in any general assembly meeting. A member is entitled to one vote only regardless of the number of shares he/she owns.

Election or removal of Directors and Committee members shall be by secret ballot **and/or through electronic voting system**. Action on all matters shall be in any manner that will truly and correctly reflect the will of the membership. No proxy and/or cumulative voting shall be allowed.

ARTICLE IV Board of Directors

Section 1. Composition of the Board of Directors (BOD). The Board of Directors shall be composed of **Nine (9)** members.

Section 2. Functions and Responsibilities. The Board of Directors shall have the following functions and responsibilities:

- a. **Provide general policy direction;**
- b. **Formulate the strategic development plan;**
- c. **Determine and prescribe the organizational and operational structure;**
- d. **Review the Annual Plan and Budget and recommend for the approval of the General Assembly;**
- e. **Establish policies and procedures for the effective operation and ensure proper implementation of such;**
- f. **Evaluate the capability and qualification and recommend to the General Assembly the engagement of the services of the External Auditor;**
- g. **Appoint the members of the Mediation/ Conciliation and Ethics Committees and other Officers as specified in the Code and co-operative By-laws;**
- h. **Determine the members entitled to vote;**
- i. **Decide election related cases involving the Election Committee and its members;**
- j. **Act on the recommendation of the Ethics Committee on cases involving violations of Code of Governance and Ethical Standards; and**
- k. **Perform such other functions as may be prescribed in the By-laws or authorized by the General Assembly;**

Section 3. Qualifications. No member shall be elected or to continue as such member of the Board of Directors unless he/she is a member entitled to vote and has the following qualifications:

- a. **Has subscribed and paid at least five times (5x) of the minimum capital requirement;**
- b. **Have continuously patronized the co-operative services (Please refer to Members Rights and Privileges policy);**
- c. **A member in good standing for the last two years;**
- d. **Completed or manifest willingness to complete the required education and training as may be provided by law, rules and regulations and policy approved by the general assembly; and**
- e. **Of good moral character and other qualifications prescribed in the applicable laws, rules and regulation and relevant issuances by the Authority.**

Section 4. Disqualifications. Any member who is under any of the following circumstances shall be disqualified to be elected as a member of the Board of Directors or any committee, or to continue as such:

- a. Holding any elective position in the government, except that of a **party list representative or being an officer of a co-operative he/she or she represents**;
- b. Having served as director of this co-operative for *three (3)* consecutive terms;
- c. **Having been engaged in a business similar to that of the co-operative** or who in any way has a conflict of interest with the co-operative;
- d. Having been absent for in three (3) consecutive meetings or in **more than fifty percent (50%) of all meetings within the twelve (12) month period unless with valid excuse as approved by the board of directors**;
- e. Being an official or employee of the Cooperative Development Authority;
- f. Having been convicted in administrative proceedings or civil/criminal suits involving financial and/or property accountability; and
- g. Having been disqualified by law.

No member of the board of directors shall not hold any other position directly involved in the day-to-day operation and management of the cooperative.

Section 5. Election of Directors. The members of the Board of Directors shall be elected by secret ballot **or through other electronic means** by members entitled to vote during the annual regular general assembly meeting or special general assembly meeting called for the purpose. Unless earlier removed for cause, or have resigned or become incapacitated, they shall hold office for a term of *Two (2)* years or until their successors shall have been elected and qualified; *Provided*, that majority of the elected directors obtaining the highest number of votes during the first election after registration shall serve for two (2) years, and the remaining directors for one (1) year. Thereafter, all directors shall serve for a maximum term of *Six (6)* years; *provided*, further, that no director shall serve for more than *Three (3)* consecutive terms. The term of the cooperating directors shall expire upon the election of their successors in the first regular general assembly after registration.

Section 6. Election of Officer within the Board. The Board of Directors shall convene within ten (10) days after the general assembly meeting to elect by secret ballot from among themselves the Chairperson and the Vice-Chairperson, and to elect or appoint the Secretary and Treasurer from outside of the Board.

For committees elected by the General Assembly and/or appointed by the Board of Directors, procedural process of electing the Chairperson, Vice-Chairperson or other positions among themselves should be in accordance with the process mentioned above.

Section 7. Meeting of the Directors. The regular meeting of the Board of Directors shall be held at least once a month. However, the Chairperson or majority of the directors may at any time call a special Board meeting to consider urgent matters. The call shall be addressed and delivered to the Secretary stating the date, time and place of such meeting and the matters to be considered. Notice of regular and special meetings of the Board of Directors, unless dispensed with, shall be served by the Secretary in writing to each director at least **two (2) days** before such meeting.

