



THUTO SACCOS

Spells Successful Future



BYE - LAWS

**OF THUTO SAVINGS AND CREDIT
CO-OPERATIVE SOCIETY LIMITED**

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1. NAME AND ADDRESS

This Society shall be called Thuto Savings and Credit Co-operative Society Limited hereinafter referred to in the Bye-Laws as "the Society". The Society's registered address until further notice to Director for Co-operative Development shall be

Plot 64517, The Office Fairgrounds
P O Box 45821 Riverwalk, Gaborone, Botswana

The Secretary shall within fourteen (14) days thereof, notify the Director in writing on any change of address.

2. OFFICE AND MEETING PLACE

(a) The office of the Society shall be situated in the same premises as the Society's place of business or in close proximity to it.

(b) General Meetings of the Society shall be held within Gaborone or any other location as may be decided by the Management Board.

3. DEFINITIONS/INTERPRETATIONS

(a) In these bye-laws, unless the context otherwise suggests, words or phrases shall be defined/interpreted in accordance with the Co-operative Societies Act, 2013 (Laws of Botswana) hereinafter referred to as "The ACT".

(b) Any questions concerning interpretation of these bye-laws or any matters not provided for therein, errors and omissions shall be referred to the Director, whose decision thereon shall be final.

4. OBJECTS

The objects of the Society shall be to improve the social and economic conditions of the members in accordance with co-operative principles, and more especially:

(a) To promote thrift among its members by affording them an opportunity to accumulate their savings.

(b) To create a pool of funds from which loans to members can be made for provident and productive purposes.

(c) To charge interest on loans at fair and reasonable rate of interest thereby enabling members to use and control their money for their mutual benefit.

(d) To promote education and training of the members and employees on co-operative principles and practices.

(e) Accept and invest members' savings at a reasonable rate of return.

(f) To co-operate with other co-operatives at all levels.

(g) To become or join as a member of any secondary or national co-operative Society.

(h) To create a source of funds for the funeral scheme for the members.

(i) To affiliate to any regional and or international bodies and thereby promote the spirit of international co-operation.

(j) For the attainment of the above objects, the Society may do such other things as are incidental, conducive

and necessary for the proper exercise of the above objects in accordance with The National Policy for Co-Operative Development, The Co-Operative Societies Act.

5. CORPORATE POWERS

The registration of Savings and Credit Co-operative under the Co-operative Societies Act renders it a body corporate capable of exercising all the functions of an incorporated Society having perpetual succession and without limitation, the Society shall have the powers to:

- (a) rent, hire, lease, mortgage, buy, sell, acquire own land, buildings, machinery and other equipment needed for the economic viability of the project;
- (b) accept and invest members' savings in a manner profitable to the Society and at a good return for the members;
- (c) enter into contract, legal agreements and defend law suits;
- (d) employ, dismiss and exercise disciplinary control over persons whose services are required by the Society, in accordance with the Society's conditions of service and the labour laws;
- (e) raise funds by issuing shares to members, receiving savings from members, requesting for government and other organizations grants and donations and any other forms of self-financing and borrowing which are consistent with the objects of the Society;
- (f) provide loans to members;
- (g) create an insurance fund to secure the members loans as per the agreed terms and conditions;
- (h) invest funds of the Society in any commercial bank or any other registered financial institution;
- (i) hold and maintain funeral scheme for the benefit of the members;
- (j) purchase shares from reputable companies listed by the stock exchange; and
- (k) establish a commercial entity as a way of diversity to generate income for the members.

6. MEMBERSHIP

- (a) The membership of the Society shall consist of the founding members who have signed the application form or registration, and those accepted to membership in accordance with Section 6 and 7 of these bye-laws.
- (b) Persons accepted into membership in accordance with these bye-laws.
- (c) All members shall have the rights, privileges, duties, responsibilities of membership under these Bye-Laws provided, however, that a member whose admission has not yet been approved by the Management Board, shall not have the right to be counted for the purpose of the quorum, to participate at a general meeting, or to be elected to any office in the Society.

7. QUALIFICATIONS FOR MEMBERSHIP

For admission as a member, a person shall possess any one of the following qualifications and shall be eligible for membership:

- (a) be an employee in the public sector and parastatal where Government has financial interest;

- (b) not be a member of any other SACCOS registered in Botswana except for with prior approval of the Director as per section 29 of the Co-operative Societies Act;
- (c) active members who retired or resigned from employment in the public sector where Government has financial interest;
 - i. Is not less than 18 years of age
 - ii. Is of good character

8. ADMISSION TO MEMBERSHIP

Application for membership shall be made to the Manager on the prescribed form and referred to the Management Board for approval and thereafter sign members register book.

- (a) An applicant shall be admitted to membership on being accepted by a majority vote of the Management Board but shall not qualify for the rights and privileges of membership until he/she has;
 - i. Paid a prescribed entrance fee
 - ii. Paid in full the minimum amount of shares as determined by the Board
- (b) On admission every member shall have an individual account which shall contain full particulars as his/her membership and in which shall be recorded his/her shares, savings and loan transactions with the Society.
- (c) Every member shall be issued membership identification number card
- (d) The Board shall have the power to refuse admission from membership any person who, in its opinion, is not qualified, and the General Meeting shall have the power to confirm or rescind the Board's decision.
- (e) The Society shall keep a register of membership in any event of cancellation of admission under Bye-law 10 and Bye-law 11; member's name shall be deleted from the membership register.

9. TERMINATION OF MEMBERSHIP

- (a) Membership shall be terminated by;
 - i Death
 - ii Incapacitated beyond recovery
 - iii Certified to be of unsound mind
 - iv Ceasing to hold one or more qualifications required for membership under Bye-Law 7
 - v Expulsion from membership in terms of Bye Law 10
 - vi Voluntary membership termination shall be done in writing to the Management Board's Chairperson. A notice of three months shall be given in order to give Board sufficient time to reconcile member's accounts and advice accordingly
 - vii The member who ceases to be a member of the Society shall be removed from the register of members and such a member will accordingly cease to be a member effective from the date of termination.

