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NEHAWU SACCO LIMITED

1. This is the statute of an undertaking formed as a primary trading co-operative with limited liability in terms of the provisions of the Co-operatives Act, 1981 (Act 91 of 1981).

INTERPRETATION OF TERMS

2. In this statute, unless the context indicates otherwise, a word or expression to which a meaning is attached in the Co-operatives Act, 1981 (Act 91 of 1981) shall have a similar meaning and -

"the Act"	means the Co-operatives Act, 1981 (Act 91 of 1981);
"co-operative"	means NEHAWU SAVINGS AND CREDIT CO-OPERATIVE (LIMITED) which is incorporated in terms of the Act;
"board"	means the board of directors referred to in clause 16;
"dividend"	means interest on share capital;
"gender"	a reference in this statute to the masculine gender shall also include the feminine gender and vice versa;
"member in good standing"	means a member who has complied with these statutes and rules and is not delinquent in any way with the cooperative;
"paid up member"	means a member who has paid their required entrance fee and minimum share deposits and any other rules the cooperative might adopt;
"patronage proportion"	means the proportion that the value of the transactions conducted by a member during any particular period with or through the co-operative bears to the value of the transactions conducted by all the members during the same period with or through the co-operative;
"registrar"	means the Registrar of Co-operatives appointed in terms of the Act;
"SACCOL"	means the Savings and Credit Co-operative League of South Africa; and "special resolution" means a resolution which complies with the provisions of section 130 of the Act.

NAME

3. The name of the co-operative is NEHAWU SAVINGS AND CREDIT CO-OPERATIVE (LIMITED).

PLACE OF BUSINESS

4. [1] The main place of business of the co-operative is situated at Johannesburg and the co-operative may establish branches.
- [2] Any change of situation of the main place of business or the registered office of the co-operative shall be notified to the Registrar and to SACCOL forthwith.
- [3] The co-operative is in terms of section 28(a) of the Act a legal person and is therefore capable to sue and to be sued in its own right.

OBJECTS

5. [1] The objects of the co-operative are to promote the economic welfare of its members, and more particularly:
- [a] to receive funds by the issue of shares and acceptance of deposits from members;
 - [b] to encourage savings by providing a means whereby such savings and shares may receive a reasonable rate of interest or dividend;
 - [c] to make loans to members for productive and provident purposes;
 - [d] to educate members in the management and control of money, and also to promote understanding of the economic framework within which the co-operative operates;
 - [e] to develop a sense of self-reliance in its members;
 - [f] to develop a sense of honesty and responsibility in its members;
 - [g] to encourage members to save regularly and help one another;
 - [h] to promote co-operation among co-operatives; and
 - [i] to do all such things as may be incidental to the achievement of the above objects.

POWERS

5. [2] The board shall, subject to the provisions of the Act and this statute, exercise, for and on behalf of the co-operative, the following powers set out in section 49(1) of the Act subject to the qualifications mentioned -
- [a] employ persons to perform work for the co-operative on such conditions it may determine;
 - [b] acquire or hire and to let or sell movable or immovable property: Provided that such transactions shall not be carried out unless they have been approved by special resolution of members;
 - [c] open accounts with financial institutions registered under the Banks Act;
 - [d] raise loans or overdraw a banking account: Provided that a special resolution of members has been obtained in terms of section 53 of the Act;
 - [e] invest money in financial institutions registered in terms of the Banks Act;
 - [f] make and accept donations;
 - [g] become a member of another co-operative, or of any association or organisation which promotes any matter in which the co-operative has an interest;
 - [h] act as agent of its members in connection with any pension fund, pension scheme, provident fund or medical scheme;
 - [i] act as agent of its members in connection with insurance business within the meaning of the Insurance Act; and
 - [j] give information and guidance to its members.
- [3] Apart from the powers mentioned in sub-clause [2] but subject to the provisions of the Act and the provisions of this statute the co-operative has unlimited powers to do anything which is not repugnant to the carrying out of its objects and to which the Registrar and/or Minister has given his prior approval in writing.

MEMBERSHIP

6.[1][a] Membership shall be limited to persons who qualify within the common bond of the co-operative. Minors may become members, duly assisted by their parent(s)/ legal guardian(s). The co-operative shall maintain an open membership to all persons qualifying within the common bond of the co-operative. No discrimination will be tolerated along the lines of race, political affiliation, gender or religion.