Majority of the total number of directors constitutes a quorum to transact business. Any decision or action taken by the majority members of the Board of Directors in a meeting duly assembled shall be a valid co-operative act.

Section 8. Vacancies. Any vacancy occurring in the Board of Directors by reason of death, incapacity, removal or resignation may be filled-up by a majority vote of the remaining directors, if still constituting a quorum; otherwise, such vacancy shall be filled by the general assembly in a regular or special meeting called for the purpose. The elected director shall serve only for the unexpired term of his/her predecessor in office.

If a vacancy occurs in any elective committee it shall be filled by the remaining members of the said committee, if still constituting a quorum, otherwise, the Board, in its discretion, may appoint or hold a special election to fill such vacancy.

Section 9. Removal of Directors and Committee Members. **All complaints** for the removal of any elected officer shall be filed with the board of directors and such officer shall be given the opportunity to be heard. **Majority of the board of directors** may place the officer concerned under **preventive suspension pending the resolution of the investigation.** Upon finding of a *prima facie* evidence of guilt, the board shall **present its recommendation for removal to the general assembly.** An elective officer may be removed by **three-fourths (3/4) of the regular members** present and constituting a quorum, in a regular or special general assembly meeting called for the purpose. The officer concerned shall be given the opportunity to be heard at said assembly.

In cases where the officers sought to be removed consist of the majority of the Board of Directors at least **ten percent (10%)** of the members with voting rights may **file a petition with the Cooperative Development Authority** upon failure of the Board of Directors to call an assembly meeting to commence the proceeding for their removal. The decision of the General Assembly on the matter is final and executory.

An officer elected or appointed by the Board of Directors or any committee may be removed from office for cause by a majority vote of all the members of the Board or Committee as the case may be.

Section 10. Powers and Duties of the Board. The board of directors shall be **responsible for the strategic planning, direction-setting and policy-formulating activities of the cooperatives.** *Provided,* that any member of the board **shall not hold any other position directly involved in the day-to-day operation and management of the cooperative.**

ARTICLE V Committees

Section 1. Audit Committee. An Audit Committee is hereby created and shall be composed of *Three (3)* members to be elected during a general assembly meeting and shall hold office for a term of *Two (2)* years or until their successors shall have been elected and qualified. Within *ten (10)* days after their election, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the co-operative during his/her term of office. The Committee shall provide internal audit service, maintain a complete record of its examination and inventory,

and submit an audited financial report quarterly or as may be required by the Board and the general assembly.

The audit committee shall be directly accountable and responsible to the General Assembly.

Section 2. Functions and Responsibilities. **The Audit Committee shall:**

- a. **Monitor the adequacy and effectiveness of the cooperative's management and control system;**
- b. **Audit the performance of the co-operative and its various responsibility centers;**
- c. **Review continuously and periodically the books of account and other financial records to ensure that these are in accordance with the co-operative principles & generally accepted accounting procedures;**
- d. **Submit reports on the results of the internal audit and recommend necessary changes on policies and other related matters on operation to the Board of Directors and General Assembly;**
- e. **Recommend or petition to the board of directors conduct of special general assembly when necessary; and**
- f. **Perform such other functions as may be prescribed in the By-laws or authorize by the General Assembly.**

Section 3. Election Committee. An Election Committee is hereby created and shall be composed of *Three (3)* members to be elected during a general assembly meeting and shall hold office for a term of two (2) years or until their successors shall have been elected and qualified. Within ten (10) days after their election they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the co-operative during his/her term of office.

Section 4. Functions and Responsibilities. **The Election Committee shall:**

- a. Formulate election rules and guidelines and recommend to the General Assembly for approval;
- b. Implement election rules and guidelines duly approved by the General Assembly;
- c. Recommend necessary amendments to the election rules and guidelines, in consultation with the Board of Directors, for approval of the General Assembly;
- d. Supervise the conduct, manner and procedure of election and other election related activities and act on the changes thereto;
- e. Canvass and certify the results of the election;
- f. Proclaim the winning candidates;
- g. Decide election and other related cases **except those involving the Election Committee or its members,** and
- h. Perform such other functions as prescribed in the By-laws or authorized by the General Assembly.

Section 5. Education and Training Committee. An Education and Training Committee is hereby created and shall be composed a **maximum of Ten (10) members** to be appointed by the Board of Directors and shall serve for a term of two (2) years, without prejudice to their reappointment. Within ten (10) days after their election they shall elect

from among themselves a Chairperson, Vice-Chairperson and a Secretary. Except for the Vice-Chairperson, no member of the committee shall hold any other position within the co-operative during his/her term of office.

