

THE INDUSTRIAL AND SERVICES CO-OPERATIVE SOCIETY LIMITED (ISCOS)

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BY-LAWS OF THE INDUSTRIAL AND SERVICES CO-OPERATIVE SOCIETY LIMITED

1. NAME, ADDRESS AND AREA OF OPERATION

- 1.1 The Society shall be called the Industrial and Services Co-operative Society Limited (ISCOS). Name
- 1.2 The registered address of the Society shall be at No. 237 Alexandra Road #04-19 The Alexcier, Singapore 159929. Every change of address shall be notified to the Registrar and to any non-members who may be creditors of the Society. Registered address
- 1.3 The area of operation of the Society shall be in Singapore.

2. INTERPRETATION

- 2.1 In this By-law, unless the context otherwise requires - Interpretation
- (a) "Act" means the Co-operative Societies Act (Cap 62) or any amendment thereto for the time being in force in Singapore;
- (b) "allowance" means the remuneration paid to an officer of the Society in consideration of his voluntary services rendered to the Society on a regular basis pursuant to Section 64 of the Act;
- (c) "Board" or "Board of Directors" means the governing body of the Society which is responsible for the management of the affairs of the Society;
- (d) "By-laws" means the By-laws of the Society;
- (e) "Central Co-operative Fund" means the fund established under section 71 of the Act;
- (f) "dividend" means a portion of the net surplus of the Society distributed among the members in proportion to the paid-up share capital and bonus shares held by them in the Society;
- (g) "drug rehabilitation centre" means any centre prescribed and gazetted as under any written law;
- (h) "employee" means a person who is a full-time paid staff of the Society;

- (i) "honorarium" means a portion of the net surplus of the Society distributed among some or all of the Board of Directors in consideration of their services which would not otherwise be remunerated;
- (j) "member" means any person duly admitted to the membership of the Society in accordance with the By-laws;
- (k) "net surplus" means the remaining portion of the surplus after provisions have been made for the Reserve Fund and the Central Co-operative Fund;
- (l) "Officer" includes a Chairman, Vice-Chairman, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, member of Board of Directors, employee, internal auditor or other person empowered under the Act, the Rules or the By-laws to give directives in regard to the business of the Society or to supervise such business;
- (m) "patronage refund" means a portion of the net surplus of the Society distributed among the members in proportion to the volume of business done by them with the Society from which the surplus of the Society was derived;
- (n) "penal institutions" means any prison prescribed and gazetted as such under any written law;
- (o) "Registrar" means the Registrar of Co-operative Societies and the Assistant Registrars of Co-operative Societies appointed under Section 3 of the Act, and includes a person exercising such powers of the Registrar as may have been conferred upon him under that section;
- (p) "Rules" means the Co-operative Societies Rules, 1979 or any rule made under the Act for the time being in force in Singapore;
- (q) "Society" means the Industrial and Services Co-operative Society Limited (ISCOS);
- (r) "Surplus" means the economic results of the Society as shown in the audited financial statement of the Society after provisions have been made for depreciation and bad debts;
- (s) Words importing the masculine gender shall include the feminine gender and words importing the singular shall include the plural.

3. OBJECTS

3.1 The objects of the Society shall be: Objects

- (a) to promote the economic interest of its members;
- (b) to provide direct and gainful employment to members;
- (c) to encourage and facilitate the establishment of self-help and viable economic activities by members;
- (d) to encourage thrift, co-operation, self-help and mutual assistance amongst its members;
- (e) to promote and popularise the buying and selling of consumer goods and services on a co-operative basis;
- (f) to establish and operate, either by itself or in partnership with others, such schemes, ventures or projects, subject to the prior approval of the Registrar.
- (g) to establish a Fund or Funds for charitable purposes that are consistent with the objects of the Society.
- (h) To provide relevant assistance to the families of its members.

3.2 In furtherance of its objects, the Society shall be at liberty -

- (a) to provide gainful employment to discharged inmates of penal institutions or members of the public, subject to By-law 4.2.1;
- (b) To enter into contracts with members and non-members for the purchase, produce, manufacture, processing, packaging, storage, packing, transportation, display, distribution or sale of consumer goods and services and to arrange for the registration, grant or use of any trademark, patent right, franchise, licence or permit in relation thereto subject to the relevant written law;
- (c) to provide goods or services to the public;
- (d) to appoint or to act as representatives and agents for the purpose of carrying on the business of the Society;
- (e) to raise funds by obtaining loans from non-members;

- (f) to invest the funds of the Society in the purchase, subscription or otherwise in the acquiring and holding of trustee securities subject to the Trustees Act (Cap 337);
- (g) to invest the fund of the Society in the shares of any other co-operative societies or in a manner permissible under the Act;
- (h) To purchase, lease, rent, hold, hire, develop, mortgage, sell or otherwise acquire, deal with or dispose of such movable or immovable properties or any portion thereof as may be required for use as shops, offices or for any other purposes of the Society for the conduct of its business and the welfare of the co-operative movement;
- (i) to frame administrative policy and rules and such other regulations as may be required for the proper conduct of the Society's business; and
- (j) to do all other things as may be necessary, incidental or conducive to the attainment of any of the objects of the Society.

