

**AMENDED BYE-LAWS**  
**Of**  
**NLNG STAFF CO-OPERATIVE**



**INVESTMENT AND CREDIT SOCIETY**  
**LIMITED**

**2019**

# NLNG CO-OP BYE-LAWS

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## INTERPRETATION

- 1.1 All words and expressions used in these Bye-Laws and defined by Section 57 of the Nigerian Co-operative Societies Act CAP N98 Laws of Federation of Nigeria 2004 shall have the meaning assigned to them in the above named section. Where there is a conflict between the meanings ascribed in these Bye-Laws and the Nigerian Co-operative Societies Act CAP N98 Laws of Federation of Nigeria 2004, the Act shall prevail.
- 1.2 The following words or expressions shall have the meaning respectively assigned
- (a) "**Director**" means the Director of Co-operatives, Rivers State;
  - (b) "**Electoral Committee**" means a committee of between 3 (three) and 7 (seven) Members set up by the Management Committee to supervise the conduct of elections in line with the provisions of these Bye-Laws;
  - (c) "**Electoral Guidelines**" means the rules and procedures from time to time devised by the Electoral Committee to govern the election into office of a new Management Committee or election of officers of the Co-operative;
  - (d) "**Financial Year**" means a period of twelve months, beginning on 1st January and ending the following 31st December, the same year;
  - (e) "**Gross Misconduct**" means any malicious act or omission committed with intent to cause loss, damage, delay or expense.
  - (f) "**The Act**" means the Nigerian Co-operative Societies Act CAP N98 Laws of Federation of Nigeria 2004 (previously decree 90 of 1993), and any amendments or re-enactment thereof.
  - (g) "**Leave of absence**" means absent for any reason for a period in excess of six consecutive months.
  - (h) "**Loan Procedure**" means the procedure and guidelines prescribed from time to time by the Management Committee for granting loans to members.
  - (i) "**Council of Inspection**" mean five (5) members elected by the Members in a General Meeting who shall carry out the duty outlined under Regulation 54 of the Co-operative Societies Regulations and these Bye-Laws.
  - (j) "**Member**" means a member of the Co-operative and "Members" refer to the collection of all or some of the members of the Co-operative.
  - (k) "**The Regulations**" means the Co-operative Societies Regulations made under The Act as amended from time to time;
  - (l) "**Co-operative**" means the NLNG Staff Co-operative Investment and Credit Society Limited.
  - (m) "**Society**" means the NLNG Staff Co-operative Investment and Credit Society Limited.
  - (n) "**Honorarium**" means a share of the net profit of the society divided amongst some or all of the members of the Management Committee, Council of Inspection or members of the society in recognition of services for which otherwise no payment is received.

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## 2. PREAMBLE

- 2.1 The Bye-Laws shall be subject to The Act.
- 2.2 Words denoting the masculine gender include the feminine gender and vice versa.
- 2.3 In the event of any doubt regarding the meaning or intention of any of the provisions of these Bye-Laws, the matter shall be referred to the Director of Co-operatives, Rivers State, for his ruling. The ruling of the Director of Co-operatives, Rivers State shall be final and conclusive in that respect

## 3. NAME, ADDRESS AND AREA OF OPERATION

- 3.1 The Co-operative shall be called the NLNG Staff Co-operative Investment and Credit Society Limited;
- 3.2 The address of the Co-operative shall be Nigeria LNG Limited Residential Area, Bonny Island, Rivers State;
- 3.3 The area of operation of the Co-operative shall be all NLNG office locations and beyond.

## 4. OBJECTIVES OF THE CO-OPERATIVE

- 4.1 The objectives of the Co-operative shall include:
  - (a) to engage in thrift and credit operations;
  - (b) to acquire movable and immovable properties of any description either as assets or for distribution, supply and sale to members;
  - (c) to enter into contracts and agreements in the interest of members;
  - (d) to procure consumer items for distribution, supply and sale to Members at reasonable price;
  - (e) to assist Members to own assets;
  - (f) to engage in any other economic or social activities as may be agreed by members;
  - (g) to raise capital for the achievement of its objectives;
  - (h) to incorporate, take over, invest, divest or otherwise align with other corporate entities as may be required for the purpose of carrying out the activities of the Co-operative;
  - (i) to carry out any other activity designed on co-operative principles, which will encourage the spirit and practice of cooperation among the members as approved by members in a General Meeting;
  - (j) to distribute surplus profits and payment of interest on savings to Members.
  - (k) to promote the economic interest of its members and especially leverage on its number and collective expertise in achieving value for members which will normally not be possible by just one individual.

## 5. MEMBERSHIP

- 5.1 A Member of the Co-operative shall be:
  - (a) a serving staff of Nigeria LNG Limited or its subsidiaries & staff on secondment from NLNG Shareholding companies subject to Section 22 Clause 1b of The Act; and

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- (b) a holder of the minimum shares of the Co-operative as may from time to time be prescribed by the Co- operative; and
- (c) be a person of good character in the assessment of the Management Committee; and
- (d) be a person of sound mind; and
- (e) must not have been convicted, by any court of competent jurisdiction, for a criminal offence involving violence, financial crime and impropriety or dishonesty.

