



**CARE COOPERATIVE SAVINGS AND CREDIT  
SOCIETY LIMITED**

**BY LAWS**

**LUSAKA**



**MARCH 2023**



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## DEFINITIONS AND INTERPRETATIONS

In these By-Laws, unless the context otherwise requires:

**“A SHARE HOLDER”** is a shareholding member who holds shares in the Cooperative Society and has not less than the minimum savings allowed in accordance with these By-Laws.

**“ACT”** means the **Cooperative Societies Act No. 20 of 1998**, any amendments thereto, and any other superseding Act.

**“ANNUAL GENERAL MEETING”** is the yearly meeting of Care Cooperative Savings and Credit Society Limited as provided for in these By-Laws.

**“ASSOCIATE MEMBER ORGANISATION”** means an Organisation outside the NGO Sector operating in Zambia that has signed an MOU with Care Cooperative Savings and Credit Society Limited and has a minimum of five members.

**“BOARD OF DIRECTORS”** means the governing body of Care Cooperative Savings and Credit Society Limited to whom the supervision and direction of its affairs are entrusted by the members.

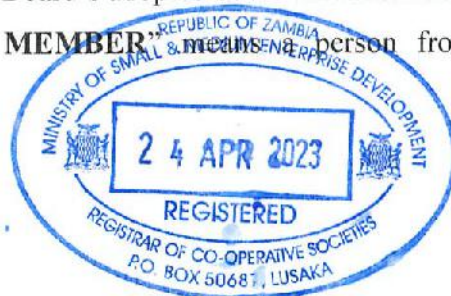
**“BY-LAWS”** means the By-Laws for Care Cooperative Savings and Credit Society Limited. **“CareCoop”** means Care Cooperative Savings and Credit Society Limited

**“ESTATE ADMINISTRATOR or EXECUTIONER”** means a person appointed under the Intestate Succession Act or by a member through a valid Will to receive or inherit member’s Shares, savings and interest if any after his/her death.

**“EXTRA-ORDINARY GENERAL MEETING”** is a general meeting, other than the Annual General Meeting, as provided for in these By-Laws.

**“FAIR VALUE”** is the value of a share in the month, based on the share price last calculated using the Board’s adopted share valuation method.

**“GUARANTEED MEMBER”** means a person from a Qualifying member





organisation whose application for membership with Care Cooperative Savings and Credit Society Limited was approved after meeting the requirements set and paying the necessary fees.

**“MEMBER ORGANISATION”** means an organisation (Qualifying or Associate Member organisation that has signed an MOU)

**“MEMBER”** means Guaranteed and Non- Guaranteed Members of CareCoop

**“MEMORANDUM OF UNDERSTANDING (MOU)”** is an agreement between Care Cooperative Savings and Credit Society Limited and a member organisation, (Qualifying Member Organisation or Associate member organisation), stipulating the responsibilities of either parties.

**“NOMINAL VALUE OF A SHARE”** means the original value of the first share issued by Care Cooperative Savings and Credit Society Limited.

**“NON-GOVERNMENTAL ORGANISATION (NGO)”** is a non-profit or a public benefit organisation registered as such under the NGO Act of 2009 or any other related Statutes and any successive legislation.

**“NON-GUARANTEED MEMBER”** means a member from an Organisation that has not signed the Memorandum of Understanding with the Society or a member from an Associate Member organisation or a members who was formerly employed by a member organisation, and has not terminated their membership with the Society.

**“NON-SHAREHOLDER”** is a member who has not bought shares in Care Cooperative Savings and Credit Society Limited despite qualifying to do so or is not allowed to buy shares in accordance with these By-Laws.

**“ORDINARY RESOLUTION”** means a decision passed by a simple majority (over 50%) of the members present at a meeting.

**“QUALIFYING MEMBER ORGANISATION”** means a Non-Governmental Organisation operating in Zambia subject to that Organisation signing an MOU with Care Cooperative Savings and Credit Society Limited, and has a minimum of five potential Members



**“REGISTRAR”** means the Registrar of Cooperative Societies as established by the Cooperatives Act 20 of 1998 or any Amendments thereof.

**“SOCIETY”** means the "Cooperative" in this respect the CARE COOPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED.

**“SPECIAL RESOLUTION”** means a decision passed by a majority of two-thirds (2/3) of the members present at a meeting

**“WILL”** is a legal document by which a member expresses their wishes as to how their shares, savings and other interests in Care Cooperative Savings and Credit Society Limited is to be distributed at death.

All other words or phrases shall be defined or interpreted in accordance with the Cooperative Societies Act No. 20 of 1998 or any other statutes replacing it.

Any questions concerning interpretation of these By-Laws or any other matters not provided for herein, errors and omissions shall be referred to the Registrar whose decision thereafter shall be final and conclusive.





## PREAMBLE

### Statement of The Cooperative Identity

#### Definition

A **Cooperative** is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise in which the members accept a fair share of risks and benefits.

#### Values

CareCoop values are based on self-help, self-responsibility, democracy, equity and solidarity. In the tradition of its founders, Cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

#### Principles

CareCoop principles are guidelines by which, we put our values into practice.

**1<sup>st</sup> Principle: Voluntary and open membership:** CareCoop is a voluntary organisation, open to all persons able to use its service, and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

**2<sup>nd</sup> Principle: Democratic member control:** CareCoop is a democratic organisation controlled by its members, who actively participate in setting the policies and making decisions. Men and women serving as elected representatives will be accountable to the members who have equal voting rights (one member, one vote) and shall be organised in a democratic manner.

**3<sup>rd</sup> Principle: Member economic participation:** CareCoop members contribute equally to, and democratically control, the capital of CareCoop. At least part of the Capital will be the common property of CareCoop. Members usually receive limited compensation, if any, on Capital subscribed as a condition of membership. Members will allocate surpluses for any of all the following purposes: developing CareCoop, possibly by setting up reserves, a part of which at least would be transactions with



the CareCoop and supporting other activities approved by membership.

**4<sup>th</sup> Principle: Autonomy and independence:** CareCoop shall be autonomous, self-help organisation controlled by their members. If they enter into agreements with other organisations, including Governments, or raise Capital from external sources, CareCoop shall do so on terms that ensure democratic control by the members and maintain its autonomy.

