BYE-LAWS OF RAINFLOW COOPERATIVE MULTIPURPOSE SOCIETY LIMITED

1. DEFINITION AND INTERPRETATIONS

All words and expression used in these bye-laws have the meaning respectively assigned to them under Lagos State Cooperative Society Law, 2022 In particular, the following words or expression shall have the meaning respectively assigned to them below:

1.1 "Active Members" means a financial/registered member ordinarily resident in Nigeria or a Nigeria Abroad or any such members as may be approved who by means of an application for registration is registered as a member of the Society.

1.2 "Bye-Laws" means the Bye law of Rainflow Cooperative Multipurpose Society Ltd and includes a registered amendment of the bye-laws.

1.3 'Committee' means anybody of persons set up or established in accordance with this Bye-law or members at a General Meeting to whom specific duties are delegated by the Society.

1.4 "Cooperative Management Committee or CMC"means the governing body of this Society a registered Society to whom the general management of its affairs is entrusted.

1.5 "Financial Year" means the period of twelve months beginning on 1st January and ending on 31st December, the same year.

1.6 "Officer" includes a President, Vice President, General Secretary, Assistant General Secretary, Treasurer, Assistant Treasurer, Financial Secretary, Assistant Financial Secretary, members of the Committee or other persons empowered under the regulations or bye-laws to give directions with regards to the business of a registered Society.

1.7 "Diaspora Members" Means members who are not ordinarily resident in Nigeria or who may not not be Nigerians

1.8 "Passive Members" Means members who have resigned their membership or are no longer financial members of the Cooperative

1.9 "Persons" include any company or association or body of person corporate or incorporate.

1.10 "Regulations" means regulations made under this Bye-Law as amended from time to time.

1.11 "**RCMS**" means Rainflow Cooperative Multipurpose Society

1.12 "The Director" means the Director of Cooperative Services, Lagos State.

1.13 "Society" means RAINFLOW COOPERATIVE MULTIPURPOSE SOCIETY LTD

1.14 "The Law" Lagos State Cooperative Society Law (2022)

2. NAME, ADDRESS AND AREA OF OPERATION

2.1 This Society shall be called the **RAINFLOW COOPERATIVE MULTIPURPOSE SOCIETY LTD**

2.2 Its registered address shall be 12b Abba Johnson, Harmony Enclave, off Adeniyi Jones, Ikeja, Lagos

2.3 The area of operation of the Society shall be within NIGERIA.

3. **OBJECTIVES OF RAINFLOW COOPERATIVE MULTIPURPOSE SOCIETY LTD**

The objectives of the Society are to promote the economic interests of its members and especially:

3.1 To encourage regular savings amongst members so that each member may cultivate the habit of making savings at least once in every month, with a view to build up funds for his/her future use;

3.2 To stock consumers and producers' goods for distribution to members and nonmembers; (with priority to members)

3.3 To operate warehouses and cold room facilities for the storage of these consumers and producers' goods and let out these facilities to interested parties;

3.4 To acquire land for sale or development for housing or industrial purposes for the benefit of members and non-members;

3.5 To raise capital and do such other things as are necessary for the attainment of these objects;

3.6 To set up small-scale industries to produce items that are economical and viable;

3.7 To engage in any other economic or social activity as may be approved by the general meeting of members;

3.8 To manage financial portfolios carefully by entering the stock market to invest in the stock and features market guided by the decision of members. In this way, the Society shall become part owners in businesses that produce goods and services that members buy;

3.9 To undertake or invest in real estate and housing developments for acquisition by its members and other interested parties

3.10 To undertake or invest in new ventures beneficial to the members and the Society as approved by the Cooperative Management Committee. These include but not limited to fintech venture capital, project financing, production, etc.

3.11 To undertake service businesses that will cater for the primary needs of members including but not limited to fast moving consumer goods (fmcg), petrol stations, warehousing, consultancy etc., managed in the overall interest of members and the Society.

3.12 To encourage fixed deposits from members out of which a fund may be established for giving short-term loans to members, to acquire stock of shares and other rewarding ventures;

3.13 To seek loans for industrial/housing development from banks, the Cooperative circle and other financial institutions;

3.14 To secure wholesale mortgage, either for on-lending to members or for housing development and let or sell such dwellings on mortgage basis.

3.15 To establish recreational facilities like hotels, restaurants, snack bars, amusement/entertainment centers, sport centers and supermarkets.

3.16 To engage in the organization or exhibition of locally made goods, cultural carnivals and conferences

3.17 To engage in importation and exportation of raw materials and finished goods

3.18 To engage in consultancy and any other economic or social activity as may be approved by the general body of members

3.19 To take other measures designed to encourage the spirit and practice of cooperation and self-help among members.

3.20 To do anything within the law and enter into any transaction which in the Society's opinion is necessary to ensure the proper performance of its functions or the attainment of the above listed objects.

4. **MEMBERSHIP AND LIABILITY**

4.1 **MEMBERSHIP:**

The membership of the Society shall consist of:

4.1.1 Persons who hold the minimum shareholding of the Society.

4.1.2 To qualify as a member, every member of the Society must be:

a. Either a confirmed financial or registered member by recommendation

b. Of good character.

4.1.3 The Society may have active and passive members.

4.2 **ADMISSION**

4.2.1 Application for new membership shall be made in writing to the Cooperative Management Committee who shall approve and grant same having established that the member meets the criteria stated in Section 4 and have subscribed to the required minimum shares in Section 7.3 of this Bye-law. Every member shall on admission be required to sign the **Membership Form.**

4.2.2 The Cooperative Management Committee shall have a discretion in considering whether to grant or refuse an application for membership with regards to new members or of a former member who is seeking to re-apply for membership of the Society.