5.2 An associate member is a former staff of Nigeria LNG Limited who is a registered contributor to the fund and holder of shares in the Co-operative. A Member who is unable for any circumstances, including Cross posting but other than termination or expulsion, to make monthly contribution for a period of up to three (3) consecutive months shall also be regarded as an Associate Member.

5.3 Any person having met the requirements under Article 5.1 above shall apply in writing or by email or complete and submit an application form for membership to the Secretariat along with automatic payroll payment instruction to NLNG or serving company Personnel department. On approval of membership and payment of prescribed admission/Membership fee the member shall subscribe to the required minimum share and begin to make savings contributions to the fund of the co-operative of membership admission fee payment, the new member will be allotted membership shares to begin to make savings contributions to the fund of the Co-operative.

5.4 Any past member, who was not expelled by the Co-operative who is still under the employment of the Company, may re-apply for membership of the Society. Such application shall be considered by the management committee subject to the provisions of these Bye-laws.

### **6. MEMBERSHIP RIGHTS**

- 6.1 Members of the Co-operative shall be entitled to enjoy all membership rights as provided in The Act and The Regulations, and shall fully participate in the activities of the Co-operative.
- 6.2 For the avoidance of doubt, associate members shall not be entitled to seek any elective office of the Co-operative or vote in any matter under these Bye-Laws.

### **7. TERMINATION OF MEMBERSHIP**

7.1 Membership of the Co-operative may be terminated on any of the following:

- (a) death or permanent insanity; or
- (b) disposal of all share(s) of the Co-operative held by the member; or
- (c) withdrawal of membership by member after duly notifying the Secretary of the Co-operative in writing provided that the member is not indebted in any way to the Co-operative; or,
- (d) expulsion under these Bye-laws.

7.2 A Member whose employment has been terminated by Nigeria LNG Limited for reasons not related to dishonesty or financial impropriety and who wishes to continue his membership shall have his membership status changed to Associate Member.

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7.3 Upon termination of membership, a Member shall be entitled to receive from the Co-operative his deposit for shares and accrued savings contribution (with interest, where available), subject to deduction of his indebtedness to the Co-operative, if any.

### **8. EXPULSION**

8.1 A Member may be expelled from the Co-operative on any of the following grounds:

- (a) failure to make thrift savings or subscribe to the minimum required shares of the Co-operative in accordance with the provisions of these Bye-laws; or.
- (b) failure to settle his indebtedness to the Co-operative after six (6) demands from the Co-operative; or
- (c) on being adjudged bankrupt under the law;
- (d) on conviction by a court of competent jurisdiction for a criminal offence including financial crime or dishonesty
- (e) committing misconduct and/or an act that is likely to bring the Co-operative into disrepute;
- (f) failing to exhaust the co-operative dispute resolution process, as contained in these Bye-Laws, the Act or the Regulations, before seeking external dispute resolution options;
- (g) doing anything that is contrary to the stated objects or interests of the Co-operative;
- (h) causing the Co-operative substantial loss in the opinion of the Management Committee and/or the General Meeting of Members.

### **8.2 PROCEDURE FOR EXPULSION**

- (a) A Member who is not a member of the Management Committee or duly elected officers of the society may be recommended for expulsion by a written petition by member(s) of the Co-operative to the Management Committee.
- (b) The Management Committee shall within five (5) working days of the receipt of such petition set up a three (3) member panel of enquiry to investigate the allegations against such a Member.
- (c) The panel of enquiry shall during the investigation of any allegation against a Member, grant the member an opportunity to be heard. The investigation shall be completed and the relevant report issued to the Management Committee within four (4) weeks of the establishment of the panel and Management committee shall review report for implementation.
- (d) Where the report recommends the expulsion of a Member, the expulsion shall only be effective unless and until ratified at a General Meeting of the Co-operative duly convened and held, at which such a Member shall be afforded a further opportunity to explain or mitigate the (mis)conduct.

### **8.3 EFFECT OF EXPULSION**

- (a) A Member who has been expelled from the Co-operative shall lose all rights of membership of the Co-operative, but shall be entitled to payment of all sums amounting to his total contributions, less any amount due from him to the Co-operative as at the

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date of payment and the cost of any damage incurred by Coop

- (b) The expulsion shall be without prejudice to the rights of the Co-operative to seek redress in respect of any wrong done to it by the expelled Member in accordance with the laws of Nigeria and shall not discharge such Member from any liability incurred prior to the expulsion.

## 9. LIABILITY OF PAST AND PRESENT MEMBERS

- 9.1 The liability of every Member for the debts of the Co-operative is limited to the shareholding of such Member inclusive of any outstanding indebtedness to the Co-operative.
- 9.2 A past member (either by virtue of leaving the Co-operative or by death) shall be liable for the debts of the Co-operative existing as at when he ceased to be a member.

## 10. NOMINEES

- 10.1 Every Member shall nominate, in writing to the Secretary of the Co-operative, person(s) who shall be entitled to the value of the Member's share(s) and/or savings in the event of the Member's death, or permanent insanity. In such an event, the right of membership ceases and is not transferable to the nominee. The name and address of the Nominee shall be entered in the register of members and the member shall sign any alterations to that entry"
- 10.2 Every Member may be entitled at any time to change his nominee(s) by giving notice in writing to the Secretary of the Co-operative provided such notice is received before any action is taken relying on the earlier notice of nominee(s).
- 10.3 The Co-operative shall pay the entitlement of the member less any amount due to the Co-operative to his nominee without any need for demand and in preference to any creditor of the deceased or insane member.

