

BY-LAW

Of

NAME: 1. The name of the co-operative shall be:

ADDRESS :2. The registered office of the co-operative shall be :-

OBJECTS : 3. The objects of the co-operative shall be :-

- a) To obtain and to supply to members articles in general domestic or agricultural use of good quality, weight and measures;
- b) To purchase goods , stores and consumable articles of all kinds from producers manufacturers, wholesale dealers, commission or any other agents, co-operative societies or any other person or persons and to sell them to the members;
- c) To make arrangements with persons engaged in trade, business or profession for the concession to the members of any special rights, privileges or advantage, and in particular to the supply of goods;
- d) To accept marketable produce from the members and to store, process, transport and market such produce as advantageously as possible;
- e) To accept deposit from members and hold them in safe custody for the use and benefit of depositors;
- f) To encourage thrift, self help and co-operation generally among members, to promote the development of co-operative ideas and to improve their economic condition by means of better business;
- g) To raise funds by means of borrowing from banks or other lending institutions – to meet capital projects subject to the restrictions provided for under By Law 47; and
- h) To do all such other things as are incidental or conducive to the attainment of the said objects.

AREA OF OPERATIONS :

4. The area operations shall be :

MEMBERSHIP :

5. The members shall consist of :
- (a) persons who join the application for registration; and
 - (b) persons admitted in accordance with these By-laws.
6. Every member of the co-operative must be :-
- (a) of the age of 18 years and upwards;
 - (b) is a citizen or resident of Fiji
 - (c) resident within the area of operations;
 - (d) of good character and sound mind;
 - (e) the holder within 30 days of his/her election, of at least **one(1)** share in the Co-operative. Until he/she is the holder of **one(1)** share, he/she shall have no right to vote or to hold any office. The value of one share shall be \$20.00.
7. Application for membership shall be made through the Secretary and shall be disposed of by the Board who may grant or refuse admission.
8. Membership shall be terminated by :
- (a) death;
 - (b) removal of residence from the area of operations of the co-operative;
 - (c) permanent insanity;
 - (d) expulsion as provided for in by-law 9;
 - (e) withdrawal after application in writing to the Secretary giving one year's notice.

9. A member may be expelled for any action which is held by the Board and confirmed by a General Meeting to be dishonest or contrary to the stated objects of the co-operative or if a member carried out or attempted to carry out an act seriously detrimental to the co-operative or if he or she failed to respect any or all the duties stipulated in Section 39 of the Co-operative Act.
10. The procedure for expulsion of a member shall include :
 - (a) a period of notice of at least two months;
 - (b) a written notification thereof stating the reasons for the expulsion and;
 - (c) the member shall have the right to defend himself or herself before the Board or General Meeting prior to the decision.
11. If the expulsion was decided by the Board, the expelled member may appeal to the next General Meeting whose decision shall be final. Provided that such appeal shall not suspend the effects of the decision.
12. On the death of a member, the co-operative may transfer the share and any interest of that member to the person nominated in accordance with Section 31 of the Co-operative Act. If there is no person so nominated, the person as may appear to the Board to be the heir or personnel representative of the deceased member shall be transferred, the sum representing the amount of the deceased member's share and other interest in the co-operative.
The co-operative shall also pay the amount of all money due to the deceased member from the co-operative to the heir, legal representative or nominee as the case may be after the debts of the deceased to the Co-operative has been fully settled.

GENERAL
MEETINGS :

13. The General meeting shall be convened by the Board and shall be the supreme organ of deliberation and decision making of the co-operative and its decisions shall be binding on all members, even on those absent or dissenting. At least 21 days notice shall be given by public notice at the co-operative's registered office, by personal invitation or any other methods that guarantee that all members have been duly notified.

14. The first general meeting shall be held as soon as possible after registration and its functions are described in Section 53 (2) of the Co-operative Act.
15. The Annual General Meeting of the Co-operative shall be convened by the Board once in every year within six months from the end of the financial year which shall be the 30th of June in each year.
16. In the absence of an Annual General Meeting convened by the Board, the Supervisory Committee or the members themselves shall have the power to convene the Annual General Meeting and its functions are described in Section 54 (3) of the Co-operative Act.
17. The Ordinary General Meeting of the co-operative may be held on regular basis in addition to the mandatory Annual General Meeting and the functions of such meetings are described in Section 55 (2) of the Co-operative Act.
18. A Special General Meeting of the Co-operative shall be convened if the Board or Supervisory Committee deems it necessary and in accordance with Section 56 (1) (a) and (b) of the Co-operative Act. The matters to be decided by the Special General Meeting is described in Section 56 (2) of the Co-operative Act.

Voting Rights
At the General
Meetings :

19. Every member shall have one vote in the affairs of the Co-operative, irrespective of the number of shares a member holds and such vote shall be exercised in person and not by proxy;

Board :

20. The Board shall consist of at least three (3) directors elected by the General Meeting from among the members and the number of directors shall be six. The quorum for a board meeting shall be four.
21. The Chairperson, of the Board and the Vice Chairperson shall be elected by Secret Ballot during the General Meeting.