4.2.3 Except where the Cooperative Management Committee have confirmed or deemed appropriateˆ, no member shall deal directly as an individual or as a group or company with any of the Society's sources of supplies and shall have no conflict of interest with the Society and its businesses.

4.3 **LIABILITY OF MEMBERS AND PAST MEMBERS**

4.3.1 The liability of members for debts incurred by the Society shall be determined by the appointed Liquidator by the Director under the Lagos State Cooperative Law, 2022

4.3.2 A past member shall be liable for the debts of the Society, as they existed on the date when he ceased to be a member and for a period of two years from the date on which he ceased to be a member.

4.3.3 The estates of a deceased member shall be liable for the debts due by the Society as they existed as at the date of his demise and for a period of two years after his death.

4.4 **NOMINEES**

4.4.1 Every member shall in writing nominate one person as his/her next of kin and nominate such other persons as beneficiary or beneficiaries.

4.4.2 Following the death/insanity of a member and upon application by the deceased member's beneficiary or beneficiaries as the case may be in accordance with Section 4.5.1 and 4.5.2 of this Bye-law, the Society shall pay the benefits and value of the deceased member's shares and contributions to the beneficiary or beneficiaries of such deceased member, in the proportion as designated by the deceased member. In such an event, the right of membership ceases and is not transferable to the nominee.

4.5 **TERMINATION OF MEMBERSHIP**

Membership shall be terminated by: -

4.5.1 Death;

4.5.2 Permanent insanity;

4.5.3 Ceasing to hold the minimum share qualification for membership;

4.5.4 Withdrawal of membership upon:

a. Giving One (1) month notice in writing of intention to withdraw membership to the Cooperative Management Committee and

b. Payment of entitlements to such member (where applicable) within 3 months from the date of receipt of notice stipulated in (a) above

PROVIDED that the withdrawing member is neither indebted to the Society; and

4.5.5 Expulsion under Section 4.6 of this Bye-law.

4.6 **EXPULSION**

A member may be expelled for: -

4.6.1 Repeated failure to make thrift savings as laid down in Section 7.8 of this Bye-law;

4.6.2 Repeated failure to make the share installments;

4.6.3 Conviction on a criminal offence involving dishonesty, fraud and/or capital offence; and

4.6.4 Misconduct or other acts contrary to the stated objects of the Society or to the interests of the Cooperative Society. A committee shall be set up by the Cooperative Management Committee made up of members of the Society and Cooperative Management Committee members to determine cases of misconduct likely to be a ground for expulsion.

4.7 **SUSPENSION**

A member may be suspended for: -

4.7.1 Gross misconduct

4.7.2 Making false declaration or fraudulent misrepresentation to the Society or committing an act that is likely to bring the Society into disrepute

4.8 **SET OFF**

Any money due on any account from this Society to a member or a past member, shall be set off in payment of any sum which he owes or for which he stands surety.

4.9 **MEMBERSHIP REGISTER**

Every member, on admission shall pay the applicable fees and sign the membership register as an evidence of membership. By this he acquires the right of full participation in the affairs of the Society and assumes all obligations relating thereto.

5. **CONSTITUTION AND DUTIES OF GENERAL MEETING**

5.1 **POWERS OF THE GENERAL MEETING**

The members in general meeting shall be the ultimate authority in all the affairs of the Society and shall from time to time meet to review and direct the affairs of the Society.

5.2 **QUORUM**

The quorum for a general meeting of the Society shall be 7 members and 5 of the 7 must be from the founding **CMC** for the disposal of any business at the general meeting. If no quorum is formed at a meeting, an adjournment may be made for a period not less than 7 days or more than 15 days. Thereafter, the number of members present at any such adjournment shall form a quorum.

5.3 **NOTICE OF MEETINGS**

The notice required for all types of General Meetings from the commencement of these Bye Laws shall be twenty-one days from the date on which the Notice was sent out.

5.4 **RESOLUTIONS AT MEETINGS**

5.4.1 A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of votes cast by such members of the Society as being entitled to do so, present at a General Meeting.

5.4.2 A resolution shall be a Special Resolution when it has been passed by not less than three-fourth of the votes cast by such members of the Society as being entitled to do so, who shall vote in person (or by proxy) at a General

Meeting of which 21 days' Notice, specifying the intention of passing the resolution as a Special Resolution has been duly given.

5.4.3 All resolutions shall be by special resolution for the purpose of:

1. Removing a Cooperative Management Committee Member or

2. Amending the provisions of this Bye-Law

5.5 **THE ANNUAL GENERAL MEETING**

The Annual General Meeting shall be held within the first and second quarters of the succeeding year after the Annual Statements of Accounts have been prepared.

5.5.1 **PROCEEDINGS OF THE ANNUAL GENERAL MEETING**

Proceedings of the Annual General Meeting shall include: -

1. Receiving a report on the preceding year's working of the Society with the Statement of Accounts from the Cooperative Management Committee;

2. Dealing with any communication received from the Director;

3. Election of the Cooperative Management Committee

4. Election of members into the Audit and Supervisory Committee

5. Other matters as presented by the Cooperative Management Committee or members.

5.6 **EXTRA-ORDINARY GENERAL MEETING**

5.6.1 An Extraordinary General Meeting (Virtual /Physical) may be called at any time by a majority of the Cooperative Management Committee or on a request from the Director or request from not less than 14 members 5 of whom must be members of the founding CMC who has the Veto Power with regards to all proceedings in accordance with Section 5.2.