## 11. RIGHT OF SET-OFF

- 11.1 The Co-operative shall have the right of set-off between accounts held by Members, Associate Members or past Member in the books of the Co-operative.
- 11.2 Any money due on any account from the Co-operative to a Member, Associate Member or a past Member shall be set off in payment of any sum, which he owes or for which he stands surety.

## 12. GENERAL MEETING OF MEMBERS

- 12.1 The General Meeting of Members as guided by these Byelaws shall be the ultimate authority of the Co-operative.
  - (a) The General Meeting shall be convened by the Management Committee; or by notice issued by a Member and supported by at least thirty (30) other Members of the Co-operative.
  - (b) The General Meeting shall hold not less than four (4) times a year.
- 12.2 **ANNUAL GENERAL MEETING:** Subject to Regulation 16 of the Co-operative Societies Regulations, the Management Committee shall have the discretion as to the location where the Annual General Meeting shall be held.

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**12.3 DUTIES OF THE GENERAL MEETING:** The duties and conduct of the business of members of the co-operative society at the general meeting shall be as stated in the relevant sections of The Co-operative Societies Regulations. The applicable Regulations shall be:

- (a) Regulation 14 – General Meeting
- (b) Regulation 16 - Annual General Meeting
- (c) Regulation 17 – Special General Meeting
- (d) Regulation 18 – Quorum at General Meeting
- (e) Regulation 19 – Notice for General Meeting
- (f) Regulation 20 – Powers and duties of the General Meeting Chairman
- (g) Regulation 21 – Voting at General Meeting. The provisions of Section 25 of the Act shall apply but not limited to voting at General Meetings and Management Committee meetings.
- (h) Regulation 22 – Minutes of General Meeting
- (i) Regulation 23 – Resolution at General Meeting; and
- (j) Any other provisions of The Act and The Regulations as may become relevant.

**12.4 DECISIONS REQUIRING SPECIAL RESOLUTIONS:** No decision on the following issues shall be taken except upon Special Resolution duly passed by the General Meeting of the Co-operative:

- (a) expulsion of a Member of the Co-operative or removal of a member of the Management Committee or a duly elected officer of the society;
- (b) amendment of the Bye-Laws;
- (c) approval of Annual and supplementary budget/ appropriation;
- (d) commitment of more than five percent (5%) of the Co-operative's assets.
- (e) such other matters as Members may decide as requiring a Special Resolution.

### **13. MANAGEMENT COMMITTEE**

**13.1** The Co-operative shall have a Management Committee comprising of nine (9) members, who shall be duly elected by Members of the Co-operative.

- (a) The Management Committee shall consist of:
  - (i) President
  - (ii) Vice President
  - (iii) Secretary
  - (iv) Assistant Secretary
  - (v) Treasurer
  - (vi) Assistant Treasurer
  - (vii) Financial Secretary
  - (viii) Assistant Financial Secretary
  - (ix) One (1) ex-officio member who should be the immediate past president of the Co-

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operative. In the event that the immediate past President declines or is re-elected, the immediate past Vice President, Secretary, Treasurer or Financial Secretary in that order can make up the Management Committee.

- (b) Subject to the Act, the Regulations, the Bye-laws and the resolution of the General Meeting, the executive management of the Co-operative shall be vested in the Management Committee.
- (c) The Management Committee shall have power to lay down administrative rules and procedures for the smooth running of the coop provided such rules and procedures do not contravene the spirit and letter of the law, regulations and these Byelaws.
- (d) The Management Committee shall have the power to employ staff of the Co-operative and terminate the appointment of such staff of the Co-operative that contravenes the provisions in Articles 13.1d and 13.10d of these Bye-laws.
- (e) Members of the Management Committee shall be sworn into office at the Annual General Meeting following their election into office by the Director of Co-operatives or his representative.
- (f) In order to ensure inclusiveness of all Members, as much as possible, in the affairs of the Co-operative and mindful of the varied locations of Members, the offices of the Management Committee shall be zoned as follows:
  - (i) There shall be two (2) zones to which offices shall be zoned: Zone 1 - Bonny; Zone 2 – Port Harcourt (including all other locations).
  - (ii) The office of Secretary shall be zoned to location hosting the co-operative secretariat and Assistant Secretary to the alternate location.
  - (iii) The office of the President/Vice President; Financial Secretary/Treasurer and Assistant Treasurer/Assistant Financial Secretary shall be rotated alternately between Zones 1 and 2 such that the President and Vice President, Financial Secretary and Treasurer, and Assistant Treasurer and Assistant Financial Secretary are not elected from the same zone.
- (g) A general meeting of the members properly constituted shall have the power to increase or reduce the number of Management Committee members PROVIDED that such reduction shall not bring the number of Management Committee members to less than five.

### 13.2 QUALIFICATION OF MANAGEMENT COMMITTEE MEMBERS

- (a) A Member of the Management Committee shall be:
  - (i) a person of sound mind
  - (ii) a confirmed staff of Nigeria LNG Limited or her subsidiaries and affiliates (NSML and RAIS) and a Member of the Co-operative for at least three (3) years
  - (iii) Without a record of indictment in financial matters.
- (b) Members that will contest for the offices of Treasurer, Financial Secretary and the assistants shall be required to demonstrate awareness of accounting and financial matters with courses such as Budgeting and Financial Analysis, Finance for non-finance Professionals, Understanding Financial Reporting etc.



