

Rules Of
Vacoas Popular
Multi-Purpose Co-operative
Society Ltd

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RULES
OF
VACOAS POPULAR MULTI-PURPOSE CO-OPERATIVE SOCIETY LTD
(Under the provisions of Section 21 and 22 of the Co-operatives Act 2016)

Registered No: 723

Interpretation:

In these Rules unless there is anything contrary to the Act: -

“Rules” means the registered Rules of the society.

“Act” means the Co-operatives **Act 2016**.

“AML/CFT” means Anti-Money Laundering and Combatting Financing of Terrorism

"Board" means the Board of Directors.

“Customer Due Diligence- (CDD)” has the same meaning as in Financial Intelligence and Anti-Money Laundering Act(FIAML A)

“**Dormant member**” means a member of a society who does not transact any business with the society for more than 2 years.

"Employee" means a person employed by the society.

“Financial Intelligence Unit-(FIU)” means the Financial Intelligence Unit established under FIAML A.

"Internal Controller" means an Internal Controller as per Section 55 of the Act.

"Member" means a person who holds at least the minimum required share in the society.

“Money-Laundering” has the same meaning as in FIAML A.

“Registrar” means the Registrar of Co-operative Societies.

“Regulations” means the Regulations made under Section 126 of the Act.

"Society" means a Co-operative Society registered under the Act.

“Suspicious transactions” has the same meaning as in FIAML A.

“Terrorist Financing” has the same meaning as in FIAML A.

“United Nation Sanctions List (UN Sanctions List) “means a list as defined under the United Nations Sanctions Act.

PART A – NAME, ADDRESS & OBJECTS OF SOCIETY

1. NAME OF SOCIETY

1.1 The name of Society shall be Vacoas Popular Multi-purpose Co-operative Society Limited; hereinafter referred to as the Society.

2. ADDRESS OF THE SOCIETY

2.1. The registered address of the Society shall be Morcellement Co-operative, Vacoas or at such place as the Society may decide.

2.2 The hours of business of the Society with members shall be from 08 45 hours to 17 00 hours on Weekdays and 08 45 hours to noon on Saturdays or at such time as the Society may decide at its General Meeting.

2.3 The area of operation of the society shall be island wide.

3. TYPE OF SOCIETY

3.1 The Society shall be registered as a primary co-operative society with limited liability.

4. OBJECTS OF THE SOCIETY

The objects of the Society are to promote the economic and social interest of its members in accordance with cooperative principles and more particularly: -

- (a) to encourage thrift and savings and provide loan facilities to its members.
- (b) to create a source of credit for its members and its employees of the society for productive purposes and provide loans at an agreed rate of interest.
- (c) to provide opportunity for members to use and control their money for their mutual benefit.
- (d) to raise funds by issuing shares, contracting loans, receiving and investing deposits from members only and accept donation from different sources, including both local and foreign bodies **subject to compliance with prevailing AML/CFT Enactment, publication and Guidelines to mitigate the risk of Money-Laundering and Terrorism**

Financing

- (e) to lease, purchase and sell any immovable property or any property or rights which the society may deem necessary or convenient for the purpose of conducting its business.
- (f) to set up schemes, as and when required, including Housing Schemes, Holiday Resort Scheme, Car loan Schemes, Medical Schemes, Travel Schemes, Educational and other Emergency Schemes and Insurance Schemes at a reasonable rate of interest so that members may be provided with cost effective facilities.
- (g) to erect, contract out, run and operate buildings to be used as office, recreational facilities, multi-purpose hall, holidays resorts, business facilities or dwellings or any such commercial buildings to be sold and rented to members and non-members.
- (h) to accept the transfer of all securities, rights, privileges, mortgages in respect of loans, in case of buy back.
- (i) to contract out and to perform works or services as necessary so as to fulfill the society's objectives.
- (j) to carry out such local or international joint venture as the committee may deem appropriate for the betterment of the society and its members.
- (k) to contract such assurances payable on death of a borrower prior to the full settlement of a loan issued to him by the society and refund of shares and deposits in the name of a deceased member to his heirs or any beneficiary as per his agreement.

5.0 MINIMUM AND MAXIMUM NUMBER OF MEMBERS

- 5.1 The minimum number of members in the society shall be five (5) as per The Co-operatives Act 2016 and the General Meeting shall determine the maximum number of members.

PART B – MEMBERSHIP

6.0 ELIGIBILITY FOR MEMBERSHIP

- 6.1 Membership of the Society shall be open to persons who

- i. are citizens of the Republic of Mauritius and of over 18 years of age
- ii. are of good character
- iii. satisfy appropriate CDD requirements and

iv. indulge in activities which are conducive to the objects of the society.

6.2 The members shall consist of persons signing the register of members of the Society and who subscribe to the objects of the Society and who have fully paid up at least the required number of shares as per Rule 13.4 and an entrance fee of **one thousand rupees (Rs 1000/-)**.

6.3 Every member of the society shall be:

- (a) Ordinarily resident in Mauritius;
- (b) Solvent,
- (c) Eighteen years of age and over and of good character;
- (d) Not occupied in any trade or profession conflicting with the interest of the society; and
- (e) May also be a body corporate registered in Mauritius.

6.4 Application for membership shall be in writing and shall be submitted on the prescribed form to the Secretary who shall present it for consideration at the next meeting of the Board **and to the general meeting eventually**.

6.5 No member shall be admitted except by the affirmative vote of a majority of the Directors attending the Board at which the application for membership is considered.