5.6.2 The President and General Secretary of the Society shall call for an Extraordinary General Meeting(Virtual/Physical) upon receipt of a request signed by not less than 7 members, 5 of whom must be members of the CMC of the Society and the request shall specify the agenda of the meeting or proposed resolutions.

5.6.3 Only the advertised object of such proposed meeting shall be transacted or discussed at such meeting.

5.6.4 Where the Director convenes such meeting, he may direct what matters shall be discussed at the meeting and may not need to give 21 days' notice as in Section 5.6.1 above.

5.7 **PROCEEDINGS OF THE GENERAL MEETING**

When necessary a General Meeting shall:

5.7.1 Suspend or remove from office, any officer or Member of the Committee in accordance with these Bye-laws.

5.7.2 Amend or repeal any existing Bye-laws or enact a new Bye-law.

5.7.3 Dispose of any other business duly brought before it.

5.8 **VOTING**

5.8.1 At any general meeting, all questions except unanimously resolved shall be decided by a majority of votes of the members present and voting as follows:

i. Each member present shall have one vote at all meetings;

ii. Voting at General Meetings for decisions shall be by show of hands;

iii. Voting at General Meetings for elections of officers of the Society shall be by ballot;

iv. The President shall have a casting vote, if votes are equal or he may call for a second voting.

v. The Founding Cooperative Management Committee shall have Veto Power on all proceedings at the meeting.

5.9 **ELECTIONS**

5.9.1 Election of officers shall be conducted in accordance with the Electoral Guidelines annexed to this Bye-law.

6. **THE COOPERATIVE MANAGEMENT COMMITTEE**

6.1 COMPOSITION, POWERS AND TENURE OF THE COOPERATIVE MANAGEMENT COMMITTEE

6.1.1 **COMPOSITION OF THE COOPERATIVE MANAGEMENT COMMITTEE**

1. The Cooperative Management Committee shall consist of active members and shall be elected by the General Meeting or the Annual General Meeting.

2. The composition of the Cooperative Management Committee shall include:

i. President

ii. Vice-President

iii. General Secretary

iv. Assistant General Secretary

v. Treasurer

vi. Assistant Treasurer

vii. Financial Secretary

viii. Assistant Financial Secretary

ix. ex-officio members who were the ex-president and vice president of the preceding tenure to represent the various interest areas of the Society.

6.1.2 **POWERS OF THE COOPERATIVE MANAGEMENT COMMITTEE**

1. Subject to the Law, the Regulations and these Bye-laws, the day-to-day administration of this Society shall be vested in the Cooperative Management Committee. It also shall have power to create sub-

committees and functional committees to which it may delegate parts of its functions provided that a member of the Committee shall head such sub-committees and functional committees.

2. The Cooperative Management Committee shall have power to lay down administrative rules and procedure for the smooth running of the Society provided such rules and procedures do not violate or contravene the spirit and letters of the Law, Regulations and this Bye-law.

3. The Cooperative Management Committee shall have the power to appoint a new member of the Cooperative Management Committee to fill any casual vacancy arising out of death, resignation or retirement of a member of the Cooperative Management Committee for the incumbent tenure and such new member of the Cooperative Management Committee shall cease to hold such position by the next AGM where an election will be conducted and where he/she is eligible to be elected for such office. PROVIDED that where there is a casual vacancy arising in respect of a principal position (which consists of the President, General Secretary, Financial Secretary and Treasurer), the vice and assistants of such positions may assume such principal position arising from such casual vacancy and the vice or assistant position shall be deemed to be the casual vacancy in respect of which Section 6.1.2 (3) applies.

4. The Founding Cooperative Management Committee shall have Veto Power on all proceedings at the meeting and regarding all the affairs of the Society.

6.1.3 **TENURE OF THE COOPERATIVE MANAGEMENT COMMITTEE**

An officer shall serve for 2 (two) terms of 2 (two) years each in any position except for the founding Cooperative Management Committee who shall serve for 2(two) terms of 4(years) consecutively unopposed

6.2 **REMOVAL OF COOPERATIVE MANAGEMENT COMMITTEE MEMBERS**

6.2.1 The Society may by a Special Resolution passed at a General Meeting remove Cooperative Management Committee member(s) before the expiration of their tenure of office.

6.2.2 To give effect to Section 6.2.1, notice must be given of an intention to remove a Cooperative Management Committee member. Such notice shall be circulated to members together with the notice of meeting and shall state the reason(s) for the intention to remove a Cooperative Management Committee member. The Cooperative Management Committee member is allowed to make representation and respond to such notice duly circulated and such response shall be circulated by the Secretariat of the Cooperative Management Committee to members not less than seven (7) days to the meeting.

6.2.3 Where such response or representations are unable to be sent out as required in this Section as a result of its being received too late or due to the Society's default, the aggrieved Cooperative Management Committee Member may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting.

6.2.4 A vacancy created by the removal of a member of the Cooperative Management Committee under this section shall be filled at the meeting at which he is removed.

6.3 **PROCEEDINGS OF THE COOPERATIVE MANAGEMENT COMMITTEE**

6.3.1 The Cooperative Management Committee members may meet (Virtually/physically) for the dispatch of business and generally regulate their meetings as they think fit.

6.3.2 Any question arising at any meeting shall be decided by a majority of votes, and in the event of an equality of votes, the Chairman shall have a second or casting vote.

