

**BY-LAWS OF THE
MSU-IIT NATIONAL MULTI-PURPOSE COOPERATIVE**

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned Filipino citizens, of legal age, and residents of the Philippines, represented by the Board of Directors of the MSU-IIT NATIONAL MULTI-PURPOSE COOPERATIVE [MSU-IIT NMPC], a primary cooperative, do hereby adopt the following Bylaws.

(We, the undersigned Filipino citizens, of legal age, and residents of the Philippines, representing the Board of Directors of the MSU-IIT NATIONAL MULTI-PURPOSE COOPERATIVE [MSU-IIT NMPC], a primary cooperative, do hereby adopt the following code of By-laws.)

**Article I
OBJECTIVES AND PURPOSES**

Section 1. Objectives and Purposes - The objectives and purposes of the MSU-IIT NMPC are those set forth in its Articles of Cooperation and those generally granted to cooperatives under R.A. 6938 and R.A. 6939 as amended in R.A. 9520, under pertinent laws and issuances.

(Section 1. Objectives and Purposes - The objectives and purposes of the MSU-IIT NMPC are those set forth in its Articles of Cooperation and those generally granted to cooperatives under (R.A. 6938 and R.A. 6939, dated March 10, 1990), R.A. 9520, dated February 17, 2009 and the rules and regulations that may be issued pursuant to the said laws.)

**Article II
MEMBERSHIP**

Section 1. Membership - This Cooperative shall have regular and associate members.

1.1 Regular Member - A regular member is one who is a citizen of the Philippines, of legal age, considered as an economic unit, has complied with all the membership requirements, and entitled to all the rights and privileges of membership.

1.2 Associate Member - **An associate member is either of legal or not of legal age, has no right to vote and be voted upon, and shall be entitled only to such rights and privileges as the Bylaws may provide. He or she satisfies some but not all of the requirements of a regular member and has been accepted as an associate member, provided that all of the following are complied with:**

1.2.1 a Filipino citizen;

1.2.2 a natural person; and

1.2.3 a savings depositor in MSU-IIT NMPC.

An associate member who meets the minimum requirements of the regular membership, continues to patronize the cooperative for two

(2) years, and signifies his or her intention to become a regular member shall be considered as a regular member. Failure of the qualified associate member to convert to regular membership shall mean automatic disqualification of his or her associate membership in the Cooperative.

(1.2 Associate Member

1.2.1. Bona fide student or accredited student association;

1.2.2. Savings depositor in MSU-IIT NMPC within the area of operation of the said Cooperative;

1.2.3. Cooperative or non-profit organization with juridical personality and qualified as prescribed in this by-laws.)

Section 2. Qualification for Membership - The membership of this Cooperative is open to all natural persons, Filipino citizen, of legal age, with capacity to contract and, within the common bond and field of membership as described in R.A. 9520.

Section 3. Requirements for Membership - A member must have complied with the following requirements:

3.1. Regular Member

3.1.1 Attend Pre-Membership Education Seminar (PMES) on-site or on-line; and pay the prescribed seminar fee accordingly ;)

3.1.2 Submit duly accomplished application form and pay the membership fee on-site or on-line;

3.1.3 Have been recommended by the Branch Manager and approved by the Board of Directors

3.1.4 Subscribed to the minimum number of shares as prescribed and indicated in the application form; and

3.1.5 Committed to contribute regularly towards capital build-up, regular savings and other mandatory dues prescribed and approved by the annual General Assembly.

3.2. Associate Member

3.2.1 Student /Youth. A student/youth to become an associate member must have:

3.2.1.1 officially enrolled in a school within the area of operation;

3.2.1.2 been certified as a dependent or beneficiary of a regular co-op member;

3.2.2 Certified Student Association in MSU-IIT NMPC or other schools in areas of operations:

(3.2.3 Juridical Person. An applicant to qualify for associate membership to the MSU-IIT NMPC must have the following:

3.2.3.1 approved legal documents such as SEC/CDA Certificate of Registration, and other government regulating bodies;

3.2.3.2 maintained savings deposit with average daily balance as prescribed by the Board of Directors;

- 3.2.3.3 *a submitted resolution specifying MSU-IIT NMPC as depository with authorized official signatories;*
- 3.2.4 *A Savings Depositor who must have opened a savings deposit with average daily balance as prescribed by the Board of Directors.) DELETED.*