An identifiable common link and association must exist within any group already united by a common bond (workers in the same factory, pensioners, students, members of the same community, etc.)

[b] The common bond of membership for the co-operative shall be members and staff of NEHAWU

[c] Every applicant for membership shall complete the prescribed "Application for Membership" form.

[d] An applicant shall be admitted to membership on being approved by a majority vote of the board but shall not qualify for the rights and privileges of membership until he/she has paid an entrance fee of **R50** and deposited into shares a minimum of **R200**. The entrance fee is non-refundable.

[e] Every member shall receive a monthly statement or shall have a record book and/or will be issued with transaction receipts which shall record his/her shares, deposits and loan transactions with the co-operative. The also receive a membership share certificate.

[f] A member shall be entitled to acquire any number of shares in the co-operative provided that he/she does not hold more than 20% of all shares held by the total membership.

[g] Any individual may apply for membership in the co-operative provided that he/she qualifies within the common bond.

[h] Membership shall be terminated upon: -

[i] voluntary withdrawal by the member;

[ii] the death of the member;

[iii] expulsion of the member in terms of section 64 of the Act.

- [i] Every member may nominate in writing one person to whom, on his/her death his/her shares or interest in the co-operative shall be transferred. The member shall have power to change the name of the nominee. The name of the nominee shall be entered in the register of members, or recorded in a sealed envelope to be securely kept by the co-operative, and any alteration shall be signed by the member. If not admitted to membership, the nominee shall be paid the paid up value of the shares and/or assets less any sum due from the deceased member to the co-operative. Such payment shall be made as soon as possible but within at least six (6) months of the death of the member.
- [j] Upon the death/permanent disability of the member, his/her shares/savings may be transferred to the nominee entered by the member.
- [k] Societies, associations and other organisations composed of individuals who in their own right are eligible to be members of the co-operative, may be admitted to membership in the same manner and under the same conditions as individual members.
- [i] A member will be expelled in terms of section 64 of the Act if he/she does not comply with this statute and the rules of the co-operative.

WITHDRAWAL FROM MEMBERSHIP

- 6.[2][a] A member may withdraw from the co-operative at any time after two months written notice to the secretary, provided that no member in debt to the co-operative or being surety for an unpaid debt may withdraw funds held under lien of such debts.

All amounts paid on shares or deposit of any kind shall be paid to the withdrawing member as funds become available but not later than months from the date of receipt of the written notice of withdrawal by the co-operative: Provided that such payments shall only be made after deducting any amounts due by such member to the co-operative.

- [b] Shares may not be redeemed at their nominal value if there are reasonable grounds for believing that the realizable value of the co-operative's assets is less than the total of its liabilities and book value of shares, and reserves.

In such cases, the member must either leave the shares in the co-operative until they can be redeemed at 100% (one hundred percent) of nominal value or accept a repayment based on the net worth of the shares at the time.

- [c] Shares may not be redeemed for more than their nominal value.

SHARE TRANSFERS

7. The shares may be transferred with board approval from one member to another and from the co-operative to another savings and credit co-operative.

EXPULSION OF MEMBERS

- 8 [a] The board, by majority vote, may recommend a member for expulsion and may then in terms of section 64 of the Act, suspend the member and by so doing deprive him from any benefits of the co-operative until such time as the issue is voted on at a general meeting of members.
- [b] If a general meeting confirms such expulsion by special resolution it shall be effective from the date of suspension. If the general meeting does not approve the expulsion by the required majority, the suspension shall be immediately removed and the member treated as if no such suspension had been imposed.
- [c] A member expelled in terms of these provisions shall forfeit all rights to share in the surplus or other benefits of the co-operative.

CAPITAL AND LIABILITY

9. [a] The capital of the co-operative shall consist of:
- [i] An undetermined number of shares having a nominal value of **R200** each;
 - [ii] Grants and donations; and
 - [iii] Reserves.
- [b] The liability of a member for the debts of the co-operative shall be limited to the unpaid portion of the nominal value of his/her shares in the co-operative.