**5<sup>th</sup> Principle: Education, Training and Information:** CareCoop shall provide education and training to its members, elected representatives, managers and employees.

**6<sup>th</sup> Principle: Cooperation among co-operators:** CareCoop shall serve its members most effectively and strengthen itself by working together through the local, national, regional and international structures.

**7<sup>th</sup> Principle: Concern for the community:** CareCoop shall work for the sustainable development of its communities through policies approved by the members.





## THE BY-LAWS OF THE CARECOOP

### 1.0. Name and Address

- 1.1. This Society shall be called **Care Cooperative Savings and Credit Society Limited**, hereinafter referred to in these By-Laws as "CareCoop."
- 1.2. CareCoop was registered on 11th March 1996 by the Registrar of Societies and its Certificate of Registration is number 3626.
- 1.3. The Postal address for the Society shall be **P.O. Box 37948, Lusaka**.
- 1.4. The registered office of the Society shall be at Plot No.9696 Chudleigh, East Road, off Munali Road. Lusaka, Zambia.

### 2.0. Purpose/Objective

The objectives for which the Society is established are:

- 2.1. To promote thrift among its members by affording them an opportunity for accumulating their savings and to create a source of funds from which loans advances and withdrawals can be made to them at fair and reasonable rates of interest set by the Board of Directors.
- 2.2. To promote the culture of thrift among members by affording them an opportunity to invest in their own member-controlled institution in form of shares and savings.
- 2.3. To provide economic benefits to members in form of Loans, interest, dividends, and other financial products approved by members.
- 2.4. To provide economic benefits to shareholders in form of Dividends, and interest on their savings to members.
- 2.5. To provide social benefits to members through social gatherings, information exchange and other social amenities.

### 3.0. Membership

Membership shall consist of membership on register upon commencement of these By-Laws by registration with the Registrar of Cooperatives, and new members



subsequently admitted in accordance with these By-Laws.

### **3.1. Organisational Membership**

There shall be two types of organisational membership: Qualifying Member Organisation and Associate Member Organisation.

#### **3.1.1. Qualifications for Qualifying Organisation**

- 3.1.1.1.** A Non-Governmental Organisation operating in Zambia.
- 3.1.1.2.** Any other grant funded Organisation with common interest of Care Cooperative Savings and Credit Society Limited which has been approved by the Board.
- 3.1.1.3.** Willingness to sign an MOU with Care Cooperative Savings and Credit Society Limited.
- 3.1.1.4.** Having at least five (5) members willing to join upon the signing of an MOU.
- 3.1.1.5.** Willing to furnish Care Cooperative Savings and Credit Society Limited with information to help it in assessing the suitability for membership.

#### **3.1.2. Qualifications for Associate Member Organisation**

- 3.1.2.1.** Any other Organisation other than NGO's or grant funded organizations with common interest of Care Cooperative Savings and Credit Society Limited which has been approved by the Board.
- 3.1.2.2.** Willingness to sign an MOU with Care Cooperative Savings and Credit Society Limited.
- 3.1.2.3.** Having at least five (5) members willing to join upon the signing of an MOU.
- 3.1.2.4.** Willingness to furnish Care Cooperative Savings and Credit Society Limited with information to help it in assessing the suitability for membership

### **3.2. Individual Eligibility**

#### **3.2.1. Eligibility for Membership**





- 3.2.1.1 An employee of an organisation that has signed an MOU with Care Cooperative Savings and Credit Society Limited.
- 3.2.1.2 Above 18 years and holder of National Registration Card/Passport.
- 3.2.1.3 Willingness to adhere to the By-Laws of Care Cooperative Savings and Credit Society Limited and sign a compliance agreement with Care Cooperative Savings and Credit Society Limited.
- 3.2.1.4 Must be an employee of a member organisation on a permanent basis or on an employment contract of 6 months and above.
- 3.2.1.5 Payment of applicable Membership Fees at the time.
- 3.2.1.6 Good Character.
- 3.2.1.7 Must not be bankrupt.
- 3.2.1.8 Any other criteria that the Board may introduce as it deems fit.

### **3.3. Eligibility for Shareholder**

#### **3.3.1. Share Holding Member**

- 3.3.1.1 Be an employee of a Non-Governmental Organisation operating in Zambia subject to that organisation signing an MoU with the Society; with a minimum of Five (5) willing members.
- 3.3.1.2 A person formerly employed by a member Organisation and has not terminated their membership with the Society may continue as a shareholder and as a non- guaranteed member.
- 3.3.1.3 Is of good character.
- 3.3.1.4 Is willing to abide by the Cooperative Societies Act, Rules, these By-Laws and the resolutions passed at a duly convened meeting of the society.
- 3.3.1.5 A person formerly employed by a member organisation and has not terminated their membership with the society but did not previously acquire shares must be allowed to buy shares.



### **3.3.2. Non-Share Holding Member with Savings**

This is an employee of a corporation registered and operating in Zambia subject to that organisation signing a Memorandum of Understanding with the Society; with a minimum of five willing members, this being a non-shareholding member with savings. The following shall apply for membership in this category:

**3.3.2.1.**An applicant shall be admitted to membership on being accepted by the General Manager but shall not qualify for the rights and privileges of a Shareholder; being the right to vote at an AGM, the right to receive dividends, and the right to stand for office of a Board Director.

**3.3.2.2.**Members will be able to save and borrow with CareCoop at Terms and Conditions determined by the Board from time to time.

**3.3.2.3.**The member will be able to receive interest on savings but not dividends as they will not have shares.

**3.3.2.4.**Guaranteed members' loan repayment shall be through the payroll as agreed in the MOU with the organisation where the member works. For Non-Guaranteed members, loan repayments shall be through DDAC and other options authorised by CareCoop.

**3.3.2.5.**To be eligible for membership, one should be of good character.

**3.3.2.6.**Should be willing to abide by the Cooperative Societies Act, Rules, these By- Laws and the resolutions passed at a duly convened meeting of the Society.

### **3.4. Membership Recruitment Process**

#### **3.4.1. Organisational Membership**

**3.4.1.1.**Care Cooperative Savings and Credit Society Limited shall, through its marketing and promotion activities solicit Organisations to join. Interested Organisations shall also be at liberty to approach the Cooperative.





