

SOBA COOPERATIVE CREDIT UNION LTD (SOBACCUL)



(SOBA COOPERATIVE CREDIT UNION Ltd.) – MFI (Cat. 1)

Cooperative Society with Board of Directors (Coop – BoD)

MINADER Registration No

MINFI Registration No.....

National Council of Credit Registration No

(A Savings and Loan Cooperative under the Laws of the Republic of Cameroon)

BY-LAWS

Address

P.O. BOX 33091 YAOUNDE

REPUBLIC OF CAMEROON

Adopted on _____

TABLE OF CONTENTS

ARTICLE 1. GENERAL PROVISIONS

ARTICLE 2. MEMBERSHIP

ARTICLE 3. MEETINGS

ARTICLE 4. ELECTIONS

ARTICLE 5. BOARD OF DIRECTORS

ARTICLE 6. SUPERVISORY BOARD

ARTICLE 7. THE MANAGER AND SUPPORT STAFF

ARTICLE 8. CREDIT COMMITTEE

ARTICLE 9. REVENUE

ARTICLE 10. SHARES

ARTICLE 11. SOLIDARITY FUND

ARTICLE 12. LENDING PROCEDURES FOR MEMBERS

ARTICLE 13. DEPOSIT OF FUNDS

ARTICLE 14. DIVIDENDS

ARTICLE 15. LOSS

ARTICLE 16. EXPULSION AND WITHDRAWAL

ARTICLE 17. AUDIT

ARTICLE 18. CODE OF CONDUCT OF OFFICIALS

ARTICLE 19. AMENDMENTS TO BY-LAWS

ARTICLE 20. DISSOLUTION AND WINDING-UP



ABBREVIATIONS

AGM: Annual General Meeting

Board of Directors: BoD

CamCCUL: Cameroon Cooperative Credit Union Limited

CC: Credit Committee

COOP: Cooperative

GIC: Common Initiative group

EGM: Extra-ordinary General Meeting

GM: General Meeting

MFI: Micro Finance Institution

MINADER: Ministry of Agriculture and Rural development

MINFI: Ministry of Finance

SB: Supervisory Board

SOBA : Sasse Old Boys Association

SOBACCUL: Soba Cooperative Credit Union Limited

ARTICLE 1. GENERAL PROVISIONS

SOBACCUL is borne out of the desire of ex-students of Sasse College under the banner of Sasse Old Boys Association (SOBA), to pool resources (financial, know-how, material) in order to improve on their lives, the lives of other ex-students associations and their colleges to foster education and emancipation.

1Section 1. Name

The name of this institution is SOBA COOPERATIVE CREDIT UNION LIMITED.

1 Section 2. Purpose

The purpose of this SOBA COOPERATIVE CREDIT UNION LTD is to satisfy the members' needs and socio-economic aspirations by particularly promoting thrift among its members and related persons, by affording them an opportunity to accumulate their savings and to create for them a source of credit for provident and productive purposes.

1 Section 3. Jurisdiction

SOBA COOPERATIVE CREDIT UNION LTD (SOBACCUL) will cover the national territory and its Head Quarters will be at the Nation's Capital – YAOUNDE, P.O. Box 33091, with offices in other towns of the Republic of Cameroon.

1 Section 4. Initial Capital

SOBACCUL is formed with a social capital of ten million (10 000 000) FCFA, being the shareholdings of its Founding Members.

1 Section 5. Financial Year

The financial year of SOBACCUL shall be the same as the calendar year (January 1st to December 31st).

1 Section 6. Duration

The duration of SOBACCUL shall be 99 years which may be extended or renewed by a decision of the General Assembly, called for this purpose.

1 Section 7. Representation

The President of the Board shall be the legal representative of SOBACCUL voted by the General Assembly.

1 Section 8. Seal

SOBACCUL shall have a Seal (which shall be the Sasse college logo with SOBACCUL written on and around it in full) that shall be affixed on any document issued by SOBACCUL.

1 Section 9. Affiliation to CamCCUL

SOBACCUL will be affiliated to CamCCUL under an affiliation agreement with terms and conditions that shall be binding in time and space to SOBACCUL and its members.

ARTICLE 2. MEMBERSHIP

2 Section 1. Voluntary and Open Membership

- a) Membership is open to all physical or moral person, able to use SOBACCUL services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- b) Any physical or moral person who applies and fulfills membership conditions shall be admitted as a member of SOBACCUL.
- c) Any person who wishes to be a member of SOBACCUL shall not exercise the rights of a member until that person has paid the amount required for membership by these by-laws, or such person has acquired such interest in SOBACCUL.

2 Section 2. Process of membership

- a) Applications for membership from persons eligible for membership by these by-laws must be signed by the applicant, on forms approved by the Board of Directors.
- b) The application form shall include the following details – ID details, address, mention of the acceptance of the terms and regulations of SOBACCUL and the signature and/or digital fingerprint of the applicant.
- c) Upon approval of an application by the President of the Board of Directors, or by delegation the SOBACCUL Manager and upon subscription to at least one share of this SOBA COOPERATIVE CREDIT UNION LTD and the payment of any fees in these by-laws or required by the Board of Directors, the applicant is admitted into SOBACCUL, which membership shall have to be endorsed by the general meeting.
- d) If a membership application is denied, the reasons must be furnished in writing to the person whose application is denied, upon written request.
- e) Payments made by any applicant that has been refused membership shall be refunded as found in these by-laws and stated in the application form.

2 Section 3. Rights of a Member

Any member of SOBACCUL (above 18 years) shall have the right to:

- a) attend the general meetings;
- b) present proposals;
- c) vote;
- d) elect and be elected;
- e) use the services and facilities of SOBACCUL;
- f) consult the articles of association, internal regulations, registers, minutes of general meetings and Board of Director meeting minutes and reports, Supervisory Boards meeting minutes and reports, annual accounts and inventories, and investigation and control reports, at the Head Office;
- g) remain a member until the person or entity is expelled in accordance with these by-laws;
- h) withdraw from SOBACCUL under the terms provided by these by-laws;
- i) enjoy the material, financial and social benefits resulting from SOBACCUL.

2 Section 4. Obligations of a Member

A Member:

- a) Must comply with the laws, regulations and statutory provisions governing SOBACCUL and with the decisions taken by the General Meeting and the Board of Directors in accordance with these by-laws.
- b) Must use the services and facilities of SOBACCUL for all or part of the transactions that may be carried out through it.
- c) Must exercise respect and discipline based on the SOBACCUL by-laws and regulations.
- d) Must respect every one and his/her opinion regardless of intensity or weakness.
- e) Must be reliable, honest and trustworthy.
- f) Must pay any statutory fines resulting from non-compliance with these by-laws, rules and regulations of SOBACCUL or from non-fulfillment of business commitments with SOBACCUL.
- g) Must buy and pay up shares or make any other payments provided for in accordance with these by-laws.
- h) Must accept liability for the debts of SOBACCUL in case of bankruptcy within the conditions and limits laid down by law and regulations in force and in these by-laws.
- i) Is every time, encouraged to speak his/her mind on anything that will benefit or he/she sees as detrimental to the well being of the SOBA SAVINGS AND LOAN COOPERATIVE.