The committee shall be responsible for the planning and implementation of the information, educational and human resource development programs of the co-operative for its members, officers and the communities within its area of operation.

Section 6. Functions and Responsibilities. The Education and Training Committee shall:

- a. Keep members, officers, staff well-informed regarding cooperative's goals/objectives, policies & procedures, services, etc.;
- b. Plan and implement educational program for coop members, officers and staff;
- c. Develop promotional and training materials for the cooperative; and
- d. Conduct/Coordinate training activities.

Section 7. Mediation and Conciliation Committee. A Mediation and Conciliation Committee is hereby created and shall be composed of *three* (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of two (2) years or until successors shall have been elected and qualified. No member of the Committee shall hold any other position in the co-operative during his/her term of office.

Section 8. Functions and Responsibilities. **The Mediation and Conciliation Committee:**

- a. **Formulate and develop the Conciliation-Mediation Program and ensure that it is properly implemented;**
- b. **Monitor Conciliation-Mediation program and processes;**
- c. **Submit semi-annual reports of co-operative cases to the Authority within 15 days after the end of every semester;**
- d. **Accept and file Evaluation Reports;**
- e. **Submit recommendations for improvements to the Board of Directors;**
- f. **Recommend to the Board of Directors any member of the co-operative for Conciliation-Mediation Training as Co-operative Mediator-Conciliator;**
- g. **Issue the Certificate of Non-Settlement; and**
- h. **Perform such other functions as may be prescribed in the By-laws or authorized by the General Assembly.**

Section 9. Ethics Committee. An Ethics Committee is hereby created and shall be composed of *Three* (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of two (2) years or until successors shall have been appointed and qualified. No member of the Committee shall hold any other position in the co-operative during his/her term of office.

Section 10. Functions and Responsibilities. **The Ethics Committee shall:**

- a. **Develop Code of Governance and Ethical Standard to be observed by the members, officers and employees of the co-operative subject to the approval of the Board of Directors and ratification of the General Assembly;**
- b. **Disseminate, promote and implement the approved Code of Governance and Ethical Standards;**
- c. **Monitor compliance with the Code of Governance and Ethical Standards and recommend to the Board of Directors measures to address the gap, if any;**
- d. **Conduct initial investigation or inquiry upon receipt of a complaint involving Code of Governance and Ethical Standards and submit report to the Board of Directors together with the appropriate sanctions;**
- e. **Recommend ethical rules and policy to the Board of Directors; and**
- f. **Perform such other functions as may be prescribed in the By-laws or authorized by the General Assembly.**

Section 11. Credit Committee. The Credit Committee shall be composed of three (3) members appointed by the Board of Directors for a term of two (2) years. They shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the co-operative during his/her term of office. The Committee shall assist the board of directors in the formulation of sound lending policies, systems and procedure. They shall be responsible for the credit management of the co-operative. In the performance of its functions, it shall process, evaluate and act upon loan application and withdrawal of deposits, except when the applicant is a member of the committee **or related to any of them within the third civil degree of consanguinity and affinity**, in which case, the applicant shall be acted upon by the Board of Directors; and exercise general supervision including collection over all loans to members.

Section 11. Other Committees. By a majority vote of all its members, the Board of Directors may form such other committees as may be deemed necessary for the operation of the Cooperative.

ARTICLE VI

Officers and Management Staff

Section 1. Officers and their Duties. The officers of the co-operative shall include the members of the Board of Directors, different committees created by the general assembly, **general manager or chief executive officer**, secretary, treasurer and members holding other positions as may be provided for in this by-laws, shall serve according to the functions and responsibilities of their respective offices as follows:

- a. *Chairperson* – **The Chairperson shall:**
 - i. Set the agenda for board meetings in coordination with the other members of the Board of Directors;

- ii. Preside over all meetings of the Board of Directors and of the general assembly;
- iii. Sign contracts, agreements, certificates and other documents on behalf of the co-operative as authorized by the Board of Directors or by the General Assembly;
- iv. **Issue Certificate of Non-Affiliation with the Federation or Union;** and
- v. Perform such other functions as may be authorized by the Board of Directors or by the General Assembly.

b. *Vice-Chairperson* – **The Vice-Chairperson shall:**

- i. Perform all the duties and responsibilities of the Chairperson in the absence of the latter;
- ii. Act as ex-officio chairperson of the Education and Training Committee; and
- iii. Perform such other duties as may be delegated by the board of directors.