4. MEMBERSHIP

4.1.1 Membership of the Society shall be open to: -

Membership

- (a) discharged inmates of drug rehabilitation centres;
- (b) discharged inmates of penal institutions;
- (c) employees of the Singapore Corporation of Rehabilitative Enterprises, Ministry of Home Affairs, Prisons Department and Central Narcotics Bureau;
- (d) employees of the Society;
- (e) (Deleted)
- (f) officials, staff, and members of aftercare agencies and associations involved in the rehabilitation and aftercare of discharged inmates from penal institutions and drug rehabilitation centres.
- (g) members of the Board of Directors of the Society; and
- (h) members of the Board of Trustees of the Society.

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| 4.1.2 | Every person, applying for membership, shall: | Qualification for membership |
| | (a) not be below the age of 18 years; | |
| | (b) (Deleted) | |
| | (c) be a citizen of Singapore or resident in Singapore; | |
| | (d) (Deleted) | |
| | (e) (Deleted) | |
| 4.2.1 | Every person to be employed by the Society shall, unless disqualified under By-law 4.1.2, be admitted as a member provided that his payment for the entrance fee and minimum shares may be deducted from his salary in not exceeding six consecutive instalments without interest, beginning from his first month's salary. | Employees obliged to be members |
| 4.2.2 | (Deleted) | |
| 4.2.3 | (Deleted) | |
| 4.3 | Application for membership shall be submitted on a form prescribed by the Board. Every application for membership shall be approved by the Executive Director or another authorised officer. | Application for membership |
| 4.4 | Except for admissions under By-laws 4.1.1(g), 4.1.1(h), or 4.2.1, the Executive Director or his/her delegate shall have power to approve or reject any application without assigning any reason therefor. | Election to membership |
| 4.5 | Every member shall pay the following dues on becoming a member of the Society: - | Obligatory Dues |
| | (a) entrance fee of \$10.00 (Dollars Ten); and | |
| | (b) payment for purchase of at least 10 shares subject to By-law 9.3.2 | |
| 4.6 | Every member whose membership of the Society has been approved, shall on full payment of the entrance fee and minimum shares be deemed to have acquired all the rights, duties and liabilities of a member of the Society as laid down in the By-laws unless otherwise so restricted. | Member not to exercise rights until due payment made |
| 4.7 | Every member shall, on admission, be provided with a copy of the By-laws free of charge. Extra copies of the By-laws may be obtained on payment of an amount as the Board may prescribe from time to time. | Supply of By-Laws |
| 4.8 | (Deleted) | |

- 4.9 Every member may in writing nominate one or more persons in the presence of at least two witnesses to whom sums due to him shall be paid on his death. Nominee
- 4.10 Every member shall keep the Secretary informed of any change in his address. All notices posted or sent to his last known address shall be deemed to be duly served. If any member fails to keep the Secretary informed of a change in his address, such that the address notified to the Secretary is an invalid mailing address and the contact number notified to the Secretary is an invalid contact number, he shall become ineligible for membership and his membership shall cease pursuant to clause 4.13 below, without prejudice to his right to re-apply in accordance with these By-laws. Change of address of member
- 4.11 Every member shall, unless otherwise disqualified or restricted under the Act of the By-laws, have the right to - Rights of member
- (a) exercise such voting power specified in the By-laws;
 - (b) avail himself of all services of the Society;
 - (c) stand for election to office;
 - (d) be co-opted to hold office in the Society;
 - (e) participate at a general meeting; and
 - (f) enjoy all other rights provided under the By-laws.
- 4.12.1 The liability of a member, present or past, of the Society shall not exceed the nominal value of the shares held or subscribed by him and the nominal value of any bonus certificates or bonus shares held by him. The liability of a past member for the debts of the Society as they existed on the date on which he ceased to be a member shall not continue for a period of more than two years reckoned from that date. Liability of member
- 4.12.2 Upon cessation of membership, unclaimed monies belonging to the ex-member would be transferred to the Common Good Fund.
- 4.12.3 Any person whose membership has been ceased may apply, for a refund of his unclaimed monies at a future date or reinstate his membership status. The membership fees payable upon reinstatement would be deducted from the ex-member's unclaimed monies that has been previously transferred to the Common Good Fund.
- 4.13 Membership shall cease by: Cessation of membership
- (a) resignation in accordance with By-law 4.14;

- (b) becoming ineligible for membership in accordance with By-laws 4.1.1 and 4.1.2;
- (c) becoming ineligible for membership in accordance with By-law 4.10, by way of not having a valid mailing address and a contact number;
- (d) failing to declare his interest to remain as a member after having been inactive for a period of at least 10 years, provided always that such a member shall be duly notified of his inactive status and the impending cessation of his membership and given a month to declare his interest to remain as a member;
- (e) permanent removal of residence beyond Singapore;
- (f) expulsion subject to By-law 4.15;
- (g) (Deleted)
- (h) (Deleted)
- (i) death.