USE OF FUNDS

10. [a] Funds of the co-operative may be applied to any purpose authorized by members at an annual general meeting that is consistent with the objects as defined in this statute. No funds will be committed to projects or any other enterprise outside the usual business of savings and credit co-operatives.
- [b] Shares and deposits will be made into the Central Fund of SACCOL according to its constitution.

LIEN (SECURITY/COLLATERAL)

11. The co-operative shall have a right of retention over the shares and deposits in the co-operative for any sum due to the co-operative from a member and for any loan guaranteed by that member and may apply such funds toward repayment of such debts.

RECEIPTING FOR MONEY

12. [a] A responsible person will be appointed by the board to issue receipts for all monies received and to acquire receipts for all monies paid out.
- [b] No member may withdraw any funds below the amount of his total debts to the co-operative as borrower, endorser, co-maker, or guarantor without the written approval of the credit committee. The credit committee may give approval for such withdrawal provided that payments are current at the time application is made. Such approval shall not have precedence over any notice period required by this clause.

LOANS

13. [a] Each application for a loan shall be on an approved loan form and shall set out the purpose of the loan, the security offered and such other information as the credit committee may require. Loans obtained by misrepresentation of facts or fraud shall immediately become due and payable.
- [b] Loans shall be subject to approval by the credit committee within the loan policy established by the board. The credit committee may attach such terms and conditions as deemed necessary to approved loans.
- [c] A member may only borrow from the co-operative if he/she is a fully paid up member and in good standing. If he/she has failed to repay any previous loan, or if he/she is in arrears in the payment of any current loans or instalment thereof he/she is ineligible for another loan.
- [d] If by reason of sickness or some other cause, a member finds that he/she is unable to discharge his/her obligation to the co-operative and notifies the credit committee in writing before an instalment is due, the credit committee may extend the time fixed for payment on such conditions as it thinks fit.
- [e] [i] Loans shall be limited to productive and provident purposes.
- [ii] Emergency loans may be granted as determined by the loan policy.

- [f] The maximum amount, which may be lent to a member of this co-operative, shall not exceed 10% (ten percent) of the total assets of the co-operative.
- [g] The rate of interest on loans shall be determined by the board from time to time.
- [h] All applications for loans and reports of the credit committee shall be filed as a permanent record of the co-operative. Members of the board and of any committee applying for loans shall have their applications approved by either the majority of the other members at a joint meeting of the board, credit committee, and supervisory committee or a special committee set up for this purpose from the board, credit and supervisory committees. The borrowing member shall not be in attendance at the meeting when his/her loan is being considered.
- [i] Loan policies will be developed and approved and amended from time to time by the board.
- [j] A borrower may repay his/her loan prior to maturity, in whole or in part, on any business day of the co-operative.
- [k] Steps to be taken to recover outstanding loans:
 - [I] No payment on due date: personal contact or written reminder notice.
 - [ii] No response after second month: interview with credit committee to make payment arrangements.
 - [iii] No response after third month: formal notice of action or action at the discretion of the co-operative.
- [l] A person who is him/herself indebted to the co-operative can only qualify as a guarantor for the amount representing the shares and or savings not pledged for his/her own loan.
- [m] A guarantor for a loan must be a member in good standing of the co-operative.
- [n] All loans shall be secured by an Acknowledgement of Debt note by the borrower, a lien on shares and such other security as deemed necessary by the credit committee.

MEETINGS OF THE MEMBERS

- 14. [a] The supreme authority of the co-operative rests in properly convened general meetings of members. The annual general meeting of members shall be held within 30 (thirty) days after receipt of the audit report on the

co-operative's financial operations but not later than 180 days after the end of the financial year.

All members in good standing have a right to attend and participate in such meetings.

- [b] Every member shall have one vote only and there shall be no voting by proxy. Voting by letter is permitted.
- [c] The financial year of the co-operative shall begin on the November 2006 and end on the 30 September each year.
- [d] At least 21 (twenty one) days before the date of any annual of extraordinary general meeting of members, the secretary shall provide written notice to each member and must post notice of the meeting in the place of business and other conspicuous places where it may be read by the members at least 21 days prior to such meeting.
- [e] The supervisory committee may at any time request the board to summon an extraordinary general meeting in such manner and at such time and place as they may direct, and must specify what matters shall be discussed at any such meeting.
- [f] The order of business at an annual general meeting shall be:
 - [i] Ascertainment that a quorum is present;
 - [ii] Reading and approval of the minutes of the last meeting;
 - [iii] Report of the board;
 - [iv] Report of the treasurer;
 - [v] Report of the credit committee;
 - [vi] Report of the supervisory committee;
 - [vii] The consideration of the annual financial statements and appropriation of net surplus;
 - [viii] The consideration of the audit report and any inspection report made by or on behalf of SACCOL;
 - [ix] Election of directors and an auditor;
 - [x] Any other business.
- [g] The members assembled at any annual general meeting may suspend the above order of business upon a two third vote of the members present at the meeting.