6.3.3 A member of the Cooperative Management Committee may, at any time summon a meeting of the Committee so long as such request is supported by a simple majority of members of the Committee.

6.3.4 A resolution in writing, signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Cooperative Management Committee duly convened and held.

6.3.5 Each member of the Committee shall be entitled to a vote each at the

Cooperative Management Committee Meetings.

6.3.6 The quorum necessary for the transaction of the business of the Cooperative Management Committee shall be five (5). The Committee members present at a particular meeting if there is a quorum may elect a Chairman for the meeting in the absence of the President of the Society and his Vice.

6.3.7 Where the Cooperative Management Committee is unable to act because a quorum cannot be formed, the General Meeting may act in place of the Committee.

6.4 **DUTIES OF COOPERATIVE MANAGEMENT COMMITTEE MEMBERS**

6.4.1 The members of the Cooperative Management Committee of the Society stand in a fiduciary relationship towards the Society and shall observe utmost good faith towards the Society in any transaction with it or on its behalf.

6.4.2 The Cooperative Management Committee member shall at all times act in the best interest of the Society so as to preserve its assets, further its business, and promote the purposes for which it was formed and in such manner as a reasonable and ordinarily skillful Committee member would act in the circumstances.

6.4.3 The Cooperative Management Committee shall, if necessary, employ staff for the smooth running of the Society's activities.

6.4.4 A Cooperative Management Committee member shall exercise his powers as specified in these bye-laws and such exercise shall not constitute a breach of duty, if it affects a member of the Society adversely.

6.4.5 A Cooperative Management Committee member shall not delegate the powers vested upon him under any provisions of these bye-laws in such a way and manner as to constitute an abdication of duty.

6.4.6 No provision, whether contained in these bye-laws or in any contract, shall relieve any Cooperative Management Committee member from the duty to act in accordance with this Section or relieve him from any liability incurred as a result of any breach of the duties conferred upon him under this section.

6.4.7 Members of the Cooperative Management Committee shall, conduct the affairs of the Society in line with Law, Regulations and these Bye-laws.

6.4.8 The Cooperative Management Committee shall have the responsibility of ensuring the maintenance of true and accurate accounts of all monies received and expended and all the assets and liabilities of the Society.

6.4.9 The Committee shall lay before the Annual General Meeting an Income and Expenditure Account and the Audited Balance Sheet.

6.4.10 The Committee shall examine the accounts, sanction the contingent expenditure and ensure the maintenance of the prescribed registers.

6.4.11 The Cooperative Management Committee shall consider the Inspection Report of the Government Co-operative staff and take corrective actions.

6.4.12 The Cooperative Management Committee shall summon General Meetings.

6.4.13 The Committee shall assist in the inspection of the books by any person authorized to do so.

6.4.14 The Cooperative Management Committee shall be in charge of legal proceedings by or against the Society or Committee or its officers or employees in matters concerning the affairs of the Society.

6.5 **CONFLICTS OF DUTIES AND INTERESTS**

6.5.1 A Cooperative Management Committee member shall not allow his personal interests conflict with his duties as an officer of the Society pursuant to these Bye-laws.

6.5.2 A Cooperative Management Committee Member shall not, either in the course of the management of the affairs of the Society or in the utilization of the Society's property, make any secret profit or other unexplained benefits.

6.5.3 A Cooperative Management Committee member shall be accountable to the Society for any secret profit made by him or any unnecessary benefit derived by him contrary to the provisions of Subsection 6.6.2. above.

6.5.4 Any Cooperative Management Committee member or an officer having resigned from the Society shall be accountable and can be lawfully restrained from misusing corporate information about the Society, which he was privy to by virtue of his prior position.

6.5.5 Where, prior to the transaction a Cooperative Management Committee member discloses his interests to the General Meeting before the transaction and before the profits are made, he may escape liability; but he shall not escape liability if he discloses only after the profits are made.

In this case, he shall account for the profits.

6.6 **LEGAL POSITION OF COOPERATIVE MANAGEMENT COMMITTEE MEMBERS**

6.6.1 Cooperative Management Committee members are jointly and severally responsible for the Society's moneys and properties in their care and as such must account for the moneys over which they exercise control and shall refund any moneys improperly paid out and shall exercise their powers honestly in the interest of the Society and all the members and not in their own or sectional interests.

6.6.2 Trustees: All Founding Cooperative Management Committee members (excluding ex-officio members) shall be the Trustees of the Society. It shall be their duty to sign on behalf of the Society all cheques and legal documents including those concerned with the transfer of funds, acquisition and disposal of properties provided that any two of the signatories could be considered.

6.7 **DUTIES OF OFFICERS OF THE SOCIETY**

6.7.1 Unless otherwise stated or directed by the General Meeting, the following officers of the Society shall have the following duties assigned to their offices:

a. **President:**

The President shall:

i. Preside at all General and Cooperative Management

Committee meetings of the Society as the Chairman and shall have power to convene such meetings.

ii. Ensure the proper management of the Society's activities

iii. Have a decisive or casting vote in case of a tie-vote

iv. Delegate any function necessary for the smooth running of the business to any other member of the Cooperative Management Committee

v. Perform such other duties as may be required by virtue of his position as the President

b. **Vice-president**:

I. In the absence of the President, the Vice-President shall be the Chairman of the meeting and at such

meetings, he shall have all powers of the President.