6.6 Where the society refuses to admit a person as a member, it shall, within 14 days, **give to that person written notice of its refusal and the ground of refusal**.

6.7 Where the ground of refusal is not justified, the Registrar may give directions to any person as may be appropriate.

6.8 No applicant shall become a member or entitled to any of the rights or privileges of membership until he shall have fully paid at least the minimum required number of shares and the entrance fee.

7.0 OBLIGATIONS OF MEMBERS

7.1 Every member shall: -

- (a) Abide by the Act, the Regulations and the Rules and by the decisions **of** the General Meeting and of the Board; and
- (b) Be loyal to the society and abstain from any act detrimental to the interest of the society.

7.2 No member shall pledge his salary to more than one society, the main objects of which are similar.

7.3 Where the rules of the societies so allow, an individual may be a member of more

than one society, the main objects of which are similar.

- 7.4 Members failing to comply with the Rules of the society may be liable to pay a penalty as decided by the Board.
- 7.5 The liability of the members shall be limited to the amount unpaid on shares subscribed by them or to such other amount for the contribution of the assets of the society in the event of its being wound up as decided by the General Meeting.

8.0 RIGHTS OF THE MEMBERS

8.1 Every member may: -

- (a) attend General Meetings, participate in decisions taken at such Meetings and vote;
- (b) stand as a candidate for election on the board while ensuring that he or she is not an employee of society;
- (c) at all reasonable times, at the registered office of the society, consult the society's rules, registers, minutes of proceeding of general meetings, annual reports, financial statements, reports of the internal controller and the society's audit reports;
- (d) together with other members, call for a special general meeting in accordance with Section 42 of the Act
- (e) together with other members, call for an inquiry to be held into the constitution, organization or financial situation of the society in accordance with Section 76 of the Act
- (f) subject to the rules of the society, claim a share of the surplus, if any, at the end of the financial year after approval of the accounts at the annual general meeting;
- (g) withdraw from the society in accordance with the conditions specified in the Act and in the rules;
- (h) Defend himself against any motion/decision of his suspension or expulsion; and
- (i) exercise any other rights provided for in the rules of the society.

8.2 Appointment of Nominee

- (1) Every individual member shall, at the time he joins the society, appoint at least one nominee to whom his share or interest in the society shall be transferred or paid out on his death or in case of insanity.
- (2) In every case where more than one nominee is appointed by a member, the

number of shares or the exact proportion of the amount that is to be transferred to each of these nominees shall be specified at the time of appointment.

- (3) An appointment under Rule (8.2) shall be made in writing and signed by the member in the presence of two attesting witnesses.
- (4) Every appointment of a nominee shall be recorded in the register of members.
- (5) A member may, at any time, in writing, revoke and replace a nominee previously appointed by him.

8.2.1.1 If not admitted to membership, the nominee or nominees shall be paid the value of the share of the deceased or legally incapacitated member less any sum due to the society by the deceased or legally incapacitated member. Such payment shall be made within one year of the death of a member or after one year the member has been legally declared incapacitated.

8.2.1.2 On the death or permanent insanity of a member or of his becoming legally incapacitated, the Board shall, within one year, pay to his nominee or nominees any monies approved by the Board in accordance with the Rules in respect of: -

- (a) Shares;
- (b) Deposits and interests; and
- (c) All other monies accruing to the deceased member.

9.PENALTY PAYABLE BY ANY MEMBER FOR NON-COMPLIANCE WITH RULES

9.1 The Board shall have the power to impose penalties not exceeding five thousand rupees (MUR 5000) upon members for violation of contract entered with the society. The amount of the penalty shall be determined by the Board on a case-to-case basis.

9.2 No penalty shall be imposed upon any member until notice of intention to impose the penalty and the reason thereof has been transmitted to the member and he has had the opportunity of showing cause why the penalty should not be imposed and of being heard and of calling witness if he so desires.

9.3 Any member aggrieved by the imposition of a penalty may within one month of such imposition refer the matter as a dispute to the Registrar.

9.4 Penalties imposed shall be collected within one month.

10. WITHDRAWAL OF MEMBER

- (1) A member may withdraw from a society after giving one month's notice provided that the member is not indebted to the society and he has been a member for at least one year.
- (2) A member may withdraw from the society subject to the approval of the Board.
- (3) A member who is indebted to the Society shall not be entitled to withdraw during the continuance of such debt.
- (4) A member who is a surety to a loanee may not withdraw unless he is replaced as such by another member.

11. TERMINATION OF MEMBERSHIP

11.1 A person shall cease to be a member of the society and said membership shall be deemed to be terminated, where –

- a) he withdraws from the society as member in accordance with the Act and the rules;
- b) he transfers all his shares;
- c) in the case of an individual, he –
 - (i) dies;
 - (ii) becomes insane; or
 - (iii) becomes bankrupt;
 - (iv) ceases to hold the minimum required shares;
 - (v) ceases to hold the qualifications as laid down under Rule 6;
 - (vi) ~~ceases to transact with the society for a preceding period of two years and he is not indebted to the society nor does he stand surety to any other member;~~
 - (vii) withdraws after giving one month's notice to the secretary provided that the member is not indebted to the society and he has been a member for at least one year;
 - (viii) becomes legally incapacitated;
- (d) in the case of a body corporate, it –
 - (i) becomes insolvent; or
 - (ii) is dissolved following liquidation; or
- (e) he is expelled from the society.

11.2 A member shall not transfer his share or interest in a society unless –

- (a) he has held the share for –
 - (i) not less than one year; or

- (ii) such longer period, not exceeding 3 years and
- (b) the transfer is effected to another member or a person who has applied for membership and such membership is approved by the Board.