- j) No SOBACCUL member may join any co-operative society carrying out the same activity as SOBACCUL in the same area of jurisdiction.

ARTICLE 3. MEETINGS

3 Section 1. General Meeting (GM)

- a) The supreme authority of SOBACCUL shall be vested in the general meeting at which members shall have the right to attend, participate and vote on all matters.
- b) SOBACCUL shall hold an annual general meeting within four months after the end of each financial year.
- c) The decisions of the general meeting shall be binding on all members of SOBACCUL.

3 Section 2. Constituent GM

In accordance with the laws in force, a constituent GM will be held to

- a) Adopt SOBACCUL by-laws and the internal regulations.
- b) Elect SOBACCUL's office bearers for the ensuing year(s).
- c) Determine the maximum borrowing powers of SOBACCUL.
- d) Examine and approve estimates of income and expenditure for the ensuing financial year or part thereof.
- e) Approve SOBACCUL's bankers and appoint its auditors.
- f) Receive reports and decide upon such other matters as may be necessary for the conduct of the co-operative society's business.
- g) Give the Board of Directors directives and the necessary management powers for the proper functioning of SOBACCUL.

3 Section 3. Notice for a GM

A general meeting of SOBACCUL shall be convened by giving at least fifteen days written notice to the members.

3 Section 4. Business at a GM

At the annual general meeting of a co-operative society, the members shall:

- a) Consider and confirm the minutes of the last general meeting.
- b) Validate Board of Directors decisions to admit or expel members.
- c) Consider any reports of the Boards, or Committee.
- d) Consider and adopt audited accounts.
- e) Amend the internal regulations of SOBACCUL if need be.
- f) Determine the manner in which any available surplus is to be distributed or invested.

- g) Elect SOBACCUL's office bearers for the ensuing year(s).
- h) Determine, where necessary the maximum borrowing power of the society.
- i) Fix where necessary, the investment and placement ceiling of SOBACCUL.
- j) Decide on the volume of transactions SOBACCUL may carry out with non-members.
- k) Examine, approve or adjust the accounts and give or refuse the final discharge.
- l) Request an investigation, where necessary, in accordance with the provisions of the Law and these by-laws.
- m) Appoint an auditor for the ensuing year(s).
- n) Transact any other general business of SOBACCUL of which notice has been given to members in the manner prescribed in these by-laws.

3 Section 5. AGM Agenda

The suggested order of business at an AGM of members is-

- a) Ascertainment that the legal requirements for the meeting are met.
- b) Ascertainment of quorum present.
- c) Reading and approval or correction of the minutes of the last meeting.
- d) Report of the Board of Directors, if there is one.
- e) Report of the Supervisory Board, if there is one.
- f) Report of the Credit Committee, if there is one.
- g) Presentation of financial and audit report.
- h) Presentation of the budget and action plan.
- i) Unfinished business.
- j) New business other than elections.
- k) Elections.
- l) Adjournment

3 Section 6. Special or Extra-ordinary General Meeting

A special general meeting of a co-operative society shall be convened:

- a) by the committee for the purpose of approving annual estimates or discussing any urgent matter which in the committee's opinion is in the interest of the co-operative society; or
- b) on receipt of a written notice for such meeting signed by such number of members of SOBACCUL as may be prescribed in these by-laws and stating the objects and reasons for calling the meeting.
- c) If the committee fails to convene a meeting within fifteen days of receiving notice under section (5) (b) of this Article, the members demanding the meeting may themselves convene the meeting by notice to the other members of the society, stating the objects and reasons for the meeting and the fact that the committee has failed to convene the meeting.

3 Section 7. Attributes of an Extra-Ordinary General Meeting

The extraordinary general meeting shall vote by a 2/3 majority and shall:

- a) Amend these by-laws.
- b) Decide on the early dissolution of SOBACCUL or on extension beyond the due date of cessation of its activities, where applicable.
- c) Decide on a merger with another co-operative society or on splitting it up.
- d) Elect new Board members in case of vacancies in the Board of Directors, where the number of Board of Director members has fallen below half of that provided for in these by-laws, or below three.
- e) The Board may remove any Board member from office for failure to perform the duties thereof, after giving the officer reasonable notice and opportunity to be heard.
- f) Decide on any other matter duly submitted by the Board of Directors, the Supervisory Board or the SOBACCUL members where such meeting was convened at the request of the latter.

3 Section 8. Board of Directors Meeting

- a) A regular meeting of the Board shall be held quarterly at the time and place fixed by resolution of the Board.
- b) One-third of the Board members may request the convening of a Board meeting.
- c) The Board of Directors may validly conduct business if not less than 1/2 (half) of its members and at least 3 (three) Board members are present.
- d) The decisions of the Board of Directors shall be taken by a simple majority except where there is a tie and the President of the Board will have a casting vote.
- e) One regular meeting each calendar year must be attended in person.
- f) The President, or in the President's absence, the ranking vice President, may call a special meeting of the Board at any time and must do so upon written request of a majority of the Directors then holding office.
- g) Unless the Board prescribes otherwise, the President, or in the President's absence the ranking vice President, will fix the time and place of special meetings.

3 Section 9. Board of Directors Meeting Quorum

A majority of the number of directors, including any vacant positions, constitutes a quorum for the transaction of business at any meeting; but fewer than a quorum may adjourn from time to time until a quorum is in attendance.

3 Section 10. Vacancy due to failure in duty

If a in-country resident Board member fails to attend consecutive regular meetings of the Board, Supervisory or Credit Committee, respectively, or otherwise fails to perform any of the duties as a Director or a Committee member, the office may be declared vacant by the Board and the vacancy filled as provided in these by-laws.

3 Section 11. Meeting notice

- a) At least 30 but no more than 75 days before the date of any annual meeting or at least 7 days before the date of any special meeting of the members, the President of the Board or by delegation, the Secretary must give written notice to each member.
- b) Notice may be by written notice delivered in person or by mail to the member's address, or, for members who have opted to receive statements and notices electronically, by electronic mail. Notice of the annual meeting may be given by posting the notice in a conspicuous place in the Chapters of Members of this SOBA COOPERATIVE CREDIT UNION LTD where it may be read by the members, at least 30 days prior to such meeting.
- c) Any meeting of the members, whether annual or special, may be held without prior notice, at any place or time, if all the members entitled to vote, who are not present at the meeting, waive notice in writing, before, during, or after the meeting.
- d) Notice of any special meeting must state the purpose for which it is to be held, and no business other than that related to this purpose may be transacted at the meeting.
- e) Special meetings may be conducted using audio or video teleconference methods.