c. *Treasurer* – **The Treasurer shall:**

- i. Ensure that all cash collections are deposited in accordance with the policies set by the Board of Directors;
- ii. Have custody of all funds, securities, and documentations relating to **all assets, liabilities, income and expenditures;**
- iii. **Monitor and review the financial management operations of the cooperative, subject to such limitations and control as may be prescribed by Board of Directors;**
- iv. Maintain full and complete records of cash transactions;
- v. **Maintain a Petty Cash Fund and Daily Cash Position Report;** and
- vi. Perform such other functions as may be prescribed in this By-laws

a. *Secretary* – **The Secretary shall:**

- i. Keep an updated and complete registry of all members;
- ii. Record, prepare and maintain records of all minutes of all meetings of the Board of Directors & the General Assembly;
- iii. **Ensure that necessary Board of Directors' actions and decisions are transmitted to the management for compliance and implementation;**
- iv. Issue and certify the list of members who are in good standing and entitled to vote as determined by the Board of Directors;
- v. Prepare and issue Share Certificates;
- vi. Serve notice of all meetings called and certify the presence of quorum of all meetings of the Board of Directors and General Assembly;
- vii. **Keep copy of the Treasurer's report & other reports;**
- viii. Keep and maintain the Share & Transfer Book;
- ix. **Serve as custodian of the co-operative seal;** and
- x. Perform such other functions as may be prescribed in the By-laws or authorized by the General Assembly.

b. *General Manager. The General Manager shall:*

- i. Oversee the overall day to day business operations of the co-operative by providing general direction, supervision, management and administrative control over all the operating departments subject to such limitations as may be set forth by the Board of Directors or the General Assembly;
- ii. Formulate and recommend in coordination with the operating departments under his/her supervision, the Coops Annual and Medium Term Development. Plan, programs and projects, for approval of the Board of Directors, and ratification of General Assembly;
- iii. Implement the duly approved plans and programs of the co-operative and any other directive or instruction of the Board of Directors;
- iv. Provide and submit to the Board of Directors monthly reports on the status of the coop's operation vis-a-vis its target and recommend appropriate policy or operational changes, if necessary;
- v. Represent the co-operative in any agreement, contract, business dealings, and in any other official business transaction as may be authorized by the Board of Directors;
- vi. Ensure compliance with all administrative and other requirements of regulatory bodies; and
- vii. Perform such other functions as may be prescribed in the By-laws or authorized by the General Assembly.

Section 2. Liabilities of Directors, Officers and Committee Members. Directors, officers and committee members, who willfully and knowingly vote for or assent to patently unlawful acts, or who are guilty of gross negligence or bad faith in directing the affairs of the co-operative or acquire any personal or pecuniary interest in conflict with their duties as Directors, officers or committee members shall be liable jointly and severally for all damages resulting therefrom to the Cooperative, members and other persons.

When a director, officer or committee member attempts to acquire, or acquires in violation of his/her duties, any interest or equity adverse to the co-operative in respect to any matter which has been reposed in him in confidence, he/she shall, as a trustee for the Cooperative, be liable for damages or loss of profits which otherwise would have accrued to the Cooperative.

Section 3. Management Staff. The Board of Directors shall appoint, fix their compensation and prescribe for the functions and responsibilities of the Management Staff not provided hereof.

Section 4. Qualification of the General Manager. No person shall be appointed to the position of general manager unless he/she possesses the following qualifications and none of the disqualifications herein enumerated:

- a. must be familiar with the business operation of the Cooperative;

- b. must have at least two (2) years experience in the operations of co-operative or related business;
- c. must not be engaged directly or indirectly in any activity similar to the business of the Cooperative;
- d. must not have been convicted of any administrative, civil or criminal cases involving moral turpitude, gross negligence or grave misconduct in the performance of his/her duties;
- e. must not be addicted to any form of gambling or immoral or vicious habits;
- f. must have no pending administrative, civil or criminal case involving financial and/or property accountabilities at the time of his/her appointment; and
- g. must undergo pre-service and/or in-service trainings.

Section 5. Duties of the General Manager. The General Manager shall:

- a. Over all in-charge of all the phases of the business operations of the Cooperative, subject to the policies and guidelines set by the board of directors and the general assembly.
- b. Responsible in maintaining records and accounts of the co-operative in such manner that the true condition of its business may be ascertained therefrom at any time.
- c. Render reports monthly, annually or as may be required by the Board of Directors or the general assembly, and preserve the books, documents, correspondence and records of whatever nature concerning the operations of the co-operative which may come into his/her possession;
- d. Subject to the policies set by the Board of Directors, employ, supervise and/or dismiss any agent or employee in the management staff; and
- e. Perform such other duties as the Board of Directors may prescribe and turn over to his/her successor all properties belonging to the co-operative in his/her possession or over which he/she has control upon the expiration/termination of his/her services.