11.3 Membership of a person, not having transacted with the society for more than two years, may be terminated, subject to the approval of the Board.

11.4 Subject to Rule 10.3, such board decision shall be ratified by the next ensuing general meeting.

12. EXPULSION OF A MEMBER

12.1 A member may be expelled for:

- (a) failure to pay any sum due to the society;
- (b) conviction in a court of an offence involving dishonesty;
- (c) being adjudged bankrupt;
- (d) failure to comply with the conditions laid down by the General Meeting under these rules;
- (e) any action which may be held by the Board or the general meeting to be dishonest or contrary to the objects of the society such as failure to comply with any directions of the general meeting. the board may suspend him and make a report thereon to the general meeting, which shall have power to terminate his membership

12.2 Any person ceasing to be a member shall be refunded the following amount after deduction of any debts owed by him to the society, as at the date of its cessation;

- (a) any bonus, dividend or interest due to him; and
- (b) any deposit or loan held by the society on his behalf.

12.3 To expel a member, the board shall:

- (a) Suspend the member by notifying him in writing of the reasons of his suspension.
- (b) Set up a Disciplinary Committee, consisting of independent persons and chaired by a legal person, to give the member reasonable opportunity to defend himself. The Disciplinary Committee shall have to submit its report to the board and
- (c) Submit the report of the Disciplinary Committee to the next ensuing General Meeting for final decision.

PART C – SHARES

13. TYPES OF SHARES

- 13.1 The society may issue, in addition to Ordinary Shares, Redeemable Preference Shares and non-Redeemable Preference Shares.
- 13.2 The Redeemable Preference Shares and the non-Redeemable Preference Shares shall be issued subject to terms and conditions decided by the General Meeting.
- 13.3 The Share Capital of the society shall consist of an unlimited number of shares of the nominal value of ten rupees (Rs 10/-) each.
- 13.4 Every member shall hold at least **one hundred (100)** ordinary shares which shall be paid by him on admission.
- 13.5 The minimum issued and paid-up share capital of a primary society at the time of its registration shall be not less than five thousand rupees (Rs 5,000/-) divided into ordinary shares of a denomination of ten rupees (Rs 10/-).

14. LIMITS ON THE NUMBER OF SHARES

- 14.1 No person shall hold more than 30% of the issued share capital of the society.
- 14.2 If a member by inheritance or otherwise becomes the holder of more than 30% of the total number of shares of the society, the Board shall sell the excess number or buy them on behalf of the society.

15. PROCEDURE FOR ISSUE OF SHARES

- 15.1 No shares shall be issued at an amount less than its par value.
- 15.2 When membership has terminated, the member may be refunded a sum not exceeding the amount paid by him on account of shares where provision has been made for this by the creation of a Share Transfer Fund.
- 15.3 The Secretary shall register all transfers of shares.
- 15.4 The society shall issue share certificate/s or share receipt/s, as the case may be, to a member **when all payments due by him have been fully paid** in respect of subscribed shares and by category.

PART D – SOURCES OF FUND

16. The funds of the Society shall consist of: -

16.1

- (a) Entrance fee;
- (b) Shares;
- (c) Undistributed net surpluses;
- (d) Grants and Donations;
- (e) loans from members, other societies, banks and public or private financial institutions;
- (f) Deposits from members and other societies
- (g) Premiums on shares; and
- (h) Any other funds established at the General Meeting.

16.2 Not less than **Ten (10) per cent of the net surplus** resulting from the operations of the society during the year shall, after the **Financial Statements** has been approved, be credited to the Reserve Fund of the society and the balance shall be disposed of in the following order of priority:

- (1) dividend on preference shares, both redeemable and non-redeemable;
- (2) special reserve funds;
- (3) bonus to employees;
- (4) bonus to a member in proportion to the business done by the member with the society; and
- (5) dividend on ordinary shares.

16.3 The Reserve Fund shall be indivisible and no member is entitled to claim a specified share thereof. The Society may utilize the Reserve Fund in its business and to issue bonus shares to its members as approved by the General Meeting.

PART E – OFFICE BEARERS OF THE SOCIETY

17. OFFICE BEARERS of the society

17.1 The society shall have: -

- (a) A Board;
- (b) A President;
- (c) A Vice President;
- (d) A Secretary;
- (e) An Assistant Secretary;
- (f) A Treasurer; and
- (g) At least one Internal Controller.

17.2 The President, the Vice President, the Secretary, the Assistant Secretary, the Treasurer and the Board of Directors are termed as “office bearers” in these Rules.

- (a) The Internal Controller shall not be a director of the Board and shall, as far as possible, be an independent person or body.
- (b) The Secretary and the Treasurer may form part of the board if they are not remunerated
- (c) Where the Treasurer or the Secretary is not a director of the Board, the Treasurer or Secretary may attend a meeting of the Board, but he shall not have a right to vote.

17.3 The Board shall manage the affairs of the society in accordance with the provisions of the Act and the Rules.

17.4 No alteration in the rules shall invalidate any prior act of the Board which would have been valid if that alteration had not been made.

17.5 The Board shall not sell, lease or dispose of any immovable property of the society unless

- (a) the sale, lease or disposal is expressly set out on the agenda of a general meeting;
- (b) the members at the general meeting have approved the sale, lease or disposal;
- (c) the Registrar is informed, in writing, at least 30 days before the meeting at which such a sale, lease or disposal of the immovable property of the society is to be approved;

(d) the immoveable property has been evaluated by a qualified valuation officer, appointed by the society within the period of 6 months preceding the sale, lease or disposal of the property and the evaluation report is submitted to the society and the Registrar.