II. He shall also undertake any other duties as assigned by the President or Cooperative Management

Committee.

c. **General Secretary**:

The General Secretary shall:

i. Keep and maintain accurate and up-to-date prescribed books, documents, records and registers of the Society.

ii. Prepare documents required by the regulatory authorities or this byelaw or called for the Cooperative Management Committee meetings.

iii. Execute legal documents on behalf of the Society and conduct all its correspondence.

iv. Convene and attend all meetings, record the proceedings of such meeting and ensure the execution of such minutes of meetings.

v. Manage the Secretariat of the Society

vi. Perform other functions as directed by the President or Cooperative Management Committee.

d. **Assistant General Secretary**

The Assistant General Secretary shall:

i. Perform the functions of the General Secretary in the absence of the General Secretary.

ii. Assist the General Secretary in the performance of his/her function and in the running of the Society's Secretariat

iii. Perform other functions as directed by the General Secretary and the Cooperative Management Committee

e. **Financial Secretary**

The Financial Secretary shall:

i. Co-ordinate the processing of loans / withdrawals and savings transactions

ii. Monitor loans to ensure compliance with agreements

iii. Prepare Financial statements of Accounts of the Society

iv. Perform other functions as may be directed by the President or Cooperative Management Committee

f. Assistant Financial Secretary

The Assistant Financial Secretary shall:

i. Assist the Financial Secretary in the performance of his duties

ii. Perform any other function assigned to him/her by the President or Financial Secretary and or Cooperative Management Committee.

g. **Treasurer**:

The Treasurer shall:

i. Take charge of all monies received by the Society and shall make disbursements in accordance with the directives of the Cooperative Management Committee.

ii. Produce the cash-balance whenever called upon to do so by the Cooperative Management Committee or the External Auditors.

iii. Keep the records of income and expenditure of the Society as well as records of payment on loans taken by members of the Society.

iv. Perform other functions as directed by the President or Cooperative Management Committee.

h. Assistant Treasurer

The Assistant Treasurer shall:

i. Assist the Treasurer in the performance of his duties

ii. Perform any other function assigned to him/her by the President or Cooperative Management committee.

6.7.2 Where it is impractical or impossible for any member of the Cooperative Management Committee to perform a key role or function, that activity may be assigned to another officer, temporarily, either by the President or the Cooperative Management committee.

6.8 **PROVISION OF SURETIES AND INSURANCE**

Every employee of the Society who receives or pays out money on behalf of the Society shall before assuming his duties must provide sureties and, in an amount, to be determined by the Cooperative Management Committee. In addition, the Society may also take Fidelity Insurance for its paid employees and members of the Cooperative Management Committee who handle cash or stock on behalf of the Society.

6.9 **REMOVAL OF MEMBER OF THE COOPERATIVE MANAGEMENT COMMITTEE**

A member of the Cooperative Management Committee shall cease to hold office if he:

6.9.1 Ceases to be a member of the Society;

6.9.2 Becomes of unsound mind;

6.9.3 Becomes a paid-servant of the Society;

6.9.4 Is convicted for a criminal offence involving dishonesty, and

6.9.5 Acts in a manner prejudicial to the interest of the Society and he is removed by a vote of 3/4 of members present and voting at a general meeting. The Society may fill any vacancy arising from death, resignation and any incapacity or any removal.

6.10 **RELATED-PARTY TRANSACTIONS BY COOPERATIVE MANAGEMENT COMMITTEE MEMBERS**

6.10.1 The Society shall not enter into an arrangement:

1. Whereby a Cooperative Committee member of the Society, or a person connected with such member, acquires or is to acquire one or more non-cash assets of the requisite value from the Society, or

2. Whereby the Society acquires or is to acquire one or more noncash assets of the requisite value from such a member or person so connected; unless the arrangement is first approved by a resolution of the Society and such connection expressly disclosed.

6.10.2 For the purpose of sub-section (1) of this section, a non-cash asset is of the requisite value if at the time the arrangement in question is entered into, its total value of the asset and entire transaction is not less than N10,000,000 (Ten Million Naira). The total assets value shall be based on accounts prepared and laid in respect of the last preceding year of the Society's operations.

6.11 **LIABILITIES ARISING FROM CONTRAVENTION OF SUBSECTION 6.10**

6.11.1 An arrangement entered into by the Society in contravention of Section 6.10 of this bye-law and any transaction entered into in pursuance of the arrangement (whether by the Society or any other person), shall be voidable at the 'instance of the Society unless one or more of the conditions specified in Subsection 6.11.2 hereunder are satisfied.

6.11.2 The conditions shall include the following: -

1. Where restitution of any of the moneys or other assets which are the subject-matter of the arrangement or transaction is no longer possible or where the Society has been indemnified in pursuance of this Section by any other person for the loss or damage suffered by it; or

2. Any rights acquired bonafide for value and without actual notice of the contravention by any person who is a party to the arrangement or transaction would be affected by its avoidance; or

3. The arrangement is, within a reasonable period, affirmed by the Society in a General Meeting.

6.11.3 Where a member of the Cooperative Management Committee or any person connected with him enters into an arrangement with the Society in contravention of Section 6.10 of these bye-laws, that Cooperative Management Committee member and the person so connected, and any other Cooperative Management Committee member who authorizes the arrangement or any transaction entered into in pursuance of such an arrangement, shall be guilty of an offence and liable:-

1. To account to the Society for any gain which he has made directly or indirectly by the arrangement or transaction; and

2. Jointly and severally with any other person liable under this subsection, to indemnify the Society for any loss or damage resulting from the arrangement or transaction.