- [h] A quorum for a general meeting shall be constituted by at least one tenth of the members of the co-operative if the number of members is not more than two hundred and by twenty members plus at least one percent of the members of the co-operative in excess of two hundred, if the number of members of the co-operative is more than two hundred.
- [i] Should the membership of the co-operative operate in more than two regions and in excess of ten thousand membership, a regional conference of delegates shall be convened to elect delegates to the annual general meeting. The rules and the guidelines of a conference of delegates shall be determined by the Board of Directors.
- [j] Extraordinary general meetings may be called by the board on their own initiative and shall be called at the request of the supervisory committee, or upon a written petition signed by at least 10% (ten percent) of members. Notice of any extraordinary general meeting shall state the purpose for which it is to be held and no business other than that related to this purpose shall be transacted at the meeting.
- [k] The chairperson of the board or in his/her absence, the vice chairperson, or in the absence of both, a member of the board shall preside at annual and extraordinary general meetings except in the case of an extraordinary general meeting called on petition of members in which case any member elected by a majority of those present shall preside thereat.
- [l] Subject to the provision of Section 131 of the Act, minutes of all general meetings shall be kept and as confirmation of being correct, shall be signed by the chairperson and secretary and placed in the permanent records of the co-operative. The minutes must contain:
 - [i] The number and names of members present at the meeting, the names of presiding officers and confirmation that a quorum was present; and
 - [ii] The time, place and date of the meeting and a record of all decisions made.

ELECTION

- 15. [a] At least 30 (thirty) days prior to each annual general meeting the board shall appoint a nominating committee of not less than **three (3)** members. It shall be the duty of the nominating committee to nominate one or more nominees for each vacancy to be filled by the elections.
- [b] It shall be the duty of the nominating committee to assure that all nominees proposed for election are members in good standing who qualify for election in accordance with this statute.

- [c] A member who is two (2) or more months in arrears on loan payments shall not qualify for nomination.
- [d] No member of staff except the General Manager of the co-operative may stand for any elected office although they shall not be denied the right to vote as members.
- [e] After the nominating committee has placed before the members the names of candidates proposed, the chairperson shall call for nominations from the floor. When nominations are closed, tellers shall be appointed by the chairperson to distribute and tally the ballots and announce the results. All elections shall be determined by plurality vote, of members present, and shall be by ballot except where there is only one nominee for the office.
- [f] Nominations shall be in the following order:
 - [i] Nominations for directors; and
 - [ii] Nominations for the supervisory committee members.
- [g] Elections shall be by separate ballot for each of the above.
- [h] In the case of an equality of votes, the chairperson shall have a casting vote.
- [i] Within ten (10) days after their election, the full names and addresses of all persons elected to office shall be forwarded to the Registrar and to SACCOL.

BOARD OF DIRECTORS

- 16. [a] The board shall consist of **15 (fifteen)** members. All directors shall be members of the co-operative and General Manager of the Co-operative. The number of directors may be changed to any odd number but not being fewer than five (5) nor more than fifteen (15) by resolution of the annual general meeting.
- [b] Directors shall hold office until the election and qualification of their successors. The regular term of office shall be three (3) years with one third (1/3) of the positions being open for election each year. At the first annual general meeting, three (3) directors shall be elected to serve for three (3) years, three (3) directors shall be elected to serve for two (2) years and three (3) directors shall be elected for one (1) year. Thereafter, elections shall be for three (3) years.
- [c] Any vacancy on the board, credit committee, supervisory committee shall be filled by vote of a majority of the directors then holding office. directors

or supervisory committee members so appointed shall hold office only until the next annual general meeting, at which time the unexpired term shall be filled by vote on a qualified successor.