3 Section 12. Meeting Quorum

- a) Except as otherwise provided, 50% of members constitute a quorum at annual or special meetings.
- b) If no quorum is present, an adjournment may be taken to a date not fewer than 7 and not more than 15 days thereafter. The members present at any such adjourned meeting will constitute a quorum, regardless of the number of members present.
- c) The same notice must be given for the adjourned meeting as is prescribed in section 6 of this article for the original meeting, except that such notice must be given not fewer than 5 days previous to the date of the meeting as fixed in the adjournment.

ARTICLE 4. ELECTIONS

4 Section 1. Nominating Committee

- a) At least 30 days before each annual meeting, the Board President will appoint a nominating committee of three or more members.
- b) It is the duty of the nominating committee to nominate at least one member for each vacancy, including any unexpired term vacancy, for which elections are being held, and to determine that the members nominated are agreeable to the placing of their names in nomination and will accept office if elected.

4 Section 2. Nomination for Office

- a) After the nominations of the nominating committee have been placed before the members, the President calls for nominations from the floor.
- b) When nominations are closed, the Chair appoints the Tellers, ballots are distributed, the vote is taken and tallied by the Tellers, and the results announced.
- c) All elections are determined by plurality vote and will be by ballot except where there is only one nominee for the office.

4 Section 3. Order of nominations

Nominations may be in the following order:

- a) Nominations for Supervisory Board posts of responsibility
- b) Nominations for Committee heads and statutory members, if applicable.
- c) Elections may be by separate ballots following the same order as the above nominations or, if preferred, may be by one ballot for all offices.

4 Section 4. Voting

- a) Members can vote by a duly signed proxy that is communicated in writing and a member other than a natural person may vote through an agent designated in writing for the purpose.
- b) No member can vote with more than one proxy.
- c) A trustee, or other person acting in a representative capacity, is not, as such, entitled to vote.
- d) Votes in SOBACCUL will reflect the desire to maintain the cooperative spirit of one member one vote and still optimize capitalization of SOBACCUL to help the highest number of members and the Community. However, after the first share which gives right to one vote and in order to attract intra-SOBACCUL funding, each additional 4 shares will right to an extra vote.

4 Section 5. Choosing Officials for BoD

In its quest for optimum participation in SOBACCUL, irrespective of socio-economic and cultural influence, the positions of BoD will be by direct qualification and by stratified random selection.

- a) The first-three highest shareholders will be eligible directly into the BoD and be replaced same for their terms of office.
- b) The other 4 members of the BoD will be randomly selected from a stratified grouping and replaced same for their terms of office, hence – South West and Littoral Regions (1 member); North West and West Regions (1 member); the other 6 Regions of Cameroon (1 member) and the Diaspora (1 member).

4 Section 6. Officials and their contacts

The names and addresses of members of the Boards, and the Manager if applicable, must be forwarded to the Registrar of Coop/GIC in the manner as may be required by the Administration.

4 Section 7. Voting age

Members must be at least 18 years of age by the date of the meeting in order to vote at meetings of the members, hold elective or appointive office, sign nominating petitions, or sign petitions requesting special meetings.

4 Section 8. Absentee ballots

The Board of Directors may authorize the use of absentee ballots.

ARTICLE 5. BOARD OF DIRECTORS

5 Section 1. Board number and hierarchy

- a) The Board consists of seven members, all of whom must be members of this SOBACCUL, from amongst whom the President of the Board is will be voted in the GM.
- b) The number of directors may be changed to an odd number not fewer than five nor more than 9 by resolution of the annual general assembly (AGM).
- c) If more than one vice President is elected, the Board determines their rank as first Vice President, second Vice President, and so on.
- d) No reduction in the number of directors may be made unless corresponding vacancies exist as a result of deaths, resignations, expiration of terms of office, or other actions provided by these by-laws.
- e) A copy of the resolution of the AGM, covering any increase or decrease in the number of directors must be filed with the official copy of the by-laws of SOBACCUL.

5 Section 2. Non eligibility to the Board of Directors

No person may be eligible to hold a position in the Board of Directors if:

- a) The person has been sentenced to imprisonment for dishonest behaviour (theft, embezzlement of public funds, fraud, breach of trust, forgery) or indecency.
- b) The person is involved even through an intermediary or occasionally, in any activity competing with and/or likely to be prejudicial to the activities of this co-operative society.

5 Section 3. Terms of office of Board members

Regular terms of office for Board directors will be for periods of 3 years renewable twice until the election and qualification of successors.

5 Section 4. Board membership eligibility for former Board members

A former Board member can be eligible again for a Board position after three years of not being a member of the Board.

5 Section 5. Vacancies

- a) Any vacancy on the Board or Committee, if applicable, will be filled within a reasonable time by vote of a majority of the directors of the Board then holding office.
- b) Directors and Credit Committee members so appointed will hold office only until the next annual general meeting, at which any unexpired terms will be filled by vote of the members, and until the qualification of their successors.
- c) Members of the Supervisory Board so elected will hold office until the first regular meeting of the Board following the next annual general meeting of members, at which the regular term expires, and until the appointment and qualification of their successors.

5 Section 6. Duties of the Board

The Board has the general direction and control of the affairs of this SOBA COOPERATIVE CREDIT UNION LTD and is responsible for performing all the duties customarily performed by Boards of Directors. This includes but is not limited to the following:

- a) Directing the affairs of the SOBA COOPERATIVE CREDIT UNION LTD in accordance with these by-laws, the rules and regulations and sound business practices.
- b) Establishing programs to achieve the purposes of this SOBA COOPERATIVE CREDIT UNION LTD as stated in Article 1, section 2 of these by-laws.