10. EXPULSION FROM MEMBERSHIP

The Board may upon notice of at least 14 days expel a member who:

- i fails to use the services of the Society;
- ii commits any acts of dishonesty to the Society, co-members or employees of the Society;
- iii is convicted of a criminal offence involving dishonesty;
- iv persistently contravenes these Societies Act; and bye-laws, policies and or Co-operative
- v acts in any way prejudicial to the interests of the Society.

(a) Any complaint against a member for persistently contravening the Act, Bye-Laws, Policies and any acts of dishonesty and misconduct should be made to the Management Board in writing; and the Board may after considering the complaint and hearing the member resolve to accept the complaint and recommend to the general meeting that the member be expelled. Special notice of at least 14 days before the General Meeting at which expulsion of the member is to be considered must be given to the member concerned specifying:

- i the time, date and place of the general meeting;
- ii a copy of the complaint against a member and the recommendation of the Board; and
- iii details of his/her rights including the right to attend the general meeting and state any reason or make any submission/defense as to why he/she should not be expelled.

(b) A person expelled under these bye-laws shall forfeit all rights to share in the profits or other benefits of the Society as at the date of termination of membership, but shall be repaid the following amounts after deduction of any debts owed by him/her to the Society:

- i the nominal or book value of his/her shares;
- ii any savings deposits and or interest accrued;
- iii any dividends or interest due to him/her as at the date membership ceased; and
- iv any other sums held by the Society on his/her behalf.

11. RE-ADMISSION TO MEMBERSHIP

The member whose membership was terminated may be permitted to re-join after at least two years provided that:

- i. there was a written apology in case of expulsion or a written explanation on reasons for termination and re-joining which shall be assessed by the Management Board to satisfy itself that the member ought to be re-admitted into membership.

12. LIABILITY OF A MEMBER

(a) The liability of a member of the Society shall be limited to the nominal value of his subscribed shares.

(b) The liability of a past member or estate of a deceased member shall be limited to those liabilities which existed at the date of termination of membership or at the death of the member and shall cease on after one year from the date of termination of membership or death.

13. MEMBERS SHARES

(a) Shares shall be issued only to members. The minimum share contribution per member shall be determined by the Board from time to time subject to approval of the General Meeting.

(b) The nominal value of each share shall be determined by the Board

(c) No member shall hold more than one fifth (1/5) of the total subscribed capital of the Society.

(d) On admission to membership, every member shall pay the value of the prescribed minimum shares and pay the balance within three (3) months of commencement of membership. The outstanding amount may be paid in installments or recovered from any payments due to the member after consultation with the concerned member.

(e) A member, who fails to complete payment minimum amount of shares within 3 months of his/her admission to membership, may have his/her minimum amount of shares adjusted from his/her savings upon authorization by the Board.

14. TRANSFER OF SHARES

(a) A member may at any time transfer his/her shares to another member but not to any other person. Such transfers must be in writing and at nominal value.

(b) All transfers of shares must be registered with the Manager and are subject to the approval of the Board. The transfer shall be valid unless so registered and approved.

(c) The Board may require payment of a fee for each such transfer, which transfer fee shall be determined by the Board from time to time.

(d) Shares are not withdrawn provided that the Management Board approves the transfer and refund of person who ceases to be a member.

15. NOMINEE

(a) On admission to a Society every member shall nominate a person/ persons who shall be beneficiaries to whom his/her the membership and shares or other interest in the capital of the Society may be transferred in case of his/ her death or being incapacitated beyond recovery.

(b) Any change, cancellation or substitution of nominee shall be in writing and signed by the member in the presence of two attesting witnesses and shall be recorded in the register of members.

(c) The member who applies for transfer of shares to a beneficiary on the grounds of incapacitation beyond recovery as in clause (a) above, shall be required by the Society to be medically examined by the recognised medical practitioner. If in the opinion of such medical practitioner, the member is proven to be incapacitated beyond recovery, the Society shall accordingly transfer his shares and other interests in the capital of the Society to his/her beneficiaries.

(d) If not qualifying/ willing to be admitted to membership of the co-operative Society; the nominee shall be paid the nominal value of the member's shares, savings and interest accrued, less any sums due by the latter to the Society.

(e) In the event of a member becoming permanently insane or dying without having appointed nominee, or if such nominee is dead, missing or cannot be traced within a period of three (3) months from the date of the member's death, the interests and deposits of member shall be disposed off with consultation with relevant authorities and family members.

16. SOCIETY'S FUNDS AND SOURCES OF CAPITAL

(a) The funds of this Society shall consist of:

- i entrance/joining fees;
- ii shares and part shares from members;
- iii members savings and special deposits;
- iv loans from members or non-members with, including banking institutions;
- v the Statutory Reserve Fund and such other reserves;
- vi any surplus resulting from operations are ploughed back in the Society;
- vii donations and organizations; and grants from government and non-governmental
- viii funds obtained from miscellaneous income generating sources.

(b) The authority to decide and review the maximum borrowing limits and terms, including the maximum rate of interest is vested in the General Meeting.

(c) The rate of interest paid on such loans shall not exceed the prevailing market rates as determined by the Central Bank.

(d) A Notice on purposes and maximum amount of loans and bank overdrafts that may be authorized by the General Meeting shall be sent to the Director within seven (7) days of authorization.

17. MEMBER'S SAVINGS AND SPECIAL DEPOSIT

The Society shall accept regular savings and special deposits from a member at a reasonable rate of return to such a member.

(a) The minimum monthly regular savings shall be determined by the Management Board from time to time and subject to approval by the General Meeting.

(b) The accumulated regular savings shall be used as collateral for loans; and may not be withdrawn unless the member's accumulated savings balance exceeds the outstanding loan balance as at the time of withdrawal.

(c) The special or lump sum deposits minimum balance as determined by Management Board and approved by the General Meeting may only be considered for loan application after 3 months.

(d) The Management Committee shall determine the interest rate including terms and conditions for withdrawal of special savings.