- 3.4.1.2.** Once an Organisation shows interest to join, a presentation regarding Care Cooperative Savings and Credit Society Limited and its services shall be made at the said Organisation's premises or any other suitable venue.
- 3.4.1.3.** Care Cooperative Savings and Credit Society Limited shall seek to be provided with relevant documents to enable it conduct a thorough due diligence exercise.
- 3.4.1.4.** After the presentation, the potential member Organisation(s) shall be given the draft MOU for consideration.
- 3.4.1.5.** Care Cooperative Savings and Credit Society Limited shall then sign an MOU with the said Organisation after agreeing the clauses in the MOU.
- 3.4.1.6.** The MOU shall be signed by the Board Secretary or their Designates.
- 3.4.1.7.** CareCoop through its Board of Directors reserves the right to reject an application to join Care Cooperative Savings and Credit Society Limited without giving reasons and in such cases the aggrieved party will have recourse to appeal to the Annual General Meeting. Any such appeal must be supported by at least two existing Member Organisations in good standing with the Cooperative.

#### **3.4.2. Individual Membership**

- 3.4.2.1.** Care Cooperative Savings and Credit Society Limited shall through its marketing and promotion activities solicit potential members to join from Member Organisations and interested potential members shall also be at liberty to approach the Cooperative.
- 3.4.2.2.** Potential members willing to join shall complete an application form and hand it over to Care Cooperative Savings and Credit Society Limited.
- 3.4.2.3.** Care Cooperative Savings and Credit Society Limited shall process



the application and if successful, the General Manager will approve the application and admit the applicant into the membership of the Cooperative.

3.4.2.4.If not, the applicant will be advised of the outcome of their unsuccessful application.

3.4.2.5.All successful applicants shall be required to contribute the set minimum savings.

3.4.2.6.CareCoop through the Board of Directors reserves the right to reject an application to join the Cooperative without giving reason and in such cases the aggrieved party will have recourse to appeal to the Annual General Meeting. Any such appeal must be supported by at least five Care Cooperative Savings and Credit Society Limited members in good standing with the Cooperative

### **3.5. Rights of Members**

- 3.5.1. A member is entitled to a statement periodically. The statement shall contain full details of savings or loan transactions with the society.
- 3.5.2. Access to Savings, Credit Facilities and other services offered by Care Cooperative Savings and Credit Society Limited.
- 3.5.3. Members shall attend all meetings called, however, only Shareholders shall have the right to vote and stand for elections Board and Supervisory positions.
- 3.5.4. Access to personal financial records held by Care Cooperative Savings and Credit Society Limited.
- 3.5.5. Right to buy shares, if eligible.
- 3.5.6. Right to interest on Savings when it is declared by the Cooperative.

### **3.6. Rights of Shareholders**



- 3.6.1. Right to dividends when they are declared by the Cooperative.
- 3.6.2. Right to stand for a position as Director at Board and Supervisory level. Only shareholders have this right, a member without shares and an associate member cannot stand for a position at Board level.
- 3.6.3. Right to attend the Annual General Meeting and other special general meetings.
- 3.6.4. Right to attend and vote at meetings called by the Cooperative.
- 3.6.5. Access to personal financial records held by Care Cooperative Savings and Credit Society Limited.
- 3.6.6. Right to buy shares when Care Cooperative Savings and Credit Society Limited Floats Shares for sale.
- 3.6.7. Right to interest on Savings when it is declared by the Cooperative.
- 3.6.8. Right to disposal of shares in accordance with the share disposal policy.
- 3.6.9. Right to transfer shares in accordance with the Share Disposal Policy

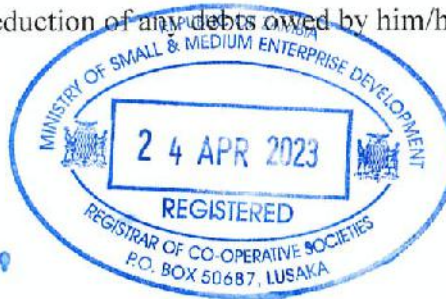
### **3.7. Cessation of Membership**

- 3.7.1. Every member may nominate in writing one person to whom upon the members' death, his/her shares or other interests shall be given. Appointment of a nominee by a member shall be in writing and signed by the member in the presence of two attesting witnesses. The name of the nominee shall be entered in the Register of members or recorded in a sealed envelope to be kept safely by the Cooperative. A member shall have the right to change his/her nominee, but any such change shall require the presence of two attesting witnesses.
- 3.7.2. The Society Cooperative shall pay the nominee the value of the deceased member's shares and savings less any sums due by the deceased to the Society, as soon as possible. The payment shall be as prescribed in Care Cooperative Savings and Credit Society Limited's Share Disposal Policy as amended from time to time.





- 3.7.3. Where the deceased member has left a Will, the Cooperative shall distribute a deceased member's Shares and Savings in accordance with the Will and the provisions of the Shares and Savings Policy.
- 3.7.4. Membership in the Society shall cease with effect from the date of a member:
- 3.7.4.1. Dying.
  - 3.7.4.2. Being expelled from membership.
  - 3.7.4.3. Withdrawing all his/her shareholdings and savings.
  - 3.7.4.4. Ceasing to meet the requirements stated in Section 3 of these By-Laws
  - 3.7.4.5. Being certified insane by a competent medical practitioner
- 3.7.5. A member may at any time withdraw from the Society. Disposal of their Shares shall be in accordance with the Shares and Savings Policy.
- 3.7.6. Board of Directors may suspend a member and recommend such a member for expulsion to the Annual General Meeting. A suspended member shall not have access to CareCoop services unless the suspension is lifted by the Board of Directors or the case determined by AGM.
- 3.7.7. The Annual General Meeting may expel a member who:
- 3.7.7.1. Is convicted in a court of criminal offence involving dishonesty or is imprisoned for more than three months or.
  - 3.7.7.2. Acts in any way contrary to the interests of the society.
- 3.7.8. A member so suspended shall have the right to appeal to the next Annual General Meeting convened in accordance with these By-Laws, which may reinstate him/her or confirm the expulsion.
- 3.7.9. A member who withdraws or is expelled shall be repaid the following amounts after deduction of any debts owed by him/her to



the Cooperative as borrower:

3.7.9.1. Any dividends or interest due to him/her, on the date membership ceased.

3.7.9.2. Any deposits or other sums held by CareCoop on his/her behalf.

3.7.9.3. The value of shares shall be dealt with as spelt out in the CareCoop Shares & Savings Policy as amended from time to time.