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## 13.3 TERM OF OFFICE

- (a) The term of office of a member elected to the Management Committee shall be for a period of two (2) years from the time of Swearing in. Such a member of the Management Committee shall be eligible for re –election into the same office for a consecutive term of two (2) years, provided that no Management Committee member shall be elected to the same office for more than two consecutive terms.
- (b) Without prejudice to the foregoing, where a position in the Management Committee becomes vacant for any reason and a Member is elected to serve out the tenure of the vacant Management Committee position, such tenure completion would not be counted against the new member in determining his eligibility to occupy the same office in any subsequent elections.
- (c) Subject to the provisions of these Bye-Laws, a member of the Management Committee shall remain in office for not more than two weeks after a new Management Committee is sworn-in subsequent to elections, notwithstanding that a period of two (2) years may have elapsed since the time such member was originally sworn-in as a member of the Management Committee

## 13.4 RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE

The responsibilities of the Management Committee shall be as provided for but not limited to the provisions of the Co-operative Societies Regulation 29.

## 13.5 RESPONSIBILITIES OF MANAGEMENT COMMITTEE MEMBERS

- (a) The responsibilities of the Management Committee members shall be as stated in the Co-operative Societies Regulations 30 – 34:
  - (i) Regulation 30 – The President
  - (ii) Regulation 34 – Vice President
  - (iii) Regulation 31 – Secretary
  - (iv) Regulation 32 – Financial Secretary
  - (v) Regulation 33 – Treasurer
- (b) Without prejudice to the above provisions, the Secretary shall perform supervisory functions over the co-operative secretariat.
- (c) The duties and responsibilities of the Assistant Secretary, Assistant Financial Secretary and Assistant Treasurer shall be to assist with the responsibilities of the substantive officers.
- (d) For practical considerations, employees of the society shall be responsible to carry out tasks assigned to them by the management committee officer for the day to day running of the co-operative operations. The respective management Committee officers shall be accountable for the tasks so assigned.

## 13.6 ELECTION

### (a) APPOINTMENT OF ELECTORAL COMMITTEE

- (i) The Management Committee shall appoint the Electoral Committee of at least 3 members not less than 8 (Eight) weeks to the expiration of the tenure of office of the Management Committee or elected officers of the society.

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- (ii) The Electoral Committee shall release its Electoral Guidelines containing all electable positions within two weeks of their appointment. Electoral Guidelines shall be in accordance with the provision of the Bye-Laws.

### (b) NOMINATION

- (i) For any Member to stand for an election, the Member shall be nominated and sponsored by four (4) Members of the Co-operative, and shall be required to demonstrate at least fifty percent (50%) attendance participation in the co-operative General Meetings within the past two (2) years preceding the nomination.
- (ii) The nominee and the sponsors shall be members in good standing with the Co-operative, without any disciplinary action.

### (c) SUBMISSION OF NOMINATION

The nomination shall be submitted to the Electoral Committee within the time frame provided by the Electoral Committee and in accordance with the Electoral Guidelines.

### (d) VOTING

- (i) The election of Members shall be by secret ballot. For this purpose physical and/or electronic voting may be adopted.
- (ii) Voting shall be held within thirty (30) days of release of the Electoral Guidelines.

### (e) RESULTS

- (i) Results shall be announced by the Electoral Committee not later than Forty-Eight (48) hours or two (2) working days after conclusion of the elections.
- (ii) The winner of any position shall be the candidate that scores the highest number of votes.
- (iii) In the event of a tie in any position, the Electoral Committee shall conduct a re-election for that position within one (1) week of the result. After that election, the elected officers will be sworn in, in one swoop.
- (iv) Disputes of electoral results shall be settled within two (2) weeks by the Electoral Committee.

### (f) TENURE OF THE ELECTORAL COMMITTEE.

The Electoral Committee shall cease to exist immediately after an election has been successfully concluded.

## 13.7 REMOVAL OF MANAGEMENT COMMITTEE MEMBER OR DULY ELECTED OFFICERS

- (a) Members may by a Special Resolution passed at a General Meeting remove any member of the Management Committee or duly elected officers of the society before the expiration of the member's term.
- (b) A member of the Management Committee or Council of Inspection may be recommended for removal by a written petition signed by at least four (4) members in good standing without disciplinary action or two-thirds (2/3) members of the management committee. The allegations being raised shall be supported with objective evidence.
- (c) The Management Committee shall within five (5) working days of the receipt of such petition set up a three (3) member independent panel of enquiry, which shall not include

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any member of Management Committee or any signatory to the petition, to investigate the allegations against such member. Any member(s) of the Management Committee being investigated shall not participate in the decision of choosing members of the investigation team and its terms of reference.