17.6 No payment effected or contract, dealing or transaction entered into by the society shall be invalidated where the party to whom the payment has been made or with whom the contract, dealing or transaction has been entered into, has acted in good faith.

DUTIES OF THE PRESIDENT

17.7 The President shall be the Chairperson of the Board and General Meetings.

17.8 In the absence of the President, the Vice President shall preside or in his absence, any Director chosen from and by the other Directors present at a meeting shall preside over the meeting. They shall exercise the same powers and rights and assume the same responsibilities as those of the President.

17.9 Each member shall have one vote. The President shall have a casting vote only in case of an equality of votes.

DUTIES OF THE SECRETARY

17.10 The Board shall appoint a Secretary and an assistant secretary who shall work under its control and guidance and whose powers and duties shall be: -

- (a) to have charge of the ordinary and usual business operations of the society in accordance with the Act and the Rules.
- (b) to hand over to the treasurer all monies receive on behalf of the society to be deposited into a Bank except for an amount of **five thousand rupees (Rs 5000/-)** which he may keep in his possession for emergencies.
- (c) to effect all payments by cheque except for petty expenses.

- (d) to convene and attend all meetings of the society and of the Board and shall keep a complete record of all such meetings and certified true copies of which shall be sent to the Registrar in accordance with the Act;
- (e) to maintain the records of accounts in such a manner that the true and correct view of the business may be ascertained at any time. He shall render annual and periodical statements in the form and manner prescribed by the Board. He shall preserve all books, documents and correspondence, and records of whatsoever kind pertaining to the business, which may come into his possession;
- (f) to conduct all correspondence on behalf of the society;
- (g) to perform any other duties entrusted to him by the Board.

DUTIES OF TREASURER

17.11 The Board shall appoint a Treasurer from among the elected members of the Board whose duties shall be: -

- (a) To receive from the Secretary all monies collected by the latter on behalf of the society and to furnish to him thereupon a receipt on a form taken from the counterfoil book and obtaining at the same time the signature of the Secretary on the counterfoil;
- (b) To deposit all monies received from the Secretary into a Bank approved by the General Meeting of the society.
- (c) To place to the account of the society in the bank as approved by the General meeting of any amount in his hand in excess of **five thousand rupees (Rs 5,000/-)** for emergencies;
- (d) To keep separate all monies belonging to the Society and on no account to mix them with any other monies and to produce at all times when called upon by the Board, the Registrar, Principal Co-operative Auditor or any person authorized by him, all monies in his hands belonging to the society; and
- (e) To keep a record of all monies received by him from the Secretary and of all monies given to the Secretary.

17.11 Provided that, where the society maintains a bank account into which the Board has directed the Secretary to pay all money received, the Treasurer shall verify the paying-in-slips or pass book in place of the action required at Para (a) of the above Rule.

SECURITY FROM SECRETARY AND TREASURER

17.12 The Secretary, assistant secretary and the Treasurer shall each be bound with two sureties in the sum of **ten thousand rupees (Rs 10,000/-)** to the just execution of their respective offices and trusts.

MEETING OF DIRECTORS

17.13 Board of Directors shall meet as often ***as the interest of the society requires and*** at least once every month. However, irrespective of the number of meetings, only one board allowance shall be payable to the Directors, per month.

17.14 The meeting shall be convened: -

- (a) by the President of the society or, in his absence by the Vice President or in the absence of both, by any Director elected to act as President;
- (b) at the request of two Directors or one third of the total number of Directors of the society, whichever is the higher; or
- (c) by the Registrar.

17.15 (a) A decision of the Board shall not be valid unless a quorum is present.

(b) A majority of the number of directors of the Board shall constitute a quorum.

17.16 Every decision shall be taken by a majority of votes.

17.17 In case of equality of votes, the Chairperson shall have a casting vote.

17.18 The proceedings at all Board meetings shall be recorded in a Minutes Book which shall be signed by the President, Board Directors and the Secretary, present at the meeting.

17.19 The minutes shall be approved at the next Board Meeting.

17.20 The Secretary shall, within 7 days from the meeting, forward a copy of the minutes, certified by the President and Secretary as well as inserted with the initials of all directors present, to the Registrar.

PART F – DIRECTORS

18 NUMBER OF DIRECTORS

- 18.1 The society shall be managed by a Board consisting of **(9) nine** Directors elected by the General Meeting or by a Board appointed under section 47(10) of the Act.
- 18.2 Three of the nine Directors shall be elected to serve for a term of **three years**, three shall be elected to serve for a term of **two** years and the remaining three shall be elected to serve for a term of **one** year.
- 18.3 At every subsequent Annual General Meeting of the society, three members shall be elected to serve for a term of three years in place of the three Directors whose term of office hours expired.
- 18.4 A Director who retires after serving the term of office specified in this Section shall be eligible for re-election.
- 18.5 Only compliant members shall be eligible to stand as candidates for election.

19.ELECTION OF DIRECTORS

19.1 The elected directors shall choose from amongst themselves and appoint a President and a Treasurer, unless a board has been appointed under section 47(10) of the Act.

20. ROTATION OF DIRECTORS

20.1 The President shall be appointed by the Board and shall not hold office for a continuous period of more than 3 years.

Where the President has vacated his office prior to the period of 3 years or ceased to hold office following the period of 3 years, he shall not be qualified to be appointed to an office in the society at any time during a period of 12 months preceding the next annual general meeting of the society.