18. LOANS TO MEMBERS

- (a) The Management Board shall formulate a written Loan/ Credit Policy. The policy shall guide the administration of members' loans. These shall include the terms and conditions of loan and repayment, maximum amounts that may be borrowed, lending ratio and forms of security. These policies shall be adhered to by all members.
- (b) The overall responsibility of loan administration shall be vested in the Credit Committee and every loan granted shall first be approved by a majority of the Credit Committee based on the requirements of the Loan Policy.
- (c) The maximum loan repayment period shall be included in the Loan Policy and is subject for review from time to time with the approval of the General Meeting.
- (d) The rate of interest on loans shall be reviewed and recommended by the Management Board from time to time taking into account the market conditions and regulations by the Central Bank and is subject to the approval of the General Meeting.
- (e) All loans shall be applied for on loan application forms provided by the Society. The loan application in each case shall set forth the details of the applicant amount applied for, the terms of repayment, the security, if any, interest rate applied and such other information as the Credit Committee may require.
- (f) All applications for loans and the minutes indicating the decision of the Credit Committee thereon shall be filed as permanent records of the Society.
- (g) The Credit Committee shall ordinarily consider loan applications in the order in which they are submitted, but may, at its discretion, give prior consideration to short term loans.
- (h) Whenever there are more applications for loans pending than there are funds available, priority shall be based on the credit ranking of the members, and cases where the credit standing of the applicants are considered to be the same to applicants for smaller loans shall be given preference.
- (i) All loans applications shall be accompanied by a credit agreement Signed by the Board Chairperson and the Applicant before disbursement of the loan. The agreement shall clearly state the amount of the loan, the rate of the interest, the terms and conditions of repayment, and the security, if any.
- (j) The Chairperson shall ensure that the applicant understands the credit agreement and shall be read to him/her in case of language barrier. By appending their signatures to the agreement it is considered a legal document and the clauses contained therein as legally binding.
- (k) Loans shall be granted to eligible members only if:
- i the loan application complies with the Bye-Laws and the lending policy of the Society; and
 - ii the loan is approved by the Credit Committee and is within the limit of the lending ratio.
- (l) The credit Committee may at the written request of the borrower, consider the members outstanding loan balance for rescheduling, provided however that the loan balance shall be treated as if it was a new loan, with its own terms, conditions and agreement distinct from those of the original loan.
- (m) A borrower may, whenever he/she sees it appropriate, repay his/her loan balance in whole or in part prior to the maturity date with prior consultation with the Society's loans department for verification.
- (n) All loan clearances shall be made through a direct deposit into the Society's bank account by the member and copies of such deposit submitted to the Society for filling and documentation.

19. SECURITY FOR LOANS

(a) The security for loans shall be prescribed in the Society's Loan Policy. In most cases, the member's savings shall be used as collateral but to certain limit as stipulated in the Policy. The Credit Committee shall require such security for loans for any amounts in excess of the stipulated amount, but still within the Lending ratio as may consider necessary.

(b) Any moveable or immoveable property of the borrower pledged as security for loan shall be registered in the name of the Society and registration documents submitted to the Society for the duration of the secured loan.

20. DELINQUENT LOANS

(a) The Management Board shall be charged with the responsibility to collect the overdue accounts.

(b) The Manager shall present at Management Board's monthly meetings, an up-to-date listing of delinquent borrowers along with the collection efforts made and reasons for non-payment. The report shall clearly for every delinquent account indicate:

- i name of borrower;
- ii account number;
- iii date of loan;
- iv date of last payment;
- v unpaid balance of loan;
- vi number of months delinquent;
- vii borrower's share balance;
- viii borrower's savings deposit balance; and
- ix security, if any.

21. INVESTMENT OF FUNDS

The Society may invest or deposit its funds with any bank authorised to operate as such under the Banking Act or in any other manner as its Board may determine.

22. THE SOCIETY'S POWER TO BORROW

(a) The Society may borrow from members, non-members and financial institutions any amount as may be considered necessary for the attainment and or furtherance of their objectives.

(b) The rate of interest paid on such loans shall not exceed the current market rates, nor shall the maturity exceed twenty (20) years, except with the written permission of the Director.

(c) A notice shall be sent to the Director within seven (7) days of authorization of such loan for consideration and appropriate advice. Such notice shall be accompanied by a detailed proposal and financial projections as submitted to and authorized by the General Meeting.

23. LOANS MADE BY A SOCIETY

(a) Except with the specific permission of the Director, a Society shall not;

- i Give a loan to any person who is not a member of the Society or member of another Society; or
- ii Lend money on the security of any movable property other than produce or goods in which the Society is authorized to deal.

(b) The Minister may, by regulation prohibit or restrict the lending of money on a mortgage on any particular description of immovable property by any Society.

24. GENERAL MEETING OF MEMBERS

The supreme authority of the Society shall be vested in the General Meeting of members.

25. THE FIRST GENERAL/ INAUGURAL MEETING

The first general meetings shall be held within three (3) months of the date of the Society's certificate of registration and the members present shall, under the Chairpersonship of a Co-operative Officer;

- i receive the Certificate of Registration from the Department for Co-operative Development;
- ii receive and consider any reports from the Interim Board on the progress and state of affairs of the Society as at the time of the meeting;
- iii decide any matters as may be necessary for the conduct of the Society in the ensuing financial year; and
- iv elect Management Board and such other officers as these bye-laws may require serve until the first Annual General Meeting.

26. THE ANNUAL GENERAL MEETING

An Annual General Meeting shall be convened by the Board as soon as practicable but not later than 6 months after the end of each financial year.

The ordinary business of the Annual General Meeting shall be to:-

- i establish that a quorum is present;
- ii approve the agenda;
- iii approve the minutes of the last general meeting not previously approved;
- iv consider and act upon the report of the management Board, including the statements of account and estimate of income and expenditures for the following year;
- v consider and approve the reports from the auditors and any report or recommendation of the Director;
- vi approve the audited accounts;
- vii decide the manner in which any available surplus shall be invested or distributed in accordance with the bye-laws;

- viii decide or review any maximum borrowing limit as required by these bye-laws;
- ix consider appeals against the expulsion of members and refusals of membership by the Management Board;
- x elect, suspend, or remove members of the Management Board, Supervisory Committee and any sub-committee;
- xi elect the delegates to represent the Society in a Co-operative union or other apex Society of which this Society is a member; and
- xii transact any other business within the authority of Annual General Meeting of which due notice has been given to the members.