- (d) The panel of enquiry shall during the investigation of any allegation against the member, grant the member an opportunity to be heard both in writing and orally. The investigation shall be completed and the relevant report issued to the Management Committee.
- (e) Within three (3) weeks of the receipt of the report of the investigative panel, the Management Committee shall cause the report to be presented to Members at a General Meeting for consideration. A written representation by the member shall be published in the same medium that the notice of removal has been published to members not less than seven (7) days before the meeting to decide on his removal. The member shall also be given an opportunity to make oral representation to the general meeting where his matter is discussed.
- (f) A vacancy created by the removal of a member of the Management Committee under this section shall be filled at the meeting at which he is removed or subsequently as a Casual Vacancy.
- (g) Vacancy caused by death, permanent insanity resignation, retirement, leave of absence or removal from office of any of the Management Committee members may also be deemed as a casual Vacancy.

### 13.8 CASUAL VACANCY

- (a) Members in General Meeting shall have powers to fill any casual vacancy arising from the death, resignation, removal or retirement from office of any of the Management Committee members or duly elected officers of the society at the next General Meeting of the society.
- (b) Any such elected Management Committee member or duly elected officers of the society shall complete the term of office the member has been elected to replace

### 13.9 MANAGEMENT COMMITTEE MEETINGS

- (a) The Management Committee shall meet at least once every month for the conduct of business of the society and generally regulate their meetings as they deem fit.
- (b) ELECTRONIC MEETINGS: For the purpose of this Article, electronic meetings such as tele/videoconferencing shall be regarded as a meeting provided however that written minutes of the meeting shall be promptly produced, adopted by members of the Management Committee present-therein and signed by the President and Secretary.
- (c) CONDUCT OF COMMITTEE MEETINGS: The committee meetings shall be conducted according to the guidelines of Regulation 28. Quorum for committee meetings shall be five (5) but the General Meeting of members can approve to reduce the number from time to time.

### 13.10 HONORARIUM AND OTHER PAYMENTS

- (a) The Management Committee members shall be entitled to an honorarium for every year of service. The honorarium payable to members of Management Committee annually

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shall from time to time be determined by the members in a General Meeting and such honorarium shall for the time being be equal to five percent (5%) of the distributable profit of the Co-operative for any particular year.

- (b) The Management Committee shall have the power to propose to the General Meeting of members, for approval, reasonable honoraria not exceeding fifty percent (50%) of the MC honorarium to any member(s) of the Co-operative carrying out any special assignment on behalf of the Society.
- (c) Honorarium for Management Committee, council of inspection, members of sub-committee or co-operative members shall be subject to satisfactory performance of the terms of reference and value added contributions to the co-operative.

### 13.11 DUTIES OF THE MANAGEMENT COMMITTEE

Further to the duties of Management Committee as contained in the Co-operative Societies Regulation 29, the guidelines for the conduct of co-operative management committee shall include:

#### (a) CONFLICT OF DUTY AND INTEREST

- (i) A member of the management committee shall not allow his personal interests to conflict with his duties as a member of the Management Committee under these Bye-Laws.
- (ii) A member of the Management Committee shall not, either in the course of the management of the affairs of the Co-operative or in the utilisation of the Co-operative's property, make any secret profit or other unexplained benefits for himself or for any other person.
- (iii) The duty cast upon a member of the Management Committee not to misuse corporate information shall continue notwithstanding the suspension, resignation or expulsion of the member from the Co-operative and such member shall still be accountable and can be lawfully restrained from misusing such information to which he was privy by virtue of his prior position in the Management Committee of the Co-operative.
- (iv) Where prior to a transaction a Management Committee Member discloses his interest to the General Meeting before the transaction and before the profit are made, he may not be liable for conflict of interest if authorized to continue with the transaction by the General Meeting. In any other case, he shall account for the profits.
- (v) Management Committee shall develop a Conflict of Interest form that covers at least all the elements under Article xiii and each member of the Management Committee must complete the conflict of interest form not later than 30 days after resuming office and subsequently by every 31st December and file a signed copy with the secretariat.

#### (b) BUSINESS TRANSACTIONS WITH THE CO-OPERATIVE

The Co-operative shall not enter into an arrangement:

- (i) Whereby a member of the Management Committee or any person connected with

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such member, acquires or is to acquire a benefit of the requisite value from the Co-operative; or

- (ii) Where the Co-operative acquires or is to acquire a benefit of the requisite value from such a Management Committee member or person so connected; unless such arrangement is first approved by a Resolution of the Co-operative.
- (iii) For the purpose of paragraph (i) and (ii) above, noncash benefit is of the requisite value if, at the time the arrangement in question is entered into, its value is not less than N100,000.00 (One hundred Thousand Naira Only)

(c) COLLECTIVE RESPONSIBILITY

Every Member of the Committee shall be jointly and severally responsible for the actions of the Committee whether or not such member was absent from the deliberation of the Committee at which the decision was taken.

(d) POLICIES AND PROCEDURES

Management Committee shall put up policies and (or) procedure guiding the smooth running of the Co-operative provided such policies and procedures do not violate or contravene the spirit and letters of the Law, Regulation and these Bye-Laws. Such Policies and procedures which shall be subject to the stipulation of these Bye-Laws and approval of the General Meeting shall include but not limited to;

- (i) Contracting,
- (ii) Financial and Investment Policy,
- (iii) Governance - Audits & Control,
- (iv) Conduct of formal meetings,
- (v) Credit and Loans operations,
- (vi) Projects
- (vii) HR (Employment, Employee Progression & Disengagement)
- (viii) Employee Condition of service
- (ix) Accounting Guidelines.