Section 6. Duties of the Accountant. The Accountant of the Cooperative, who shall be under supervision and control of the General Manager shall:

- a. Install an adequate and effective accounting system within the Cooperative;
- b. Render reports on the financial condition and operations of the co-operative monthly, annually or as may be required by the Board of Directors and/or the general assembly,
- c. Provide assistance to the Board of Directors in the preparation of annual budget;
- d. Keep, maintain and preserve all books of accounts, documents, vouchers, contracts and other records concerning the business of the co-operative and make them available for auditing purposes to the Chairperson of the Audit Committee; and
- e. Perform such other duties as the Board of Directors may require.

Section 7. Duties of the Bookkeeper. The bookkeeper of the co-operative who is under supervision and control of the Accountant shall:

- a. **Records and update books of accounts;**

- b. **Provide assistance in the preparation of reports on the financial condition and operations of the co-operative monthly, annually or as may be required by the Board of Directors and/or the general assembly,**
- c. **Keep, maintain and preserve all books of accounts, documents, vouchers, contracts and other records concerning the business of the co-operative and make them available for auditing purposes to the Chairperson of the Audit Committee; and**
- d. **Perform such other duties as the Board of Directors may require.**

Section 8. Qualifications of Accountant and Bookkeeper. No person shall be appointed to the position of accountant and bookkeeper unless they possess the following qualifications and none of the disqualifications herein enumerated:

- a. **Bachelor's degree in accountancy must be required for Accountant** however Bookkeeper must be knowledgeable in accounting and bookkeeping;
- b. Must have at least two (2) years experience in co-operative or related business;
- c. Must not be engaged directly or indirectly in any activity similar to the business of the Cooperative;
- d. Must not be convicted of any administrative, civil or criminal case involving moral turpitude, gross negligence or grave misconduct in the performance of his/her duties;
- e. Must not be addicted to any form of gambling or immoral or vicious habits;
- f. Must be willing to undergo pre-service and/or in-service trainings in accounting; and
- g. Must have no pending administrative, civil or criminal case involving financial and/or property accountabilities at the time of his/her appointment.

Section 9. Compensation. Subject to the approval of the general assembly, the members of the Board and Committees may, in addition to per diems for actual attendance to board and committee meetings, and reimbursement of actual and necessary expenses while performing functions in behalf of the cooperative, be given regular compensation; **Provided, that the directors and officers shall not be entitled to any per diem when, if in the preceding calendar year, the co-operative reported a net loss or had a dividend rate less than the official inflation rate for the same year.**

ARTICLE VII Capital Structure

Section 1. Source of Funds. The co-operative may derive its funds from any or all of the following sources:

- a. Member's share capital contribution;
- b. Loans and borrowings including deposits;
- c. Revolving capital build-up which consist of the deferred payment of patronage refund or interest on share capital;
- d. Subsidies, grants, legacies, aids, donation and such other assistance from any local or foreign institution, public or private;
- e. Retentions from the proceeds of services acquired /goods procured by members; and
- f. Other sources of funds as may be authorized by law.

Section 2. Continuous Capital Build-Up. Every member shall have invested in any or all of the following:

- a. **At least Two percent (2%) of the principal of his/her approved loanable amount.**
- b. **At least Five percent (5%) of his/her monthly income;**
- c. **At least Ten percent (10%) of his/her annual interest on capital and patronage refund; and**
- d. **In addition to his/her share capital investment, he/she open a savings deposit where rate of interest is subject to review and approval of the Board of Directors (please refer to Savings Deposit Policy)**

Section 3. Borrowing. The Board of Directors, upon approval of the General Assembly, may borrow funds from any source, local or foreign, under such terms and conditions that best serve the interest of the Cooperative.

Section 4. Revolving Capital. To strengthen the capital structure of the Cooperative, the general assembly may authorize the Board of Directors to raise a revolving capital by deferring the payment of patronage refunds and interest on share capital, or such other schemes as may be legally adopted. To implement this provision, the Board of Directors shall issue a Revolving Capital Certificate with serial number, name, rate of interest, date of retirement and such other privileges or restrictions as may be deemed just and equitable.