22. The Board shall be elected for a term of three (3) years arranged so that two **(2)** directors are elected each term. The maximum number of consecutive terms a director may serve is two **(2)**
23. If there is any vacancy on the Board as a result of death, resignation, expulsion or withdrawal or for any other reason, it shall be filled at the next Annual General Meeting.
24. The Board shall meet when convened by its Chairperson and, in his or her absence, by the Vice-Chairperson as often as the interests of the co-operative shall require and at least once every three months. It shall also be convened on the request of one third of its members .
25. The quorum for the Board Meeting shall be at least one half or at least three members present whichever is higher.
26. The service of the Board members shall be honorary, however a member of the Board may receive a honorarium on the authority of a resolution to that effect passed by the General Meeting of the Co-operative.
27. A Board member shall cease to hold office if such member has absented himself or herself from two consecutive meetings without the leave of the Chairperson.
28. The decisions of the Board shall be taken by a majority of the votes cast and in case of equality of votes, the Chairperson shall have a casting vote.
29. In the conduct of the affairs of a co-operative the members of the Board shall exercise the prudence and diligence of ordinary persons of business and shall be jointly and severally liable for any losses sustained through any of their actions which are contrary to this by-laws or the directives of the General Meeting.

Chairperson :

30. The Chairperson shall preside at all General Meetings and all meetings of the Board and shall perform the other duties conferred upon him or her by the by-laws. Some of the duties involved are:
 - (a) ensure that the rules regarding the custody of the assets of the co-operative are strictly observed by those responsible ;

- (b) ensure that both Board and General Meetings are held regularly and that extra meetings are called immediately when the necessity arises ; and
- (c) intervene and settle disputes and difficulties which arises in the day to day business of the co-operative.

Secretary :

- 31. The Secretary shall serve the Co-operative on a regular basis and shall carry out the duties conferred upon him or her by the by-laws which shall include the duty to :
 - (a) maintain, or cause to be maintained, correctly and up-to-date the co-operative's registers, books and papers other than the financial accounts of the co-operative;
 - (b) summon and attend the General Meetings and meetings of the Board and to record the proceedings in the minute book;
 - (c) conduct and sign its correspondence on behalf of the Board.

Treasurer :

- 32. The Treasurer shall serve the Co-operative on a regular basis and shall carry out the duties conferred upon him or her in the by-laws which shall include the duty to:
 - (a) maintain, or cause to be maintained correctly and up-to-date the co-operative's account and accounting records.
 - (b) take charge of all financial transactions of the co-operative and to secure the safe-keeping of the co-operative's funds;
 - (c) prepare, or cause to be prepared, all necessary receipts, vouchers and accounts required by the Act, the Regulations and the by-laws.

Audit :

- 33. The co-operative shall cause its accounts to be audited at least once every year by a certified auditor or any certified audit institution or by any person authorized by the Registrar.
- 34. The Co-operative shall, as soon as practicable, but not later than six months after the end of the financial year; submit to the

Registrar an annual report; on its activities during the year, together-with two certified copies of the audited financial statements of the Co-operative and the auditor's report for that year after they have been approved by the Annual General Meeting.

**Supervisory
Committee :**

35. There shall be a Supervisory Committee for the co-operative, as its internal control organ.

**Composition of the
Supervisory Committee :**

36. (a) The Supervisory Committee shall consist of **three (3)** members.
- (b) Members of the Supervisory Committee shall be elected by the General Meeting and directly responsible to it under the same procedures and conditions as the Board.
- (c) Board Members or employees of the Co-operative can not be elected to serve on the Supervisory Committee.

**Functions and Powers
of the Supervisory
Committee :**

37. (a) The Supervisory Committee shall be responsible for ensuring that the affairs of the Co-operative are conducted in accordance with these by-laws and the resolutions adopted at the General Meeting.
- (b) In the exercise of its functions in terms of by-law 37 (a) above, the Supervisory Committee shall :
- supervise the operation of the Board and employees of the co-operative,
 - ascertain the authority and validity of all expenditures and approve expenditures above a certain amount,
 - examine the accounts of the Co-operative at regular intervals of not less than once every two months,

- ensure that all transactions are properly entered into the responsible books, accounts or documents,
 - reveal to the Board and to the members of the Co-operative or to the Registrar any discrepancies that may occur in the management of the Co-operative,
 - ensure the validity of the Balance Sheet and any other financial returns.
 - present at the Annual General Meeting a special report of the management and financial status of the Co-operative including any violation of these by-laws.
- (c) The members of the Supervisory Committee may be present at the meetings of the Board.
- (d) The Supervisory Committee shall have full access to all books, accounts and documents, financial or otherwise of the Co-operative and shall have the power to summon any person to produce any information or such books or documents as may be necessary.
- (e) The Supervisory Committee may make use of the services of an expert or a specialized institution for a limited period of time for a specified task subject to financial resources being available for this purpose.
- (f) Should a serious event threaten the existence of the Co-operative, the Supervisory Committee shall be empowered to convene a Special General Meeting or to order an inquiry in accordance with Section 86 of the Co-operative Act.