4.14 Any member who is not indebted to the Society may resign from the Society on giving 12 months' notice of resignation in writing. The Board may accept a shorter notice of resignation at its discretion. The effective date of cessation of membership by resignation shall be upon expiry of the 12 months' notice or such shorter notice as the Board may allow, as the case may be. During the period of notice, such member shall not be eligible to vote or to incur fresh liabilities with the Society. Resignation

4.15 If any member contravenes any provisions of the Act, the Rules or these By-laws or acts in any way detrimental to the interests of the Society, he may be expelled by the Board provided that he is given a reasonable opportunity to show cause as to why he should not be expelled. An expelled member may, however, appeal in writing to the next general meeting, which may reverse the decision of the Board if not less than two-thirds of the members present and voting so decide. Expulsion

5. SAVINGS DEPOSITS (Entire Section Deleted)

6. GENERAL MEETING

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| 6.1 | The supreme authority of the Society shall be vested in the general meeting of members. | Supreme authority |
| 6.2 | There shall be two kinds of general meeting, Annual General Meeting and Extra-Ordinary General Meeting. | Types of general meetings |
| 6.3 | Annual General Meeting shall be convened by the Board and shall be held as soon as practicable, but not later than six months after the end of the financial year, unless the approval of the Registrar has, within the said period of six months, been obtained to extend that period. | Annual General Meeting |
| 6.4 | An Extra-ordinary General Meeting shall be convened by the Board whenever it thinks fit or on receipt of a requisition for such a meeting signed by at least one-fifth or sixty of the Members, whichever is the less, stating the objects of the meeting. An Extra-ordinary General Meeting shall also be convened on the written request of the Board of Trustees. | Extra-ordinary General Meeting |
| 6.5 | If the Board fails to convene a meeting in accordance with By-law 6.4, within one month of receiving the requisition for the meeting, the members making the requisition shall have power to convene the meeting themselves by notice to all members of the Society stating the objects of the meeting and the fact that the Board has failed to convene the meeting. | Powers of members to convene general meeting |
| 6.6 | The Registrar or his representative may at any time convene a Special General Meeting and may also direct what matters shall be discussed at the meeting. | Special General Meeting |
| 6.7.1 | Notice of every general meeting shall be given at least seven clear days, and in the case of a proposed amendment to the By-laws at least fifteen clear days prior to the date of the general meeting. Such notice may be made by general notification in one English, one Malay, one Tamil and one Chinese newspaper or by individual notifications sent to the last known address of each member entitled to attend the meeting or be represented at the meeting, as the Board may decide, provided that the Registrar and the Board of Trustees shall always be notified separately. The notice shall state the date, time, place and matters for discussion including the resolution to be proposed and no other subject shall be discussed without the consent of the majority of members present and voting at such general meeting. | Notice of General Meeting |

- 6.7.2 A copy of the Annual Report and the audited Statements of Accounts made by the Board together with the notice of general meeting shall be displayed for the information of members at the registered address of the Society for the duration of the notice. A copy of the Annual Report and the audited Statements of Accounts may be given upon request. Non-receipt of the same by a member shall not invalidate the proceedings of the general meeting. Copies of Annual Report
- 6.8 The functions of the Annual General Meeting of the Society are – Functions of Annual General Meeting
- (a) to consider and confirm the minutes of the last Annual General Meeting and any other intervening general meeting;
 - (b) to consider the auditor's report, the reports of the Board and any report made by the Registrar or his representative;
 - (c) to approve the financial statements;
 - (d) to consider and resolve the manner in which any available net surplus shall be distributed or invested subject to the provisions of the Act, the Rules and the By-laws;
 - (e) to consider and adopt any amendments to the By-laws subject to the approval of the Registrar;
 - (f) to elect or remove members of the Board;
 - (g) to elect two internal auditors, if necessary;
 - (h) to appoint, where necessary, the external auditors of the Society;
 - (i) to consider and determine the maximum amount the Society may borrow subject to By-law 10.11;
 - (j) (Deleted)
 - (k) to transact any other general business of the Society of which due notice has been given to the members.
- 6.9.1 No business shall be transacted at any general meeting unless a quorum of members is present. The quorum necessary for such transaction shall be one-fifth or thirty of all members qualified to vote, whichever is the less. Quorum at General Meeting