3.7.10. In the case where a member voluntarily withdraws from the Cooperative, he/she may only be readmitted as a member after a minimum period of twelve (12) months from the date of withdrawal.

#### **4.0. Funds of CareCoop**

4.1. The funds of the CareCoop shall consist of:

4.1.1. One off membership Fee as prescribed from time to time.

4.1.2. An unlimited number of shares to be valued at book value at the end of each financial year.

4.1.3. Savings from members.

4.1.4. A Capital Reserve Fund as required by law and such other reserves as may be established with the written approval of the Registrar.

4.1.5. A General Reserve fund.

4.1.6. Education Reserve fund.

4.1.7. Surplus resulting from operations of Care Coop.

4.1.8. Funds obtained from income generating activities

4.2. The funds of the Cooperative shall be applied to the promotion of the stated objectives and purposes of the Cooperative as set forth in these By-Laws.

#### **5.0. Shares and Savings**

##### **5.1. Shares**



**5.1.1.** The nominal value of each share shall be K50 and a shareholder shall hold at least one (1) share in the Cooperative, but no shareholder shall hold more than one fifth of the total shares.

**5.1.2.** CareCoop shares, once floated to eligible members, shall be paid for in accordance with CareCoop Share Float Prospectus terms and conditions.

**5.1.3.** Shares shall be disposed of in accordance with CareCoop Shares & Savings Policy as amended from time to time.

**5.1.4. Records of Shareholders**

CareCoop shall keep a Register of its shareholders and of the shares held by each member and the register shall be prima facie evidence of:

**5.1.4.1.** The names, addresses and occupations of the members.

**5.1.4.2.** The number of, and amounts paid for any shares held by such shareholders.

**5.1.4.3.** The date on which a member was registered as a shareholder; and

**5.1.4.4.** The date on which a member ceased to be a shareholder.

**5.1.5. Lien on Members' Shares, Savings and Other Interest**

CareCoop shall have a lien over the shares, savings or other interest of its members for debts due from them to CareCoop; and such shares, savings or interest shall be subject to a set-off for any indebtedness by that member to the Cooperative.

**5.1.6. Shares or Interest Not Attachable**

**5.1.6.1.** The shares, savings or other interests of a member in the capital of CareCoop shall not be liable to attachment or sale, under decree or order of any court, in respect of any debt or liability incurred by a member.

**5.1.6.2.** Subject to any condition that may be imposed in the By-





Laws, nothing contained in subsection (1) shall prohibit the transfer, assignment or sale of shares or other interests of a member to CareCoop or any member of CareCoop.

## **5.2. Members' Savings**

**5.2.1.** Members' savings shall consist of monies paid to the Cooperative in respect of which an equal amount or any part thereof is conditionally repayable upon a member giving notice of withdrawing a part or all of his savings in accordance with the rules and procedures of withdraw of member's savings approved by the Board.

**5.2.2.** Members shall be encouraged to make monthly savings contributions at a rate a member can afford, subject to a minimum amount set by the Board at any given point in time. Such savings contributions may be made by means of deductions from source at the written request of each member to the employer or using other CareCoop approved payment methods.

**5.2.3.** The Cooperative shall pay interest on member's savings at a rate as set by the Board.

## **6.0. Reserve Funds**

**6.1.** CareCoop shall maintain a Reserve Fund as required by the Act. Unless otherwise resolved by the Annual General Meeting, the Reserve Fund shall be credited with up to 25% of the net surplus of each financial year. The Reserve Fund can only be credited from the Net Surplus.



## **6.2. Capital Reserve Fund**

**621.** The Capital Reserve shall consist of the accumulation of distributable profits or surplus appropriated to this account each year and any other receipts of Capital nature. This reserve will not be available for distribution in terms of dividends. Its use will be restricted to capital related applications.

## **6.3. General Reserve Fund**

**631.** The General Reserve shall consist of the accumulation of distributable profits or surplus appropriated to this account each year to strengthen the growth of the Cooperative.

## **6.4. Education Reserve Fund**

**641.** The Educational Reserve Fund shall consist of the accumulation of distributable profits or surplus appropriated to this account each year for the purpose of financing CareCoop education, training and information for members and prospective members.

## **6.5. Appropriation of Annual Net Surplus**

**651.** Out of Annual Surplus of the Cooperative, there shall be set aside up to twenty percent (20%) to the General Reserve Fund and may set aside an amount not exceeding five percent (5%) of the net surplus to the Education Reserve Fund, and not more than 10% to the Capital Reserve. Out of the remainder, the Board of Directors may recommend to the Annual General Meeting to pay dividends to members on their Share Capital.

## **7.0. Supreme Authority of the Cooperative**

### **7.1. Annual General Meeting**

**7.1.1** The supreme authority of the Cooperative is vested in an Annual General Meeting which shall be held soon after the end of the financial year, but not more than 3 months after the end of the financial year.

**7.1.2** An AGM shall be held both at a physical location and



electronically, providing members and shareholders with the option to attend the meeting either in person or virtually. All members and shareholders attending the meeting either in person or virtually will be able to participate in all the proceedings of the meeting and vote where required.

- 7.13** The general Meeting shall elect the Board of Directors and two (2) Audit and Risk Committee, with the third member being nominated by the Board. Once nominated as a member of the Risk and Audit Committee, the Board of Directors shall have no powers to revoke such an appointment, unless the nominee has violated the By-Laws, and disciplinary procedures are followed as stipulated in these By-Laws.
- 7.14** The Annual General Meeting shall be held at other times when summoned by the Registrar of Cooperative Societies, the Chairperson of the CareCoop, the Board of Directors on its own motion or at a written request of not less than ten percent (10%) of Shareholding members of CareCoop.
- 7.15** At least 21 days' notice shall be given to all members of the intention to hold an Annual General Meeting, the date, the time and place; and the business to be transacted.
- 7.16** The presence of at least 10 percent (10%) of the total number of shareholders at the end of the preceding financial year shall constitute a quorum.
- 7.17** Except for amendments to these By-Laws and expulsion of the member, all matters before an Annual General Meeting shall be decided by a simple majority of members voting.
- 7.18** To make amendments to these By-Laws two-thirds of the membership present at the Annual General Meeting must vote in favour of the amendment.
- 7.19** The Chairperson of the Cooperative shall preside over the Annual General Meeting.