20.2 A Director shall cease to hold office if: -

- (a) he fails to meet the requirements for eligibility provided by the Act or by the rules during his term of office;
- (b) he fails to attend three consecutive meetings of the Board without reasonable cause;
- (c) he resigns by notice in writing, and his resignation is duly approved by the Board;
- (d) he is removed from office in terms of rule (22.1).

20.3 A Director may be removed from office by a resolution of a General Meeting provided that not less than 7 days' prior notice is issued to him of the intended resolution.

21. POSSIBILITY TO CO-OPT DIRECTORS

21.1 Where a vacancy on the Board arises as a result of the removal of a director due to death, resignation or insanity, and the number of directors falls below the minimum prescribed by *the Act and the rules*, the Board shall fill the vacancy, pending the next general meeting, by co-opting from the members.

21.2 Notwithstanding rule (21.1), the number of members co-opted shall not exceed two or one quarter of the elected Directors, whichever is the lower.

21.3 Where more than two directors or more than one quarter of the total number of Directors, whichever is the lesser, cease to be directors of the society under Rule (20.2), the Board shall, within 30 days of such occurrence, initiate procedures for convening a General Meeting for the purpose of electing new Directors to fill the vacancies.

21.4 (a) The society may accept a non-member as Director in accordance with Section 51 of the Act. A person not being a member may be appointed director but shall not have the right to vote.

- (b) For the purpose of rule (21.4 (a)), the number of persons who are not members and who may be appointed as directors shall not exceed one third of the total number of directors or such lower proportion as may be provided in the rules.

22. ELIGIBILITY TO SERVE AS DIRECTORS

- 22.1 No person shall be eligible to serve as a Director or remain as Director if he/she:
- (a) is under 18 years of age;
 - (b) is involved directly or indirectly in any activity which is in conflict with or is likely to be prejudicial to the activities of the Society;
 - (c) is an employee of the society;
 - (d) has been convicted of an offence involving fraud, dishonesty, drug trafficking or financial malpractice;
 - (e) is an undischarged bankrupt;
 - (f) has been convicted of an offence under the Act;
 - (g) has been found to have misused, mismanaged or misappropriated the funds of a Society; or
 - (h) has previously, as director of a society, misused, mismanaged or misappropriated its funds; or
 - (i) is in arrears with the repayment of a loan from, or any amount due to, a society and

22.2 Where a Director has any interest, direct or indirect, in any matter before the Board, he shall, as soon as reasonably practicable, disclose to the Board the nature of his interest, and shall not take part in the deliberation of the Board relating to the matter.

23. QUORUM FOR BOARD OF DIRECTORS

- 23.1 A majority of the number of directors of the Board shall constitute a quorum.

24. LIMITS ON THE POWER OF DIRECTORS

24.1 It shall be the duty of *every director* of the society -

- (a) To exercise his powers in accordance with the Act and within the limits and subject to the conditions and restrictions imposed by the rules.
- (b) To obtain the authorization of the General Meeting before doing any act or entering into any transaction for which the authorization of a General Meeting is required by the Act or by the rules;
- (c) To exercise his powers honestly, in good faith, in the best interests of the society and for the respective purpose for which such powers are explicitly or implicitly conferred;
- (d) To exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (e) To account to the society for any monetary gain, or the value of any other gain or advantage obtained by him, in connection with the exercise of his powers;
- (f) Not to make use of, in a personal capacity, either directly or indirectly, or divulge any confidential information received by him on behalf of the society as director;
- (g) Not to compete or be in conflict with the society or become director or officer of any competitor of the society;
- (h) Where he has any interest, in any contract or transaction, with the society, to declare his interest to the next meeting of directors of the society, and in such declaration to state the nature and extent of his interest and the effect or probable effect of his interest on the contract or transaction;
- (i) Not to use any assets of the society for any unlawful purpose or purpose which is in breach of paragraphs (a) to (c).
- (j) Not to do, or knowingly allow to be done, anything by which the society's assets may be damaged or lost otherwise than in the course of carrying out its business.

- (k) To cause to keep proper accounting records and make such records available for audit and inspection; and
- (l) To disclose any family link, he may have with any employee of the society or any party with whom the society may go into contract.

LIABILITY OF DIRECTOR AND OFFENCES

- 24.2 Every director shall be jointly and severally liable for any loss sustained by the society through failure to exercise prudence and diligence or through any act which is contrary to the Act or the rules of the society.
- 24.3 Where a director commits a breach of any duty under the Act, the director and every person who knowingly participated in the breach shall be liable to compensate the society for any loss it suffers as a result of the breach.
- 24.4 Any director being suspected of any offence under the Act, or this rule or failed to his duty of care, will be subject to criminal proceedings.

25 SUB COMMITTEES

- 25.1 The Board may appoint such sub-committees of its own Directors and delegate to the sub-committee any of its powers and functions.
- 25.2 Subject to Rule 25.1, the sub-committees may consist of Finance Committee, Human Resources Committee or any such subcommittee as the Board may decide.
- 25.3 The sub-committees shall be constituted of any of the directors, except the President of the Board.
- 25.4 No decision of a sub-committee shall be implemented unless such decision has been ratified by the Board.