Section 5. Retentions. The general assembly may authorize the Board of Directors to raise additional capital by deducting a certain percent on a per unit basis from the proceeds of services acquired and/or goods procured by members.

Section 6. Share Capital Contribution. Share Capital Contribution refers to the value of capital subscribed and paid for by a member in accordance with its Articles of Cooperation.

Section 7. Share Capital Certificate. The Board of directors shall issue a Share Capital Certificate only to a member who has fully paid his/her subscription. The Certificate shall be serially numbered and contain the share holder's name, the number of shares owned, the par value, and duly signed by the Chairperson and the Secretary, and bearing the official seal of the cooperative. All certificates issued and/or transferred shall be registered in the cooperative's Share and Transfer Book.

The shares may be purchased, owned or held only by persons who are eligible for membership. Subject to existing government rules or laws, interests shall be paid only to paid-up shares which may be in cash; or credited as payment of unpaid subscriptions, outstanding accounts, or additional shares or to the revolving fund of the cooperative.

Section 8. Transfer of Shares. The co-operative shall have the first option to buy any share offered for sale. The amount to be paid for such shares shall be the par value or the book value, whichever is lower. **The transfer of share from a member to another person is subject to the following conditions:**

- a. He has held such shares or interests for not less than one (1) year;

- b. The transfer is made to a member of the co-operative or to a person who falls within the field of membership of the cooperative, and that said person is acceptable to the cooperative; and
- c. The Board has approved such transfer.

The transfer of shares shall not be binding to the co-operative until such transfer has been registered in the share and transfer book. No transfer shall be completed until the old certificate have been endorsed and surrendered to the co-operative and a new certificate is issued in the name of the member-transferee. **The corresponding transfer fee shall be collected from the transferee as prescribed in the co-operative policy.**

In case of lost or destroyed share certificate, the Board of Directors may issue a replacement after the owner thereof executes a sworn affidavit, setting forth the following:

- a. Circumstances as to how, when and where said certificate was lost or destroyed;
- b. The serial number of the certificate; and the number of shares it represents;
- c. The lost or destroyed certificate has never been transferred, sold or endorsed to any third party, that should the same be found, the owner shall surrender it to the cooperative; and
- d. That any false representation or statement made in the aforesaid affidavit shall be a ground for expulsion from the cooperative.

ARTICLE VIII Operations

Section 1. *Primary Consideration.* Adhering to the principle of service over and above profit, the co-operative shall endeavor to:

- a. Encourage thrift and savings mobilization among the members;
- b. Engage in a gasoline station business;
- c. Engage in putting up carwash, auto and spare parts supplies, vulcanizing shop, and space rental;
- d. Engage in putting up convenient store and procurement and distribution of consumer goods;
- e. Engage in putting up a Remittances and Bayad Center type of business;
- f. Offer other goods and services and other requirements to the members;
- g. Formulate and implement program strategies that will provide its members and the communities within its area of operation needed goods/services;
- h. Adopt and implement plans and programs which insures the continued build-up of the cooperative's capital structure with the end view of establishing other needed services for the members and the public;
- i. **Formulate and implement studies and/or programs that will address the needs of members;**

Section 2. In the determination of the amount of the loans to be granted, the applicant's character, capacity to pay, collateral or securities offered to insure the payment of the loans shall be considered.

Section 3. Conditions on Loans – The Board of Directors shall prescribe the following:

- a. Terms and conditions for the granting of loans;
- b. Maximum amount that may be granted a member;
- c. Rate of interest;
- d. Fines for payment in default; and
- a) Maximum period of repayment.

The Board shall consider all other factors as well to facilitate the loaning operation and safeguard the interest of the members and the borrowers.

In determining the rate of interest, the Board shall be guided by the overriding principle of service above profit.

Section 4. Renewal of Loans. Regular loans, providential or productive, may be renewed provided a certain percent thereof has already been paid (Please refer to Loan Policy). The Board shall determine the percentage of payment from time to time as changes in the total maximum loans allowed to all members occur and as the need arises.

Section 5. Application for Loans. A loan application shall state specifically the purpose or purposes for which the money is to be used. Any false representation or statement made in the application shall be a ground for the cancellation of the loans or if the money has been used for a purpose other than those for which it is granted, the loan shall at once become due and demandable.

Section 6. Restrictions on Officers, Directors and Committee Members. No director or committee member shall vote on a loan requested by a member of his/her family, natural or by affinity to the third degree; or on a loan requested by a person who owns a debt to him/her or to any member of his/her family; neither can he/she become a co-maker, surety nor endorser on any loan contracted with the co-operative. The application for a loan by a member of the Credit Committee shall be subject to the approval of the Board of Directors.