Any business not completed at the Annual General Meeting, such as, acting upon any policies, report of the supervisory committee/any sub-committee (if any) , etc, may be taken upon at a subsequent Special General Meeting as special business, or at the next Annual General Meeting.

All business discussed or decided at a General Meeting shall be recorded in a minute book which, within twenty one (21) days of the meeting, shall be signed by the Chairperson and Secretary of the meeting to verify that in their opinion the minutes are a true and complete record of all important matters which were discussed or decided at the meeting.

At the next General Meeting, after approving any alterations or variations in the minutes, which changes shall be written immediately below the above signatures, and not as alterations to the original record, the meeting shall, by resolution, authorise its Chairperson and Secretary to sign and date the final record.

27. SPECIAL GENERAL MEETING

A Special General Meeting shall be convened for any special business (es) to be discussed for which a notice has been made specifying the general nature of the business.

The Special General Meeting may be held:

- i when convened by the Management Board;
- ii when convened by the Director; or
- iii at a written request from at least 500 or one-fifth (1/5) of the members whichever is less.

28. QUORUM

No business shall be transacted at a General Meeting convened by the Management Board or Members on requisition unless a quorum of members is present.

(a) The quorum for a General Meeting summoned by the Management Board or at the requisition of the members shall be at least two hundred (200) member or one-fourth (1/4); whichever is less, of the total number of the members

(b) Only members whose admission has been approved by the General Meeting may be considered for the quorum.

(c) If within one hour after the time appointed for the meeting, a quorum is not present, the meeting:

- i if convened at the request of members, shall be dissolved;
- ii if summoned by the Director, it shall proceed with the membership present forming the quorum; and
- iii in any other case, it shall be adjourned to the same day of the following week, at the same time and place, and a notice to that effect shall be published by the secretary within three days of the adjournment. If at that adjourned meeting a quorum is not present within one hour of the appointed time for the meeting, the members present shall constitute a quorum and shall proceed with the business and follow the published agenda for the original meeting and any decision made shall be binding on the cooperative. No "Special Resolutions" including amendment of these bye-laws shall be passed at such a meeting.

(d) The Society may establish a special procedure to cater for its country-wide members for provision of fair representation at the General Meetings.

- i The Society may be split into agreed service centres or Regions where delegates shall be drawn to represent and vote on behalf of the service centre members.
- ii The Management Board shall have the power to determine the number of delegates to attend the General Meeting.
- iii Each service center or Region shall have representation at every General Meeting.
- iv The service centers or regions shall submit their delegates in writing and shall be confirmed to the members at the General Meetings for establishment of a quorum.
- v Where a special resolution is required (e.g. amendment of bye-laws) the Board
- vi Shall hold regional/service centre consultations where resolutions are compiled.
- vii Attendance of the regional meetings shall be combined for the purposes of establishing the quorum. The attendance lists shall be signed to confirm attendance including date of such consultative meeting
- viii The final General Meeting for consolidation of the resolutions shall be attended by the delegates who shall have the power to represent and vote on behalf of their regions just like in any other General meeting.
- ix The special resolution shall be considered to be taken provided that:
- x the total number of delegates from all regional meetings are sufficient to make special resolution; and
- xi all regions or service centres were represented at the consolidation meeting.

29. ELECTIONS

At least 30 days prior to each Annual General Meeting, the Management Board shall appoint an Elections Sub-Committee of not less than three (3) members from members of the Society.

Where the Election Committee was not appointed, the Director or his representative may conduct the election of Board members of any officers elected by the members.

It shall be the duty of the Elections Sub Committee to prepare an election procedure for the General Meeting based on the following rules:

(a) To be qualified for elections to the Board of Directors, the Credit Committee, or the Supervisory Committee and any other sub-committees, the members shall:

- i be 21 years of age or more;
- ii not hold any place of employment under the Society;
- iii not be engaged in business as a money lender;
- iv not have been convicted of an offence involving dishonesty;
- v not be rehabilitated insolvent; and
- vi not having been removed from an office of trust due to misconduct.

(b) The General Meeting shall first elect the Board or fill vacancies therein, and proceed thereafter to elect the Chairperson, the Vice Chairperson, out of the Board. Similar elections shall be held next for the Credit Committee and Supervisory Committee and any other sub-committees.

(c) Subject to the provisions in bye-law 54, the election and tenure of office of members of these committees shall be governed by the following rules:

- i members of the committee shall be elected for three year terms. The regular terms shall be determined by the members at the first General Meeting, so that approximately an equal number of regular terms shall expire to each Annual General Meeting;
- ii a retiring committee or Board member is eligible for re-election provided, however, that he/she has not served for two (2) consecutive three year terms (Six years). Otherwise he/she shall be eligible for re-election for a third consecutive term after the lapse of a period of two (2) years from the date of his last vacation of office.

(d) Notwithstanding the above provisions, the General Meeting shall have the power to replace any or all of the committee members at any time by resolution included in the agenda of the General Meeting.

(e) All elections shall be by show of hands or secret ballot as the Board may determine.

(f) Only registered members shall be entitled to vote in the elections.

(g) Each member shall have one vote.

(h) No member shall be entitled to vote by proxy.

(i) Within 10 days after the election, the names and addresses of all persons elected to office shall be forwarded by the Manager to the Director.

30. SUMMONING

(a) General Meetings may be summoned by the Management Board, the Director or any other officer authorized by the Director to summon a general meeting.

(b) One fifth or twenty of the membership whichever is the lesser, may request the chairperson in writing to convene a general meeting to discuss and decide upon matters specified by them. The Management Board and the chairperson shall comply with such request.

31. NOTICE

(a) All general meetings shall be convened after at least fourteen (14) calendar days' notice has been given to members and a copy of this notice shall be sent to the Director. The notice shall specify the place, time and business of the meeting. Non-receipt of any such notice by any member shall not invalidate the proceedings of such general meeting.

(b) General Meetings are summoned by the Director or his/her representative and may, in his/her discretion give any suitable period of notice.