6.11.4 Subsection 6.11.3 shall be without prejudice to any liability imposed otherwise than by that Subsection and is subject to the following two subsections; and the liability under subsection 6.11.3 arises whether or not the arrangement or transaction entered into has been avoided in pursuance of subsection 6.11.1.

6.11.5 If an arrangement is entered into by the Society and a person connected with a member of the Cooperative Management Committee in contravention of Subsection 6.10 of this bye-law, that member shall not be liable under subsection 6.11.3 if he shows that he took all reasonable steps to secure the Society's interest.

6.11.6 This section shall have effect with regard to references in sections 6.10, of this bye-law to a person being "connected" with a Cooperative Management Committee member, and to a Cooperative Management Committee member being "associated with" or "controlling" a Body corporate.

6.11.7 A person is connected with a Cooperative Management Committee member-if he (not being himself a Cooperative Management Committee member) is

1. That Cooperative Management Committee member's spouse, child, or stepchild;

2. Except where the context otherwise requires, a body corporate with which the Cooperative Management Committee member is associated; or

3. A person acting as a trustee of any trust, the beneficiaries of which includes The Cooperative Management Committee member, his spouse, any children or step-children; or

ii. A body corporate with which he is associated, or of a trust whose terms confer powers on the trustees that may be exercised for the benefit of the Cooperative Management Committee member, his spouse or any children or step-children of his, or any such body corporate; or

iii. A person acting as partner of that Cooperative

Management Committee member or of any person who, by virtue of paragraphs (1) (2) or (3) of this

Subsection, is connected with that Cooperative Management Committee member.

7. **CREATION OF FUNDS**

7.1 **SOURCES OF FUNDS**

The funds of the Society shall comprise of: -

7.1.1 Shares issued by the Society whose value is to be determined by the Cooperative Management Committee from time to time;

7.1.2 Savings of members;

7.1.3 Surplus/profits arising out of the business of the Society;

7.1.4 Miscellaneous sources.

7.2 **EMPLOYMENT OF FUNDS**

The funds of the Society shall be devoted only to the promotion of the stated objects of the Society, to any other objects permitted in these Bye-Laws, and to any other purposes approved by the General Meeting.

7.3 **SHAREHOLDING**

7.3.1 Every member must hold at least **1000**(one thousand) units of shares (minimum shareholding) in Category 1(0ne), **5000**(five thousand) units of shares (minimum shareholding) in Category 2(two), **50000**(fifty thousand) units of shares (minimum shareholding) in Category 3(three) and **1,500,000**(one Million, Five Hundred Thousand) units of shares (minimum shareholding) in Category 4(Four). The shareholding of a member is not transferable except in accordance with these Bye-laws.

7.3.2 The minimum shareholding may be increased or decreased by a resolution at the Cooperative Management Committee or the general meeting as the business of the Society may demand.

7.3.3 Subject to the approval of the Cooperative Management Committee, a member or prospective member may pay for shares by instalments provided the full value of the minimum shareholding is paid within a stipulated period of 3 months or as may be decided by the Cooperative Management Committee.

7.3.4 Members who do not pay the full value of the minimum shareholding by the due date shall not be entitled to any bonus from the investment of the share capital or any benefit attributable to membership.

7.3.5 A member may hold any number of shares in excess of the minimum shareholding but not exceeding 5% of the total paid up share capital by all members at any point in time except for members of the Founding Cooperative Management Committee who may each hold up to 15% of the total paid up share capital

7.4 **WITHDRAWAL OF SHARES**

7.4.1 Except otherwise stated in this Bye-Law, shares of the Society are not tradable.

7.4.2 A member shall not sell or dispose his shares to a third party or another member of the Society except with written permission from the Founding Cooperative Management Committee

7.4.3 Subject to the provisions of this Bye-Laws and in accordance with the procedure set by the Cooperative Management Committee, any member whose membership is terminated or desires to exit the Society during the year, shall be paid an amount equal to the value of the shares held by such member as at the approved Audited Annual Report and account of the preceding financial year prior to the termination or exit.

7.5 **LIMIT ON SHAREHOLDING**

No member shall hold more than 5% of the number of shares actually paid up except for members of the founding Cooperative Management Committee. If any member, becomes possessed of more than the maximum holding permitted, the Cooperative Management Committee, may sell the excess or buy them for disposal by the Society.

7.6 **ENTRANCE FEES**

Every member on joining the Society shall pay the applicable fees as determined by the Cooperative Management Committee.

7.7 **INTEREST PAYABLE TO NON-MEMBERS**

The rate of interest payable to non- members who are staff of TEPNG on savings deposits shall not exceed the savings interest rate prescribed by the Society and Cooperative Management Committee from time to time.

7.8 **COMPULSORY SAVINGS**

7.8.1 Every member shall make regular thrift savings;

7.8.2 Savings shall be governed by rules to be framed by the Society subject to the approval of the Director;

7.8.3 The Committee may exempt a member from the obligation to make compulsory savings for any period during which his circumstances do not permit such savings.

7.9 **MONTHLY MINIMUM SAVINGS**

Each member shall contribute a monthly minimum savings of an amount that shall be determined at the Cooperative Management Committee or the General meeting from time to time.

8. **USE AND CUSTODY OF FUNDS**

8.1 **INTERNAL FUNDS**

The funds of the Society may be held in the form of:-

8.1.1 A reserve fund;

8.1.2 A depreciation fund;

8.1.3 An insurance fund;

8.1.4 Development, educational or other funds approved by the General

Meeting and the Director;

8.1.5 Current or Savings bank accounts or cash.

8.2 **USE OF FUNDS**

The funds of the Society shall be applied only for the furtherance of its stated objects in accordance with these Bylaws.