- [d] Board meetings shall be held each month. Special meetings may be called by the chairperson, or in his/her absence by the vice chairperson at any time, or upon written request of any three directors.
- [e] The board shall have responsibility for the overall management of the affairs of the co-operative. Without limiting the generality of the foregoing, the board shall:
 - [i] within 10 (ten) days of the annual general meeting appoint a credit committee. One board member shall sit on this committee, preferably the treasurer, to ensure prompt and effective communication between the board and the credit committee;
 - [ii] within 10 days of the annual general meeting appoint an education committee. One board member shall sit on this committee, preferably the treasurer, to ensure prompt and effective communication between the board and the education committee;
 - [iii] determine from time to time the interest rates on loans, the rate of interest refund, if any, to be made to members, and to establish a loans policy to be followed by the credit committee;
 - [iv] have authority to recommend a declaration of dividends on shares of members;
 - [v] determine the interest which will be paid on deposit and other accounts;
 - [vi] determine from time to time the maximum number of shares which may be owned by one member, provided that no member shall hold more than one fifth (or 20%) of the total share capital;
 - [vii] have control of the investments of the co-operative other than loans to members, except to the extent that the board may have delegated this responsibility to the executive committee or to a manager employed by them;
 - [viii] employ, fix the compensation, and prescribe the duties of a manager and have the power to remove such employee;
 - [ix] have the authority to provide for compensation of the manager of the co-operative;
 - [x] authorize the conveyance of property;

- [xi] submit the accounts of the co-operative for audit;
 - [xii] supervise the collection of loans and write off bad debts and uncollectible loans from the books of account;
 - [xiii] suspend, until the next annual general meeting, any or all members of any committee for failure to perform their duties. Such action shall be subject to ratification by a vote of members at the next annual general meeting;
 - [xiv] perform or authorize any action consistent with the Law not specifically reserved by this statute or the Act for action by the members; and
 - [xv] perform such other duties as the members may from time to time require.
- [f] A quorum of the board will consist of a majority of the directors which shall include the chairperson or in his/her absence the vice chairperson.
- [g] If a director or a credit committee member fails to attend regular meetings of the board or credit committee for more than four (4) consecutive meetings, or otherwise fails to perform any of the duties upon him as a director or a credit committee member, his/her office may be declared vacant by the board and the vacancy filled as herein provided.
- [h] The position of any board member who does not comply with loan policy and does not abide by the rules of the co-operative, may be declared vacant by members in general meeting and the vacancy filled as herein provided.
- [i] Minutes of all meetings of the board, credit committee, supervisory committee and education committee shall be maintained in terms of section 113 of the Act and verified by the recorders and presiding officers of the meetings. Such minutes shall contain the names of members present, the date, time and place of meeting; and a record of all decisions made. Such minutes shall become a part of the permanent record of the co-operative.
- [j] The co-operative shall maintain the registers required in terms of sections 114, 118 and 120 of the Act.

DISCLOSURE OF INTERESTS

17. Every member of the board or any of the committees of the co-operative shall be required before taking part in any business to be transacted, to disclose, as set out in section 117(2) or (3) of the Act, any interest in the matter to be discussed and shall not take part in any vote upon that item of business. It is up to the

discretion of the other sitting members of the board or committee to determine whether or not the member must excuse herself/himself from the meeting while the matter is being discussed or be allowed to participate in the discussion of the matter.

EXECUTIVE OFFICERS, EXECUTIVE COMMITTEE AND THEIR DUTIES

18. [a] The executive officers of this co-operative shall be the chairperson, vice chairperson, treasurer and the secretary. The offices of treasurer and secretary may be held by the same person.
- [b] The chairperson shall, subject to the provisions of clause 14(I), preside at all meetings of the members and at all meetings of the board, unless disqualified as set out in this statute and together with the treasurer shall sign all conveyance of property.
- [c] The vice chairperson shall exercise the powers, authority, and duties of the chairperson in his/her absence.
- [d] The treasurer or where applicable, the manager of the co-operative shall subject to such limitation and control as may be imposed by the board, have custody of all funds, securities, valuable papers and other assets of the co-operative. He/she shall sign all cheques, drafts, notes and other obligations of the co-operative. He/she shall provide and maintain full and complete records of all assets and liabilities of this co-operative. Within 15 days after the close of each month, he/she shall prepare and submit to the board a financial and statistical report showing the condition of this co-operative as of the end of each month and immediately forward a copy to SACCOL.
- [e] The board may authorize the executive committee to approve applications for membership. No executive committee member or membership officer shall be compensated as such.
- [f] The secretary shall give or cause to be given, in the manner provided in this statute, proper notice of all meetings of the members.