(e) ESTABLISHMENT OF COMMITTEES

The Management Committee shall from time to time constitute or establish committees with defined mandate as may be deemed necessary subject to the provisions of these Bye-Laws to support the smooth running of the Co-operative.

### 13.12 LIABILITIES FOR BREACH OF ARTICLE 13.11

An arrangement entered into by the Co-operative in contravention of Article 13.11 of these Bye-laws and any transaction entered into pursuant thereof [whether by the Co-operative or any other person], shall be voidable at the instance of the Co-operative unless one or more of the following conditions specified in Article 13.12 (a) - (c) hereunder obtain.

- (a) Where restitution of any moneys or other assets which are the subject matter of the arrangement or transaction is no longer possible or where the Co-operative has been

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indemnified in pursuance of this section by any other person for loss or damage suffered by it; or

- (b) Any right acquired bona fide for value and without actual notice of the contravention by any person who is a party to the arrangement or transaction would be affected by its avoidance; or
- (c) The arrangement is, within a reasonable period, affirmed by the Co-operative in a General Meeting.
- (d) Where a member of the Management Committee or any person connected with him enters into an arrangement with the Co-operative in contravention of Article 13.11 herein, that Management Committee member and the person so connected, and any other Management Committee member who authorizes the arrangement or any transaction entered into in pursuance of such an arrangement, shall account to the Co-operative for any gain which he has made directly or indirectly by the arrangement or transaction; and
- (e) Jointly and severally with any other person involved in the transaction indemnify the Co-operative for any damage resulting from the arrangement or transaction.
- (f) A person is connected with a Management Committee member if he (not being himself a Management Committee member) is:-
  - (i) A Committee member's spouse, child, or stepchild;
  - (ii) Except where the context otherwise requires, a body corporate with which the Committee member, is associated; or
  - (iii) A person acting as a Trustee of any trust, the beneficiaries of which include the Management Committee member, his spouse, and any children or step children or a body corporate with which he is associated, or a trust whose terms confer powers on the Trustees that may be exercised for the benefit of the Management Committee member, his spouse or any children or step-children of his, or any such body corporate; or
- (g) A person acting as partner of that Management Committee member or of any person who, by virtue of paragraphs (a), (b) or (c) of this subsection, is connected with that Management Committee member.

### **14. LEGAL ADVISER**

14.1 There shall be a Legal Adviser for the Co-operative for such terms and of such remuneration and upon such conditions as may be approved by the Members in a General Meeting. Any Legal Adviser so appointed maybe removed by the Members in a General Meeting.

14.2 The duties of the Legal Adviser shall include but not limited to the following:

- (a) Vet and draft all legal documents for the Co-operative;
- (b) Review and draft all documents relating to the sale, purchase acquisition of landed property by the Co-operative;
- (c) Participate in the negotiations, documentation, due diligence and perfection of title of any property purchased by the Co-operative;

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- (d) Provide secretarial services to the Co-operative (where required);
- (e) Provide legal advisory services to the Co-operative;
- (f) Provide any other legal service as may be determined by the Management Committee.

### 15. COUNCIL OF INSPECTION

- 15.1 The Council of Inspectors for the Co-operative shall be comprised of five (5) members elected by the Members and the composition shall be proposed by the Management Committee to reflect spread across all the divisions of Nigeria LNG Limited.
- 15.2 No member of the Management Committee shall be entitled to vote during the election of the Council.
- 15.3 The election of the Council shall be held one year into the term of office of the Management Committee that supervised the election of the council. The tenure of the Council shall be two years.
- 15.4 Following after the elected members of the council take the oath of office, they shall elect two of their members as Chairperson and Secretary; and shall immediately inform the management committee who shall thereafter recognise the members so elected as the leadership of the council.
- 15.5 The duties of the Council of Inspectors shall be as outlined and contained in the Co-operative Societies Regulation 54 and in addition may be tasked to perform any other duty as may be determined by a General Meeting or by the Management Committee.

### 16. FUNDING OF THE CO-OPERATIVE'S ACTIVITIES AND OPERATIONS

#### 16.1 ENTRANCE FEE

Every intending Member shall pay a non-refundable entrance fee of twenty thousand naira (NGN20,000)

#### 16.2 SHARE CAPITAL

- (a) The nominal value of each share of the Co-operative shall be one naira (NGN1.00)
- (b) The market value of each share for the purpose of admission or termination of membership shall be the value as determined by the Management Committee at the last preceding accounting year end
- (c) Every member shall subscribe to a minimum of ten thousand (10,000) shares of the society and shall be allowed to subscribe for additional shares of the co-operative subject to twenty percent (20%) maximum holding provisions of Section 27 of The Act.
- (d) No Member shall be entitled to withdraw his share capital unless his membership is terminated or withdrawn.

#### 16.3 SAVINGS OF MEMBERS

- (a) THRIFT SAVINGS: Every member shall make regular monthly savings at a minimum rate to be determined by the Management Committee and approved by the General Meeting from time to time
- (b) SAVINGS RULES: Every member shall make regular monthly savings at a minimum rate to be determined by the Management Committee and approved by the General Meeting from time to time

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- (c) **INTEREST RATES ON SAVINGS:** The Management Committee shall determine the interest rates payable on savings. The rates of interest shall be geared towards stimulating savings culture among Members.

### 16.4 DEPOSIT FROM MEMBERS.

A member may in addition to their regular savings and shareholding, place deposits with the Co-operative on terms to be specified by the Management committee on behalf of the Co-operative

### 16.5 DEPOSITS AND LOANS FROM NON-MEMBERS.

The Co-operative may in the ordinary course of business accept deposits and obtain loans from non-members, including corporate bodies and financial institutions. The Co-operative shall however require the approval of Member in a General Meeting to borrow sums in excess of ten percent (10%) of the total asset of the Co-operative.

### 16.6 MISCELLANEOUS SOURCES

The Management Committee shall develop other funding sources provided the cost of such funds shall not exceed the cost of other sources mentioned above.

## 17. USE AND CUSTODY OF FUNDS

### 17.1 APPLICATION OF FUNDS.

- (a) The funds of the Co-operative shall be judiciously applied solely for the furtherance of the Co-operative's objectives and for financing the working capital requirements of the Co-operative, as well as its capital and recurrent expenditure in accordance with the provisions of these Bye-Laws.
- (b) All expenditures shall be in line with the delegated financial authority (DFA) as approved by the General Meeting.

### 17.2 INVESTMENTS.

- (a) **FUNDING INVESTMENT:** The funds of the Co-operative shall be judiciously applied solely for the furtherance of the Co-operative's objectives and for financing the working capital requirements of the Co-operative, as well as its capital and recurrent expenditure in accordance with the provisions of these Bye-Laws
- (b) **INVESTMENT POLICY:** The Management Committee shall put in place an Investment policy to guide the investment activities of the Co-operative.
- (c) **INVESTMENT CONSORTIUM:** For purposes of pulling significant resources to achieve a dominant positioning in an investment, the Management Committee may approve the formation of investment consortium led by the Co-operative. The consortium may include members and non-members as well as corporate organizations provided the Co-operative shall carry no liability whether direct or contingent on behalf of any party to the consortium.

### 17.3 PROJECT FINANCE STRATEGY

- (a) For every project investment, the Management Committee shall constitute a committee with responsibility to produce an investment strategy in writing with a clear business case/economics to include but not limited to project viability, self-financing capability and an exit strategy for the co-operative to approve.



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- (b) All projects investments that do not affect all COOP members will be funded one hundred percent (100%) by the investing participating members that are interested in such ventures so as not to erode the COOP dividend of non-investing members.
- (c) Where it is required to use COOP money to fund project investment, such money shall be taken as a loan and must be approved in accordance with these Bye-Laws.

### 17.4 BANK ACCOUNTS

The Co-operative shall maintain accounts with Banks and any other financial institutions approved by the Members in a General Meeting

## 18. ASSETS

### 18.1 QUALITY OF ASSETS

The Management Committee shall ensure that the Co-operative builds a high quality asset base for the Co-operative and maintain a balance in its asset portfolio

### 18.2 ASSET COMPOSITION

The composition ratios of the Co-operative's asset shall include fixed assets, current assets, cash and money market instruments, loans, stock; other receivables and investments etc.

## 19. SUBSIDIARIES AND AFFILIATES

### 19.1 ESTABLISHMENT OF SUBSIDIARIES AND AFFILIATES

The Co-operative may establish subsidiaries and/or have affiliates subject to approval in a General Meeting.

### 19.2 APPROVAL TO ESTABLISH SUBSIDIARIES AND AFFILIATES

The Management Committee shall require a resolution of members in a General Meeting for any Investment in a subsidiary, affiliate or consortium.

### 19.3 MANAGEMENT OF SUBSIDIARIES AND AFFILIATES

The Management Committee shall ensure efficient and profitable management of any subsidiary or affiliate and efficient corporate governance and financial structure.

## 20. LOANS

20.1 The Co-operative may, at its discretion and subject to availability of funds, grant loans to Members subject to the approval of the Management Committee, and for a defined purpose in accordance with the Co-operative's loans procedure

### 20.2 OTHER CONDITIONS FOR THE GRANT OF LOANS

Loans may be granted to:-

- (a) Current shareholding Members of the Co-operative.
- (b) Members making regular monthly thrift savings in accordance with these Bye-Laws.
- (c) No loan shall be given to a Member within six months of his joining the Co-operative except in the case of transfer of an existing loan of a past Member to his nominee or other successor in interest.

### 20.3 APPLICATION FOR LOANS

(a) Every Member wishing to obtain a loan from the Co-operative shall complete an application for loan form duly signed by him or formally write an application addressed to the Secretariat.

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- (b) Applications may be made electronically or in physical form.
- (c) Submission of electronic loan applications to the Secretariat shall be deemed to have been signed by the applicant with authorisation to process the application and be retained for record keeping.
- (d) Loans to members shall be compliant with loan procedure of the Co-operative.

### **21. DISPOSAL OF SURPLUS FUNDS**

Except otherwise stated, surplus fund of the society in the manner listed shall be appropriated in accordance to the provisions of The Act:

21.1 RESERVE FUND (Sec. 34.2 of the Act)

21.2 EDUCATION FUND (Sec. 34.3 of the Act)

21.3 HONORARIA, DONATION OR OTHER APPROPRIATIONS: These categories of appropriation shall be as proposed by the Management Committee and approved by the General Meeting.