8.3 **INVESTMENT**

Such funds of the Society as are not required for current use may be invested in any manner permitted by Law and Regulations and approved by the Director.

8.4 **OPERATION OF BANK ACCOUNT**

8.4.1 The Society shall operate Bank Account(s).

8.4.2 Withdrawals from the Society's Bank account shall be authorized by at least 2 trustees of the Society in accordance with executed mandates relating to such account.

9. **LOANS**

Loans may be granted to only members subject to availability of funds and shall be for purposes, which, in the opinion of the Cooperative Management Committee are productive or necessary, and in the best interest of the Society.

9.1 **CREDIT AND LOAN POLICY**

Cooperative Management Committee shall approve and publish from time to time, a comprehensive Credit and Loan Policy which would regularly updated in line with business, economic and inflationary realities.

9.2 **CONDITIONS GOVERNING LOANS**

No loan shall be granted to: -

9.2.1 Any individual other than a member of the Society;

9.2.2 Any member whose installments of shares are in arrears;

9.2.3 Any member who has not made thrift savings under Section 7.8.

9.3 **LOANS TO MEMBERS**

The conditions for loans to members shall be defined and determined in the Credit and Loan Policy published by the Cooperative Management Committee from time to time

9.4 **MAXIMUM CREDIT LIMIT**

The maximum credit limit of each applicant for a loan shall be defined and determined in the Credit and Loan Policy published by the Cooperative Management Committee from time to time.

9.5 **INTEREST ON LOAN TO MEMBERS**

Interest on loan to members shall be defined and determined in the Credit and Loan Policy published by the Cooperative Management Committee from time to time.

9.6 **SUPPLY OF CONSUMER GOODS**

9.6.1 The Society shall purchase for supply to members such equipment or items as are necessary for the improvement of members' living condition;

9.6.2 The Society shall also stock domestic and personal requirements including foodstuff for sale to members.

9.7 **APPROPRIATION OF DEBIT PAYMENT**

When a member from whom money is due pays any sum to the Society, it shall be appropriated in the following order:

9.7.1 Firstly, to share payments, penalty and other miscellaneous charges due by him.

9.7.2 Secondly, to interest on loan, and

9.7.3 Thirdly, to principal loan.

10. DISPOSAL OF SURPLUS

10.1 **APPROPRIATION**

At the close of each financial year, the excess of the Society's income over expenses including the interest payable on deposits and loans from non-members and Audit and Supervision Fee due, shall be appropriated to the following funds:

10.1.1 Reserve Fund - At least one-fourth shall be carried to the Reserve Fund, unless a lower rate is prescribed by the Director

10.1.2 2.5% to the Education Fund

10.1.3 Donation or other appropriations as may be decided by the Cooperative Management Committee and approved by the General Meeting;

10.1.4 Dividends to members

10.1.5 Building up a General Reserve;

10.2 **DIVIDEND**

The Cooperative Management Committee shall determine the dividend payable on shares and no dividend shall be paid if any overdue claim to a depositor or lender remains unsatisfied.

10.3 **RESERVE FUND**

The Reserve Fund is indivisible, and no member is entitled to claim a specific share in it. Except with the permission of the Director, it shall not be utilized in the business of the Society but shall be deposited or invested in accordance with Lagos State Cooperative Law, 2022 of but subject to the written permission of the Director.

10.4 **DIRECTOR'S APPROVAL**

The appropriation of the net surplus shall be subject to approval by the Director and governed in all respects by the spirit and letter of the law and the regulations.

11. **AUDIT AND SUPERVISION**

11.1 **AUDIT AND SUPERVISORY COMMITTEE**

11.1.1 COMPOSITION

At the Annual General Meeting, there shall be elected 5 members as Audit and Supervisory Committee members.

11.1.2 **TENURE**

1. A member of the Audit and Supervisory Committee shall only serve in his office on being elected into that office for not more than 2 (two) terms of 2 (two) years each except for Founding Audit and Supervisory Committee who shall serve for not more than 2(two) terms of 4 (years)

11.1.3 **FUNCTIONS**

1. The Audit and Supervisory Committee shall meet at least once every three months to make or cause to be made an examination of the affairs of the Society.

2. Ascertain that all actions by the Cooperative Management Committee and any other committee are in conformity with the provisions of the Bye-laws of the Society.

3. Make a written report to the Cooperative Management Committee of its findings following each examination.

4. Make an Annual Audit and a written report and submit to the Annual General Meeting.

5. The Audit and Supervisory Committee shall have the power to inform the General meeting of any violation of the provisions of the Bye-laws of the Society.

11.2 **EXTERNAL AUDITORS**

The External Auditors of the Society shall be appointed by the Cooperative Management Committee as they deem fit. Such External Auditors fee shall be determined by the Cooperative Management Committee.

11.3 **AUDIT AND SUPERVISION FEES FOR REGULATORY AUDITORS**

Audit and Supervision Fees for book keeping purposes shall be payable by the Society at the rate assessed by the Director and paid annually as may be directed by the Director.

12. **BOOKS OF ACCOUNTS**

12.1 **PRESCRIBED BOOKS OF INSPECTION**

Accounts and Records shall be maintained in the forms prescribed by the Chief Registrar and shall include the following:

12.1.1 A Membership and Attendance Register, showing the name, address and occupation of every member, the number of shares held by him, the date of his admission to membership, the Nominee appointed under Section 4.5, and the member's attendance at general meeting;

12.1.2 A cash book showing the receipts, expenditure, and balance on each day on which business is done;

12.1.3 General Ledger;

12.1.4 Personal Ledger with accounts for each member; depositor and creditor;

12.1.5 Loan register showing instalment for repayment of loans;

12.1.6 Minutes book for proceedings of General and Cooperative Management Committee Meeting;

12.1.7 Register of share payment;

12.1.8 Loan bond book showing particulars of and containing bonds for all loans issued;

12.1.9 Such other records as may be prescribed by the Director

12.2 **INSPECTION OF BOOKS**

The books, accounts, register and papers of the Society shall be open at all reasonable times for the inspection of members and of any accredited Cooperative Official provided that no person other than an Officer or Committee member of the Society or a Co-operative Official shall be allowed to see the personal account of any member without that member's consent. Copies of the

Law, the Regulations and of these bylaws shall be available for inspection at the Registered Address of the Society at all reasonable hours.

12.3 **ANNUAL STATEMENT**

12.3.1 The Society shall prepare yearly, in such form, as may be prescribed by the Director:

1. an account showing the income and expenditure for the year; and

2. a balance Sheet.

12.3.2 The account shall be due for submission on or before the 31st day of March or such other date as the Director may direct, and a copy of each account shall be sent to the Director for approval within such time as the Director may direct.

13. **LIQUIDATION**

13.1 The Society shall not be liquidated except in accordance with the Lagos State Cooperative Society Law, 2022 subject to the Constitution of the Federal Republic of Nigeria 2022(as Amended)

13.2 On the dissolution of the Society, the Reserve Fund and other funds of the Society shall be applied, first in discharging the liabilities of the Society and secondly in the repayment of the share capital paid up.

13.3 The remainder shall be allocated to members in the ratio to which they own shares in the Society.

14. **MISCELLANEOUS PROVISIONS**

14.1 **AFFILIATION TO SECONDARY COOPERATIVE BODY**

Unless there are reasons to the contrary accepted by the Director, the Society shall affiliate itself at the earliest possible moment to any secondary co-operative body formed in its area of operations.

14.2 **DISPUTES**

Any dispute arising in or concerning the Society and its members or past members shall be referred to the Director for settlement by arbitration under the provision of Section 44 of the Co-operative Societies Law.

14.3 **SEAL**

The Cooperative Management Committee shall hold in safe custody the seal of the Society on behalf of the trustees. The seal shall be of a pattern approved by the Director. Documents shall be sealed by at least two of the trustees.

14.4 **SURCHARGE**

The General Meeting of the Society may impose surcharges on members for flagrant or repeated contravention of the Bye-laws.

14.5 **AMENDMENT OF BYE-LAWS**

Any amendment of or addition to these Bye-Laws shall be made by General Meeting of the Society in accordance with Lagos State Cooperative Law (2022), but such amendments shall not be valid until registered by the Director.

14.6 **ADOPTION OF THESE BYE-LAWS**

These Bye-Laws are hereby adopted by members of Rainflow Cooperative Multipurpose Society Ltd this 8th day of March, 2025 at the General Meeting held for this purpose.

15. **CERTIFICATION**

I hereby certify that the foregoing Bye-Laws of the Rainflow Cooperative Multipurpose Society Ltd No LSCS 19878 dated the 21st day of May, 2025 has been registered under Section 6 of the Lagos State Co-operative Societies Law, 2022

16. **APPENDIX**

GUIDELINES FOR ELECTION OF OFFICERS OF Rainflow Cooperative Multipurpose Society Ltd

1. Statutory Officers to be elected

All positions/offices shall be elected on each election year except for the founding CMC who are elected for 2 (two) terms of 4 (four) years consecutively unopposed.

2**. Indication of Interest**

2.1. Indication of interest for election into any office/position shall commence at least

21 days before the General Meeting where such election will be conducted ('opening date') and shall close 14 days before the General meeting ('closing date').

2.2. Members seeking election shall indicate interest by sending an email with their details to the General Secretary and President of the Society. Such notice of nomination shall include names and the position for which each person is being nominated.

2.3. Accordingly, the Cooperative Management Committee shall compile the list of aspirants within two (2) days after the closing date and shall subsequently circulate a list of aspiring candidates at least twelve (12) days before the General Meeting where elections will be conducted.

3**. Criteria to stand for Election**

Candidates signifying interest for election into a position on the Cooperative Management Committee shall meet the following criteria:

3.1. Candidate must be in right financial standing in the Society.

3.2. Candidate must not have been found guilty of any offence crime involving dishonesty or fraud, embezzlement, and other financial infractions.

4. **Nominations into a position on the Audit & Supervisory Committee**

4.1. The Audit and Supervisory Committee of the Society shall comprise of 5 members.

4.2. If more than five (5) persons are nominated as members of the Audit and Supervisory Committee, such 5 members with the highest votes at the General meeting shall be elected as members of the Audit and Supervisory Committee.

5. **Election Campaign**

5.1. Election campaigns for all position on the Cooperative Management Committee shall open on the date the notice of meeting is circulated.

6**. Conducting Elections**

6.1. The President, General Secretary and Secretariat of the Society shall be charged with the responsibility of taking all reasonable steps in preparing for elections and performing other duties relating to the preparation for the elections.

6.2. It shall be the responsibility of the regulators to preside over and conduct elections and notify the Members of the election results.

7. **Results**

7.1. The results of the Election shall be presented at the General meeting where such election is conducted and shall include:

(a) the total number of votes cast

(b) the total number of candidates, and

(c) the winning candidates and the votes each received.