- 7.1.10** Notwithstanding anything to the contrary contained herein, the Board shall not be liable for any delays or failures in holding the Annual General Meeting, within the stipulated period, if such failure or delay is caused by or results from causes beyond the reasonable control of CareCoop including but not limited to fire, floods, embargoes, war, acts of war (whether war be declared or not), acts of terrorism, insurrections, riots, civil commotions, strikes, lockouts or other labour disturbances, acts of God or acts, omissions or delays in acting by any governmental authority or any other stakeholders.
- 7.1.11** Subject to Clause 7.1.9, the Board of Directors shall continue performing their duties, and the positions that should have expired at the time of holding the AGM shall be deemed not to have expired and shall only do so when an elective AGM is held to replace such positions.

## **7.2. Business to be Discussed at Annual General Meetings**

- 7.2.1.** Among other items the following shall be included:
- (a) The consideration of the Audited Financial Statements.
  - (b) The disposal of any surpluses of the Cooperative in accordance with the Act, the Notified Rules and these By-Laws.
  - (c) Amendments to these By-Laws.
  - (d) Expulsion of members.
  - (e) The election of members of the Board of Directors.
  - (f) The election of the Board Chairperson and Vice Chairperson.
  - (g) Disclosure and Consideration of the Supervisory Committee and Board of Directors' remuneration.
  - (h) Appointment of Auditors.
  - (i) Any Other Business referred to a General Meeting by the Board of Directors.
- 7.2.2.** Each member of the Cooperative shall have one vote only, except



that in the case of equal voting, the Chairperson of the CareCoop shall have a second or casting vote.

- 7.2.3. All business discussed and decided at the Annual General Meeting shall be recorded in a minute book or file(s) and the record shall be signed by the Secretary and the Chairperson of the General Meeting to confirm the record and kept in the order of the dates.

## **8.0. Administration of the Society**

### **8.1. The Board of Directors**

- 8.1.1. The oversight of the administration of the Society shall be entrusted to the Board of Directors of ten (10) members and one ex-official (General Manager).
- 8.1.2. The following shall be the general qualifications for Board Members:
- 8.1.2.1. Must have at least five (5) years working experience in an organisation or company registered in Zambia.
- 8.1.2.2. Must be a shareholder.
- 8.1.2.3. Must have a Good Credit history (Should not be in arrears with CareCoop in loan repayments or monthly savings contributions).
- 8.1.2.4. Must be above 25 years of age.
- 8.1.2.5. Must have been a member of the Society for at least one (1) year
- 8.1.2.6. Must be of good character
- 8.1.3. The Board shall have the following sub-committees
- 8.1.3.1. Finance and Operations Committee
- 8.1.3.2. Education and Shares Committee
- 8.1.3.3. Loans and Savings Committee
- 8.1.4. The main Board shall appoint members of a particular committee who will elect one of their members to be the Chairperson.
- 8.1.5. The General Manager shall be an ex-official in all Board Sub-Committees and the Board.



- 8.1.6.** The Board shall have the right to appoint an expert(s) or a person(s) with appropriate skills to serve as a Committee member on an ad hoc basis.
- 8.1.7.** The Board Chairperson shall not be a member of any of the Sub Committees.
- 8.1.8.** The Board sub committees shall meet quarterly. The sub-committee Chairpersons shall seek permission from the Board Chairperson to hold any extra-ordinary sub- committee meetings, other than the ones allowed by the Board.

## **8.2. The Election of the Board of Directors**

- 8.2.1.** The Risk and Audit Committee shall lead the process of electing Board of Directors, with support from the Registrar of Cooperatives.
- 8.2.2.** The Risk and Audit Committee shall develop and disseminate Standard Operating Procedures for conducting elections annually.
- 8.2.3.** The election process of the Board of Directors will follow the procedure below:
- 8.2.4.** A notice of the vacancies on the Board will be sent to all members at least one (1) month before the Annual General Meeting date. The notice will clearly indicate:
- The vacant positions.
  - Manner of lodging the applications to stand for the vacant positions.
  - Deadline of submitting applications to stand.
- 8.2.5.** Members willing to stand for any position will then lodge their applications in the prescribed manner.
- 8.2.6.** The deadline for lodging applications to stand for positions on the Board and the Risk and Audit Committee shall be at least a week before the elections.
- 8.2.7.** All applicants shall be notified of the status of their application





(whether successful or not) within five (5) **working** days, after their applications have been received by the General Manager.

**8.2.7.1.** Unsuccessful candidates may appeal in writing to the Board through the Board Chairperson if not satisfied within two (2) **working** days of being notified by the General Manager.

**8.2.7.2.** The Board shall hear the appeal and make a decision within five (5) working days of receiving the appeal.

**8.2.7.3.** If the candidate is still unsatisfied with the Board decision, she/he will appeal to the Annual General Meeting in writing through the Board Chairperson within five (5) working days of receiving the feedback on verdict of appeal and the appeal verdict shall then be decided by the Annual General Meeting.

**8.2.7.4.** Failure by the Chairperson to table the appeal before the Annual General Meeting shall render the elections null and void. After election is nullified, the previous Board shall continue for a period not exceeding 90 days before an Extra-Ordinary General Meeting is called.

**8.2.7.5.** The election for the Chairperson and Vice Chairperson shall be on the “first past the post” basis. This means that the one with the most votes, from the total votes cast at an election, gets the seat.

**8.2.7.6.** The Chairperson of the Electoral body/Designate shall announce the results with the candidates with the highest votes scooping the position.

**8.2.7.7.** The elected Board of Directors shall then assume office immediately after elections and shall be required to sign Board Mandate forms at their first Board Meeting.

**8.2.7.8.** The tenure of office for each Director shall be for a term of three (3) years renewable once for another term of



three (3) years. No Director shall serve more than two consecutive terms.