Section 7. Appeal. An appeal from the decision of the Credit Committee for abuse of discretion or violation of any existing policy of the Board of Directors may be made to the joint meeting of the Board of Directors and the **Audit Committee**, whose decision on the matter shall be final.

Section 8. The co-operative shall procure the goods and other requirements of its members and the community in bulk from the best sources possible and shall make these goods available regularly at the right quantity and quality at reasonable prices.

Section 9. As far as practicable, all revenue transactions in the co-operative are strictly on cash basis.

Section 10. All members shall execute a marketing agreement with the co-operative. The latter shall market the product of the members in the usual and customary manner, or in any manner it may see fit under the circumstances, having in mind the interest and welfare of the members.

Section 11. All members shall procure their production inputs, supplies and other requirements from the co-operative which the latter shall in turn procure in bulk through a co-operative purchasing system to achieve economy and efficiency.

Section 12. The co-operative is organized to provide its members with the identified service requirements and to operate an enterprise that will provide service to the community. In either case, the co-operative shall be operated primarily to ensure efficient and reliable service at competitive prices.

ARTICLE IX Allocation and Distribution of Net Surplus

Section 1. Allocation - At the end of its fiscal year, the co-operative shall allocate and distribute its net surplus as follows:

- A. *Reserve Fund.* An allocation of *Ten percent (10%)* of the Net Surplus annually
- i. The reserve fund shall be used for the stability of the co-operative and to meet net losses in its operations. The general assembly may decrease the amount allocated to the reserve fund when it has already exceeded the authorized share capital. Any sum recovered on items previously charged to the reserve fund shall be credited to such fund.
 - ii. The reserve fund shall not be utilized for investment, other than those allowed in the **Philippine Cooperative Code of 2008**. Such sum of the reserve fund in excess of the authorized share capital may be used at any time for any project that would expand the operations of the co-operative upon the resolution of the general assembly.
 - iii. Upon the dissolution of the cooperative, the reserve fund shall not be distributed among the members. However, the general assembly may resolve:
 1. To establish usufructuary fund for the benefit of any federation or union to which the co-operative is affiliated; or
 2. To donate, contribute or otherwise dispose of the amount for the benefit of the community where the co-operative operates. If the member could not decide on the disposition of the reserve fund, the same shall be given to the federation or union to which the co-operative is affiliated.
- B. *Education and Training Fund.* *Two percent (2%)* shall be set aside for Education and Training Fund. The fund shall provide for the training, development and similar other activities geared towards the growth of the co-operative.
- i. Half of the amount allocated to the education and training fund annually under this subsection may be spent by the co-operative for education and training purposes; while the other half may be remitted to a union or federation chosen by the co-operative or of which it is a member.

ii. Upon the dissolution of the cooperative, the unexpended balance of the education and training fund pertaining to the co-operative shall be credited to the co-operative education and training fund of the chosen union or federation.

C. *Community Development Fund.* Three percent (3%) shall be set aside for projects and activities that will benefit the community where the co-operative operate.

D. *Optional Fund.* Five percent (5%) shall be set aside for Optional Fund for land and building fund, and such other developmental purposes as may be identified by to co-operative as approved by the general assembly.

Section 2. Interest on Share Capital and Patronage Refund. The remaining net surplus shall be made available to the members in the form of interest on share capital not to exceed the normal rate of return on investment and patronage refunds. *Provided*, that any amount remaining after the allowable interest and the patronage refund have been deducted shall be credited to the reserve fund. The sum allocated for patronage refund shall be made available at the same rate to all patrons of the co-operative in proportion to their individual patronage, *provided* that:

- a. The patronage refund of a member with fully paid share capital shall be paid to him in cash or at this option be credited to his/her account as additional share capital;
- b. The patronage refund of a member with unpaid share capital subscription shall be credited to his/her account as payment of his/her unpaid subscriptions until the same shall have been fully paid;
- c. For non-member patrons, their proportionate patronage refunds **shall be set aside in a general fund created for the purpose. Their individual patronage refund shall be credited to their respective names only upon request and presentation of evidence of the amount of his/her patronage.** When the amount so accumulated under his/her name within a period of one year equals the minimum share capital contribution for membership and he/she is qualified and willing to comply with the requirements for membership, said non-member patron shall be considered member of the co-operative upon payment of membership fee.

