

AMENDED BY-LAWS OF THE

ThomECC - Thomasian Employees' Credit Cooperative

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned Filipino citizens, all of legal age and residents of the Philippines, representing at least majority of the members of the above named cooperative, do hereby adopt the following code of By-laws.

ARTICLE I

Objectives

Section 1. *Objectives.* The objectives and purposes of this Cooperative are those set forth in its Articles of Cooperation.

ARTICLE II

Membership

Section 2. *Membership.* This Cooperative shall have regular and associate membership/s. A Regular member is one who is entitled to all the rights and privileges of membership. An Associate member is one who has no right to vote and be voted upon and shall be entitled only to such rights and privileges provided in this by-laws.

Section 3. *Qualifications for Membership.* Regular membership. The regular membership of this Cooperative is open to any natural person, Filipino citizen, of legal age, with capacity to contract, working and/or residing in the area of operation as stated in Articles of Cooperation, and has the following qualifications:

- a) Completed the prescribed pre-membership education training;
- b) Undertake to uphold the By-laws, policies, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly;
- c) Paid the prescribed membership fee of P500.00;
- d) Regular non-academic employees of the University of Santo Tomas.
- e) Holder of common shares;
- f) Continually patronizing products and services for two (2) years from date of membership with the cooperative;
- g) Commits to remain a member in good standing for at least three (3) years from start of membership.

Associate membership. The associate membership of this Cooperative shall be open to any natural person, Filipino citizen, of legal age, with capacity to contract, working and/or residing in the area of operation as stated in the Articles of Cooperation, or has been part of the Thomasian community one or the other, and has the following qualifications:

- a) Completed the prescribed pre-membership education training;
- b) Undertake to uphold the By-laws, policies, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly;
- c) Paid the prescribed membership fee of P500.00
- d) Other members of the UST community such as Faculty members, contractual and casual employees and alumni, administrators, retirees and regular employees from other Dominican schools;
- e) Holder of preferred shares;

- f) Continually patronizing the products and services for two (2) years from date of membership with the cooperative;
- g) Signifies to remain a member in good standing for at least three (3) years.

Provided, that an Associate who meets the minimum requirements of regular membership, as stated above, shall be considered a regular member.

Section 4. *Application for Membership.* An applicant shall file a duly accomplished form with the Board of Directors who shall accept or deny it in accordance with the prescribed guidelines.

Section 5. *Minimum Share Capital Subscription.* Regular membership. An applicant for regular membership shall subscribe at least twenty (20) shares and agrees to pay them through salary deduction or other means for a period to be set by the Board of Directors upon approval of his membership.

Associate Membership. An applicant for associate membership shall subscribe at least five (5) Share/s and agrees to pay them through salary deductions and/or pay the value of at least one (1) share upon approval of his membership.

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

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

Section 7. *Duties and Responsibilities of a Member.* Every member shall have the following duties:

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

Section 8. *Member Entitled to Vote.* Any regular member who meets the following conditions is a member entitled to vote:

- a) Paid the membership fee and the value of at least five (5) shares;
- b) Not delinquent in the payment of his share capital subscriptions and other accounts or obligations;
- c) Not violated any provision of this By-laws; the terms and conditions of the subscription agreement; and the decisions, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly;
- d) Completed the basic orientation training program prescribed by the Board of Directors; and
- e) Participates in the affairs of the Cooperative and patronizes its businesses.

Section 9. *Rights of a Regular Member Entitled to Vote.* A member entitled to vote shall have the following rights:

- a) Participate and vote on all matters deliberated upon during general assembly meetings;

- b) Seek any elective or appointive position, subject to the provisions of this By-laws and the Cooperative Code of the Philippines;
- c) Avail himself of the services of the Cooperative, subject to certain conditions as may be prescribed by the Board of Directors;
- d) Inspect and examine the books of accounts, the minutes books, the share register, and other records of the Cooperative during office hours; and
- e) Such other rights and privileges as may be provided by the General Assembly.

Rights of an Associate Member. An associate member shall have the following rights and privileges:

- a) Participate in the deliberation of any issue during general membership meetings;
- b) Avail himself of the services of the Cooperative, subject to certain conditions as may be prescribed by the Board of Directors;
- c) Inspect and examine the books of accounts, the minutes books, the share register, and other records of the Cooperative during
- d) office hours;
- e) Has preference in the payment of interest on share capital and in the distribution of the net assets of the Cooperative in case of
- f) liquidation; and
- g) Such other rights and privileges as may be granted by the General Assembly.