**8.2.7.9.** The election for the Board Chairperson and Vice Chairperson shall be as follows:

- i. Following the election of Board of Directors at the Annual General Meeting, elections for the positions of Board Chairperson and Vice Chairpersons shall be conducted separately.
- ii. There shall be an unlimited number of nominations for positions from the Board, for the position of Vice Chairperson and Chairperson

**8.2.7.10.** The tenure of office for the positions of Board Chairperson and Vice Chairperson shall be for a term of one (1) year renewable twice. No Office bearer of these positions shall hold office for more than three consecutive years.

**8.2.7.11.** Following the expiry of the two consecutive tenures of office for each Director (as prescribed in **Clause 8.1.7.15**), the Director shall have a break of not less than one financial year before they can serve on the Board and/or Risk and Audit Committee.

**8.2.8.** Qualifying members from one member organisation or from the General Members shall hold a maximum of 20% or three (3) seats on the Board. This entails that, employees from one-member organisation or the general membership shall not occupy more than 20% or three (3) seats on the Board of Directors including Audit and Risk Committee.

**8.2.9. Vacancy in the Board**

**8.2.9.1.** Where a vacancy on the Board occurs, otherwise than the expiration of the term of office, the remaining Directors of the Board may fill the vacancy until the next General Meeting. Where by reason of any vacancy on the Board, the number of the Directors is reduced to less than the





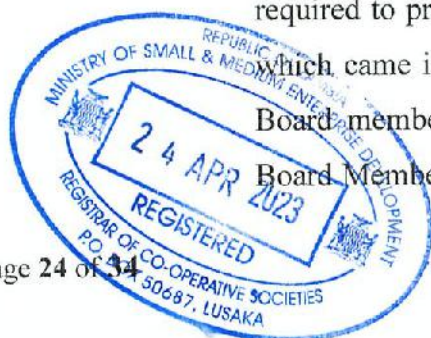
number required by the By-Laws to constitute a quorum for meeting of the Board, the remaining Directors, shall, forthwith, call for an Extra-Ordinary General Meeting of the Cooperative in order to fill the vacancy. Where the vacancy arises as a result of both the Chairperson and the Vice Chairperson leaving the Board at the same time, the remaining Directors shall, forthwith, call an Extra-Ordinary General Meeting of the Cooperative in order to fill the vacancies.

**8.2.10. A Member of the Board, and Risk and Audit Committee Shall Cease to Hold Office If s/he:**

- (a) Ceases to be a member of the Cooperative.
- (b) Is convicted in a court of law of any Criminal offence.
- (c) Becomes an employee of the Cooperative.
- (d) Is contractually engaged by the Cooperative for profit.
- (e) Is absent for three consecutive meetings of the Board/ Risk and Audit Committee.
- (f) Resigns from the Board/ Risk and Audit Committee in writing.
- (g) Has served on the Board and/or Risk and Audit Committee continuously for a period not exceeding six years. The break shall not be less than one Financial Year.
- (h) Has failed to act with integrity, and in an ethical and professional manner in the exercise of their duties as Board Members/ Risk and Audit Committee.
- (i) Is delinquent in his /her loan repayments.

**8.2.11. Handing Over**

**8.2.11.1.** Upon ceasing to be a member of the Board, a person shall be required to provide written hand-over notes and other items which came into his or her possession by virtue of being a Board member within thirty (30) days of ceasing to be a Board Member. Failure to hand over shall invite a penalty at





the discretion of the Board.

#### **8.2.12. Board Meetings**

**8.2.12.1.** Meetings of the Board of Directors shall be held once every quarter.

**8.2.12.2.** Extra-Ordinary Board meetings shall be called in exceptional circumstances where pertinent issues need to be discussed which may not be easily resolved by circulation and cannot wait for the next scheduled Board Meeting.

**8.2.12.3.** The quorum of the Board shall be six (6) voting Board Members before any business can be transacted. Decisions shall be made by a clear majority of those present and voting.

**8.2.12.4.** The Board of Directors shall conduct the ordinary business of the Cooperative and shall exercise the ordinary powers of the Cooperative, except those reserved for General Meeting.

**8.2.12.5.** The General Manager shall attend Board Meetings and speak on issues related to the Administration of the Cooperative but shall not have voting rights.

#### **8.2.13. Duties of the Board of Directors**

- (a) Approves operating and lending policies.
- (b) Approves interest rates policies proposed by Management.
- (c) Approves business plan, annual plans, and budgets proposed by Management.
- (d) Promotes good corporate governance in CareCoop.
- (e) Approves overall business strategies, significant policies and the structure of CareCoop.
- (f) Takes full responsibility for the performance of CareCoop.
- (g) Provides effective accountability to the regulatory authorities for management of CareCoop.
- (h) Ensures that new Directors go through a well-designed induction process.



- (i) Assesses managerial performance by determining and evaluating the key performance indicators.
- (j) Manages the effectiveness of the internal control and risk management systems.
- (k) Complies with all statutory and legal requirements, including codes of ethics for the directors.
- (l) Declares annual dividends and proposed appropriation for Reserves for the year for approval at AGM.
- (m) Propose new capital investments opportunities for the Care Coop for approval.
- (n) Presents annual operating plans, organizational structure and budgets at AGM for approval.
- (o) Presents requests for capital project investments for the Care Coop for AGM Approval.
- (p) Presents shortlisted Auditors for appointment at AGM

#### **8.2.14. Education, Governance and Shares Committee**

- (a) Identifies and determines the education needs of members and stakeholders.
- (b) Creates good relations for all Care Coop stakeholders for increased productivity of Care Coop.
- (c) Ensures that adequate funds have been allocated for education purposes and utilized properly.
- (d) Reviews Care Coop customer care and service delivery standards.
- (e) Spearheads the uptake of shares by members to raise capital for Care Coop.
- (f) Ensures the Board is regularly informed about Care Coop's strategic plans.
- (g) Investigates members' complaints.
- (h) Oversees annual strategic review planning processes.
- (i) Oversee wellness and recreation activities for members
- (j) Present annual member satisfaction surveys results to the Board
- (k) Review member outreach Programmes and innovations for Board Presentation
- (l) Review reports on share internal trading periodically (monthly or quarterly) for presentation to the Board