Section 4. Duties and Responsibilities of a Member

- 4.1 Every regular member shall have the following duties:
 - 4.1.1 pay the instalment on shares pledged as they fall due;
 - 4.1.2 participate in the capital build up program;
 - 4.1.3 have a continuous regular savings;
 - 4.1.4 pay regular mandatory dues;
 - 4.1.5 patronize the businesses of the cooperative;
 - 4.1.6 participate in the parliamentary affairs of the cooperative;
 - 4.1.7 abide by the rules and regulations provided by RA. 9520, this By-Laws, the decisions of the Annual General Assembly and the Board of Directors, and the policies and decisions that may be promulgated by the Cooperative Development Authority (CDA);
 - 4.1.8 promote the aims and purposes of the MSU-IIT NMPC, the success of its business, the welfare of its members, and the cooperative movement as a whole;
 - 4.1.9 must attend required meetings/trainings as prescribed by the Board of Directors;
 - 4.1.10 pay required fines for non-attendance as prescribed by the Board of Directors.
- 4.2 Every Student/Youth Associate Member shall have the following duties:
 - 4.2.1 pay the instalment on shares pledged as they full due;
 - 4.2.2 participate in the capital build-up program;
 - 4.2.3 have a continuous regular savings;
 - 4.2.4 patronize the business;
 - 4.2.5 participate in the parliamentary affairs of the student /youth laboratory cooperative;
 - 4.2.6 abide by the rules and regulations provided by R.A. 9520, this By-Laws, the decisions of the Annual General Assembly and the Board of Directors and the policies and decisions that may be promulgated by the Cooperative Development Authority (CDA);
 - 4.2.7 promote aims and purposes of the MSU-IIT NMPC, the success of its business, the welfare of its members, and the cooperative movement as a whole; and
 - 4.2.8 shall open a savings account.

Section 5. Rights and Privileges of Members

- 5.1. Rights of a Regular Member. – Every regular member in good standing shall have the following benefits:
 - 5.1.1 participate in the deliberation during the annual General Assemblies;
 - 5.1.2 vote on all matters brought before the meeting ;
 - 5.1.3 seek any elective position, subject to the provisions of this Bylaws;

- 5.1.4 received interests on his or her deposits and share capital in the MSU- IIT NMPC and patronage refunds, if any;)
- 5.1.5 inspect and examine the book of accounts, the minutes book, the share register, and other records of MSU-IIT NMPC during office hours.

5.2 Rights of an Associate Member – Every associate member shall have the rights to receive interest on his/her savings and time deposit.

Section 6. *Member in Good Standing (MIGS)*

6.1 A regular member in good standing is one who:

- 6.1.1 has paid the subscribed capital share and has participated in the required minimum capital build-up per month as prescribed by the BOD;
- 6.1.2 has deposited the initial prescribed regular savings deposit and maintained the required average daily balance;)
- 6.1.3 has paid in full the initial mutual death assistance fund and up-to-date in his/her contributions;
- 6.1.4 is not delinquent in the payment of his/her loan and other obligations;
- 6.1.5 has not violated any provisions of this By-Laws, rules and regulations, circulars/memoranda and other issuances of the CDA, membership subscription agreements, and other instruments required of him/her to execute as provided in this by-laws or as prescribed by the Board of Directors;)
- 6.1.6 exercise the right of suffrage;
- 6.1.7 patronize the businesses of the MSU-IIT NMPC;
- 6.1.8 has not engaged in practices contrary to the coop practices for the past year.

6.2 A regular member who loses MIGS status may regain his/her status after paying all mandatory dues and loan obligations with the coop and has complied with all the provisions in 6.1 above.

Section 7. *Liability of Membership* - A member shall be liable for the debts of the MSU-IIT NMPC only to the extent of his/her subscribed share capital.

Section 8. *Termination of membership* - Membership in the MSU-IIT NMPC may be terminated either by withdrawal or by expulsion:

- 8.1 The BOD has the option to suspend privileges or terminate membership on valid grounds based on management recommendation. Disciplinary actions may be:
 - 8.1.1 suspension of privileges; or
 - 8.1.2 garnishment of savings and/or share capital; or
 - 8.1.3 termination of membership; or
 - 8.1.4 a combination thereof.

8.2. Grounds for disciplinary actions:

- 8.2.1 failure to pay share capital or loans after a period of time specified by the BOD;
- 8.2.2 falsification of documents;
- 8.2.3 non-attendance in the annual General assembly without valid reason and prior notice.