CREDIT COMMITTEE

19. [a] The credit committee shall consist of not less than **3 (three) but not more than 5 (five) members** appointed by the board. The term of office of each member shall be three (3) years with the term of office of one third of the committee members expiring each year.
- [b] The Credit committee shall meet as often as necessary (at least once a month) to promptly process members applications for loans. The committee shall be convened by the chairperson or at the request of any two (2) members of the committee.

- [c] Approval of a loan must be by unanimous decision of the committee. A committee meeting must have a quorum to act. A quorum shall consist of a majority of its members.
- [d] Each application for a loan shall be in writing and shall contain in reasonable detail the purpose for which the loan is desired, the security offered and such other information as may be required by the committee.
- [e] The credit committee shall inquire carefully into the personal habits and financial condition of the borrowers and their sureties to ascertain their ability to repay fully and promptly the obligation assumed to and by them and whether the loan is within the loan policy of the co-operative.
- [f] The committee shall determine the security or guarantors which shall be required for each loan and the terms upon which it shall be repaid.
- [g] The loan becomes effective as soon as the Acknowledgement of Debt is properly signed.
- [h] The credit committee shall maintain a permanent Register of Loans considered by the committee. The Register shall contain the names of committee members present at each meeting held. For each loan application considered, the Register of Loans shall show the membership number and name of the loan applicant, the amount applied for and the action taken by the committee. For approved loans, the record shall show the amount approved and any conditions attached to the approval. If declined or deferred, the reasons for such action shall be recorded and conveyed to the applying member. Credit committee members in attendance at the meeting shall sign the register at the end of each meeting.
- [i] The credit committee shall report to the board at the monthly board meeting and shall strictly adhere to the loan policy established by the board.

SUPERVISORY COMMITTEE

- 20. [a] The supervisory committee shall consist of three (3) members elected at the annual general meeting. The term of office of each member shall be three (3) years with the term of office of one (1) expiring each year.
- [b] In the process of their examination and audits the supervisory committee shall examine a random sample of loans made during the period under examination and satisfy themselves that loans are being made within the loans policy of the co-operative, that they were properly approved and that security documentation was in place before funds were advanced.

- [c] The supervisory committee shall, at least once each month, perform a physical count of cash to determine that the amount corresponds to the records. Regular spot checks must be done.
- [d] At least every three (3) months, the committee shall examine a percentage of member statements/ledger cards to verify the balances.
- [e] At least one member of the committee shall attest the financial statements which the treasurer and/or the manager is required to prepare each month.
- [f] A regular monthly meeting of the supervisory committee shall be held and a majority of members shall form a quorum at such meetings.
- [g] By unanimous vote, if deemed necessary for the proper conduct of the business of the co-operative, the committee may recommend to the board the suspension of any officer, board or committee member. The board shall call an extraordinary general meeting within 30 days thereafter to present a report and recommendation to the members concerning such actions. Such action shall be reported immediately to SACCOL.
- [h] The supervisory committee shall receive and investigate any complaint or appeal by members concerning the operations of the co-operative.
- [i] The supervisory committee shall provide a report of each meeting and all actions taken to the next regular meeting of the board.
- [j] Any actions taken against any director or committee member by the supervisory committee must be reported to SACCOL.

EDUCATION COMMITTEE

- 21. [a] The board may appoint an education committee which shall be responsible for the continuing education of the members of the co-operative and the promotion of new members.
- [b] All new members shall be required to participate in education programmes to acquaint themselves with their rights and responsibilities as members.

RESERVES

- 22. A general reserve shall be maintained at the rate of 10% (ten percent) of gross income until a total of 10% (ten percent) of assets has been reached.