- c) Establishing a loan collection program and authorizing the charge-off, of uncollectible loans after endorsement by the General Assembly.
- d) Determining that all persons appointed or elected by SOBA COOPERATIVE CREDIT UNION LTD to any position requiring the receipt, payment or custody of money or other property of SOBACCUL, or in its custody or control as collateral or otherwise, are properly bonded in accordance with these by-laws and internal regulations.
- e) Performing additional acts and exercising additional powers as may be required or authorized by the General Assembly.
- f) Reviewing denied loan applications of members who file written requests for review.
- g) Appointing one or more Fund Managers and delegating to those Managers the power to approve or disapprove loans, lines of credit or advances from lines of credit.
- h) Ensuring the audit of SOBACCUL accounts annually by a natural person or an approved body that shall be appointed by the general meeting for a 3 (three) year term renewable twice and may not, as the case may be, hail from the family (that is, father, mother (s) or children of the same family) of one of the members of the Board of Directors or that of the Manager of SOBACUL or Credit Committee, or have business links with SOBACCUL.
- i) In its discretion, appointing a loan review committee to review loan denials and delegating to the committee the power to overturn denials of loan applications. The committee will function as a mid-level appeal committee for the Board. Any denial of a loan by the committee must be reviewed by the Board upon written request of the member.

5 Section 7. Duties of the President of the Board

The President of SOBACCUL shall:

- a) Represent SOBACCUL in all acts of civil life and liaise with public authorities. He shall act in compliance with decisions of the Board of Directors;
- b) Convene and preside over General and Board meetings.
- c) The ranking vice President has and may exercise all the powers, authority, and duties of the President during the President 's absence or inability to act.

5 Section 8. Suspension of Board members

- a) Any member of the BoD or a Committee may be suspended by a majority vote of the Board of directors.
- b) The members of SOBA COOPERATIVE CREDIT UNION LTD will decide, at an extra-ordinary meeting held not fewer than 7 nor more than 15 days after any such suspension, whether the suspended

committee member will be removed from or restored to the committee.

ARTICLE 6. SUPERVISORY BOARD

6 Section 1. Election of Members of the Supervisory Board

- a) The members (3 and at least 2) of the Supervisory Board are elected in the General Meeting to serve in their mandate for a period of three years.
- b) This three- year mandate can be renewed up to three times (3 x 3 years) by the General Assembly.
- c) Only one third of the members of the Supervisory Board can be re-elected.

6 Section 2. Duties of the Supervisory Board

The Supervisory Board shall be a compulsory body for the internal supervision of SOBACCUL. In that capacity, it shall:

- a) Regularly control the management of SOBACCUL by the Board of Directors and the Manager.
- b) Check the regularity of inventories and balance sheets as well as the accuracy of the information contained in the reports of the Board of Directors on the management of SOBACCUL and the accounts report of the Manager .
- c) Evaluate the activities of SOBACCUL.
- d) May, at any time, check the documents, books, cash and other assets of SOBACCUL and carry out any control it deems necessary.

6 Section 3. Suspension of loans

The Supervisory Board shall instruct the suspension of loans, when:

- a) The past due portfolio (non-performing loans) exceeds 10% (10 per cent) of the total loan portfolio, or
- b) The Credit Committee has not produced the reports within the terms established in these by-laws.

6 Section 4. Collaboration from the BoD and the Manager

The Board of Directors and the Manager shall be required to facilitate the work of the Supervisory Board.

6 Section 5. Reporting

The Supervisory Board shall draw up, at least once a year, a report for the annual general meeting (AGM) on the discharge of its duties and indicating its findings.

6 Section 6. Observations to the BoD

The Supervisory Board shall, as and when necessary, make its observations known to the Board of Directors.

6 Section 7. Use of outside Expertise

The Supervisory Board may, in the discharge of its duties, use the services of an expert or a specialized body for a limited period or for a specific job under conditions fixed by these by-laws.

6 Section 8. Convening meetings

The Supervisory Board shall be empowered to call for a Board meeting and/or to convene an extraordinary general meeting on sufficiently serious grounds such as failure to duly convene the annual general meeting.

6 Section 9. Opening of inquiry

- a) The Supervisory Board shall also be empowered to open an inquiry where, on the presumption of an irregularity in the functioning of SOBACCUL, such inquiry is requested, as the case may be, by:
 - i. Some of the members;
 - ii. The general meeting, or;
 - iii. The Supervisory Board itself.
- b) The inquiry shall be conducted by not less than 2 (two) persons appointed by the Supervisory Board by virtue of their special knowledge and the resultant expenditure shall be borne by SOBACCUL.
- c) An extraordinary general meeting shall be convened at the end of the inquiry to hear the report of the commission of inquiry and to decide on the measures to be taken.
- d) The Supervisory Board may turn down a request for an inquiry from some members of SOBACCUL where it deems their reasons insufficient.

6 Section 10. Power to Suspend Officials

By unanimous vote, the Supervisory Board may suspend until the next meeting of the members, Board or Credit Committee member, or employee of SOBACCUL.

6 Section 11. Acting on suspension

In the event of any such suspension, the Supervisory Board must call an extra-ordinary meeting of the members to act on the suspension, which meeting must be held not fewer than 7 nor more than 15 days after the suspension.

6 Section 12. Chair of meetings

The Chair of the Supervisory Board acts as chair of the meeting unless the members select another person to act as chair.

6 Section 13. Eligibility into the Supervisory Board

- a) The duties of member of the Supervisory Board shall be incompatible with those of member of the Board of Directors or of employee of SOBACCUL.
- b) The Supervisory Board shall comprise not less than 3 (three) and not more than 5 (five) members.
- c) The conditions of eligibility and re-eligibility shall be those provided for in ARTICLE V Section 2 for members of the Board of Directors.

6 Section 14. Remuneration of elected officials

- a) The duties of member of the Board of Directors and member of the Supervisory Board shall be honorary.
- b) However, the general assembly may make provision for the reimbursement of expenses incurred by Board of Directors or Supervisory Board members in the performance of their duties, up to a maximum amount which shall be fixed annually by the AGM.

ARTICLE 7. THE MANAGER AND SUPPORT STAFF

7 Section 1. Appointment of staff

The Board elects from their number or hire officers such as the Manager and a secretary, determines their title and rank and keeps a proper record of them.

7 Section 2. Compatibility of staff positions

- a) The offices of the fund Manager and secretary may be held by the same person.
- b) The Manager may or may not be a member of the co-operative society.

7 Section 3. Reporting authority of the Manager

The Manager shall perform his/her duties under the authority and supervision of the Board of Directors which shall appoint and dismiss him/her and fix his/her salary in accordance with the laws in force.

7 Section 4. Duties of the Manager

He/She shall implement the policy laid down by the Board of Directors and represent the co-operative society vis-à-vis third parties within the limits of the powers delegated to him by the Board of Directors.

Such delegation of powers must be written.

He may, in particular, be responsible for:

- a) Drafting and submitting to the Board for approval the programme of activities, the budget and investment proposals of SOBACCUL.
- b) Constantly ensuring the judicious use of funds, proper use of property and maintenance of facilities and equipment, the internal organization of services and proper and accurate accounting.
- c) Negotiating purchases and sales.
- d) Have custody of all funds, securities, valuable papers and other assets of SOBACCUL
- e) Provide and maintain full and complete records of all the assets and liabilities of SOBA COOPERATIVE CREDIT UNION LTD in accordance with forms and procedures prescribed and approved by the Board of Directors or Cameroonian Administration.
- f) Ensure commercial book-keeping in accordance with accounting plans and procedures applicable in Cameroon, while ensuring that transactions carried out with members and those with users who are not members must be entered separately in the accounts.
- g) Within 15 days after the close of each month, ensure that a financial statement showing the condition of SOBA COOPERATIVE CREDIT UNION LTD as of the end of the month, including a summary of delinquent loans is prepared and submitted to the Board and post a copy of such statement in a conspicuous place in the offices of SOBACCUL where it will remain until replaced by the financial statement for the next succeeding month.
- h) Ensure that such financial and other reports as the Board or Administration may require are prepared and sent.
- i) Within standards and limitations prescribed by the Board, employ tellers, clerks, bookkeepers, and other consultants and have the power to remove such employees.
- j) Perform such other duties as customarily appertain to the office of a Cooperative Manager or as may be directed to perform by resolution of the Board and not inconsistent with these by-laws.

7 Section 5. Attendance of Board meetings

Except in cases of his inability to attend, duly established by the Board of Directors, he/she shall attend meetings of the said Board in an advisory capacity.

7 Section 6. Eligibility to the position of Manager

No person shall be appointed Manager unless he fulfills the conditions provided for in article V section 2

7 Section 7. Hiring of assistant financial officer

- a) The Board may employ one or more assistant financial officers and may authorize them, under the direction of the fund Manager, to perform any of the duties devolved on the fund Manager, including the signing of checks.
- b) When designated by the Board, any assistant financial officer may also act as fund Manager during the fund Manager's temporary absence or temporary inability to act.

7 Section 8. Power of hire by the BoD

The Board employs, fixes the compensation, and prescribes the duties of hired employees as may at the discretion of the Board be necessary, and has the power to remove such employees.

7 Section 9. Duties of the Secretary

- a) The secretary prepares and maintains full and correct records of all meetings of the members and of the Board, which records will be prepared within 7 days after the respective meetings.
- b) The secretary must promptly inform the Administration in writing of any change in the address of the office(s) of SOBACCUL or the location of its principal records.
- c) The secretary will give or cause to be given, in the manner prescribed in these by-laws, proper notice of all meetings of the members, and perform such other duties as may be directed to perform by resolution of the Board not inconsistent with these by-laws.
- d) The Board may employ one or more assistant secretaries and may authorize them under the direction of the secretary to perform any of the duties devolved on the secretary.

ARTICLE 8. CREDIT COMMITTEE (CC)

8 Section 1. Composition

- a) SOBACCUL shall have a credit committee which shall be elected by its members at the annual general meeting.
- b) The members of a credit committee hold office for one year renewable 4 times and until their successors are elected.
- c) The credit committee shall consist of five members, and shall be not fewer than 3.
- d) No person who is a member of the Board of Directors or of the Supervisory Board or who is an officer of the credit union shall be a member of the credit committee, except that the Secretary or Manager who may be a member of SOBACCUL.

- e) No member shall be a member of the credit committee unless he has attained the age of 18 years.
- f) A majority of the credit committee, not including the Secretary or Manager, constitutes a quorum.
- g) A member entitled to vote at an election of members of the credit committee, if he votes, shall cast thereat a number of votes equal to, or less than, the number of members of the credit committee to be elected, and the member shall distribute the votes among the candidates in such manner as he sees fit, but no candidate shall receive more than 1 vote from each member.
- h) Where a vacancy occurs in the credit committee, the Board of Directors may designate a replacement until the next annual meeting of the credit union,
- i) Resource persons with no voting rights, could be co-opted for deliberations of the credit committee, where number can not be more than that of the statutory members of the credit committee.
- j) The written observations and opinions of such research persons shall form part of the credit committee report or be annexed to the report.

8 Section 2. Duties of the credit committee

The credit committee shall consider all applications for loans and make recommendations to the Board in respect of the applications and perform such duties as are prescribed by this Act, the regulations and the by-laws of SOBACCUL.

8 Section 3. Removal of member of credit committee

- a) When a member of the credit committee fails to attend 3 consecutive meetings without, in the opinion of the Board, having a reasonable cause thereof or or fails to perform any of the duties allotted to him as a member of the committee, his position on the committee may be declared vacant by the BoD who may then appoint a qualified person to fill the vacancy until the next annual meeting of SOBACCUL.
- b) The members may, by resolution passed by two-thirds of the votes cast at a general meeting called for the purpose, remove a member of the credit committee before the expiration of his term of office, and shall at that meeting elect another member in place of the first mentioned member for the unexpired portion of his/her term.
- c) The notice calling the meeting of members referred to in 8 section (b) shall specifically state that the purpose of the meeting is to remove the member of the credit committee who is named in the notice.
- d) The member of the credit committee removed under this section has the right to make such representations to the members regarding the

resolution for his removal as he thinks fit, and may be represented by an attorney-at-law or an agent.

8 Section 4. Officer to approve loan

The BoD may, upon such terms and conditions as it specifies, authorise the credit committee to approve loans to members.

(2) The credit committee may, upon such terms and conditions as the Board specifies (small amounts), authorise the manager or other employee of the credit union to approve loans to members.

(3) Any person authorised by the BoD to approve loans under subsection (1) or (2) shall submit a written monthly report to the credit committee stating the number of loan applications received, the number of loans granted and the security, if any, obtained for such loans.

(4) The responsibilities and duties of any person authorised to approve loans under subsection (1) are concurrent with the responsibilities and duties of the credit committee.

8 Section 5. Credit committee reports

The credit committee shall :

- (a) meet at least once every month;
- (b) keep minutes of its meetings;
- (c) submit a report to the Board of directors stating
 - (i) the number of loan applications received,
 - (ii) the number and category of loans granted,
 - (iii) the security obtained for such loans,
 - (iv) applications denied, and delinquent loans; and
- (d) submit an annual report on the matters referred to in paragraph (c) to the annual meeting of the credit union.

8 Section 6. Removal of credit committee

The members of a society may, by special resolution in a special meeting called for the purpose, remove a credit committee which fails to comply with paragraph (c) of 8 section 5.