Section 10. *Liability of Members.* A member shall be liable for the debts of the Cooperative only to the extent of his subscribed share capital.

Section 11. *Suspension of Membership.* A member who is delinquent in the payment of his share subscription and for other causes detrimental to the interest of the cooperative may be suspended in accordance with the guidelines on suspension of members prescribed by the Board of Directors duly approved by the general assembly.

Section 12. *Termination of Membership.* Termination of membership, which may be automatic, voluntary or involuntary, shall have the effect of extinguishing all rights of a member in the Cooperative or its assets, subject to the provisions of Section 13 of this By-laws and as may be provided by the general assembly.

Any member whose membership in the cooperative was terminated shall be entitled to a refund of his share capital pursuant to Article 31 of the Cooperative Code.

Section 13. *Manner of Terminating Membership and refund of share capital contribution.* Within fifteen (15) days from registration of these by-laws, the Board of Directors shall prescribe guidelines relative to the manner of terminating and suspension of membership and refund of share capital contribution of members in accordance with the provisions of the Cooperative Code.

ARTICLE III

Government

Section 14. *The General Assembly.* The general assembly is composed of all the members entitled to vote and is the highest governing-body of the Cooperative.

Section 15. *Powers of the General Assembly.* Subject to the Provisions of the Cooperative Code of the Philippines and the rules issued there under, the general assembly duly assembled shall have the following powers:

- a) To adopt and amend its Articles of Cooperation and By-laws, in accordance with law;
- b) To elect, appoint or remove for cause any member of the board of directors, officer or committee member of the Cooperative;
- c) To review, modify, reject or approve developmental plans and programs of the Cooperative;

- d) To review and pass upon the reports of the Board of Directors, Officers and committees;
- e) To review, modify, reject or approve any substantial change in the financial and operational policies of the Cooperative;
- f) To adopt a Cooperative seal; and exercise all other powers as may be authorized by law and the Constitution.

Section 16. *Meetings.* Meetings of the general assembly, board of directors and committees may be regular or special. All proceedings and businesses undertaken at any meeting of the general assembly or Board of Directors, if within the powers or authority of the Cooperative, there being a quorum, shall be valid.

Section 17. *Regular general assembly meeting.* The General Assembly shall hold its annual regular meeting at the principal office of the Cooperative or at any place within the Philippines on the date fixed by the Board of Directors; provided, that such date shall be within ninety (90) days after the close of each fiscal year. The fiscal year of this Cooperative shall commence on the first day of January and end on the last day of December and every year thereafter.

Section 18. *Special general assembly meeting.* The Board of Directors may, by a majority vote of all its members, call a special general assembly meeting at any time to consider urgent matters requiring immediate membership decision. The Board of Directors must likewise call a special general assembly meeting in accordance with Article 35 (2) of the Cooperative Code.

Section 19. *Notice of Meeting.* All notices of meetings shall be in writing and the date, time and place thereof stated therein.

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

Section 20. *Agenda.* As far as practicable, the order of business of a regular general assembly meeting shall be:

- a. Roll Call
- b. Proof of due notice
- c. Call to order
- d. Consideration of the previous minutes
- e. Consideration of the reports
- f. Unfinished business
- g. Election of Directors and Committee members, if applicable
- h. New business
- i. Adjournment

Section 21. *Quorum for General Assembly Meeting.* During regular or special general assembly meeting, at least twenty-five per centum of the total number of members entitled to vote shall constitute a quorum.

Section 22. *Voting system.* Only members entitled to vote shall be qualified to participate and vote in any general assembly meeting. A member is entitled to one vote only regardless of the number of shares he owned.

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

ARTICLE IV

Board of Directors

Section 23. *Composition of the Board of Directors.* The conduct and management of the affairs of the Cooperative shall be vested in the Board of Directors which shall be composed of five (5) members.

Section 24. *Qualifications.* No member shall be elected as a member of the Board of Directors or any committee unless he is a member entitled to vote and has the following qualifications:

- a) Member in good standing for at least one (1) year;
- b) Not delinquent in the payment of their loans and other obligations to the cooperative;
- c) Must be present during the general assembly and election of officers so that they can personally attest to their willingness or unwillingness to serve the cooperative.

Section 25. *Disqualifications.* Any member who is under any of the following circumstances shall be disqualified to be elected as a member of the Board of Directors or any committee, or to continue as such:

- a) Holding any elective position in the government, except that of barangay officials;
- b) Having served as director of the Cooperative for three (3) consecutive terms;
- c) Having direct or indirect personal interest with the business of the Cooperative;
- d) Having been absent for three (3) consecutive regular meetings or in more than fifty percent (50%) of all meeting within the twelve (12) month period unless with valid excuse as approved by the Board of Directors;
- e) Being an official or employee of the Cooperative Development Authority; and
- f) Having been disqualified by law.
 - f.1 Any person finally convicted judicially of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, false oath or other fraudulent act or transgression;
 - f.2 A person judicially declared to be insolvent;
 - f.3 Conviction by final judgment of an offense punishable for a period exceeding six (6) years.

Section 26. *Election of Directors.* The members of the Board of Directors shall be elected by secret ballot by members entitled to vote during the annual regular general assembly meeting. Unless earlier removed for cause, or have resigned or become incapacitated, they shall hold office for a term of two (2) years or until their successors shall have been elected and qualified; Provided, that one-half plus one of the elected directors obtaining the highest number of votes during the first election after registration shall serve for two (2) years, and the remaining directors for one year. Thereafter, all directors shall be elected for a term of two (2) years; Provided further that no director shall serve for more than three (3) consecutive terms. The term of the incorporating directors shall expire upon the election of their successors in the first regular general assembly after registration.

Section 27. *Election of Officers.* The Board of Directors shall convene within ten (10) days after the regular general assembly meeting to elect by secret ballot from among themselves the

Chairman and the Vice-Chairman and to appoint or elect the Secretary and Treasurer from outside of the Board. The elected/appointed officers shall hold office for a term of two (2) years or until their successors shall have been elected/appointed and actually assumed the functions of their positions. No two (2) or more persons with relationships up to the third civil degree of consanguinity or affinity shall hold any elective or appointive position in the same Board or Committee.

Section 28. *Meeting of the Directors.* The regular meeting of the Board of Directors shall be held at least once a month. However, the Chairman or, in his absence, the Vice-Chairman, or majority of the directors may at any time call a special Board meeting to consider urgent matters. The call shall be addressed and delivered to the Secretary stating the date, time and place of such meeting and the matters to be considered. Notice of regular or special meetings of the Board of Directors, unless dispensed with, shall be served by the Secretary in writing to each director at least five (5) days before such meeting.

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

Section 29. *Vacancies.* Any vacancy occurring in the Board of Directors by reason of death, incapacity, removal or resignation may be filled by a majority vote of the remaining directors, if still constituting a quorum; otherwise, such vacancy shall be filled by the general assembly in a regular or special meeting called for the purpose. The elected director shall serve only for the unexpired term of his predecessor in office.

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

Section 30. *Removal of Directors and Committee Members.*

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

In cases where the officers sought to be removed consist of the majority of the BOD at least 10% of the members with voting rights may file a petition with the CDA upon failure of the BOD to call an assembly meeting to commence the proceeding for their removal. The decision of the GA on the matter is final and executory.

Any director or committee member elected by the general assembly may be removed from office for cause by a vote of at least two-thirds ($\frac{2}{3}$) of the members entitled to vote present and constituting a quorum in a regular or special general assembly meeting called for the purpose after having been given the opportunity to be heard.

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

Section 31. *Powers and Duties of the Board.* The Board of Directors shall direct, control and supervise the business, manage the property of the Cooperative and may, by resolution, exercise all such powers of the Cooperative as are not reserved for the general assembly under this By-laws and the Cooperative Code of the Philippines.

ARTICLE V

Committees

Section 32. Audit Committee. An Audit Committee is hereby created and shall be composed of three (3) members to be elected during a general assembly meeting and shall hold office for a term of two (2) years or until their successors shall have been elected and qualified. Within ten (10) days after their election, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the Cooperative during his term of office. The Committee shall provide internal audit service, maintain a complete record of its examination and inventory, and submit an audited financial report quarterly or as may be required by the Board and the general assembly.

The audit committee shall be directly accountable and responsible to the General Assembly. It shall have the power and duty to continuously monitor the adequacy and effectiveness of the cooperative's management control system and audit the performance of the cooperative and its various responsibility centers.

Functions and Responsibilities. The Audit Committee shall:

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

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

Functions and Responsibilities. The Election Committee shall:

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

The Credit Committee shall be responsible for the credit management of the cooperative. In the performance of its functions, it shall process, evaluate and act upon loan application and withdrawal of deposits, except when the applicant is a member of the committee, in which case, the application shall be acted upon by the Board of Directors; and exercise general supervision including collection over all loans to members.

Credit Committee. A Credit Committee shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of one (1) year or until their successors shall have been appointed and qualified and without prejudice to their reappointment. No member of the Committee shall hold any other position in the Cooperative during his/her term of office.

Functions and Responsibilities. The Credit Committee shall:

a. Assist the Board of Directors in the formulation of sound lending and collection policies, systems and procedure.

b. Responsible for the credit management of the Cooperative.

c. In the performance of its functions, it shall process, evaluate and act upon loan application and withdrawal of deposits, except when the applicant is a member of the committee, in which case, the application shall be acted upon by the Board of Directors; and exercise general supervision including collection over all loans to members.

d. Responsible for the formulation and conduct of financial and credit risk management training program.

Mediation and Conciliation Committee. A Mediation and Conciliation Committee is hereby created and shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of one (1) year or until successors shall have been elected and qualified. No member of the Committee shall hold any other position in the Cooperative during his term of office.

Functions and Responsibilities. The Mediation and Conciliation Committee:

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

Education and Training Committee. An Education and Training Committee is hereby created and shall be composed of three (3) members to be appointed by the Board of Directors and shall serve for a term of two (2) years, without prejudice to their reappointment. Within ten (10) days after their election they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary. Except for the Vice-Chairperson, no member of the committee shall hold any other position within the Cooperative during his term of office.

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

Functions and Responsibilities. The Education and Training Committee shall:

- a. Keep members, officers, staff well-informed regarding cooperative's goals/objectives, policies & procedures, services, etc.;
- b. Plan and implement educational program for coop members, officers and staff;

- c. Develop promotional and training materials for the cooperative; and
- d. Conduct/Coordinate training activities.

Ethics Committee. An Ethics Committee is hereby created and shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairman, Vice-Chairman and a Secretary who shall serve for a term of one (1) year or until successors shall have been appointed and qualified. No member of the Committee shall hold any other position in the Cooperative during his term of office.

Functions and Responsibilities. The Ethics Committee shall:

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

Gad Committee. A GAD Committee is hereby created and shall be composed of Three (3) members to be appointed by the Board of Directors, one of whom shall come from the Board. The Committee shall elect from among themselves a Chairperson. The Committee shall hold office for ____ year until replaced by the Board.

Functions and Responsibilities. The GAD Committee shall:

- a. Conduct Gender Analysis
- b. Develop and recommend GAD and GE policies and programs/activities/projects to the Board
- c. Monitor and assess progress in the implementation of GAD program/activities/projects toward achieving Gender Equality (GE)
- d. Submit report to the Board
- e. Provide directional guidance
- f. Other duties mandated under the CDA Memorandum Circular 2013-22

Section 33. *Other Committees.* The Board of Directors may form such other committees as may be deemed necessary for the smooth operation of the Cooperative.

ARTICLE VI

Officers of the Cooperative

Section 34. *Officers and their Duties.* The officers of the cooperative shall include the members of the Board of Directors, different committees created by the general assembly, general manager or chief executive officer, secretary, treasurer and members holding other positions as may be provided for in this by-laws, shall serve according to the functions and responsibilities of their respective offices as follows:

Chairperson – The Chairperson shall:

- a) Set the agenda for board meetings in coordination with the other members of the BOD;

- b) Preside over all meetings of the Board of Directors and of the general assembly;
- c) Sign contracts, agreements, certificates and other documents on behalf of the cooperative as authorized by the Board of Directors or by the GA;
- d) Issue Certificate of Non-Affiliation with the Federation or Union; and
- e) Perform such other functions as may be authorized by the BOD or by the GA.

Vice-Chairperson – the Vice-Chairperson shall:

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

Treasurer – The Treasurer shall:

- a) Ensure that all cash collections are deposited in accordance with the policies set by the BOD;
- b) Have custody of all funds, securities, and documentations relating to all assets, liabilities, income and expenditures;
- c) Monitor and review the financial management operations of the cooperative, subject to such limitations and control as may be prescribed by BOD;
- d) Maintain full and complete records of cash transactions;
- e) Maintain a Petty Cash Fund and Daily Cash Position Report;
- f) Act as Secretary in case of the latter's absence or incapacity to perform his duties; and
- g) Perform such other functions as may be prescribed in this By-laws

Secretary – The Secretary shall:

- a) Keep an updated and complete registry of all members Record, prepare and maintain records of all minutes of all meetings of the BOD & the GA;
- b) Ensure that necessary BODs' actions and decisions are transmitted to the management for compliance and implementation;
- c) Issue and certify the list of members who are in good standing and entitled to vote as determined by the BOD
- d) Prepare and issue Share Certificates;
- e) Serve notice of all meetings called and certify the presence of quorum of all meetings of the BOD and GA;
- f) Serve notice of all meetings called and certify the presence of quorum of all meetings of the BOD and GA;
- g) Keep copy of the Treasurer's report & other reports;
- h) Keep and maintain the Share & Transfer Book;
- i) Serve as custodian of the cooperative seal;
- j) Act as Treasurer in case of the latter's absence or inability to perform his duties as the Board of Directors may prescribe; and
- k) Perform such other functions as may be prescribed in the By-laws or authorized by the GA.

Section 35. *Liabilities of Directors, Officers and Committee Members.* Directors, officers and committee members, who willfully and knowingly vote for or assent to patently unlawful acts, or who are guilty of gross negligence or bad faith in directing the affairs of the Cooperative or acquire any personal or pecuniary interest in conflict with their duties as directors, officers or committee members shall be liable jointly and severally for all damages resulting there from to the Cooperative, members and other persons.

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

Section 36. *Management Staff.* The Board of Directors shall appoint the members of the Management Staff, fix their compensation and tenure of office.

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

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

The General Manager shall:

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

Accountant/Bookkeeper. No person shall be appointed to the position of accountant/bookkeeper unless he possesses the following qualifications and none of the disqualifications herein enumerated:

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

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

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

Duties of the Bookkeeper. The bookkeeper of the Cooperative who is under supervision and control of the Accountant shall:

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

Section 37. *Compensation.* Subject to the approval of the general assembly, the members of the Board and Committees may, in addition to per diems for actual attendance to board and committee meetings, and reimbursement of actual and necessary expenses while performing functions in behalf of the Cooperative, be given regular compensation; Provided, further, that the directors and officers shall not be entitled to any per diem when, if in the preceding calendar year, the cooperative reported a net loss or had a dividend rate less than the official inflation rate for the same year.

ARTICLE VII

Capital Structure

Section 38. *Source of Funds.* The Cooperative may derive its funds from any or all of the following sources:

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

Section 39. *Revolving Capital and Continuous capital build-up.* In order to strengthen en the capital structure of the Cooperative, the general assembly may authorize the Board of Directors to raise a revolving capital by deferring the payment of patronage refunds and interest on share capital, or such other schemes as may be legally adopted. To implement this provision, the Board of Directors shall issue a Revolving Capital Certificate with serial number, name, rate of interest, date of retirement and such other rights and privileges or restrictions as may be deemed just and equitable.

For purposes of continuing capital build-up, every member shall invest in the cooperative in any or all of the following:

- a) At least five (5%) percent of his monthly income;
- b) At least ten (10%) percent of his annual interest on capital and patronage refund; and
- c) At least five (5%) percent of each good/service acquired by him.

Section 40. *Borrowing.* The Board of Directors, upon approval of the General Assembly, may borrow money from any source, local or foreign, under such terms and conditions that best serve the interest of the Cooperative.

Section 41. *Share Capital Contribution.* Share Capital Contribution refers to the unit of capital stated in the Common and/or Preferred shares issued by the Cooperative in accordance with its Articles of Cooperation, subscribed and paid for by a member.

Common shares shall be issued only to regular members. Preferred shares, on the other hand, may be issued to regular or associate members with such rights, privileges, or restrictions as may be provided by the Board of Directors, subject to the approval of the General Assembly.

Share Capital Certificate. The Board of Directors shall issue a Share Capital Certificate only to a member who has fully paid his subscription. The certificate shall be serially numbered and contain the shareholder's name, the number of shares owned, the par value, and duly signed by the Chairman and the Secretary, and bearing the official seal of the Cooperative. All certificates issued and/or transferred shall be registered in the Cooperative's Share and Transfer book.

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

Section 42. *Transfer of Shares.* The Cooperative shall have the first option to buy any share offered for sale. The amount to be paid for such shares shall be the par value or book value, whichever is lower.

If the Cooperative is not in a position or refuses to purchase such shares, the member shall have the right to sell them to any person eligible for membership in the Cooperative. No member may transfer his shares or interests in the Cooperative or any part thereof, unless:

- a) He has held such shares or interest for at least one year;
- b) The transfer is made to a member of the Cooperative or to a person who falls within the field of membership of the Cooperative, and that said person is acceptable to the cooperative; and
- c) The Board has approved such transfer.

The transfer of shares shall not be binding to the Cooperative until such transfer has been registered in the share and transfer book. No transfer shall be completed until the old certificates shall have been endorsed and surrendered to the Cooperative and a new certificate is issued in the name of the member-transferee. If the last transferee, is not a member but qualified to be a member, he shall be required to pay the membership fee and a transfer fee of P 1,000.00.

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

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

ARTICLE VIII

Operations

Section 43. *Primary Consideration.* Adhering to the principle of service over and above profit, the Cooperative shall endeavour to:

- a) Formulate and implement program strategies that will provide its members and the communities within its area of operation needed goods/services; control a significant segment of the retail industry and stabilize the prices of basic commodities;
- b) Adopt and implement plans and programs which ensures the continued build-up of the Cooperative's capital structure with the end view establishing other needed services for the members and the public;
- c) **Engage in Credit business and Operations**

ARTICLE IX

Allocation and Distribution of Net Surplus

Section 44. At the end of each fiscal year, the Cooperative shall allocate and distribute its net surplus as follows:

A. Reserve Fund. Ten (10%) percent shall be set aside for Reserve Fund

- a) The reserve fund shall be used for the stability of the Cooperative and to meet net losses in its operations. The general assembly may decrease the amount allocated to the reserve fund when it has already exceeded the authorized share capital. Any sum recovered on items previously charged to the reserve fund shall be credited to such fund.
- b) The reserve fund shall not be utilized for investment, other than those allowed in the Cooperative Code. Such sum of the reserve fund in excess of the authorized share capital may be used at anytime for any project that would expand the operations of the Cooperative upon the resolution of the general assembly.
- c) Upon the dissolution of the Cooperative, the reserve fund shall not be distributed among the members. However, the general assembly may resolve:

- 1. To donate, contribute, or otherwise dispose of the amount for the benefit of the community where the Cooperative operates.

B. Education and Training Fund. One (1%) percent shall be set aside for Education and Training Fund.

- a. The amount allocated to the education and training fund annually under this subsection may be spent by the Cooperative for education training and other purposes.
- b. Upon the dissolution of the Cooperative, the unexpended balance of the education and training fund pertaining to the Cooperative shall be used for the benefit of the community where the cooperative operates.

C. Community Development Fund. At least three percent (3%) shall be used for projects and activities that will benefit the community where the cooperative operates.

D. Optional Fund. Two (2%) percent shall be set aside for Optional Fund for land and building fund, community development, etc.

- E. Interest on Share Capital and Patronage Refund. The remaining net surplus shall be made available to the members in the form of interest on share capital not to exceed the normal rate of return on investments prescribed by law, and patronage refunds. The sum allocated for patronage refund shall be made available at the same rate to all patrons of the Cooperative in proportion to their individual patronage. The patronage refund of a member with fully paid share capital shall be paid to him in cash or at this option be credited to his account as additional share capital.

ARTICLE X

Settlement of Disputes

Section 45. *Mediation and Conciliation.* All inter and intra-cooperative disputes shall be settled within the cooperative in accordance with the pertinent Guidelines issued by the Cooperative Development Authority.

Disputes Involving Members of the Conciliation Committee and Board of Directors. If one of the parties to a controversy is a member of the Conciliation Committee, the chairman shall endorse the case to the Board of Directors who shall resolve the case following the procedures prescribed in the preceding section.

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

ARTICLE XI

Miscellaneous

Section 46. *Investment of Capital.* The Cooperative may invest its capital in any or all of the following:

- a) Shares or debentures or securities of any other cooperative;
- b) Cooperative bank or any reputable bank in the locality;
- c) Securities issued or guaranteed by Government; or

In any other manner approved by the general assembly.

Section 47. *Accounting System.* The Cooperative shall keep, maintain and preserve all its books of accounts and other financial records in accordance with generally accepted accounting principles and practices, applied consistently from year to year, and subject to existing rules and laws.

Section 48. *External Audit.* At least once a year, the Board of Directors shall in consultation with the Audit Committee, cause the audit of the books of accounts of the Cooperative by CDA accredited independent Certified Public Accountant.

Section 49. *Annual Report.* During the annual regular general assembly meeting, the Cooperative shall submit a report of its operations to the general assembly together with the audited financial statements. The annual report shall be certified by the Chairman, Treasurer, Manager and other responsible officers of the Cooperative as true and correct in all aspects to the best of their knowledge. The audited financial statements shall be certified by CDA accredited independent Certified Public Accountant.

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

- a. Cooperative Annual Performance Report (CAPR);
- b. Social Audit Report;
- c. Performance Report;
- d. Audited Financial Statement duly stamped “Received” by BIR;
- e. List of officers and trainings undertaken/completed.

ARTICLE XII

Amendments

Section 50. *Amendments.* Amendments to the Articles of Cooperation and this By-laws may be adopted by at least two-thirds (2/3) votes of all members entitled to vote at any regular or special general assembly called for the purpose without prejudice to the rights of dissenting members to withdraw their membership under the provisions of the Cooperative Code of the Philippines.

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

Voted and adopted this 22nd day of May 2021, in Manila, Philippines.

NAME AND SIGNATURE OF MEMBERS

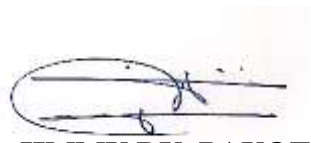
PRINTED NAME	SIGNATURE
1. Fr. Juan Ponce O.P.	Signed
2. Fr. Melchor E. Saria	Signed
3. Atty. Manuel E Beaniza	Signed
4. Shirley C. Ireneo	Signed
5 Leticia Z. Timbol	Signed
6. Marissa D. Gonzales	Signed
7. Cesar M. Atienza	Signed
8. Agripina M. Corpuz	Signed
9. Maria Corazon Gwendolyn N. De Guzman	Signed
10. Imelda S. Dorado	Signed
11. Elsino L. Garcia	Signed
12. Christine C. Nicola	Signed
13. Evangeline DL. Panizal	Signed
14. Bobby S. Pareno	Signed
15. Jimmy DV. Payot	Signed
16. Monalisa C. Perez	Signed
17. Lina S. Ramirez	Signed
18. Angelita C. San Agustin	Signed
19. Hazel P. Tardecilla	Signed
20. Ma. Lourdes D. Tugnao	Signed

SIGNED IN THE PRESENCE OF:

sgd
EMELINA CERTEZA
Signature over Printed Name

sgd
AGRIPINA M. CORPUZ
Signature over Printed Name

We, the undersigned, constituting the Board of Directors of the ThoMEC-Thomasian Multi-purpose Employees' Cooperative do hereby certify that the foregoing instrument is the code of By-laws of the said Cooperative.



JIMMY DV. PAYOT
Chairman



MARILOU M. MARISTELA
Vice Chairman



JEFFREY A. PIEDAD
Director



THELMA MARAÑA
Director



IRENE TOLENTINO-NICOLAS
Director

SUBCRIBED AND SWORN to before me this _____ day of _____ at _____, affiants exhibited to me their current identification card bearing photographs and signatures.

NOTARY PUBLIC

Doc No. ____
Page No. ____
Book No. ____
Series of ____