DISTRIBUTION OF SURPLUS

23. The net surplus of the co-operative shall, by resolution of members at the annual general meeting, be distributed annually in the following manner and in the following order to:
- [a] provide for doubtful loans or other accounts. The provision will depend on policies agreed with the auditor;
 - [b] provide for general reserves as above;
 - [c] special and contingency reserves, if any;
 - [d] dividends in accordance with this statute;

The balance, if any, may be used as follows;

- [e] An amount not to exceed 5% (five percent) of the net surplus may be allocated to the education committee for use as the directors may determine;
- [f] An amount may be divided among the borrowers as a patronage refund in proportion to the amount of interest paid by them to the co-operative on loans during the preceding financial year.

DIVIDENDS

24. The board may recommend a dividend to be paid. The rate shall not exceed the nominal average savings rate paid by the co-operative.

DEPOSITS AND INVESTMENTS

25. The co-operative shall ensure that the funds of members are held in safe and secure investments by investing or depositing funds in the following ways:
- [a] Investments in SACCOL Central Finance, in or with any commercial bank or building society registered in South Africa.
 - [b] All moneys of the co-operative must be kept in a safe.
 - [c]
 - [i] All payments must be authorized by the board, except where the board has delegated limited authority to an employee.
 - [ii] All payments shall be made by cheque.

[iii] A small petty cash float may be maintained for petty items. The amount will be agreed to by the board.

[iv] Individual payments from the petty cash float shall not exceed **R300**

DISPUTES

26. In the case of a dispute between the co-operative and any of its members or any complaints against any member or officer which is not related to a debt owed by the member to the co-operative, an application shall be made to the board through the secretary for redress, but should the party not be satisfied, an appeal may be made to the supervisory committee. Failure to settle the dispute in this manner may be referred to SACCOL.

AMENDMENTS OF STATUTE

27. [a] Amendments to this statute shall be made at the annual or an extraordinary general meeting.
- [b] A special resolution will be required to amend the statute of the co-operative.
- [c] All members of the co-operative should have a copy of the current statute.
- [d] Notice of proposed amendments shall be provided in writing with the notice of the general meeting concerned.

GENERAL

28. [a] Power, authority, duties and functions of the members, directors, and employees of this co-operative shall comply with the standards set by SACCOL.
- [b] The officers, directors, members of the committees and employees of this co-operative shall hold in strictest confidence all transactions of this co-operative with its members, except to the extent deemed necessary by the board in connection with the making of loans and collection thereof.
- [c] Notwithstanding any other provisions in this statute, any director, committee member, officer or employee of the co-operative may be removed from the office by the affirmative vote of two thirds of the members present at a general meeting of which proper notice has been given but only after an opportunity has been given him/her to be heard.
- [e] All books of account and other records of this co-operative shall at all times be available to the directors and committee members of this co-operative.

- [f] This statute sets the standard procedures and structures required from members of SACCOL. Notice of any Amendments shall first be discussed and provided in writing to the SACCOL and the Registrar of Cooperatives who will ratify the amendments are consistent with the aims and objectives of the cooperative movement and Cooperatives Act.

AUDITOR

30. An independent auditor shall be appointed by the co-operative at each annual general meeting for the next financial year.

DISSOLUTION AND AMALGAMATION

31. [a] The co-operative may be dissolved by special resolution passed by three fourths of the total number of members voting at a general meeting called specifically for that purpose. Written notice of such a meeting shall be given to all members and to SACCOL. Upon dissolution and in terms of the provisions of the Act the assets of the co-operative shall be realized, all liabilities shall be paid, all savings shall be refunded to members and any surplus thereafter be apportioned to members in proportion to the patronage proportion of each member determined for a period of 5 years.
- [b] By extra ordinary special resolution passed by three fourths of the members present and voting at a general meeting called specifically for that purpose, the members may resolve that the co-operative amalgamate with another co-operatives are members of SACCOL, provided further that all the members of the amalgamated co-operative have a common bond as defined in this statute and that the requirements of the Act with regard to amalgamations are complied with.

Chairperson

Secretary

APPLICANT FOR MEMBERSHIP	WITNESS(ES)
1. Address:	1. Address:
2. Address:	2. Address:
3. Address:	3. Address:
4. Address:	4 Address:
5. Address:	5 Address:
6 Address:	6. Address:
7. Address:	7. Address:
8. Address:	8. Address:
9. Address:	9. Address:
10. Address:	10. Address:
11. Address:	11. Address: