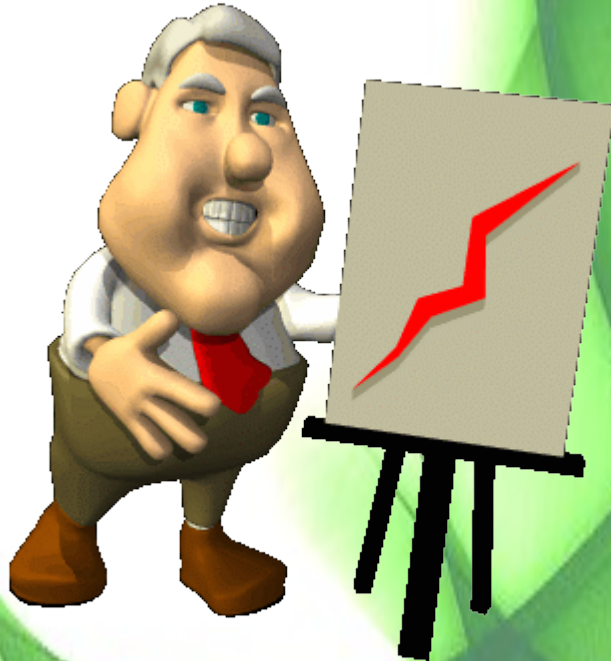




UPLB CREDIT AND DEVELOPMENT COOPERATIVE
Kanluran Road, Sacay Grand Villas, College Laguna



PRE-MEMBERSHIP EDUCATION SEMINAR

Handout

**Module 1: COOPERATIVE:
Nature and Governance**

Module 1: COOPERATIVE: Nature and Governance

RIGHTS of a MEMBER Entitled to Vote

A member entitled to vote shall have the following rights:

- Participate and vote on all matters deliberated upon during general assembly meetings;
- Seek any elective or appointive position, subject to the provisions of this by-laws and the Philippine Cooperative Code;
- Avail himself of the services of the cooperative, subject to certain conditions as may be prescribed by the Board of Directors;
- Inspect and examine the books of accounts, the minutes of books, the share register, and other records of the cooperative during office hours; and
- Such other rights and privileges as may be provided by the General Assembly.

Duties and Responsibilities of a Member

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

Termination of Membership

Voluntary

A member of the Cooperative may, for any reason, withdraw his membership from the Cooperative by giving a sixty (60) day notice to the Board of Directors.

Involuntary

Termination of membership is not dependent upon the decision of the member.

1. Automatic

The death, insanity or insolvency of a member shall be considered an automatic termination of membership.

2. Non-automatic or Expulsion

A member may be terminated by a vote of the majority of all the members of the Board of Directors for any of the following causes:

1. When a member has not patronized the services of the Cooperative for an unreasonable period of time as may be fixed by the Board of Directors;
2. When a member has continuously failed to comply with his obligations, duties and responsibilities;
3. When a member has acted in violation of the by-laws and the rules of the Cooperative; and
4. For any act of omission injurious or prejudicial to the interest or the welfare of the Cooperative.

Composition of the General Assembly

General Assembly shall mean the full-membership of the cooperative duly assembled for the purpose of exercising all the rights and performing all the obligations pertaining to cooperatives. The General Assembly shall be composed of such members who are entitled to vote under the articles of cooperative and by-laws of the cooperative.

POWERS of the General Assembly

The General Assembly is the highest policy making body of the cooperative. The General Assembly shall have the following exclusive powers that cannot be delegated:

- To elect and remove for cause directors, officers and elective committee members;
- To hear and pass upon the reports of the Board of Directors, Officers and Committees
- To approve amendments to the Articles of Cooperation and/or Code of By-laws;
- To approve the annual budget and development plans of the Cooperative;
- To exercise final authority in all matters vitally affecting the Cooperative; and
- Such other matter requiring two-thirds (2/3) vote of all the members of the General Assembly, as provided in R.A. 9520.

MEETINGS of the COOPERATIVE

Regular Meeting

Held annually by the General Assembly ninety (90) days after the close of the fiscal year. Written notices of all meetings shall be sent by the Secretary of the Board of Directors through an agent, by mail, and other means to all members at their last known addresses fourteen (14) working days prior to the General Assembly Meeting.

Special General Assembly Meeting

May be called at any convenient time and date by the Chairman with the approval of the majority of the Board of Directors, or upon the request of ten (10) percent of the membership of the Cooperative.

Compensation

Subject to the approval of the general assembly, the members of the Board and Committees may, in addition to per diems for actual attendance to board and committee meetings, and reimbursement of actual and necessary expenses while performing functions in behalf of the co-operative, be given **honorarium**; Provided, further, that the directors and officers shall not be entitled to any *per diem* when, in the preceding calendar year, the co-operative reported a net loss or the rate of interest on share capital is less than the official inflation rate for the same year.

Qualifications and Disqualifications of Officers

All members in good standing who have the time and the willingness to serve are qualified to be elected as members of the Board of Directors and elective and appointive committees or to continue as such except those who:

1. Have been elected and served for three (3) consecutive terms in the same office;
2. Hold any elective position in the government; except that of to a party list representative being an officer of a co-operative he/she represents;
3. Have engaged in a business that is the same or similar to that of the cooperative after becoming a member;
4. Have been absent for four (4) regular meetings (excused or unexcused) in one (1) year.
5. Are full-time employees of the Cooperative;
6. Have been convicted of any crime involving moral turpitude, gross negligence or grave misconduct in the performance of their duties or found guilty in any administrative case involving such offense;
7. Have been convicted in criminal, civil or administrative proceedings;
8. Have been convicted of any crime involving anomalies in cooperatives;
9. Have been disqualified pursuant to the disqualification rules and regulations provided by law or duly constituted authorities on cooperative; and
10. Are on default in the payment of their loans at the time of the filing of the certificate of candidacy

The Board of Directors shall be composed of nine (9) members elected by the general assembly in an election held for the purpose.

Election of Officers

Within ten (10) days after their proclamation, the Board of Directors shall meet to elect, by secret ballot from among themselves, a Chairman and a Vice-Chairman, and appoint a Secretary from outside the Board. These officers shall hold office for a term of one (1) year or until the election, qualification and assumption into office of their successors.

Meetings

The Board of Directors shall have a regular meeting at least once a month. A special meeting of the Board of Directors may be called by the Chairman or in his absence, by the Vice-Chairman or by a majority of the Directors. Notice of regular and special meetings of the Board of Directors, unless dispensed with, shall be served by the Secretary of the Board of Directors in writing to each Director at least five (5) working days before the meeting.

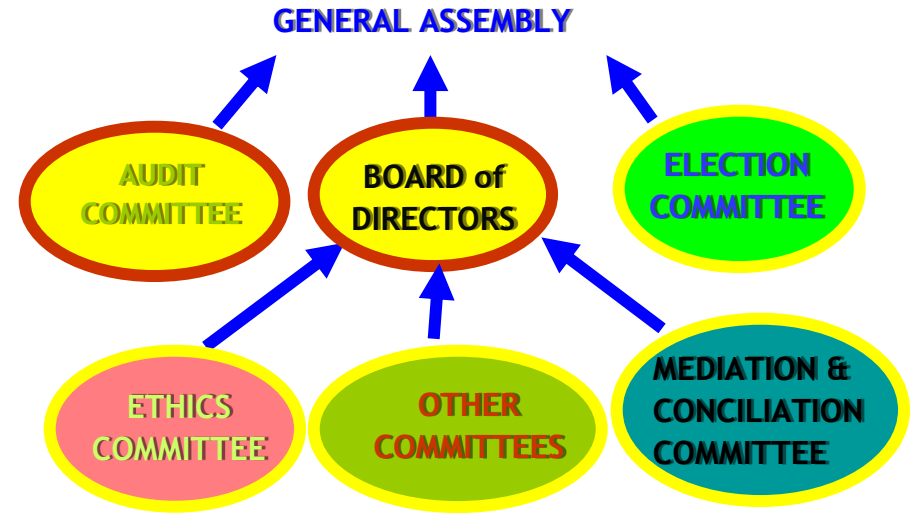
Quorum

A quorum consists of twenty-five percent (25%) of all the members entitled to vote.

Voting System

Each member shall have only one (1) vote. No member shall be permitted to vote by proxy.

Position of Accountabilities in the Cooperative



RESPONSIBILITIES of the BOARD OF DIRECTORS

- To supervise and control the affairs of the cooperative thru its Chief Executive Office (CEO) who is normally the General Manager;
- To formulate policies consistent with laws, the by-laws and the resolutions of the General Assembly;
- To determine the adequacy of the bond of the accountable officers;
- To elect from among themselves the Chairman and the Vice-Chairman;
- To appoint - a Secretary and a Treasurer outside of the BOD; members of the Education and Training Committee and other committees it may create and to make these committees functional and effective; members of the management staff, fix their compensation and tenure;
- To fill vacancies in the Board by appointment if in quorum, and if not in quorum thru special General Assembly;
- To act on application and termination of membership;
- To draw up a cooperative development plan and the corresponding annual operation plan together with its capital and operating budgets, respectively for approval by the General Assembly; and To prescribe rules and regulations

LIABILITIES

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

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

REMOVAL

Any elected director or committee member may be removed from office by a vote of two-thirds (2/3) of the members entitled to vote present and constituting a quorum at the annual or special General Assembly Meeting called for the purpose, after having been given the opportunity to be heard at the said assembly.

ORGANIZATIONAL STRUCTURE