#### **8.2.15. Loans Committee**





- (a) Reviews and oversees the overall lending procedures of Care Coop.
- (b) Ensures procedures to identify/manage irregular credits, minimize credit loss and maximize recoveries.
- (c) Monitors and reviews issues that may materially impact on the quality of the institution's credit risk for presentation to the Board.
- (d) Reviews lending limits for presentation to the Board for approval.
- (e) Assists the board with discharging its responsibility to review the quality of Care Coop's loan portfolio.
- (f) Reviews levels of debt delinquencies to ensure adequate provisions for bad and doubtful debts in compliance with Care Coop's Credit and other policies.
- (g) Ensures that the credit policy and risk lending limits are reviewed at least on an annual basis.
- (h) Approves loans as per thresholds set by the Board from time to time.
- (i) Makes sure that all loans paid are secure and repayable.
- (j) Oversee and review new loan products and market scanning strategies for Board sharing and approvals.
- (k) Receive and review capital investments in loan products for Board sharing and approvals.
- (l) Oversee and review delivery of capital investment contracts and projects for loan product items for Board sharing and approvals.

#### **8.2.16. Savings, Finance and Operations Committee**

- (a) Reviews Care Coop's annual budget prior to its submission to the Board for approval.
- (b) Reviews the financial analysis of all proposed major capital developments.
- (c) Reviews proposed amendments Care Coop's procurement policies and procedures.
- (d) Ascertains that all tender awards made by management have complied with policy.
- (e) Reviews financial implications of any write-off of revenue/assets



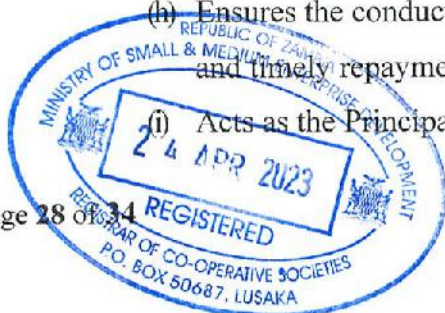


to the value of K25,000 or more.

- (f) Reviews and recommends all measures considered necessary to reduce Care Coop's expenditure.
- (g) Reviews options for raising capital.
- (h) Reviews investment of Care Coop funds and ensures adherence to its Investment Policy.
- (i) Reviews and makes recommendations to the Board regarding Care Coop's dividend policy.
- (j) Reviews the placing of Care Coop's insurance portfolio and options for covering all insurable risks.
- (k) Reviews human resources development, organizational structure, and compensation.
- (l) Reviews salary structures, benefits and other remuneration of management and staff.
- (m) Oversee Office accommodation, sufficiency, maintenance, staff wellness/sport and recreation activities.

#### **8.2.17. Duties of the Board Chairperson**

- (a) Provides overall leadership to the Board.
- (b) Participates in defining the skills and competencies required of Directors,
- (c) Ensures that there is a formal succession plan for the Board and Management.
- (d) Plays a key role in the setting of agenda for the Board meetings.
- (e) Ensures efficient and expeditious conduct of business at meetings of the Board.
- (f) Ensures new directors are properly inducted and abreast of trends in corporate governance.
- (g) Ensures that there are strategies for monitoring and evaluating the effectiveness of the Board.
- (h) Ensures the conduct of all Directors is above board in borrowing and timely repayment of loans.
- (i) Acts as the Principal Spokesperson of CareCoop on policy matters.



#### **8.2.18. Duties of the Board Secretary**

- (a) To maintain correctly and update the prescribed papers and prepare all documents by the By-Laws and the Board of Directors.
- (b) To sign on behalf of CareCoop and conduct its correspondence.
- (c) To summon and attend meetings of the Board.
- (d) To summon the proceedings of all previous Co-operative Society meetings and have them duly confirmed by the next meeting.
- (e) Any other duties as assigned by the Board.
- (f) The Vice Secretary shall perform the duties of the Secretary during his/her absence.

#### **8.2.19. Duties of the Board Treasurer**

- (a) Present CareCoop's Financial Reports to the Board and the Annual General Meeting.
- (b) Review the Books of accounts for the Cooperative on behalf of the Board.
- (c) Overall supervision of the Secretariat.
- (d) Any other duties as assigned by the Board.
- (e) The Vice Treasurer shall perform the duties of the Treasurer during his/her absence and shall perform such other duties.

### **8.3. Risk and Audit Committee**

**8.3.1.** The tenure of office for each member of the Risk and Audit Committee shall be for a term of three (3) years renewable once for another term of three (3) years. No member shall serve more than two consecutive terms.

**8.3.2.** The election of the members of the Audit and Risk Committee shall be conducted by the Registrar of Societies, but will follow the guidelines as outline in Clause 8.1.7 and 8.1.10 above.

**8.3.3.** The following shall be the general qualifications for the Risk and



**Audit Committee Members:**

- (a) Must have at least five (5) years working experience in an organisation or company registered in Zambia.
- (b) Must be a shareholder.
- (c) Must have a Good Credit history (Should not be in arrears with the Society in loan repayments or monthly savings contributions).
- (d) Must be above 25 years of age.
- (e) Must have been a member of CareCoop for at least one (1) year.
- (f) Must be of a good character.

**8.3.4. Duties of the Risk and Audit Committee**

- (a) Checks for consistencies in CareCoop's financial and operating records.
- (b) Authenticates CareCoop's financial reports.
- (c) Ensures prudent Asset and Liquidity controls.
- (d) Regularly inspects books, records and transaction documents of CareCoop.
- (e) Monitors operations, especially the related financial documents and records.
- (f) Checks operations of CareCoop for compliance with the set policies, rules and standards.
- (g) Identifies key risks and assesses these risks and measuring exposure to them.
- (h) Monitors decisions to ensure they are in line with the board-approved risk tolerance.
- (i) Receives Management annual risk assessment report
- (j) Ensures all significant risks are minimized.
- (k) Engages in regular board discussions of key risks and monitors resolution of deficiencies.
- (l) Reviews internal controls including internal audit programs, findings, and recommend actions.
- (m) Ensures that policies are sufficient to safeguard against error, carelessness, and fraud.
- (n) Considers any matter of significance raised at the Annual General meeting.