ARTICLE 9. REVENUE

9 Section 1. Sources of revenue

The revenue of SOBACCUL shall be derived from Share Capital, Preference Capital, Fees, Solidarity fund, Reserve Funds, Members' Savings, Members' Deposits, Surplus Funds, Donations and Subsidies, Borrowing, Subordinated loans and will include:

- a) The authorized capital which shall vary according to membership and voluntary withdrawal, expulsion or death.
- b) The statutory reserves from the profits of the financial year.
- c) Gifts, legacies and other contributions from public and private donor organizations.
- d) Deposits made by members in SOBACCUL, capital borrowed from members, other co-operative societies, banks and private or public credit institutions or from any other financial aid bodies.
- e) Other contributions by members to the equity capital under conditions laid down by the Board, if need be.
- f) Payments for services and goods delivered in accordance with the laws in force and authorized by SOBACCUL rules and regulations.
- g) All other sources of funds permitted by the legislations regulating the activities of micro finance institutions.

9 Section 2. Savings

- a) Savings may bear remuneration as cost of funds at 4% per annum and depending on the financial results of the year as fixed by the Board of Directors which shall propose the rate of interest subject to the approval by a simple majority vote of the General Meeting. The said remuneration shall be considered as an operational cost.
- b) Every member will save regularly yearly at 5 000 frs (five thousand francs) monthly which may be reviewed from time to time by the General Meeting, at the proposal of by the Board of Directors.
- c) Savings may be withdrawn after documented notification of not less than one working day and approved by Management. The internal rules and regulations shall fix the modalities of such withdrawals.

9 Section 3. Deposit

- a) A member may deposit any amount into his/her deposit account as long as such practices do not reduce his/her ability to make regular savings.
- b) Deposits may be withdrawn freely.
- c) The conditions for interest on and operating the deposit account shall be laid down in the internal rules and regulations.

9 Section 4. Reserves

- a) The reserves referred to in Section (1) (b) of this Article shall constitute a statutory obligation.
- b) They shall be deducted annually at the rate of 20% (twenty percent) from the profits.
- c) However, this obligatory appropriation shall cease when funds of the statutory reserve are equal to the amount of equity capital.

- d) SOBACCUL will deduct 30% of the net profit as education reserve fund and allocate the same for members' education and development in members' secondary and high schools of origin.
- e) The education reserve fund shall be deposited only until it shall not exceed 30% of the capital of SOBACCUL.
- f) Reserve funds shall remain indivisible and common asset of SOBACCUL

9 Section 5. Gifts, legacies and other contributions

- a) Gifts, legacies and other contributions from private and public donor organizations shall be incorporated into the property of SOBACCUL and a clear (to be verified) distinction made thereof in the accounts from the equity.
- b) They shall not be taken into account in calculating the share of equity to be refunded to withdrawing or expelled members.
- c) Funds obtained through donation or inheritance shall remain indivisible and common asset of SOBACCUL.

9 Section 6. Share purchase

SOBACCUL may buy shares in other cooperative societies or in commercial companies duly registered in a trade register, within the limits and conditions fixed by the Law and these by-laws.

9 Section 7. Contracting loans

- a) SOBACCUL may contract loans from other financial institutions or third parties.
- b) Such borrowings shall be within the limits set by the internal rules and regulations, subject to the visa of the Board of Directors as well as the approval of the General Meeting and respecting contractual agreements and the legislation regulating the activities of micro finance institutions.

ARTICLE 10. SHARES

There shall be normal shares and reserve shares (perennial savings) and the latter will attract special interest rate returns.

10 Section 1. Par value of a share

- a) The par value of each share will be One Hundred Thousand (100 000 FCFA).
- b) Subscriptions to shares are payable at the time of subscription.
- c) Shares may be issued in the name of a minor.

9 Section 2. Limit on shares

- a) The maximum amount of shares that may be held by any one member will be established from time to time by resolution of the AGM.
- b) No member other than SOBACCUL shall hold more than 20 % (twenty percent) of the total equity capital.

10 Section 3. Properties of shares

- a) Shares shall be registered, indivisible, non-attachable by third parties.
- b) Shares may only be transferred from one member to another by an instrument in a form as the Board may prescribe. Such transfer will carry dividend credits with it.
- c) A member who fails to make payment of one share at the time of admission to membership or a member who reduces the share balance below the par value of one share and does not increase the balance to at least the par value of one share within 1 day of the reduction may be terminated from membership.

10 Section 4. Withdrawal on share

Money paid in on shares or installments of shares may be withdrawn as provided in these by-laws on any day when payment on shares may be made provided, however, that:

- a) The Board has the right, at any time, to require members to give, in writing, not more than 60 days notice of intention to withdraw the whole or any part of the amounts paid in by them.
- b) The Board may determine that, if shares are paid in under an accumulated payroll deduction plan, they may not be withdrawn until credited to members' accounts.
- c) No member may withdraw any shareholdings below the amount of the member's primary or contingent liability to SOBACCUL if the member is delinquent as a borrower, or if borrowers for whom the member is co-maker, endorser, or guarantor are delinquent, without the written approval of the Manager or Credit Committee, except that shares issued in an irrevocable trust are not subject to restrictions upon withdrawal except as stated in the trust agreement.
- d) The share account of a deceased member (other than one held in joint tenancy with another member) may be continued until the close of the dividend period in which the administration of the deceased's estate is completed, but not to exceed a period of 4 years.
- e) The Board will have the right, at any time, to impose a fee for excessive share withdrawals from regular share accounts.
- f) The number of withdrawals not subject to a fee and the amount of the fee will be established by Board resolution and will be subject to regulations applicable to the advertising and disclosure of terms and conditions on member accounts.

10 Section 5. Shareholding withdrawal level and membership

- a) A member who withdraws all shareholdings or fails to comply with the time requirements for shareholding payment ceases to be a member.
- b) By resolution of the SOBACCUL Board of Directors, persons readmitted to SOBACCUL membership may be required to pay another entrance fee.

ARTICLE 11. SOLIDARITY FUND

11 Section 1. Constitution of the solidarity fund

- a) A Solidarity Fund shall be constituted in SOBACCUL aimed at covering any deficits incurred.
- b) Each member shall contribute equitably to this solidarity fund at the beginning of each financial year and on the occasion of each new membership.
- c) The Solidarity Fund shall represent on a permanent basis at least 40% of the capital after charging the loss incurred during the financial year.
- d) It can cease to be raised once the compulsory reserves reach 40% of the constituted capital, based on the decision of a General Meeting.
- e) The General Meeting can decide for the Solidarity Fund to be constituted from the surplus derived from business operations where possible.

11 Section 2. Deposit of solidarity funds

The solidarity funds shall be deposited in a special account agreed to by SOBACCUL's partner (CamCCUL).