PART G – ORGANS OF CONTROL

26. INTERNAL CONTROLLER

- 26.1 The society shall appoint at least one internal controller who shall not be a director of the society and as far as possible, be an independent person or body.
- 26.2 The internal controller shall be appointed by the society at a general meeting on such terms and conditions as the general meeting may determine and shall possess either academic or professional qualification, relating to accounting, finance or management.
- 26.3 The internal controller shall ensure that the affairs of the society are conducted in

accordance with this Act, other relevant enactments and the rules of the society and, in particular, shall–

- i. ensure that all the activities follow approved policies and established procedures;
- ii. ensure that all the books of the society are, at all times, up to date;
- iii. carry out inspections of the money, stocks, books and other assets of the society;
- iv. ascertain the authority and validity of all expenditure, including loans and advances;
- v. as soon as he becomes aware of a suspicious transaction make a report to the FIU of such transition not later than 5 working days after the suspicion arose. The burden of reporting a suspicious transaction to the FIU shall be on the internal controller.
- vi. examine the accounts of the society at regular intervals and ensure that all transactions of the society are properly recorded in the respective books, accounts and any other documents where required; and
- vii. not disclose to any unauthorized person any matter which comes to his knowledge in the course of his functions.

26.4 The internal controller shall, in the exercise of his functions, have access to all books, accounts and documents of the society and shall have the power to call upon any person to produce any such information or such books, accounts and documents as he may require.

26.5 The internal controller shall, within 15 days from the end of each quarter, make a report of his findings in two copies one to be forwarded to the Registrar and the other to the Board

26.6 Where the internal controller fails to submit his quarterly report within the delay specified in section (26.5), the Registrar may require that the report be submitted within such time as he may determine.

26.7 Where the internal controller fails to submit his report within the time fixed by the Registrar, the Registrar may appoint an inspector at the expense of the society to inquire into its affairs.

- 26.8 The inspector appointed under rule (26.7) shall submit his report within 30 days of his appointment or such time as the Registrar may determine.
- 26.9 The internal controller shall, at least 7 days before the next annual general meeting, make an annual report which shall be accessible at the seat of the society.
- 26.10 Where the Internal Controller has vacated or is removed from office prior to a general meeting, the Board may appoint an Internal Controller on such terms and conditions as it may determine and such decision shall be ratified at the next general meeting.
- 26.11 The internal Controller shall not use or disclose any matter which comes to his knowledge in the performance of his functions, except for the purposes of administering the Co-operatives. Act.
- 26.12 No person shall be appointed to act as internal controller for a continuous period of more than 3 years.

27. AUDIT OF SOCIETY

27.1 The society shall appoint the Principal Co-operative Auditor or an auditor, in compliance with the provisions of Section 73 of the Act, at its first General Meeting and at every subsequent Annual General Meeting to audit the financial statements of the society for the accounting period next after the meeting.

PART H – FUNCTIONING OF THE SOCIETY

28. INVESTMENT POLICY OF SOCIETY

- 28.1 The society may invest its funds in any approved and recognized financial institutions.
- 28.2 The Board is empowered to invest up to **one Million rupees (Rs 1, 000, 000/-)** and above which prior approval of the General Meeting has to be obtained.

29 CREDIT POLICY OF SOCIETY

29.1 The General Meeting shall approve a loan regulation, that will regulate the credit policy of the society.

29.2 The General meeting shall from time to time fix the **maximum liability**, which the Society may incur from any society, bank or public or private financial institutions.

29.3 All loans shall be made based on the provisions in the Loan Regulations, duly approved by the general assembly

29.4 No loan shall be made to any person other than a member.

29.5 No loan shall be made –

- i. For any purpose which the Board considers to be unnecessary or opposed to the best interests of the members,
- ii. To any member who is unknown to the board to have borrowed money for such purposes from any person other than the society.
- iii. To a member, which would bring his total indebtedness as the time of the loan in excess of the maximum credit limit as approved by the General Meeting.
- iv. To a member who is in arrears with any payment due to the society.
- v. To a member who is less than 18 years of age.
- vi. Unless the borrowing member shall have entered into contract for the management of his lands by the society.

29.6 Loans shall be made for productive and provident purposes and any other essential purposes as may be approved by the board.

29.7 The period for the repayment of a loan shall be specified in the loan agreement at the time of acceptance of the loan so as to secure repayment or instalments of repayment at the earliest date compatible with the resources of the borrower.

29.8 The acknowledgement of a loan by the borrower shall be in the form of a pro-note. The Board may require the members to furnish two guarantors or subscribe a fixed or floating charge for all loans.

29.9 No person other than members of the board and the secretary, and the registrar and his staff shall be present at any meeting of the Board when an application for a loan is under consideration. A member of the Board who applies for a loan shall withdraw while the relevant application is being considered, but the absence of a Board member who temporarily leaves the meeting for this reason shall not affect the quorum.

29.10 All loans shall be repaid with the interest punctually on or before the dates fixed

for repayment.

29.11 Extension of the period of repayment shall only be allowed by the Board as provided under these Rules. Such extension will not be held to place the amount in arrears.

29.12 No member shall be entitled to receive another loan from the society if;

- (a) he is in default in the payment of a loan or an instalment of a loan, and
- (b) he does not satisfy the Board that such default is due to a good cause.

29.13 Loans shall be given for a specific purpose and shall be applied solely to that purpose. If a loan is not so applied it shall be immediately recalled in its entirety by the board.

29.14 All loans shall be issued subject to the right of the society to call them in at least two months' notice or to call them in without notice when any loss is apprehended through a deterioration of the borrower's material position.

29.15 Default in payment of any installment of a loan shall render the whole balance due to the society and payable without notice.

29.16 The rate of interest on loan to members shall be fixed by the General Meeting.

29.17 The Board shall have the power to impose other conditions it may deem fit.

30.LOANS OR DEPOSITS FROM MEMBERS

30.1 The society may accept deposits and loans from members and non- members as may be decided by the Board subject to compliance with AML/CFT legislations with regards to the following:

- i. Application of Customer Due Diligence process
- ii. Details on sources of funds (where applicable)
- iii. Limitation of payment in cash within prescribed amount
- iv. Customer screening against the UN Sanctions List

30.2 The **general meeting** shall from time to time fix the maximum amount, which the society may receive in deposits and loans from members.

30.3 The **general meeting** shall fix the rates of interest on deposits and loans.

30.4 Each depositor shall be issued with a passbook or certificate by the society.

31.CONFIDENTIALITY

31.1 A Director of the board or any office bearer shall on no account disclose any information relating to the business of a member with the society except with the authorization of the court or where it is strictly necessary for the performance of his duties.

PART I – GENERAL MEETINGS

32.MATTERS THAT MAY BE RAISED AT AN ANNUAL GENERAL MEETING

32.1 The General Meeting shall be the supreme authority of the society.

32.2 The society shall hold its Annual General Meeting not later than the end of February following the close of its financial year.

32.3 The Annual General Meeting shall be convened by the Board.

32.4 A society shall, at its annual general meeting: -

- a. approve the minutes of the preceding annual general meeting;
- b. approve the programme of the activities of the society prepared by the Board for the coming year;
- c. approve the estimates of income and expenditure for the next financial year;
- d. elect the directors of the Board, other than in cases where a person has been appointed to manage the affairs of the society pursuant to section 47(10) of the Act.
- e. elect delegates of the society to societies to which it is affiliated;
- f. consider –
 - i. the annual report of the internal controller;
 - ii. the financial statement of the society for the preceding year, duly audited, together with the audit report;
 - iii. a report of the Board on the activities of the preceding year; and
 - iv. the manner of disposing of the surplus, if any;

- g. fix the maximum liability that the society may incur from any society, bank or public or private financial institution;
- h. fix the investment, deposit and placement ceiling;
- i. appoint the auditor and approve his remuneration where appropriate;
- j. appoint the internal controller and fix his remuneration where appropriate; and
- k. consider any other matter that may be raised under the rules.

32.5 SPECIAL GENERAL MEETING

- (1) (1) A special General Meeting may be convened by the Board:
 - (a) at any time
 - (b) at the request of one fifth of the total number of members or 2 members, whichever is the higher, such members holding at least:
 - (a) 20% of the ordinary shares of the society or
 - (b) 30% of the preference shares of the society, if any, within 21 days from the date of the request.
- (2) Where the Board fails to comply with a request under rule (1)(b), the Registrar may convene a special general meeting.
- (3) A special general meeting may conduct any business that may be conducted at an annual general meeting except the approval of the accounts.

NOTICE OF GENERAL MEETING

32.6 The notice of any General Meeting containing the time, date, place and agenda of the meeting shall be given by the Board: -

- i. at least 14 days before the holding of such a meeting to the Registrar who may attend and address the meeting in respect of any matter concerning the society; and
- ii. at least 8 days before the holding of such a meeting to the members.
- iii. for any amendment to the Rules, any such amendment shall have to be circulated to members and displayed at the registered office.

32.7 The Notice of any General Meeting shall be: -

- (a) conspicuously displayed at the registered office of the society;

- (b) Published in 1 daily newspaper for one (1) day or to be sent to the members by post or by electronic mail.

AGENDA OF THE GENERAL MEETING

- 32.8 The agenda of the General Meeting shall be determined by the Board or the Registrar **when** the meeting is convened by the latter.
- 32.9 Only matters on the agenda shall be considered at a General Meeting.
- 32.10 The General Meeting shall be chaired by the President of the society or, in his absence, by a member elected by the members present.
- 32.11 The President may, upon a decision of the General Meeting, adjourn the meeting and, on resumption, deliberations shall relate only to matters that were left unattended on the agenda.
- 32.12 Every member present at the General Meeting shall sign the attendance register which shall be countersigned by the person chairing the meeting.

MINUTES OF MEETINGS

- 32.13 The Secretary of the society shall keep the minutes of proceedings of the General Meeting and that of Board Meetings, in a Minutes book and minutes shall be signed by the Secretary and countersigned by the person, chairing the meeting.
- 32.14 The minutes of the General Meeting shall be read and approved by the members at the next General Meeting.
- 32.15 A true copy of the minutes of the General Meeting certified by the Secretary and the person chairing the meeting shall within 7 days of the meeting, be forwarded to the Registrar within seven (7) days of the meeting.
- 32.16 Where the Secretary fails to submit the minutes of proceedings to the Registrar, he shall commit an offence under the Act.

33. QUORUM AT GENERAL MEETINGS

- 33.1 (1) Where the number of members in a society –
 - (a) does not exceed 40, one half of the number of members or 5 members, whichever is the lesser;

- (b) exceeds 40 but is not more than 400, one quarter of the number of members or 40 members, whichever is the lesser;
- (c) exceeds 400 but is not more than 800, one quarter of the number of members or 80 members, whichever is the lesser;
- (d) exceeds 800 but is not more than 1,600, one quarter of the number of members or 160 members, whichever is the lesser; or
- (e) exceeds 1,600, one quarter of the number of members or 200 members, whichever is the lesser,

shall constitute the quorum for the purposes of the general meeting.

33.2 Notwithstanding rule **(33.1)**, where a general meeting is convened by the Registrar, the members present at the meeting shall constitute a quorum.