- (o) Reviews and assesses the integrity of the risk control systems.
- (p) Ensure that the risk policies and strategies are effectively managed.
- (q) Monitors external developments connected to accountability.
- (r) Present a report of its proceedings during the year to the AGM

#### **8.4. Management Team**

##### **8.4.1. Duties of Management**

- (a) Translates the mission and objectives into actions.
- (b) Prepares Business plans, annual plans and budgets.
- (c) Maintains books, records and accurate accounts.
- (d) Makes periodic financial and operating reports.
- (e) Implements policies and operating Programmes of CareCoop.

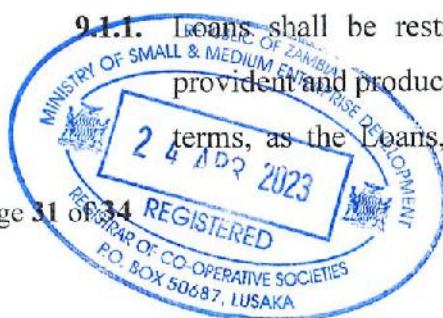
##### **8.4.2. Duties of the General Manager**

- (a) Provides leadership to the employees.
- (b) Interprets and implements the decisions of the Board.
- (c) Ensures effective management of Care Coop in the best interest of the members.
- (d) Ensures the development and implementation of business plans.
- (e) Develops operational plans and budgets for approval by the Board.
- (f) Ensures compliance with the laws of the country.
- (g) Develops human resource policies and plans for the Board's approval.
- (h) Develops management succession plans for the Board's approval.
- (i) Ensures that there is effective communication between the Management and the Board.
- (j) Submits monthly reports to the Board in the form of board papers.
- (k) Acts as the Spokesperson of Care Coop on operational matters.
- (l) Drafts all policies for the committees for their reviews and presentation to the Board

#### **9.0. Loans to Members**

##### **9.1. Conditions for Loans**

- 9.1.1.** Loans shall be restricted to members and shall be made for provident and productive purposes only and upon such security and terms, as the Loans, Savings and Shares Committee shall have



approved.

9.1.2. Loans to members shall be at the discretion of the Board of Directors.

9.1.3. Loans shall be appraised, approved and disbursed in line with the Loans and Credit Policy Manual.

9.1.4. Applications for loans shall be on forms approved by the Board of Directors and shall in each case show the purpose for which the loan is desired, the security and other debts as may be required. These shall only be valid when signed by the applicant.

9.1.5. All loans, notwithstanding the above, shall conform to the Loans Policy which shall be revised periodically and approved by the Board of Directors.

## 9.2. Security for Loans

9.2.1. The Loan approvers shall inquire carefully into the character and financial conditions of each applicant, his/her ability to repay fully and promptly, his/her obligations and to determine if the loan is for provident and/or productive purpose.

9.2.2. Loans shall be secured by terms and conditions as provided for in the loan product policy. Loans to non-guaranteed members shall be restricted to the value of their shares and savings.

9.2.3. No member shall be awarded a loan when he/she or the member organisation that they belong to, is in arrears. Such a member will only be considered for a loan when they, or the member organisation that they belong to has cured the deficit and has been consistent in their remittances for a minimum of three months.

## 9.3. Maximum Loans to Borrowers

9.3.1. No loan shall be made to any individual member in excess of 8% of CareCoop's total Share Capital, deposits and surplus at any time.

9.3.2. Notwithstanding Article 72 of the Cooperatives Society Act of 1998, CareCoop's Board may authorise the lending of money, for amounts in excess of 8% of its paid up Capital, Surplus and Deposits to a member specified under 3.00, purely on commercial





terms and provided that the Cooperative may require 100% security by assignment of shares and/ or movable or immovable property, and also provided that the majority of the Board of Directors approve the loan; except that the total of all moneys lent to all the members under this section shall not at any time exceed an amount equivalent to one quarter (25%) of the paid-up capital and deposits.

**9.3.3.** Shall be as prescribed in the Loans Policy.

**9.3.4. No Further Loans if Reserve Is Below Minimum**

**9.3.4.1.** The Cooperative shall not make any further loans if its Reserves consisting of cash in, and deposits with Commercial banks or other organisations authorised by law to accept money on deposit, is less than 20% of its Share Capital.

**9.3.5. The Interest Rate on Loans**

**9.3.5.1.** The rate of interest shall be fixed from time to time by the Board of Directors and shall not be less than one per cent (1%) per month on the principal amount of the loan obtained.

**9.3.6. Repayment of Loans**

- (a) A borrower may repay his loan prior to maturity in whole or in part.
- (b) In case of hardship the loans committee may grant an extension of time or agree to smaller repayments, provided other provisions of the original promissory notes are kept. Such adjustments shall attract a fine of one percent (1%) of the outstanding loan for each month that the repayment is not made as per agreement.
- (c) Repayments by payroll deduction by all members or may also be from other sources other than from payroll deduction.

**9.3.7. Loans Register**

All applications for loans and the reports of the Loans, Savings and Shares Committee shall be filed as permanent records of CareCoop.



## 10.0. Dispute Resolution

Any dispute arising from these By-Laws or the business of the Cooperative, between members or past members of the Cooperative or persons claiming through them or between such persons and the Board, or any officer of the Cooperative shall be referred for mediation, arbitration and the court as the last resort.

## 11.0. Financial Year

The financial year of the Cooperative shall run from 1st January to 31st December each year.

## 12.0. Amendment of the By-Laws

These By-Laws may be amended in accordance with the Cooperative Act or any succeeding Act but shall come in effect upon being approved by the AGM and being registered by the Registrar.

## 13.0. Acceptance

13.1. Every member of the Cooperative shall accept and faithfully comply with these By-Laws, the Government legislation on Cooperatives and to all amendments to these By-Laws and resolutions passed by the General Meeting.

13.2. These By-Laws were adopted after amendment at the Annual General Meeting of the Members held on 25<sup>th</sup> March 2023 to repeal the By-Laws registered on 12<sup>th</sup> July 2022 and us, the Board of Directors do hereby sign on behalf of CareCoop to confirm the adoption.

### Chairperson

Name: Mr. John Sinyangwe Date: 19-07-2023 Signature: 

### Secretary

Name: Mrs. Helen K. Chirwa Date: 19-07-2023 Signature: 