ARTICLE 12. LENDING PROCEDURES FOR MEMBERS

12 Section 1. Loan limit

- a) Loans shall be granted up to three (3) times the amount in the members saving account.
- b) The repayment of the loan is over a period of upto 36 months (3 years).
- c) Loans for productive purposes may go up to five times members' savings account.
- d) Loans may not exceed a total of 3% of the share capital and general reserves of SOBACCUL.
- e) Associations or groups may obtain favourable loan conditions fixed from time to time by the BoD.
- f) Loans are granted based on co-makers, collaterals (marketable property) or bank standing orders.

12 Section 2. Duration of loan

- a) SOBACCUL may extend loans with a term of up to three years, when guaranteed by shares or by marketable property.
- b) No loan shall be made to a member for a period exceeding three years.
- c) A Board meeting resolution shall determine when extension of loans and members will be officially informed.

12 Section 3. Loans guarantee

- a) The Credit Committee shall require partial or total security to be given on all loans, within the limits established in these rules.
- b) An assignment of savings or deposits as well as movable or immovable property of marketable quality may be accepted as security for a loan.
- c) Before a loan is made, the security for a loan shall be in the possession or within the control of the SOBACCUL or shall be properly lodged, documented and registered as such.
- d) Loans guaranteed by deposits shall keep harmony with the terms of such deposits.

12 Section 4. Repayment of loans

- a) Repayment of loans shall be in installments and a grace period of up to three months may be accorded.
- b) Loans for small businesses may be extended and repaid on the basis of the projected cash flow of the business unit.

12 Section 5. Priority loans

When funds are not available to make all the loans and lines of credit for which there are applications, preference should be given, in all cases, to the applications for lesser amounts if the need and credit factors are nearly equal.

12 Section 6. Eligibility for loan

No person shall be advanced with a loan unless he furnishes sufficient evidence that he will repay the loan.

12 Section 7. Interest on loans

- a) The monthly interest rate factor on loan will be inversely proportional to the amount of the loan (above 2 million FCFA = 2%; 1.5⁺ – 2 million = 3%; 1⁺ - 1.5 million = 4%; less than 1 million FCFA = 5%), whose rates shall be fixed annually by the AGM, on the proposal of the Board.

- b) However, subject to the approval of the general meeting, the Board shall, at the proposal of the Manager or Credit Committee, establish from time to time, the interest rate for new loans to be disbursed.
- c) The interest rate on outstanding loans may not be changed.

12 Section 8. Reporting on loans

At the end of every three months, a list of all outstanding loans shall be made available for review by any member, showing with respect of every loan:

- a) Name of the member.
- b) Date of extension.
- c) Initial amount and the outstanding balance.
- d) Terms of repayment and interest rate.
- e) Amount of unpaid installments, if any.

12 Section 9. Suspension of loaning

The Supervisory Board shall instruct the suspension of new loans when the list is not made available to the members, in the first week after the end of the applicable month.

12 Section 10. Application format

Every application for a loan shall be on a standard form provided by the Credit Committee, and shall set forth the purpose for which the loan is desired, the security, if any, offered and such other information as may be required by the Board.

12 Section 11. Background check

The Manager or Credit Committee shall inquire carefully into the character and the financial conditions of each applicant for a loan and his sureties or guarantors, if any, in order to determine his ability to repay the loan.

12 Section 12. Delinquent debtor

Any member whose loan is delinquent may be required to pay a late charge as determined by the Board of Directors.

12 Section 13. Loan records

- a) One or more passbooks or statements shall be used to record all transactions regarding shares, savings and loans of members.
- b) All entries in the passbook shall be authorized by the Manager or an officially delegated member.
- c) A lost or destroyed passbook or statements shall be replaced, with the prior payment of a replacement fee.

- d) At a resolution of the Board, SOBACCUL may conduct its business with the use of computers and other electronic means.
- e) SOBACCUL shall establish its own procedures to keep its members informed as regards their operations the COOPERATIVE.

ARTICLE 13. DEPOSIT OF FUNDS

13 Section 1. Where to deposit funds

All funds of SOBACCUL, except for petty cash and cash change funds, must be deposited in such qualified depository or depositories from among those authorized by applicable law and regulations as the Board may from time to time by resolution designate.

13 Section 2. When to deposit funds

All funds must be so deposited on the same banking day of their receipt.

ARTICLE 14. DIVIDENDS

14 Section 1. Distribution of annual profits

The distribution of annual profits, after the appropriation for the statutory reserve fund has been made, shall be determined by the annual general meeting on the recommendation of the Board of Directors. Such distribution may be in the form of:

- a) Payment of bonuses to members in proportion to their transactions with SOBACCUL.
- b) Interest on the authorized capital within the limits of the interest rate fixed by commercial banks on long-term savings deposits.
- c) Output bonuses paid to employees and workers of SOBACCUL.
- d) Appropriations for optional reserves and special funds provided for by these by-laws.

ARTICLE 15. LOSS

15 Section 1. Balance of loss

- a) When SOBACCUL records a trading loss at the close of the annual accounts, the balance of the loss after drawing on the reserves, may be carried forward or be made up for through special contributions from members in accordance with these by-laws or with the decisions of the general meeting.
- b) Profits shall not be distributed in ensuing years so long as the loss has not been made up.

ARTICLE 16. EXPULSION AND WITHDRAWAL

16 Section 1. Conditions for expulsion

- a) A member may be expelled only in the manner provided for by these by-laws.
- b) Expulsion shall be decided in the General Meeting by special resolution.

16 Section 2. Notification of expulsion

- a) Within ten days following the date of the special resolution of the General Meeting expelling a member, SOBACCUL shall notify the member in writing of his/her expulsion and state the reasons.
- b) The expulsion is effective on the date specified in the written notice, but not later than thirty days after reception of such notice.

16 Section 3. Liability at expulsion

Expulsion or withdrawal will not operate to relieve a member of any liability to this SOBACCUL.

16 Section 4. Credit at expulsion

All amounts paid in on shares by expelled or withdrawing members, prior to their expulsion or withdrawal, will be paid to them in the order of their withdrawal or expulsion, but only as funds become available and only after deducting any amounts due to this SOBACCUL.

16 Section 5. Readmission

- a) A member expelled may be readmitted to membership only by special resolution of the General Meeting.
- b) Members who voluntarily withdraw may re-apply for admission.

ARTICLE 17. AUDIT

17 Section 1. Frequency of audit

The statements of accounts of SOBACCUL shall be audited at least once a year by an independent body (persons) selected by the Board and validated by the AGM.

17 Section 2. Audit report

- a) The audit report shall include a section on compliance with standard loan accounting and provisioning guidelines.

- b) The audit report shall certify the net surplus of the society, loan loss provision account and any other standards distributions.
- c) The audit report shall certify the accuracy of the account of dividends due to each member, prepared by the Credit Committee.
- d) A copy of the auditor's report shall be presented to the general assembly, within two months after its receipt by the Board.

17 Section 3. Meeting with auditors

- a) The auditors shall meet with the Board to discuss conditions of SOBACCUL and the need for any immediate action to be taken by the Credit Committee to improve lending and other operations and to protect the interest of the SOBACCUL members.
- b) A report of any discussion thereof shall form part of and be appended to the audit report.

ARTICLE 18. CODE OF CONDUCT OF OFFICIALS

18 Section 1. Respect of laws and regulations by officials

All power, duties, and functions of the members, directors, officers, and employees of this SOBACCUL, pursuant to the provisions of these by-laws, must be exercised in strict conformity with the provisions of applicable law and regulations and the by-laws of this SOBACCUL.

18 Section 2. Confidentiality of office

The officers, directors, members of committees, and employees of this SOBA COOPERATIVE CREDIT UNION LTD must hold in confidence all transactions of SOBACCUL with its members and all information respecting their personal affairs, except when required by Law.

18 Section 3. Removal from office

Notwithstanding any other provisions in these by-laws, any director or committee member of this SOBA COOPERATIVE CREDIT UNION LTD may be removed from office by the affirmative vote of a majority of the members present at a special meeting called for the purpose, but only after an opportunity has been given for the member to be heard.

18 Section 4. Conflict of interest of office

- a) No Director, Committee member, officer, agent, or employee of SOBA COOPERATIVE CREDIT UNION LTD may participate in any manner, directly or indirectly, in the deliberation upon or the determination of any question affecting his or her pecuniary or personal interest or the pecuniary interest of any corporation, partnership, or association

(other than this SOBACCUL) in which he or she is directly or indirectly interested.

- b) In the event of the disqualification of any Director respecting any matter presented to the Board for deliberation or determination, such Director must withdraw from such deliberation or determination; and in such event the remaining qualified Directors present at the meeting, if constituting a quorum with the disqualified Director or Directors, may exercise with respect to this matter, by majority vote, all the powers of the Board.
- c) In the event of the disqualification of any member of the Credit Committee, if applicable, or the Supervisory Board, such committee member must withdraw from such deliberation.

18 Section 5. Keeping of information

- a) Copies of the organization certificate of SOBACCUL, its By-Laws and any amendments thereof, and any special authorizations by the Administration must be preserved in a place of safekeeping.
- b) Copies of the organizational certificate and field of membership amendments should be attached as an appendix to these by-laws.
- c) Returns of nominations and elections and proceedings of all regular and extra-ordinary meetings of the members and Directors must be recorded in the minute books of this SOBACCUL.
- d) The minutes of the meetings of the members, the Board, and the committees must be signed by their respective Chairpersons or Presiding Officers and by the persons who serve as secretaries of such meetings.

18 Section 6. Information availability

- a) All books of account and other records of this SOBA COOPERATIVE CREDIT UNION LTD must be available at all times to the Directors and Committee members of SOBACCUL.
- b) The by-laws of this SOBA COOPERATIVE CREDIT UNION LTD must be made available for inspection by any member and if a member requests a copy, it will be provided for a reasonable fee.

18 Section 7. Members' contact information

Members must keep the SOBA COOPERATIVE CREDIT UNION LTD informed of their current address.

18 Section 8. Protection against official liability

- a) SOBA COOPERATIVE CREDIT UNION LTD may purchase and maintain insurance on behalf of officials against any liability asserted against them and expenses reasonably incurred by them in their official capacities and arising out of the performance of their official

duties to the extent where such insurance is permitted by the Law and the General Assembly.

- b) The term “official” in these by-laws means a person who is a member of the Board of Directors, Credit Committee, Supervisory Board, other volunteer committee (including elected or appointed loan officers or membership officers), established by the Board of Directors.

18 Section 9. Extra institutional relation

- a) SOBACCUL, at the proposal of the Board of Directors and endorsement by the General Assembly, may set up union with another cooperative, union of cooperatives or federation of cooperatives.
- b) SOBACCUL may carry out transactions with non-members, however, the volume of such transactions will not be greater than 50% of the annual transaction portfolio.

ARTICLE 19. AMENDMENTS TO BY-LAWS

19 Section 1. Forum

SOBACCUL may amend these by-laws, including a change of name, by a special resolution of the members passed at a general meeting convened for that purpose.

19 Section 2. Notice

Not less than fifteen days’ notice of the proposed amendment and of the meeting shall be given to the members for the EGM

19 Section 3. Quorum

- a) No amendment of these by-laws may become effective, however, until approved by the Extraordinary General Assembly by at least a 2/3 majority resolution.

19 Section 4. Processing

The amended by-laws shall be signed by the President of the Board or Vice-President and any other member of the BoD of SOBACCUL.

19 Section 5. Entry into Force

No amendment of these by-laws may become effective, however, until it has been registered by the Board with the competent Public Authorities.

19 Section 6. Change of Name

An amendment which changes the name of SOBACCUL shall not affect any right or obligation of SOBACCUL or any of its members or past members, and any legal proceedings pending may be continued by or against the society under its new name.

19 Section 7. Interpretation

These bye-laws shall be interpreted to be consistent and coherent with the laws and regulations in force, the articles of association, the internal regulations and other office procedures of SOBACCUL.

ARTICLE 20. DISSOLUTION AND WINDING-UP

20 Section 1. Prerequisite for dissolution

SOBACCUL shall be dissolved:

- a) Where a special resolution for its dissolution is given by the General Meeting or
- b) Where the number of members falls below ten.
- c) Where the court decides for its dissolution, and
- d) Where the auditing reveals that it is bankrupt and when the appropriate authority ensures the same and the General Meeting resolves in favor of dissolution.

20 Section 2. Appointment of a Liquidator

In the case where dissolution has been agreed to, a liquidator will be appointed with the terms and conditions agreed to.

20 Section 3. Responsibilities of the Liquidator

The liquidator who is in charge of the winding up proceeding shall in particular perform the following:

- a) Investigate all claims against SOBACCUL and decide on priority of payment among them.
- b) Collect the assets of SOBACCUL.
- c) Distribute the assets in accordance with the plan of liquidation approved by the General Meeting of SOBACCUL.
- d) Carry on the work activities of SOBACCUL in so far as may be necessary for the proper liquidation of the affairs of SOBACCUL.
- e) Represent SOBACCUL in legal proceedings.
- f) Call meetings of the members as may be necessary for the proper conduct of the liquidation and.

- g) Issue notice in a newspaper that SOBACCUL is dissolved and proceed with the distribution where no claim is presented within two months from the date of such notice.