8.3 Withdrawal - Any member desiring to terminate his/her membership by withdrawal shall submit a written application to the Board of Directors. However, no member shall be allowed to withdraw or terminate his/her membership during any period in which he/she has any pending obligation with the MSU-IIT NMPC.

Upon the acceptance of one's withdrawal or approval of his/her termination he/she is no longer a member of the cooperative and loses all the rights and privileges of membership.

8.4 Expulsion. If a member commits any act prejudicial to the interest of the MSU-IIT NMPC or refuses to comply with his/her duties as a member, the BOD, may, in due hearing, expel such member. In lieu of expulsion, the BOD may order the suspension of a member's right to vote. He/She may regain his/her right as determined by the BOD. During the period of suspension the presence of such a member shall not be considered in determining the existence of quorum or in the requirement of voting. The action of the Board of Directors suspending or expelling a member shall be appealable to the annual General Assembly and a majority of the members in good standing present at such regular or special/annual general assembly called for the purpose shall decide the matter. Decisions made in such an assembly shall be final.

8.5. Automatic Termination of Membership. - The death, insanity, permanent incapacity or judicial declaration by a competent court or the insolvency of a member shall be considered an automatic Termination of his/her membership in the MSU-IIT NMPC.

Section 9. Appraisal and Payment of Member's Interest - Upon the termination of the membership of the member, the BOD shall determine the book value of his/her share holdings, as established at the year and financial statement nearest to the date of termination and shall fix the amount thereof in money to be paid subject to the availability of funds.

Within one year after such termination or at the option of the expelled or withdrawing member or the heir or his/her legal representative he/she may, in lieu of cash, be issued a revolving fund certificate or other evidence of indebtedness, provided, however, that the payment of said equity in cash shall not be made if on account of such payment the value of the MSU-IIT NMPC's assets would be lessened, or if the aggregate amount of its debts and liabilities, exclusive or pledged or subscribed shares, will diminish the reserves required under existing laws.

Section 10. Refund of Share Capital Contribution - A member whose membership is terminated shall be entitled to a refund of his share capital contribution and all other interests in the MSU-IIT NMPC. However, such refund shall not be made if upon payment the value of the assets of the MSU-IIT NMPC would be less than the aggregate amount of its debts and

liabilities exclusive of his share capital contribution. In which case, the terminated member shall continue to be entitled to the interest of his share capital contributions, patronage refund and the use of the services of the MSU-IIT NMPC until such time that all his interests in the MSU-IIT NMPC shall have been duly paid.

Section 11. Responsibility of MSU-IIT NMPC as Guardian Cooperative - As the Guardian Cooperative of the MSU-IIT NMPC Youth/Laboratory Cooperative,

- 11.1 it shall supervise, monitor, and act for and in behalf of the Youth/Laboratory Cooperative in their dealings, transactions with third parties when capacity to contract is required;
- 11.2 it shall be responsible for the cooperative education and training of all officers and members of the Youth/Laboratory Cooperative; and
- 11.3 it shall submit all reports to the Authority on the activities and economic operations of the Youth/Laboratory Cooperative.

Section 12. Liability of MSU-IIT NMPC as the Guardian Cooperative - As the Guardian Cooperative exercising parental authority, MSU-IIT NMPC may be liable for any violations in the Youth/Laboratory Cooperative's operations.

ARTICLE III GOVERNANCE

Section 1. General Assembly - The Annual General Assembly. Subject to the provisions of R.A. 9520 and regulations issued thereafter, final authority in the cooperative is vested in the Annual General Assembly.

Section 2. Powers of the General Assembly - Powers of the General Assembly: The General Assembly shall be the highest policy-making body of the cooperative and shall exercise such powers as are stated in R.A. 9520, in the articles of cooperation and in this Bylaws. The general assembly shall have the following exclusive powers which cannot be delegated:

- 2.1 to confirm election and remove for cause the directors, officers and members of different elective committees in accordance with due process of law;
- 2.2 to hear and pass judgment/action upon the annual reports of the BOD, Officers and Committees;
- 2.3 to act as final arbiter in any dispute or disagreements which may arise between or among the members of the BOD and Committees officers and individual members;
- 2.4 to determine the amendments in the Articles of Cooperation of MSU-IIT NMPC and this Bylaws;

- 2.5 to exercise final authority in all matters vitally affecting MSU-IIT NMPC
- 2.6 to exercise all the rights and privileges and powers appurtenant to membership;
- 2.7 to confirm developmental strategic plans of the MSU-IIT NMPC.