33.3 Where, within 30 minutes after the time fixed for a general meeting other than a general meeting convened by the Registrar, the number of members' present is not sufficient to constitute a quorum, the meeting shall –

- (a) where the meeting was convened at the request of the members, be considered as dissolved; or
- (b) in every other case, stand adjourned to the same day, 2 weeks following the adjourned meeting at the same time, place and with the same agenda or such other place and time as the Registrar may approve.

33.4 Where a meeting is adjourned under rule **33.3 (b)** the Secretary shall, not later than 48 hours after the meeting is adjourned, cause a notice to that effect to be posted at the registered office of the society.

ADJOURNED MEETINGS

33.5 Where, at a general meeting which is held following the adjourned meeting, a quorum is not present within 30 minutes from the time appointed for the meeting, not less than –

- (a) members shall constitute a quorum if the number of members of the society does not exceed 40;

- (b) members shall constitute a quorum where the number of members of the society exceeds 40 but is not more than 400;
- (c) members shall constitute a quorum where the number of members of the society exceeds 400 but is not more than 800;
- (d) members shall constitute a quorum where the number of members of the society exceeds 800 but is not more than 1,600; and
- (e) members shall constitute a quorum where the number of members of the society exceeds 1,600.

33.6 An adjourned meeting shall not have the power to take major decisions

33.7 For the purpose of this section –

“**Major decision**” means a decision to incur liability or a decision regarding

–

- (a) the sale, lease or disposal of the immovable property of the society;
- (b) an investment made by the society;
- (c) the amendment of the rules of the society;
- (d) a change of name of the society; or
- (e) any activity not specified in the rules of the society pursuant to section 10(a).

34. VOTING POWER OF MEMBERS

34.1 Every member of a primary society shall have one vote, which shall be exercised in person and not by proxy

34.2 A decision at a General Meeting shall be taken by a simple majority of votes cast.

34.3 The assistance of the Electoral Commissioner’s Officer may be sought for the conduct of an election at a General Meeting at the society’s expense.

PART J - SPECIAL DECISIONS

35 AMALGAMATION

35.1 The society may in compliance with the Act resolve at a Special General Meeting to amalgamate with one or more societies into one society.

36.MERGER

36.1 The society may, at a special General Meeting called for that purpose, resolve to merge with another society in compliance with the provisions of the Act.

37.CONVERSION

37.1 The Society may resolve to convert the society into another class of society at a Special General Meeting in compliance with the provisions of the Act.

37.2 JOINT VENTURE

- (1) The society may, at a Special General Meeting, resolve to enter into a joint venture with another business organisation registered in Mauritius or any other country.
- (2) Every society that enters into a joint venture shall specify, in the joint venture agreement, the sharing of the profit or loss, contribution of return on capital, delegation of authority and responsibility for operations and other decisions relating to the business.
- (3) Every society that enters into a joint venture shall, for the purposes of the joint venture agreement, maintain its separate entity.

PART K - AMENDMENT OF RULES

38.PROCEDURE FOR AMENDMENT

38.1 The rules of a society may be amended by a resolution passed by its members at a general meeting.

38.2 A society shall, **not later than one month before a general meeting, forward to the Registrar a copy of the proposed resolution.**

38.3 Any change of name of a society shall be published in the Gazette and 2 daily newspapers.

38.4 No amendment shall be effective unless the approval of the Registrar is obtained

PART L – DISPUTES

39.SETTLEMENT OF DISPUTE BY ARBITRATION

39.1 Any dispute arising out of these rules concerning the business of the society which cannot be settled by the Board or General Meeting shall be referred to the Registrar, as provided in the Act.

PART M – MISCELLANEOUS

BOOKS AND DOCUMENTS OF SOCIETY

- a. The following books and documents shall be kept by the society:
- i. Minutes Book;
 - ii. Application for membership;
 - iii. A register of Members and their Shares;
 - iv. A register showing any declaration of interest by any director;
 - v. A register of assets;
 - vi. A register of fixed and floating charges;
 - vii. Application for loan;
 - viii. Pronotes;
 - ix. Cash books;
 - x. Ledger/s and
 - xi. Such other electronic records as the registrar may from time-to- time prescribe.

40. FINANCIAL YEAR

40.1 The financial year of the society shall be the period starting on 1st July and ending on 30th June of the following year.

40.2 The first financial year of the society shall start from the date of its registration and end on 30th June, next following.

41. SEAL OF SOCIETY

41.1 The corporate seal of the society shall bear the name and the registered number of the society. It shall be kept by the secretary and shall be used only by the officers who have authority to sign documents.

42. AUTHORITY TO SIGN DOCUMENTS

42.1 The Secretary shall certify all statements of accounts of its members. Cheques, deeds and other documents legally binding the Society shall be signed jointly by the President and the Secretary.

43. RULES

43.1 These rules are supplementary to the provisions of the Co-operatives Act 2016 and the Regulations framed there under and the society shall be guided by the Act, Regulations and Rules read together. All matters not specially provided for in the Act, the regulations framed there under or the Rules shall be decided in such manner as the Registrar of Co-operative Societies may direct.

The foregoing rules were made in accordance with the provisions of the Co-operatives Act No. 22 of 2016 as adopted by the General Meeting of the Society held on**2024** and attended by members at

Name of members	SIGNATURE
President Mrs. Sheela Devi Hanoomanjee	
Secretary Mr. Parmanund Bhojoo
Treasurer Mr. Daramraj KONA YERUKUNONDU
Seal of Society