- 6.9.2 If, within thirty minutes after the time fixed for a general meeting, the members present are not sufficient to form a quorum, the members present shall form a quorum, except that a general meeting with such reduced quorum shall not have the power to amend the By-laws and that any resolution passed at the meeting shall not be valid unless it is passed with a majority of two-thirds of the members present. Postponed General Meeting
- 6.10.1 Every member shall have one vote irrespective of the number of shares held. Except as otherwise provided in the Act or in these By-laws, a question referred to the members present at a general meeting shall be decided by a majority of votes. In the case of an equality of votes, the motion shall be held to be lost. The Chairman shall have no casting vote. In the case of election or removal of officers, voting shall be by secret ballot. Voting at General Meeting
- 6.10.2 Where it is provided in the Act or in these By-laws that a resolution shall be passed by not less than a prescribed majority of the members present and voting at a general meeting, the resolution shall be deemed to be passed if not less than the prescribed majority of the total number of votes are cast in favour of the resolution.
- 6.10.3 In the case of amendment of By-laws, a resolution to amend the By-laws shall be passed either: - Resolution for Amendment of By-laws
- (a) by not less than three-quarters of the members present and voting at a general meeting duly summoned; or
- (b) if a referendum is held, by not less than three-quarters of the votes returned, provided that the voting papers have been sent to all members of the Society and that the number of returned votes is not less than one-third of the total membership or five hundred, whichever is the less, and the returned votes are examined and counted under the supervision of the Registrar.
- 6.10.4 No By-law or amendment to a By-law of the Society shall be valid until it has been registered by the Registrar. A member of the Society shall not, without his consent in writing having been first obtained, be bound by any amendment of the By-laws registered after he became a member, if and so far as the amendment in any way increases his liability to contribute to the share capital of the Society. Validity of By-law
- 6.11.1 Minutes of the general meeting shall be entered in the minute book and shall contain: - Minutes of General Meeting
- (a) the number of members present at the meeting and the name of the Chairman who presided;

(b) the time the meeting commenced and ended; and

(c) all resolutions and decisions made at the meeting.

6.11.2 The minutes of each meeting shall be read or shall be taken as read if previously circulated at the next meeting and, if confirmed or after amendment, signed by the Chairman of that meeting and the Secretary, and when so signed shall be evidence of anything contained therein.

7. BOARD OF TRUSTEES

7.1 There shall be a Board of Trustees comprising five members, appointed by the Minister for Home Affairs, who shall serve for a term of three years and may be eligible for re-appointment for a maximum of four terms. Constitution of the Board of Trustees

7.2 No member of the Board of Trustees shall be under twenty-one years of age. A member of the Board of Trustees shall cease to hold office if: Ineligibility for membership of the Board of Trustees

(a) he is adjudicated a bankrupt;

(b) he is certified to be mentally unsound;

(c) he resigns from the Board of Trustees;

(d) he engages in any conduct prejudicial to the good name of the Society;

(e) he is not a citizen of Singapore except with the approval of the Registrar;

(f) he has been convicted of an offence involving dishonesty or moral turpitude and has been sentenced to imprisonment;

(g) he has been convicted of an offence under this Act;

(h) he has been dismissed as an employee of a co-operative society;

(i) he has been found to have previously misused or mismanaged the funds of a co-operative society; or

(j) he is removed by the Minister for Home Affairs.

- 7.3 If, during the term of office of the Board of Trustees, a vacancy occurs in the Board of Trustees, a vacancy occurs in the Board of Trustees, the Minister for Home Affairs shall appoint a new Trustee to serve the remaining term. Vacancy
- 7.4 The Minister for Home Affairs shall appoint from among the trustees, appointed under paragraph 7.1, one trustee to be the Chairman of the Board of Trustees. The Secretary of the Society shall be Secretary to the Board of Trustees. Chairman of the Board of Trustees
- 7.5 The Board of Trustees shall be empowered to: Powers of the Board of Trustees
- (a) advise the Board of Directors on its general administration;
- (b) call for any information from the Board of Directors or from any officer or employee of the Society which it considers necessary in fulfilment of its responsibility as trustees of the Society; and
- (c) appoint a Chairman, Vice-Chairman, Honorary Secretary, Honorary Treasurer and six members to the Board of Directors and remove such appointed Directors as it may deem fit.
- 7.6 A member of the Board of Trustees having a personal interest or intended interest in the profits of any contract made or intended to be made, or the making which is under consideration, shall forthwith declare the same, withdraw from all further discussion in respect thereof, exercise no vote in regard thereto, and be denied all information in respect thereof to which he would otherwise have been entitled as a member of the Board of Trustees. An interest of a member of the family of a Trustee shall be deemed to be an interest of the Trustee. The spouse and children including step-children and adopted children of the Trustee shall be deemed to be members of his family. Personal Interest of Trustee
- 7.7 The Board of Trustees shall meet at least once in every six months and whenever the Chairman deems necessary and expedient. Two members of the Board of Trustees shall constitute a quorum. In the absence of the Chairman, a protem Chairman shall be elected from among those present. Meeting of the Board of Trustees
- 7.8 All matters at a meeting of the Board of Trustees shall be decided by a simple majority of votes. In the case of an equality of votes the motion shall be deemed to be lost. The Chairman shall have no casting vote.
- 7.9 Minutes of the meeting of the Board of Trustees shall be recorded by the Secretary in the minute book and shall contain:

- (a) the number and names of those present;
- (b) the name of the Chairman of the meeting; and
- (c) a brief record of business done and decisions taken including whether each decision was taken unanimously or by a majority.