Section 3. General Assembly Meetings and Quorum.

3.1 Meetings of the General Assembly shall be done by geographical clusters of branches as determined by the Board of Directors. A geographical cluster meeting of the General Assembly shall be held at any place within its area of operation and at a time as the Board of Directors may designate and determine within 90 days after the end of the fiscal/calendar year.

3.2 Quorum - Quorum shall consist of at least twenty-five per centum (25%) of all the MIGS entitled to vote in a geographical cluster of branches.

Section 4. Special General Assembly - A special general assembly may be called at any time by the Board of Directors to consider urgent matters requiring immediate membership decision.

A special general assembly shall be called by the Board of Directors within thirty (30) days from receipt of a written request from (a) at least ten (10%) per centum of the total number of members in good standing, and (b) the Audit Committee as required in RA 9520.

Section 5. Notice of General Assembly Meeting

A written notice of the General Assembly meeting with the Agenda shall be served and posted by the Secretary in all branches at conspicuous places, coop website, email, tri-media, or through publication in a paper of general circulation, at least two weeks prior to the assembly.

Section 6. Order of Business - As far as practicable, the order of business at each assembly shall be:

- 6.1 Call to Order
- 6.2 Roll Call
- 6.3 Proof of due Notice
- 6.4 Determination and declaration of quorum
- 6.5 Consideration of minutes of last assembly
- 6.6 Consideration of the consolidated reports of the BOD and Committees including audited statements of financial conditions
- 6.7 Unfinished business
- 6.8 Presentation and confirmation of election winners
- 6.9 New business
- 6.10 Other matters
- 6.11 Adjournment

Section 7. Voting System.

7.1 A member-in-good standing shall be qualified to vote and participate in the General Assembly meeting as specified.

7.2 Each member of the MSU-IIT NMPC shall be entitled to only one (1) vote regardless of the number of share capital owned.

7.3 Election and removal of Directors and committee members shall be by secret-balloting. Actions on all other matters shall be in any manner as will truly reflect the decision of the membership.

7.4 Election of officers shall be held during the annual General Assembly.

(7.4 Election of officers shall be held within one (1) month before the Annual General Assembly.)

7.5 In voting for issues/matters during the Annual General Assembly the approval/disapproval will be determined by the summation of all votes casts during the assemblies in accordance with the provisions of RA 9520.

Section 8. Ownership Meeting - Ownership Meeting/s per branch may be called at any time by the Board of Directors as the need arises.

Section 9. Fiscal Year - The fiscal year of the MSU-IIT NMPC shall commence on the first day of January and end on the last day of December or the same as the calendar year.

**ARTICLE IV
BOARD OF DIRECTORS**

Section 1. Composition- The business of the MSU-IIT NMPC shall be administered by a Board of Directors **composed of nine (9) elected members - five (5) from the MSU-IIT Sector (inclusive of MSU-IIT Faculty, Staff and Retirees), three (3) from the Community Sector, and one (1) from the Gender Sector.**

(Section 1. Composition.

The business of the MSU-IIT NMPC shall be administered by a Board of Directors of at most fifteen (15) elected members representing MSU-IIT faculty and staff employees as the founding entity and the community which composition shall be determined by the Board of Director)

1.1 A special or honorary non-voting director(s) may be appointed by unanimous decision of all the Board of Directors who shall serve for a fixed term, without necessarily being confirmed by the assembly.

Section 2. Qualifications for the Board of Directors - Any member of the MSU-IIT NMPC who, under the Bylaws of the Cooperative, has the right to vote and be voted upon, and who possesses the qualifications provided below shall be eligible for election as Director.

(Section 2. Qualifications.

No member shall be elected or to continue as such member of the Board of Directors unless he/she has the time and willingness to serve and qualified to be elected to the position of director. He/She is a member entitled to vote and has the following qualifications:)

2.1 Has the minimum share capital requirement set by the Board of Directors

(2.1. Has paid the minimum share capital requirement set by the Board of Directors;)

2.2 A member-in-good standing (MIGS) for the last three (3) years

(2.2. Has continuously patronized the cooperative products and services;)

2.3 Is of good moral character

(2.3. A member in good standing (MIGS) for the last three years (3yrs.);

2.4 Patronizer of at least one (1) coop product (i.e. revenue generating products such as but not limited to Multi-purpose Loans, Cosa Real loan, etc) and one (1) Coop Service (i.e. Coop Care, Sunshine Plan, etc)

(2.4. Completed or willingness to complete the required education and training as prescribed by law, rules and regulations and policy approved by the Assembly;

2.5 Has attended any of the mandated CDA courses

(2.5. Of good moral character and other qualifications as prescribed in the IRR of CDA).