(c) It shall be the responsibility of the Secretary to issue notices for the general meetings on authorization by the Management Board, the Director or any officer authorised by him.

32. PROXIES

Members shall attend meetings in person. No proxies shall be allowed.

33. PRESIDING

(a) The Chairperson of the Management Board or in his absence the Vice Chairperson or in the absence of both, any other member elected for that purpose from the general membership shall preside at general meetings summoned by the Management Board.

(b) The Director or his representative shall preside at the First General Meeting and at any other meetings called by the Director.

34. VOTING

Except for where a special resolution is called for, all matters brought before a general meeting shall be decided by a simple majority of votes of those present and constituting a quorum.

- i Each member shall have only one vote.
- ii The Chairperson shall have a second or casting vote in the event of a tie.
- iii The Chairperson may, with or without a request from members to hold such a ballot, direct that the voting on a particular resolution shall be secret ballot conducted in the manner directed by the Chairperson.

35. MINUTES

The Manager/Secretary shall be responsible to record in a minute book; all the decisions made at a general meeting and the minutes shall be read and confirmed at the next general meeting.

In the absence of the Manager/Secretary, his/her assistant shall be the secretary pro-term.

36. MANAGEMENT BOARD

(a) The management Board shall consist of not more than nine (9) but not less than five (5) members including the Chairperson and vice Chairperson.

(b) A full Board shall be elected at the First General Meeting held after the registration of these Bye-laws; the Board so elected shall be divided into three equal or nearly equal panels, so that one panel retires from office in every subsequent year.

(c) At the Annual General Meeting in every subsequent year one-third of the members of the Management Board shall retire from office, or if their number is not three or a multiple of three the number next below one-third shall retire.

(d) The Board members to retire each year shall be those who have been longest in office since their last election, but between persons who became Board members on the same day those to retire, unless they otherwise agree among themselves, shall be determined by lot.

(e) A retiring Management Board member may stand for re-election as provided under elections, clause 29 c (2).

37. MANAGEMENT BOARD QUALIFICATION

In order to be qualified for election to the Board a person shall be a member of the Society and 18 years of age or more.

A member shall be qualified to be elected into the Management Board if:

(a) a member shall have a minimum qualification of a Botswana General Certificate in Secondary Education (BGCSE) or its equivalent;

(b) a waiver of the qualification can be done as a resolution by the members where majority of the members do not have the required qualification or under any special circumstances as determined by the membership;

(c) he/she has not been removed by a court of law from office of trust on account of misconduct, or dishonesty and insolvency; and

(d) he/she is of sound mind and not incapacitated.

38. A BOARD MEMBER SHALL CEASE TO HOLD OFFICE IF-

(a) He resigns by notice in writing;

(b) Ceased to be a member of society;

(c) He is convicted of any offence under this act or any regulations made hereunder of any offence involving dishonesty or suffers lawful imprisonment for six months or more;

(d) he is removed by court from any office of trust on account of misconduct;

(e) he becomes of unsound mind;

(f) he becomes insolvent or makes any arrangement or composition with his creditors generally;

(g) Carries for his own private profit any trade or business in which the society is engaged.

(h) Absent without the committee's approval from three (3) consecutive scheduled meetings of the board.

(i) he is disqualified for any other reason specified in the act, bye-laws and this regulations; or

(j) He is removed from the office before the expiration of his term of office by a resolution of the society's

members passed at a general meeting after due notice of the intention to propose the resolution has been given to members;

(k) Provided that a majority of the whole board may, for good cause also suspend one of its members for acts of dishonesty and or misconduct, such suspension to be confirmed by the next general meeting; and

(l) If a general meeting removes a member of the board it shall forthwith elect a new member who shall hold office until the next annual general meeting.

39. MEETINGS OF THE MANAGEMENT BOARD

(a) Meetings of the Management Board shall be held when necessary and at least once (1) a month.

(b) The Manager shall issue notices of meetings of the committee when required to do so by the Chairperson or in writing by more than half the members of the Board, or the Director.

(c) Attendance of more than half the number of Board members shall be required as quorum for the disposal of any business.

(d) The Chairperson or in his absence, the Vice-Chairperson, or in the absence of both, any member of the committee elected by common consent, shall preside at meetings of the Board.

(e) Whenever any matter requires to be decided by voting each member of the committee shall have one vote. The chairperson shall have a casting vote or a second vote in case of a tie of votes.

(f) The Director or any officer of the Department of Co-operatives authorized by the Director shall have the right to be present in any Board meeting in an advisory capacity.

40. POWERS AND DUTIES OF THE MANAGEMENT BOARD

The Management Board shall be responsible for the direction and supervision of the business of the Society and, subject to the co-operative Societies Act, these bye-laws and any direction given by a General Meeting, may exercise all the powers of the Society that are not reserved to the General Meeting. In particular it shall have the following powers and duties:

(a) To hold a committee meeting at least once a month and at other times whenever necessary;

(b) To observe in all their transactions, the law, the notified regulations and the bye-laws;

(c) Consider and decide all applications for membership of the society;

(d) To open and operate bank accounts and ensure that all payments are properly authorized and approved by the relevant officers after production of supporting vouchers sufficient to explain the under-lying transactions and establish that they are in accordance with the act and these bye-laws;

(e) In conformity with bye-laws 16 (b) and 20 (viii) exercise the borrowing powers of the society;

(f) To keep the members informed of the progress of the society, encourage interest and a sense of ownership on the part of the members and have charge of the educational and advisory work amongst the members on co-operative principles and practice and the operation of the society;

(g) To ensure that true and accurate accounts of all monies received and expended are maintained;

- (h) To prepare and lay it before the annual general meeting an annual report, and audited financial statements certified by the auditor;
- (i) To suspend a member in terms of these bye-laws subject to confirmation by the general meeting;
- (j) To arrange such general meetings of members as are required by these bye-laws and such other meetings as may be considered necessary;
- (k) To appoint, interdict, punish or dismiss any paid employee of the society;
- (l) To suspend or remove the manager or any other employee of the society for irregularity in the performance of his duties in accordance with the laid down employment procedures;
- (m) To appoint any member of the board to vote on its behalf at any meeting of any other registered society/ organization of which the society co-operative is a member;
- (n) To arrange the terms and hours of business of the society;
- (o) To ensure safe custody of the society's money, goods and property;
- (p) to call for and examine at each monthly meeting the reports from the Manager and other officers of the Society which disclose the true position of the Society, its operations and financial position;
- (q) To inspect cash and other securities of the Society as they may see appropriate, compare with the book balances and take appropriate action in the event of any discrepancies;
- (r) To invest the funds of the Society in accordance with these bye-Laws;
- (s) To liaise with the manager with regard to the sources from which goods shall be purchased and to approve the arrangements for transport and storage;
- (t) To issue directions to the manager with regard to the pricing of goods;
- (u) To arrange for the stock-taking of merchandise;
- (v) To frame standing orders for the conduct of the business of the Society and to see that they are observed;
- (w) To delegate any of its duties to a sub-committee or to an officer of the Society and to lay down its functions and responsibilities. Nothing in this sub-section shall be taken to absolve the committee from its supervisory duties and from its responsibility for the proper conduct and direction of the affairs of the Society;
- (x) Generally, to make decisions relating to the policies of the Society for efficient organization and administration of the Society; and
- (y) To plan, organize, control, budget and monitor all activities of the Society through monthly business reports.

41. DUTY OF CARE OF THE BOARD

- (a) In the conduct of the affairs of the Society, the members of the Board shall exercise the prudence and diligence of ordinary men of business and shall be jointly and severally liable for any losses sustained through any of their actions which are contrary to the Act, any regulations, bye-laws or the directions of the General Meeting.
- (b) All Committee Members elected at General Meetings shall be required to make pledges to act honestly, diligently, in good faith and in the best interest of the Co-operative Society as a whole. The above mentioned pledge shall be signed in the presence of the Regional Co-operative Officer or in his\her absence by the officer conducting elections.

42. CHAIRPERSON

The chairperson shall preside at meetings of the Board.

- (a) The chairperson shall be elected from among Management Board members at each Annual General Meeting to hold office until the election of a successor at the subsequent Annual General Meeting.
- (b) The chairperson shall hold office for a term of three (3) years.
- (c) The chairperson shall have the power to inspect the work of the manager to ensure that the law, regulations, Bye-laws and working rules are observed and that the decisions of the committee are implemented.
- (d) The chairperson shall also preside over General Meetings of the Society and all Board meetings including those convened by the Director or his representative.
- (e) The chairperson shall also represent the Society in its dealings with other organizations and sign correspondence on its behalf.

43. VICE CHAIRPERSON

- (a) A Vice Chairperson shall be elected from among Management Board members at each Annual General Meeting, to hold office until the election of a successor at the next subsequent Annual General Meeting.
- (b) The Vice Chairperson shall hold office for a term of three (3) years.
- (c) The Vice-Chairperson shall assist the chairperson in the efficient running of the Management Board, and shall in the absence of the Chairperson perform such duties as he/she may be directed to perform by the Management Board.
- (d) The vice chairperson shall in the absence of or with the chairperson, inspect the work of the manager to ensure that the law, regulations, bye-laws and working rules are observed and that the decisions of the Board are implemented.
- (e) The vice chairperson shall in the absence of the chairperson preside over General Meetings of the Society and all Board meetings including those convened by the Director or his representative.
- (f) The vice chairperson shall at the direction of the chairperson also represent the Society in its dealings with other organizations and sign correspondence on its behalf.

44. SUPERVISORY COMMITTEE

- (a) The Supervisory Committee shall consist of three members of the Society elected by the General Meeting. No member of the Management Board or any employee of the Society, may be elected or appointed to the Supervisory Committee.
- (b) The Supervisory Committee shall hold office for a term of three (3) years.
- (c) The Supervisory Committee shall make, or cause to be made, at least once every three months, an investigation into the affairs of the Society, including an audit of its books; and shall make the report thereof to the Management Board. The Supervisory Committee shall also make an annual report to the Annual General Meeting when the need arises.
- (d) The Supervisory Committee shall have the right of access to all books, accounting records and documents of the Society and the right to require information or explanation from any officer or employee of the Society.

45. THE CREDIT COMMITTEE

- (a) The Credit Committee shall consist of not less than three and not more than five members of the Society. The Committee shall have a Chairperson, Secretary and additional members.
- (b) The Credit Committee shall hold office for a term of three (3) years.
- (c) Members of the Credit Committee shall not be:
 - i officers of the Society;
 - ii members of the Management Board; or
 - iii members of the Supervisory Committee
- (d) Members of the Credit Committee shall be elected at a General Meeting.
- (e) The Credit Committee shall hold such meetings as the business of the Society may require but at least once a week.
- (f) The Credit Committee shall appraise members' loan applications according to the terms and conditions of the Society's Loan/ Credit Policy.
- (g) The Credit Committee shall enquire carefully into the character and financial conditions of each applicant for a loan, to ascertain his/her ability to repay fully and promptly the obligations incurred by him/her.
- (h) The decision of the Credit Committee in relation to approval or rejection of the loans shall be final.
- (i) The members of the Credit Committee shall not take part in the consideration of their loan application and a member shall be excused from the meetings at which his/her application is considered.
- (j) The Credit Committee may require where need arises to have a personal interview with the loan applicant before making its decision on the loan application.
- (k) The Credit Committee shall endeavor diligently to assist members to solve their financial problems and may on request from the member; whose loan application has been rejected give the necessary feedback and financial counseling.
- (l) The Credit Committee may with the assistance of the Education Sub-Committee (if any) educate and give their members clear understanding of the Society's Credit Policy.
- (m) The Credit Committee shall submit monthly reports to the Management Board for informed decision making.
- (n) The Credit Committee may make an annual report to the Annual General Meeting in case there are some pertinent issues which they see fit to be brought to the attention of the general membership.

46. NOMINATIONS COMMITTEE

Nominations Committee shall consist of three members of the Society elected by Annual General Meeting. No member of Management Board, Supervisory or Credit Committee or employee may be elected to the Nomination Committee.

The Nomination Committee is responsible for enhancing the quality of nominees to be Management Board, ensuring the integrity of the nominating process and oversees issues of corporate governance.

The role of the Nominating Committee shall include:

- (a) Leading the process for appointments of the Board of Directors and other committees in a fair and thorough manner and report to Management Board and when requested to do so by the Board
- (b) Taking the lead on information about Board of Directors other committees orientation and education.
- (c) Identifying the skills needed and those individuals who might best provide them.
- (d) Overseeing Board evaluation/assessment.

47. MANAGER

There shall be a Manager who shall be the Chief Executive Officer and Secretary of the Society. Manager shall be responsible to the Management Board and his / her duties shall include to Plan, Organize, Control, Direct, and Co-ordinate the activities of the Society which includes:

- (a) to conduct the day to day business of the Society which shall include;
 - i the procurement, safe custody of products and sale of stock possessed by the Society;
 - ii the receipt, custody and marketing of produce from members to their best advantage;
 - iii the receipt, custody and disbursement of money on behalf of the Society.
- (b) to keep proper and accurate accounts and maintain prescribed accounting records, sufficient to show and explain the Society's transactions;
- (c) to issue notices of General Meetings and Board Meetings prepare all papers, accounts and reports for such meetings, and record minutes of meetings, and carry out other duties of a Secretary;
- (d) to prepare and submit each month for the consideration of the Board, a statement of income, expenditure and cash in hand and bank, and a performance report on the business of the Society, and to produce the cash in hand for inspection by the Board;
- (e) to record the minutes of the Management Board meetings and General meetings;
- (f) to supervise, appraise performance and take appropriate disciplinary action on the staff of the Society;
- (g) to ensure safekeeping of the Society's money, securities, and books of accounts;
- (h) to ensure compliance with all directives of the Management Board and the Director;
- (i) to promptly and correctly attend to the Society's correspondence;
- (j) prepare and maintain budgets and budgetary controls;
- (k) maintain good relationship with Stakeholders;
- (l) review and recommend to the Management Board amendments on the Society's Organizational Structure, Salary Structures, Job Descriptions, training needs, Bye-laws, Policies and other operational efficiency controls;
- (m) prepare and implement the Society's Investment Policy;
- (n) review and maintain the Membership Register;
- (o) to perform such other duties as the committee may from time to time assign him/her;

48. THE MANAGEMENT TEAM

The Manager may with the approval of the Management Board appoint a Management Team and assign to it some of his duties. The Management Team shall sit and discuss all matters relevant to the Management of the Society for informed decision making and easy flow of communication. The team may be comprised of some or all of the following:

- i loans officer;
- ii administration officer;
- iii accounts officer;
- iv investment officer; and
- v any other officer as they may see necessary

49. FINANCIAL YEAR

The financial year of the Society shall be from 1st May to the 30th April each year.

50. AUDIT

(a) The accounts of the Society shall be audited at least once a year as soon as possible after the end of the financial year but not later than 3 months after the financial year end by one or more auditors appointed by the Director or nominated by the General Meeting and duly authorized by the Director.

(b) The audit shall include an examination of the accounts of the Society's operations, overdue debts, if any, and also include a valuation of the assets and liabilities of the Society.

51. DISTRIBUTION OF NET SURPLUS

(c) Out of the annual net surplus the Society shall contribute at least 25% to the statutory reserve fund.

(d) The remaining portion may be used for the following purpose as decided by the General Meeting and approved by the Director:

- i the payment of dividends on shares;
- ii the payment of a bonus to members in proportion to the value of each member's trade with the Society during the preceding year;
- iii contribution to any other funds established by the Society;
- iv committees Honorarium as per the Act; or
- v staff bonus.

(e) Accounts of the Society shall be maintained in such a manner that it will be possible to pay a separate bonus in each of such type of activity.

(f) Before paying bonus to members out of profits in any branch of activity, such shall firstly be used to set off losses in other branches of activity.

52. STATUTORY RESERVE FUND

(a) The Society shall maintain a Statutory Reserve Fund to which it shall allocate at least 25% of the net surplus as shown in the audited annual accounts.

(b) The Reserve Fund shall be indivisible and no member shall be entitled to claim any part of it.

(c) The Reserve Fund may be:

- i invested in a manner provided in these bye-laws; and
- ii utilized in the business of a Society or for capital expenditure as the Board may deem necessary.

(d) on liquidation of the Society, the reserve fund shall not be applied in the discharge of the liabilities of the Society in the manner authorised by section 62 of the Co-operative Societies Act.

53. BOOKS AND REGISTERS

(a) The Society shall maintain the prescribed accounting records, which records shall be sufficient to show and explain the Society's transactions and:

- i disclose with reasonable accuracy at any given time the financial position of the Society; and
- ii enable the Board to ensure that the Statement of Comprehensive Income and Statement of Financial Position required by the Act are complied with.

(b) The accounting records shall contain:

- i. entries from day to day statement of Comprehensive income;
- ii. records of all assets and liabilities of the Society; and
- iii. statement of stock held by the Society at regular intervals.

(c) Society shall keep the following books and records:

- i. A Register of Members, which is made up of the details on completed Application forms for Membership showing in respect of each member:

The name, age, date of application for membership, address, and occupation;

- The date of admission to membership;
- The date on which he ceased to be a member;
- The name of his nominees;
- The membership number;
- The value of shares held;
- Identity number; and
- Next of kin.

- ii minute Books giving details of proceeding of the Management Board, Marketing Committee, and Supervisory Committee meetings;
- iii a working ledger showing the receipts, payments, and transactions on each day of business done;
- iv A main ledger;
- v Cash receipts books;
- vi A register of shares;
- vii A stock record book;
- viii Payment vouchers;
- ix A Cash Book showing the details of all monies received and all monies expended or paid out by the Society;
- x A minute book giving details of proceedings at the General Meetings;

- xi An individual account for each member showing his transactions with the Society;
- xii An assets (property) register;
- xiii A register of advances to staff members, which is made up of the details on completed advice application forms in respect of each person the name of the borrowers, the amount borrowed, the due date of repayments, the Omang number; Cheque number, date of payment, signature
- xiv Such other books and records as the Management Board may decide or that the Director may prescribe.