7.10 Notwithstanding anything contained in these By-laws which may appear to the contrary, the Board of Trustees shall be jointly and severally liable for any loss sustained through any act which is contrary to the provisions of the Act or the Rules, the By-laws of the Society or the directions of the general meeting. Liability of the Board of Trustees

7.11 The services of all members of the Board of Trustees shall be gratuitous.

8. BOARD OF DIRECTORS

8.1 The control of the affairs of the Society shall be entrusted to a Board of Directors comprising: Constitution of the Board of Directors

(a) the Chairman, Vice-Chairman, Honorary Secretary, Honorary Treasurer and six members, appointed by the Board of Trustees; and

(b) not more than five members elected by the Annual General Meeting.

8.2 All Directors shall serve for a term of two years and may be eligible for re-appointment for a maximum of five terms. A retired Director shall be eligible for re-appointment by the Board of Trustees or re-election by the Meeting, as the case may be.

8.3 No person shall be eligible for membership of the Board of Directors of the Society or remain a member of the board if - Eligibility for membership of the Board

(a) he is under twenty-one years of age;

(b) he is not a citizen of Singapore except with the approval of the Registrar;

(c) he is an undischarged bankrupt;

(d) he has been convicted for an offence involving fraud or dishonesty, subject to by-law 8.5.3;

(e) he has been convicted of an offence under the Act;

- (f) he has been dismissed as an employee of a co-operative society;
- (g) he has been found to have previously misused or mismanaged the funds of a co-operative society; or
- (h) he becomes ineligible under any of the By-laws of the Society.

- 8.4 A member of the Board of Directors shall cease to hold office if - Cessation of membership of the Board
- (a) he becomes ineligible for membership of the Board in accordance with By-law 8.3;
 - (b) he becomes legally or mentally unsound;
 - (c) he gives notice of resignation to the Board;
 - (d) he is removed by a general meeting or by the Board of Trustees in the case of an appointed Director;
 - (e) he fails to be present at three consecutive meetings of the Board without satisfactory reasons acceptable to the Board.
 - (f) he is appointed to the Board of Trustees.

8.5.1 A member of the Board, who resigns under By-law 8.4 (c), shall not be eligible for election to the Board until after an interval of not less than one year.

8.5.2 A member of the Board who ceases to be a member under By-laws 8.4 (d) and (e) shall not be eligible for election until after an interval of not less than two years.

8.5.3 A person who is not eligible for membership of the Board of Directors or remain a member of the Board under By-law 8.3 (d), shall not be eligible for membership of the Board of Directors or remain a member of the Board for the following periods except with the written approval of the Registrar:

- (a) where he has been sentenced to imprisonment in respect of the offence, for a period commencing from the date of his conviction until 5 years after his release from prison; or

- (b) where he has not been sentenced to imprisonment in respect of the offence, for a period of 5 years commencing from the date of his conviction or such shorter period with the leave of the High Court.
- 8.6 If a vacancy occurs in the Board, the Board may co-opt another member to serve on the Board until the next general meeting of the Society provided that a vacancy of an appointed Director shall be filled by re-appointment by the Board of Trustees if it deems fit.
- 8.7.1 Pending the appointment of a full-time Manager, the Board shall be empowered to appoint a secretary and a treasurer or a secretary or a treasurer from among the employees of the Society who, in such case, shall not be a member of the Board of Directors but shall have the right and the duty to attend all meetings of the Board. Appointment of Secretary or Treasurer
- 8.7.2 The Board shall have power to appoint Committees or Sub-Committees from among themselves, external professionals or advisors or paid employees, to be fully responsible for the daily performance of the Society's business or for any other purposes. Appointment of Committees or Sub-Committees
- 8.8.1 The Board of Directors shall represent the Society before all competent public authorities and in all dealings and transactions with third persons, with power to institute or defend suits brought in the name of or against the Society and, in general, direct and supervise the business and property of the Society and shall exercise all the necessary powers to ensure the full and proper administration and management of the affairs of the Society, except those powers reserved for the general meeting of members and subject to any restrictions duly laid down in a general meeting or in the By-laws. Powers and Functions of Board
- 8.8.2 Without limiting the generality of By-law 8.8.1, the duties and powers of the Board of Directors are - Duties and powers of the Board
- (a) to consider and approve or reject applications for membership of the Society;
- (b) to call for and regularly examine reports from Committees or Sub-Committees or officers or employees which will disclose the true position of the Society, its operations and financial conditions;
- (c) to keep members informed of the progress of the Society and encourage interest and a sense of ownership on the part of the members;

- (d) to prepare and present to the Annual General Meeting of the Society a proposal for the distribution of any net surplus accrued during the preceding financial year, in accordance with the Act and the By-laws;
 - (e) to make a report to the Annual General Meeting of the work of the Board during the preceding financial year with such recommendations as they deem necessary to maintain or improve the service provided by the Society to members;
 - (f) to consider and take immediate action on matters reported by the Registrar or the auditor;
 - (g) to exercise any or all of the powers conferred in these By-laws;
 - (h) to sanction additional expenditure up to a maximum of \$100,000 in excess of the approved budget for any one year; and
 - (i) to carry on the business of the Society generally and to frame rules for the conduct of such business as may be necessary.
- 8.8.3 A full and correct record shall be kept of all proceedings of the Board in carrying out their duties, and records shall be available for inspection by the Registrar and by the auditor.
- 8.8.4 The Board shall appoint, on such terms and conditions as it thinks fit a Manager to administer and manage the general business of the Society and may employ such other persons as it considers necessary to assist the Manager in the discharge of his duties. Where a full-time Manager is appointed, all duties of the Honorary Secretary and Honorary Treasurer may be delegated to such Manager. Where all duties of the Honorary Secretary and Honorary Treasurer are so delegated the Society shall operate without appointing a Honorary Secretary or Treasurer. Appointment of Manager
- 8.9 The Board shall meet as often as the business of the Society may require and, in any case, not less frequently than once in every three months. Meeting of the Board
- 8.10 The quorum for a meeting of the Board shall be half of the number of its members. Decisions shall be taken on a simple majority of votes. The Chairman shall have no casting vote. No member of the Board shall vote on any matter in which he is individually interested. Quorum for Board Meeting

- 8.11 A member of the Board of Directors having a personal interest or intended interest in the profits of any contract made or intended to be made, or the making of which is under consideration, shall forthwith declare the same, withdraw from all further discussion in respect thereof, exercise no vote in respect thereto, and be denied all information in respect thereof to which he would otherwise have been entitled as a member of the Board. Personal interest of Directors
- 8.12 Minutes of Board meetings shall be recorded by the Secretary in the minute book and shall include - Minutes of Board Meeting
- (a) the number and names of those present;
- (b) the name of the Chairman of the meeting; and
- (c) a brief record of business done and decisions taken including whether each decision was taken unanimously or by a majority.
- 8.13.1 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 loss sustained through failure to exercise such prudence and diligence or through any act which is contrary to the provisions of the Act or the Rules or the By-laws or the directions of the general meeting. Liability of members of the Board
- 8.13.2 Where the Board has appointed a person as a Manager or a Committee or Sub-Committee to administer and manage the affairs of the Society, such appointment shall not absolve the Board from its responsibility for the proper direction of the affairs of the Society.
- 8.14.1 The services of all members of the Board of Directors shall be gratuitous. A member of the Board of Directors may receive an honorarium or, if he is an Honorary Secretary or Treasurer, an allowance from the Society, provided that the payment of an honorarium or allowance has to be authorised by a resolution to that effect passed by a general meeting of the Society. Restriction on honorarium and allowance to members of the Board
- 8.14.2 An Honorary Secretary or Treasurer who is in receipt of an allowance shall not be entitled to receive an honorarium as a member of the Board.
- 8.14.3 The Honorary Treasurer may be re-elected to the same post for no more than two (2) consecutive terms of office.
- 8.15.1 The duties of the Chairman shall include the following: - Duties of Chairman

- (a) to preside at all meetings of the Board, and if necessary, at the general meetings of the Society;
- (b) to sign the minutes of all meetings at which such minutes are confirmed in token of their correctness;
- (c) to exercise general supervision over the officers and employees of the Society;
- (d) to represent the Society on any co-operative organisation or for any purposes as the Board may decide;
- (e) to certify or sign appropriate documents, returns and statement required under the Act, the Rules, the By-laws or the direction of the Board;
- (f) to serve on appropriate Committees or Sub-Committees constituted by the Board; and
- (g) to perform such other duties specified in these By-laws or entrusted to him by the Board.

8.15.2 In the absence of the Chairman, his duties shall be carried out by the Vice-Chairman or in the absence of both the Chairman and the Vice-Chairman, by any other person elected by a majority of those present at that meeting.

8.16 The duties of the Secretary shall include the following -

Duties of Secretary

- (a) to maintain, correctly and up-to-date, all the records, papers and registers of the Society;
- (b) to keep an inventory of the property belonging to the Society;
- (c) to sign on behalf of the Board and conduct its correspondence;
- (d) to summon and attend the general meetings and meetings of the Board and to record the proceedings of such meetings in a minute book;
- (e) to have custody of the common seal of the Society;
- (f) to submit all minutes of meetings and such information, returns and statements required under the Act or called for by the Registrar within the prescribed period; and

(g) to conduct the ordinary business of the Society and perform all the duties entrusted to him by the Board or specified in these By-laws.

8.17 The duties of the Treasurer shall include the following –

Duties of Treasurer

(a) to take charge of all financial transactions of the Society including all monies received by the Society from a bank, members or others and to make disbursements in accordance with the directions of the Board;

(b) to prepare or cause to be prepared all receipts, vouchers, financial statements and documents required by the By-laws or called for by the Board;

(c) to be responsible for the proper and punctual keeping of all the accounts and books of accounts of the Society; and

(d) to perform all the duties entrusted to him by the Board or specified in these By-laws.

8.18 The duties of the Manager shall include the following –

Duties of Manager

(a) to manage the business and property of the Society;

(b) to attend all meetings of the Society and of the Board and to carry out all the instructions of the Board;

(c) to record or cause to be recorded the whole of the transactions of the Society in the books and prescribed for that purpose; and

(d) to perform all or any of the duties of the Secretary or Treasurer as may be entrusted to him by the Board.

9. FUNDS OF THE SOCIETY

9.1 The funds of the Society shall consist of -

Funds

(a) Share Capital and, if any, bonus share and bonus certificates;

(b) Savings Deposit, if any;

(c) Reserve Fund;

(d) Common Good Fund;

(e) (Deleted)

- (f) Grants, if any, from the Singapore Corporation of Rehabilitative Enterprises, subject to statutory contributions to the Central Co-operative Fund;
- (g) Donations except that no donations from any foreign source whether offered directly or otherwise, shall be received by the Society without the prior approval of the Registrar; and
- (h) any other Funds approved by the Registrar.

9.2 The Society may invest or deposit its funds in such manner as it thinks fit. Investment of Funds

9.3.1 The authorised Share Capital of the Society shall be \$5,000,000 which shall be divided into 5,000,000 shares of \$1.00 each. The paid-up share capital may be increased from time to time by a resolution of the general meeting. Share Capital

9.3.2 Each member shall hold at least 10 shares. No member shall hold more than one-fifth of the paid-up share capital of the Society.

9.3.3 The Singapore Corporation of Rehabilitative Enterprises may pay for the minimum shares to be taken up by discharged inmates of Drug Rehabilitation Centres and Penal Institutions to facilitate their admission as members, in which case the minimum shares shall, upon their cessation of membership, be transferred to the Society pending its re-issue to new members sponsored by the Singapore Corporation of Rehabilitative Enterprises.

9.4 The Reserve Fund of the Society shall be kept in the form of liquid assets. Reserve Fund

9.5 The Reserve Fund shall be indivisible and no member shall be entitled to claim a specific share of it. The Reserve Fund shall be used: -

- (a) to meet unforeseen losses; and
- (b) provide a margin beyond the liabilities of the Society so as to ensure its ability to pay such liabilities in full in the event of dissolution.

- 9.6 The Common Good Fund shall be used only for the benefit of the members of the Society and may, with the approval of the Board, be devoted to any educational, medical, social or charitable purposes. The Common Good Fund shall be derived from an annual contribution, not exceeding ten percent of the net surplus of the Society, subject to the approval of the general meeting. Donations, subject to By-law 9.1(g) and transfer from Reserve Fund, may be accepted to the Common Good Fund. Common Good Fund

10. FINANCIAL MATTERS

- 10.1 The financial year of the Society shall begin on 1st January and end on 31st December. Financial Year
- 10.2 At the close of each financial year, an amount of not less than five percent of the surplus (from the first \$500,000) shall be contributed to the Central Co-operative Fund. Twenty percent of any surplus over \$500,000 shall be contributed to either the Central Co-operative Fund or Singapore Labour Foundation. Distribution of Surplus
- 10.3 The remainder shall be distributed in one or more of the following ways at the discretion of the general meeting - Distribution of net surplus
- (a) by payment of a dividend not exceeding ten percent *pro rata* on the amount of shares and bonus shares held by members as at the end of the financial year for which the net surplus is distributed;
 - (b) by payment of a rebate or patronage refund to members in proportion to the volume of business done by them with the Society from which the surplus of the Society was derived;
 - (c) by payment of honoraria to some or all of the members of the Board in consideration of their services which would not otherwise be remunerated subject to By-laws 8.14.1 and 8.14.2;
 - (d) by a contribution not exceeding ten percent of the net surplus to the Common Good Fund;
 - (e) (Deleted)
 - (f) by contribution not exceeding ten percent of the net surplus to a charitable purpose;
 - (g) by payment of bonus certificates or bonus shares;

(h) by further contribution to the Central Co-operative Fund;

(i) by payment to any other funds approved by the Registrar.

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| 10.4 | A member whose name appeared in the book of the Society on the last day of the year shall be eligible to draw dividend on shares or bonus shares when declared subject always to any restrictions imposed in these By-laws. Dividend, if unclaimed, shall be credited to the Dividend Unclaimed Account or the Savings Account of the member, as the case may be. | Crediting of dividend |
| 10.5 | A member holding bonus certificates shall only be entitled to claim payment out of the funds of the Society after five years from the date when the bonus certificates were issued. No interest or dividend shall be paid on such bonus certificates. | Bonus Certificate |
| 10.6 | A member holding bonus shares shall only be entitled to claim payment out of the funds of the Society after ten years from the date when the bonus share were issued. A member or a past member shall be eligible to draw dividend on bonus shares when declared. | Bonus Shares |
| 10.7 | The minimum number of shares prescribed in By-law 9.3.2 shall not be withdrawable except on cessation of membership in accordance with By-law 4.13 and subject to By-law 9.3.3. Shares in excess of the prescribed minimum may be withdrawable and transferable, subject to the provision of the Act and any limitations laid down in these By-laws. The value of the shares withdrawn shall not exceed the nominal value of the shares or the book value as shown in the last audited balance sheet, whichever is the less. | Withdrawal of Shares |
| 10.8 | The Board of Directors shall open or cause to be opened in the name of the Society such account with any bank registered under the Banking Act to which all monies received shall be deposited. | Bank Account |
| 10.9.1 | All payments shall be correctly made and properly signed by two officers duly authorised by the Board. | Issue of Cheques |
| 10.9.2 | All payments drawn on such account may also be paid directly to the member's bank account by inter-bank-giro and such payment shall be deemed to be made with the member's consent. | |
| 10.10 | Receipts shall be issued for all cash paid to the Society. All receipts shall be signed by an authorised officer. | |

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| 10.11 | The Society shall, with the approval of the Board have power to borrow money to be used in its business from non-members provided that the Society shall determine from time to time at a general meeting the maximum liability which it may incur in loans from non-members. | Restriction on borrowing |
| 10.12 | (Deleted) | |
| 10.13 | The Society shall as soon as practicable but not later than six months submit to the Registrar two certified true copies of the audited financial statements of the Society and the audit report for that year. | Submission of audited financial statements |
| 10.14 | The Board shall from time to time authorise the maximum amount of cash which may be retained by any officer at any one-time subject to any limit which the registrar may impose. | Cash in hand |

11. BOOKS, DOCUMENTS AND SEAL OF THE SOCIETY

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| 11.1 | The following books and documents shall be kept: | Books and documents |
| | (a) Register of members and their nominees; | |
| | (b) Register of shares and, if any, bonus certificates and bonus shares; | |
| | (c) (Deleted) | |
| | (d) Cash Book | |
| | (e) Journals and ledgers; | |
| | (f) Inventory of Society's Assets; | |
| | (g) Sales Book; | |
| | (h) Purchases Book; | |
| | (i) Register of Member's Liabilities; | |
| | (j) Minutes Books; | |
| | (k) Copy of the Act, the Rules and the By-laws; | |
| | (l) Administrative policies and rules governing the different funds of the Societies; and | |

(m) any other books and documents that may be found necessary or prescribed by the Registrar.

11.2 The Society shall keep a copy of the Act, the Rules, the By-laws and a list of members of the Society open to inspection by its members free of charge, at all reasonable time at the registered address of the Society. Copy of Act, Rules By-laws and list of members open to inspection

11.3 The Society shall have its own common seal of a design approved by the Board. All bonds, contracts and important documents shall be sealed with the seal of the Society. The seal shall not be affixed to any document except with the authority of the Board and such sealing shall be done in the presence of at least three officers authorised by the Board, who shall affix their signatures to every document so sealed. Common Seal

12. THE AUDITORS

12.1 The books and accounts of the Society shall be audited by an external auditor authorised by the Registrar, once at least in every year. The auditor shall inspect and audit the accounts and other relevant records of the Society and shall forthwith draw the attention of the Registrar and the Society to any irregularity disclosed by the inspection and audit that is, in his opinion, of sufficient importance to justify his so doing. Audit and duties of the external auditor

12.2 The external auditor shall report -

- (a) whether the financial statements show fairly the financial transactions and the state of affairs of the Society; and
- (b) such other matters arising from the audit as he considers should be reported.

12.3 The external auditor shall state in his report whether -

- (a) Proper accounting and other records have been kept;
- (b) the receipt, expenditure and investment of monies and the acquisition and disposal of assets by the Society during the year have been in accordance with the Act, the Rules and these By-laws.

12.4 The external auditor may at any other time report to the Registrar and the Society upon any matters arising out of the performance of the audit.

- 12.5 The audit of the accounts shall include an examination of and report on overdue debts, if any, and an examination of and report on the valuation of the assets and liabilities of the Society.
- 12.6 An external auditor authorised by the Registrar under the Act shall have the powers prescribed under the Act.
- 12.7 An internal auditor may be elected yearly by and from among members at the Annual General Meeting of the Society. The internal auditor shall inspect, examine or audit the books of the Society monthly and shall sign them if correct and if they are found to be incorrect to report to the Chairman. Internal Auditor
- 12.8 An internal auditor may be paid an allowance by the Society for the performance of his duties provided that the payment has to be authorised by a resolution to that effect passed by a general meeting of the Society. An internal auditor shall not be eligible to receive an honorarium. Payment of allowance to Internal Auditors
- 12.9 The Board may recommend to the general meeting the appointment of any organisation or firm as Internal Auditor. If approved by the general meeting, the election of internal auditors under By-law 12.7 shall be dispensed with.
- 13. GENERAL**
- 13.1 All disputes touching the business of the Society shall be referred to the Registrar in the manner provided in the Act. Disputes
- 13.2 These By-laws are supplementary to the provisions of the Act and the Rules. The Society shall be governed by the Act, the Rules and the By-laws read together. Nothing in these By-laws shall have any power to limit the authority of the Registrar. Status of By-Laws
- 13.3 The By-laws of the Society shall, when registered, bind the Society and the members thereof to the same extent as if they were signed by each member and contained covenants on the part of each member for himself and his personal representatives to observe all the provisions of the By-laws. By-Laws to bind members
- 13.4 No act of the Society or the Board or any officer shall be deemed to be invalid by reason only of the existence of any defect in the constitution of the Society or of the Board or of the Committee or Sub-Committee in the appointment or election of an officer or on the ground that such officer was disqualified for his appointment. Act of Society not to be invalidated by certain defects