2.6 For a first time candidate, membership in any of the Constitutional Committees Audit or Election, Credit Committee, Mediation and Conciliation Committee or Ethics Committee of the MSU-IIT NMPC for a total of at least two (2) years

2.7 Must not be engaged in a business similar to that of the Cooperative or who has in any way a conflict of interest with the MSU-IIT NMPC

2.8 Must not be related by consanguinity or affinity within the third (3rd) civil degree to any appointed member of the Board-created committees, Credit Committee, Mediation and Conciliation Committee or Ethics Committee and to any employee of the Cooperative

Section 3. Disqualifications of the Board of Directors - **Any director who, under the Bylaws of the Cooperative and other pertinent laws shall be disqualified upon the following grounds:**

3.1 holding any elective position in the government;

3.2 having conflicting interest with the businesses of MSU-IIT NMPC;

3.3 **having incurred prolonged/continuous or intermittent personal leave of absence beyond six (6) regular board meetings in a year, whether excused or unexcused;**

(3.3 having been absent for three (3) consecutive board meetings, without being excused;)

3.4 having been convicted of any crime involving moral turpitude; gross negligence, or misconduct in the performance of his/her duties or having been found culpable in any administrative case involving such offenses;

3.5 having been adjudged adversely in an administrative proceeding or civil suit involving financial and/or property accountability;

3.6 having been proven to be associated with any past anomalies in any cooperative or organization;

3.7 having been disqualified pursuant to the **circulars/ memoranda issued by the CDA and other pertinent laws;**

(3.7 having been disqualified pursuant to the disqualifications prescribed by the CDA;

3.8 **being an officer of another primary cooperative.**

(3.8 must not be an officer of another primary cooperative involved in similar businesses as MSU-IIT NMPC.)

3.9 **having been terminated or deemed resigned due to absenteeism, dishonesty, malversation of funds, falsification of documents or involved in such acts which are detrimental to the interests of the Cooperative.**

Section 4. Election of Directors - The members of the Board of Directors shall be elected annually by secret ballot by the general membership. They shall hold office for a term of two (2) years, until their successors have been elected and qualified, unless earlier removed for cause, or have resigned or become incapacitated due to illness or death. Thereafter, they shall be elected for a term of two (2) years.

No member of the Board of Directors shall serve for more than two (2) consecutive terms, and that any voluntary resignation of a Director before his/her term expires as provided for by this provisions shall not be considered as a break in his/her services.

(No two (2) or more persons with relationships up to the third civil degree of consanguinity or affinity shall serve as elective or appointive directors in the same board.) DELETED.

Section 5. Election of Officers - A meeting of the members of the BOD shall be held within ten (10) days after the annual General Assembly to elect by secret ballot from among themselves a Chairperson, and a Vice-Chairperson. The Treasurer and Secretary must not come from the Board. The Board of Directors may fill these positions by appointment. The elective officers shall hold office for a term one (1) year, or until the election, qualification and assumption into office of their successors.

Section 6. Meetings of the Directors. The Board shall meet at least once a month. Special meetings of the Board may be called by the Chairperson, or in his/her absence, by the Vice-Chairperson, or a majority of the Directors. The call for a special meeting shall be addressed and delivered by the Secretary stating the date, time and place of such a meeting including matters to be acted upon. Notice of regular or special meetings of the BOD, unless dispensed with, shall be served by the Secretary in writing or by any electronic means to each Director at least five (5) days before such a meeting.

Section 7. *Quorum in Directors' Meeting* - One-half (1/2) plus one (1) of the total number of directors in the board shall constitute a quorum. A majority vote of the quorum assembled in a meeting shall be a valid cooperative act, except on the appointment of Honorary Director per Section 1.1 Article IV of this Bylaws.

Section 8. Vacancies - When a vacancy in the Board occurs by reasons of death, incapacity, removal or resignation, the vacancy shall be filled by the vote of the majority of the remaining members of the Board if still constituting a quorum; otherwise, if the remaining members of the Board do not constitute a quorum, the vacancy shall be filled by the annual General Assembly. The successor thus elected shall serve for the unexpired portion of the term but is not considered his/her full term service.