21.4 DIVIDEND: The Management Committee shall determine the dividend payable on shares and no dividend shall be paid if any overdue claim to a depositor or lender remains unsatisfied. The rate of the dividend payment on shares shall always be 5% higher than the rate of interest paid on members' savings. No dividend shall be paid if any overdue claim to a depositor or lender remains unsatisfied. A lien shall be placed on such dividend and applied to service such outstanding loan.

21.5 DIRECTOR'S APPROVAL: The appropriation of the net surplus shall be subject to approval by the State Director of Co-operatives and governed in all respects by the spirit and letter of the Law and the regulations.

### **22. RESERVE FUND**

The reserve fund of a registered society, created in pursuance of the provisions of Section 34(2) of The Act is indivisible and no member is entitled to claim a specific share in it and shall be deposited in a special bank account which can be utilized in the business of the co-operative if approved by the General meeting and Director in accordance with the Co-operative Societies Regulations 49 and 50.

### **23. BOOK OF ACCOUNTS**

23.1 PRESCRIBED BOOKS OF ACCOUNTS FOR INSPECTION: The society shall maintain prescribed Accounts and Records in compliance to the Co-operative Societies Regulations 37.

23.2 INSPECTION OF BOOKS: Inspection of the Bye-Laws, books, account, register and papers of Co-operative by members and any accredited Co-operative Official provided the confidentiality of the personal account of any other member shall not be breached without the consent of the other member at the Registered Address of the Co-operative at all reasonable hours, shall be governed by the Co-operative Societies Regulation 37.

### **24. ANNUAL STATEMENT**

The society shall prepare yearly, in such form, as may be prescribed by the Director:

- (i) an account showing the income and expenditure for the year; and,
- (ii) a balance sheet.
- (iii) The account and a copy of each account shall be submitted to the Director for approval in compliance to the Co-operative Societies Regulation 38.

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### 25. RECEIPTS

- (i) It shall be the duty of every member:
- (i) To insist on obtaining a separate printed receipt from the proper receipt book, or such other form of receipt as may be approved, for every sum of money paid to the Society.
- (ii) To sign, or make his thumb print in the proper book or an acknowledgement of receipt as evidence of transaction between the member and the co-operative.

### 26. LIQUIDATION

The society shall not be liquidated except in accordance with Sections 40, 42, 44 and 45 of The Act and the Co-operative Societies Regulations 48.

### 27 MISCELLANEOUS PROVISIONS

27.1 BORROWING POWERS: In compliance with Section 31 of The Act, the Management Committee shall, subject to majority decision or consent of the General Meeting of the members, borrow whether by way of mortgage or otherwise on such terms and conditions sums of money as may be required for the purposes for which the society is established. There shall be attached to the decision or consent to borrow the condition that the money shall be utilized for a specific purpose or purposes.

27.2 AUDITORS: Auditors shall be appointed by Members in a General Meeting upon recommendation by the Management Committee and their duties and remunerations shall be as approved by the Members.

27.3 DISPUTES: No member shall commence any judicial or investigative proceeding against the Co-operative or any Member of the Co-operative if a dispute touching the business of the co-operative arises without first employing fully the dispute resolution option contained in these Bye-Laws.

(a) Every member of the Co-operative shall be required to employ the provisions of Sections 49 and 50 of The Act and the Co-operative Societies Regulation 55, if a dispute touching the business of the co-operative arises –

- (i) among present or past members and persons claiming through present or past members and deceased members; or
- (ii) between a present, past or deceased member and the society, its committee or any officer, agent or servant of the society; or
- (iii) between the society and any other committee and any officer, agent or servant of the society; or
- (iv) between the society and any other registered society, the dispute shall be referred to the Director for settlement.

### 27.4 CUSTODY AND USE OF SEAL

(a) The Management Committee shall provide for safe custody of the seal which shall only be used by the Secretary of the Co-operative or any other member of the Management Committee authorized by the Members in a General Meeting and the seal shall not be affixed to any instrument except over the signature of the President and the Secretary or any other Member of the Management Committee authorized to do so by the Management Committee.

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(b) The Secretary shall hold in safe custody the seal of the Co-operative. The seal shall be of a pattern approved by the Members in a General Meeting and all documents of the Co-operative shall where sealing is required be sealed and witnessed by Secretary or any other Member of the Management Committee authorized to do so by the Management Committee.

27.5 SURCHARGE: Subject to Section 11(4) of The Act, the General Meeting of the Co-operative may impose surcharges on members, not exceeding Five Thousand Naira (NGN5,000.00) in any one case, for flagrant or repeated contravention of the Bye-Laws.

### 28. AMENDMENTS OF THE BYE-LAWS

- (i) To promote and engender improvement culture for sustainability of the co-operative going concern, amendment(s) to these Bye-Laws may be initiated by a single member or more than one member.
- (ii) The proposed amendment shall be subjected to the Co-operative Societies Regulation 51 and such amendments shall not be valid until registered by the Director.

### CERTIFICATION

I hereby certify that the foregoing Bye-Laws of the **NLNG Staff Co-operative Investment and Credit Society Limited** Reg. No. **RS7986** have been registered under Section 5(1) of The Act this 4<sup>TH</sup> day of June, 2019.

**NWACHUKWU, GEORGE U.**

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Director of Co-operatives Rivers State