(d) The Society's records and books of accounts including copies of the Co-operative Societies Act, these Bye-Laws, and the National Policy for Co-operative Development and Audited Financial Statements shall be kept at the Society's registered address and shall be open for inspection by any member free of charge at all reasonable and convenient times.

54. CHEQUES AND DOCUMENTS

(a) Cheques of the Society and any forms for withdrawal of money shall be signed by the Chairperson and other members appointed for this purpose by the Board.

(b) Contracts, agreements, deeds and other legal documents of a similar nature shall be signed by the Chairperson and or the Vice Chairperson and the Manager and the seal of the Society shall be affixed to such documents.

55. AMENDMENT OF BYE-LAWS

(a) Any additions or amendments to the Bye-Laws of the Society shall be made by a Special Resolution passed by the General Meeting convened for that purpose.

(b) Notwithstanding the provision of sub-paragraph (a) any additions or amendments which have received prior approval of the Director may be adopted by majority of two-thirds of the members present at a General Meeting in respect of which due notice of the intention to discuss such additions or amendments has been given.

(c) Any additions or amendments to Bye-Laws shall take effect only after they have been duly registered by the Director for Co-operative Development.

56. SETTLEMENT OF DISPUTES

(a) Any dispute concerning the business of the Society between parties indicated in section 52 (1) of the Co-operative Societies Act, which cannot be settled, by the Management Board or the General Meeting shall be referred to the Arbitration committee appointed as per section 52 (2) which shall hear and decide the dispute as per third schedule of the co-operative Society's Act.

(b) Any party aggrieved by an award made by the Arbitration Committee may appeal to the Director in accordance with the provisions of Co-operative Societies Act.

(c) The section shall not apply to any dispute between the society and its employees arising out of the employee's contract of service.

57. LIQUIDATION

(a) The Director may:

- i. After an inspection under or an investigation as per the provisions of the Co-operative Societies Act; or
 - ii. On the application of 3/4 of the members of a Society, make an order for the liquidation of the Society if he is satisfied that the Society ought to be dissolved.
- (b) Any member of the Society, may within six (6) weeks from the date of the liquidation order, make an appeal to the Minister against the order.
- (c) Where there has been no appeal, the order shall take effect on expiry of the six (6) weeks referred to above.
- (d) Where an appeal has been made, the order shall not take effect until confirmed by the Minister.

58. JUDICIAL MANAGEMENT

- (a) The Court may:
- i. On application by the Director after an inspection under or an investigation as per the provisions of the Co-operative Societies Act; or
 - ii. By the members of the Society, where a Special Resolution of the members has been passed at a General Meeting, make an order of Judicial Management of the Society if it is satisfied that the Society ought to be under Judicial Management.
- (b) Any member of the Society, may within six (6) weeks from the date of the order make an appeal against the order.
- (c) Where there has been no appeal, the order shall take effect on expiry of the six (6) weeks referred to above.
- (d) Where an appeal has been made, the order shall not take effect until the appeal is discharged.

59. COMMON SEAL

The Society may adopt and use a common seal. The seal may be a rubber-stamp bearing the words, "Seal of the Thuto Savings And Credit Co-operative Society Limited", and shall be different from the ordinary name-stamp of the Society. The seal shall be kept securely under lock and key by the Manager and shall be used only by, and in the presence of, the officers authorized to sign documents on behalf of the Society.

60. GENERAL

- (a) All powers, duties and functions of members and officers of this Society, pursuant to the provisions of these Bye-Laws, shall be exercised in strict conformity with the Co-operative Societies Act, Chapter 42:04 and the notified Regulations.
- (b) Any duties and obligations required to be carried out by a Manager in terms of the Co-operative Societies Act and Regulations shall be carried out by the Manager appointed under these Bye-Laws.
- (c) No officer or Board member shall receive from the Society any payment, apart from the actual costs of travelling and subsistence while working on the Society's business,
- except an honorarium, bonus or dividends from the net surplus as allowed in these bye-laws.
- (d) The officers, members of Board, and employees of the Society shall hold in the strictest confidence all

transactions of the Society with its members, and all information respecting their personal affairs.

(e) When any Board/ committee member is absent, disqualified, or otherwise unable to perform his duties, the Management Board may co-opt or designate another member or member(s) of the Society to act and serve on the committee concerned when necessary in order to form a quorum.

(f) No Officer, Board /Committee Member of the Society shall in any manner participate in the deliberations upon, or determination of any question affecting his/her own financial interest. In the event of such the Officer, Board/Committee Member shall be excused from such deliberations, or determination and the remaining qualified Committee Members present at the meeting, if constituting a quorum shall exercise in respect of the matter, all the powers of the Committee.

(g) All books of accounts and other records shall at all times be available to all Board/Committee Members of the Society and to the Director or his/her authorized representative.

(h) A copy of the Act, the Society's registration certificate, its Bye-Laws, and membership register shall be available for inspection by any member.

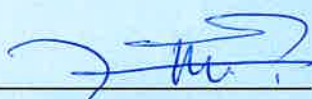
(i) Details of individual members' dealings with the Society which includes details of nominees and shareholdings, savings or loans shall not be available to any other member, who is neither a Board/Committee member, employee of the Society or the Director or his/her representatives.

(j) A copy of the Bye-Laws shall be furnished to every member who requests one, upon payment of a fee not exceeding its actual cost to the Society.

61. ACCEPTANCE

We the undersigned officers of Thuto Savings and Credit Co-operative Society Limited named herein do hereby accept and adopt these Bye-Laws for and on behalf of the Society, together with any changes or alterations that have been initialed or signed by us.


 Ms. Karabo Morule - Segobye
 Chairperson

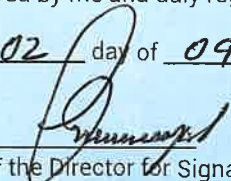

 Mr. Billie Morongwa Loeto
 Vice-Chairperson


 Mr. Agang Oabona (CAT,ADE)
 Secretary

62. REGISTRATION

Approved by me and duly registered. Given under my hand at Gaborone

This 02 day of 09 In the year 2022


 Seal of the Director for Signature

Co-operative Development Director for Co-operative Development