If within the period specified in the preceding paragraph, any non-member patron who has accumulated the sum necessary for membership, but refuses or fails to qualify for membership, the amount so accumulated in his/her account together with any part of the general fund for non-member patrons shall be credited to the reserve fund or to the education and training fund of the co-operative at the option of the general assembly.

ARTICLE X

Settlement of Disputes

Section 1. Mediation and Conciliation. All inter and intra-cooperative disputes shall be settled within the co-operative in accordance with the pertinent Guidelines **issued by the Cooperative Development Authority.**

Section 2. Disputes Involving Members of the Mediation and Conciliation Committee and Board of Directors. If one of the parties to a controversy is a member of the Mediation

and Conciliation Committee, the chairperson shall endorse the case to the Board of Directors who shall resolve the case following the procedures prescribed in the preceding section.

If one or both parties are members of the Board of Directors and the Mediation and Conciliation Committee, the Chairperson of the Committee shall communicate in writing such fact to the Chairperson of the Board of Directors who shall forthwith call a special board meeting to form a five (5)-man Special Conciliation Committee, consisting of the heads of Audit and Election Committees, the Secretary and one representative of each party. The special conciliation committee shall convene immediately and after electing from among themselves the Chairperson, Vice-Chairperson and the Secretary, proceed to resolve the case in accordance with the procedures prescribed in the preceding section. The committee shall automatically cease to exist upon the final resolution of the controversy.

Article XI Miscellaneous

Section 1. Investment of Capital. The co-operative may invest a **maximum of 10% of its paid-up capital** in any or all of the following:

- a. Shares or debentures or securities of any other cooperative;
- b. Any reputable bank in the locality or any co-operative and co-operative banks;
- c. Securities issued or guaranteed by Government;
- d. Real Estate primarily for the use of the co-operative or its members; or
- e. In any other manner approved by the general assembly.

Any investment that requires more than 10% of paid-up capital is subject to general assembly approval

Section 2. Accounting System. The co-operative shall keep, maintain and preserve all its books of accounts and other financial records in accordance with generally accepted accounting principles and practices, applied consistently from year to year, and subject to existing laws, rules and regulations.

Section 3. External Audit. At least once a year, the Board of Directors shall in consultation with the Audit Committee, cause the audit of the books of accounts of the co-operative by **Cooperative Development Authority** accredited independent Certified Public Accountant.

Section 4. Annual Report. During the annual regular assembly meeting, the co-operative shall submit a report of its operation to the general assembly together with the audited financial statements. The annual report shall be certified by the Chairperson and Manager of the co-operative as true and correct in all aspects to the best of their knowledge. The audited financial statements shall be certified by Cooperative Development Authority accredited independent Certified Public Accountant.

The co-operative shall submit the following reports to the Authority within **(120) days** from the end of every calendar year:

- a. Cooperative Annual Performance Report (CAPR);
- b. **Social Audit Report;**

- c. **Performance Report;**
- d. Audited Financial Statement duly stamped “Received” by BIR;
- e. **List of officers and trainings undertaken/completed.**

ARTICLE XII
Amendments

Section 1. Amendment of Articles of Cooperation and By-laws. Amendments to the Articles of Cooperation and this By-Laws may be adopted by at least two-thirds (2/3) votes of all members with voting rights without prejudice to the rights of dissenting members to withdraw their membership under the provisions of the Philippine Cooperative Code of 2008.

The amendment/s shall take effect upon **approval** by the Cooperative Development Authority.

Voted and adopted this 26th day of March, 2011 in Sattelite Homes III, Dasmarinas Cavite, Philippines.

DENNIS CARINUGAN
Chairperson of the Board
Postal ID 9231036

DANIEL GOROSPE
Vice-Chairperson of the Board
Driver’s Lisence D06-91-084979

SHERWIN F. SABATER
Board of Director
Social Security System 33-3434021-3

IAN GALO
Board of Director
Driver’s Lisence F03-94-083149

ANALISA B. MERCADO
Board of Director
PRC ID number 0224104

ROMMEL A. LUNA
Board of Director
Social Security System 04-3050896-5

ERWIN J. BUENA
Board of Director
Social Security System 33-2668785-8

HEDYLISA CARINUGAN
Board of Director
Postal ID 9231035

ROSELILY M. UY
Board of Director
Social Security System 03-5986029-2

MIRRIAM S. AQUINO
Board of Director
Social Security System 03-5049719-8

RONALD B. DACANAY
Board of Director
Social Security System 33-4545791-7

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the Authority to be affixed this _____ at _____, Philippines.

Notary Public

Doc. No. _____

Page No. _____

Book No. _____

Series of _____