Meetings of the Supervisory Committee :

38. (a) The Supervisory Committee shall meet at least **4** times in a year.
- (b) The Supervisory Committee shall elect amongst itself, appropriate bearers and shall keep proper minutes of meeting which shall be made available to the members of the Board.
- (c) In fulfilling its duties, members of Supervisory Committee may have the right to the same allowance and

reimbursement of expenses as is approved for the Board Members according to the approval of the General Meeting.

Finance :

39. The capital of the Co-operative shall be raised by any or all of the following :
- (a) entrance fees which shall not be refundable except in cases where an application for membership has been rejected;
 - (b) shares subscribed and paid-up by each member, which cannot be withdrawn after termination of membership but may be transferred with the approval of the Board as stipulated in By-Law (12).
 - (c) reserves formed by allocation of surplus at the end of the financial year which shall be indivisible share capital of the co-operative;
 - (d) grants, donations and other contributions in cash or kind from public or private donor organizations:
Provided that the Registrar shall be informed by donors of the amount of the grant, donation or other contributions including the names of beneficiaries within two months providing grant, donations or contribution.
 - (e) capital borrowed from members in the form of voluntary savings deposits, from other co-operatives or banks and public or private credit institutions, or from any other technical or financial assistance organisation subject to the conditions and restrictions as are provided for in by-law (43);
 - (f) other contributions by members to the equity capital of the Co-operative.
40. The authorized capital of the Co-operative shall be **Thirty Thousand Dollars (\$30,000.00)** divided into **One Thousand five hundred (1500)** shares of **Twenty Dollars (\$20.00)** each. The minimum number of shares to be held by each member shall be **one**.
41. The liability of a member for the debts of the co-operative shall not exceed the nominal value of the shares held by the member.
42. All shares shall be paid up prior to allotment.

Provided that at least ten percent of the minimum share contribution shall be payable on admission to the co-operative.

43. The co-operative shall invest or deposit its funds and no investments above **\$400.00** shall be made without the prior approval of the General Meeting.
44. The funds of the co-operative shall be applied only to the furtherance of its stated objects.
45. The financial year of the co-operative shall end on 30th June in each year.
46. The co-operative shall receive deposits and loans from members and non-members only to such extent and under such conditions as prescribed in by-law (47).
47. The co-operative shall from time to time fix at a General Meeting the maximum liability it may incur in loans or deposits whether from members or non-members. The figure so fixed shall be subject to the approval of the Registrar in consultation with the National Co-operative Federation. The co-operative shall not receive loans or deposits which will make its liability exceed the limit sanctioned.
- 48.(a). When the funds of the co-operative are kept in a Bank, Cheques shall be signed by the Chairperson conjointly with either the Secretary or Treasurer. Crossed order cheque received by the Co-operative shall be endorsed by anyone of the Chairperson, Secretary or Treasurer.
- (b). Any contract or legal undertaking that the co-operative enters into with any financial institutions or any organization shall be signed by the Chairperson, Secretary and Treasurer.

Distribution of Surplus :

49. After the statutory contribution to the reserve fund has been made in accordance with Section 100 of the Co-operative Act, the remainder of the surplus resulting from the operation of the Co-operative during the financial year together with any surplus carried forward from preceding years shall be utilized for any or all of the following purposes:

- (a) bonus paid to members according to their volume of transactions with the co-operative;
- (b) interest paid on share capital which shall not exceed **20** percent;
- (c) at least **10%** of its net surplus to an educational fund of the co-operative;
- (d) incentive bonus paid to employees and workers of the Co-operative.
- (e) may distribute a part of its net surplus among the members in the form of bonus share;
- (f) allocations to any special funds as approved by the General Meeting.

Reserve Fund :

- 50. The co-operative shall maintain a reserve fund. At least **50%** of its surplus resulting from the transaction of the co-operative with its members during the financial year shall be credited to the Reserve fund for the first 4 years after registration and at least 30% annually thereafter. The fund shall :
 - (a) be utilized in the business of the Co-operative; or
 - (b) be applied to meet occasional deficiencies incurred by the co-operative :
 - (c) be invested.
- 51. At least **25%** of the allocation to the reserve fund shall be transferred to the National Reserve investment Trust Fund which is administered by the National Co-operative Federation.
- 52. The Reserve Fund shall be indivisible and no member shall be entitled to claim any specified share in it.

General :

- 53. (a) In the event liquidation of the co-operative, the assets, including the reserve fund, shall be applied first to the costs of liquidation, then the discharge of all deposit liabilities to

its depositors, then to the discharge of all other liabilities of the co-operative, then the payment of share capital held by members and then the payment to members of a dividend or bonus at a rate not exceeding 20% for any period during which no dividend or bonus was in fact paid. Any sums unclaimed after two years shall be paid by the Registrar to the National Co-operative Federation for the furtherance of any objectives related to Co-operative development.