Section 9. Removal - Any elected director 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 general assembly. The said director having been given the opportunity to be heard at the said assembly.

Any officer, elected/appointed by the BOD may be removed from office for cause by a majority vote of the entire membership of the Board after due process.

Section 10. *Powers and Duties* - The BOD as a body, but not any of the Director acting in their individual capacity, shall have general supervision and control of the affairs of the MSU-IIT NMPC. It shall prescribe policies consistent with existing laws, this Bylaws and the resolutions of the General Assembly, for the management of its business and the guidance of its members, officers and employees.

The members of the BOD, in the discharge of their duties, shall be jointly and severally responsible for transactions, act/commissions made in violation of law, regulations, this Bylaws or the resolutions of the assembly, except those

who entered a protest at the time when such transaction, act or commission was acted upon.

ARTICLE V COMMITTEES

Section 1. *Audit Committee* - The Audit Committee shall be composed of **three (3) members. Two members shall be elected at large every General Assembly. The member getting the highest votes will serve for two (2) years while the other member with the next higher votes will serve for one (1) year.** The incumbent Vice-Chairperson shall automatically serve as the next Chairperson and the elected member with the highest votes shall automatically be the Vice-Chairperson. **The remaining member shall act as the Secretary. The committee shall perform its functions and duties upon induction to office.**

(The Audit Committee shall be composed of five (5) members elected by the general membership. The interim composition shall be the incumbent member elected to serve for two (2) years and four (4) to be elected at large. The two (2) members getting the highest votes will serve for two (2) years while the two (2) other members with the next higher votes will serve for one (1) year. The subsequent elections shall be for the three (3) other Audit Committee members providing for the same term of service for the first two (2) highest and the next third higher votes cast. The incumbent Vice Chairperson shall automatically serve as the next Chairperson and the elected member with the highest votes shall automatically be the Vice-Chairperson. Within ten (10) days after their election, the Committee members shall choose from among themselves a Secretary. Said committee shall perform its functions and duties upon installation/induction to office.)

1.1. Functions and Responsibilities - The Audit Committee shall provide oversight function and guidance to the Internal Audit Office of MSU-IIT NMPC and shall regularly provide the Board with audit findings for immediate action or correction. It shall also provide an audited annual financial report to the Annual General Assembly.

1.1.1 The Audit Committee shall have access to all the financial and non-financial records and check transactions of MSU-IIT NMPC at all times. Every officer, director, committee member, employee and member of the MSU-IIT NMPC shall furnish such information in regard to the transactions and business of the MSU-IIT NMPC as the Audit Committee may require.

1.1.2 The Audit Committee shall also act as consultant of the Board of Directors on matters involving accounting, financial and other management issues and concerns.

1.2 Qualifications in Audit Committee Membership - Any regular member of the MSU-IIT NMPC who, under the Bylaws of the Cooperative, possesses all the qualifications provided below shall be eligible for election as a member of the Audit Committee:

(Section 1.2 The Audit Committee shall have access to all the financial and non-financial records and check transactions of MSU-IIT NMPC at all times. Every officer, director, committee member, employee and member of the MSU-IIT NMPC shall furnish such information in regard to the transactions and business of the MSU-IIT NMPC as the Audit Committee may require.)

1.2.1 has the minimum share capital requirement set by the BOD;

1.2.2 a member-in-good standing (MIGS) for the last three (3) years;

1.2.3 has attended any of the mandated CDA courses;

1.2.4 has work experience in audit, accounting, and/or human resource management. Preference is given to an accounting graduate or an accountant;

1.2.5 is of good moral character

1.2.6 patronizer of at least one (1) coop product (i.e. revenue generating products such as but not limited to Multi-purpose Loans, Cosa Real loan, etc) and one (1) Coop Service (i.e. Coop Care, Sunshine Plan, etc).

1.3 Disqualifications in Audit Committee Membership - Any Audit Committee member who, under the Bylaws of the Cooperative and other pertinent laws shall be disqualified upon the following grounds:

(Section 1.3 The Audit Committee shall also act as consultant of the Board of Directors on matters involving accounting, financial and other management issues and concerns.)

1.3.1 Possessing the disqualifications provided for the Board of Directors (Art. IV Sec 3) shall apply to the Audit Committee, except for Art IV Sec 3.3

1.3.2 Having incurred prolonged/continuous or intermittent personal leave of absence beyond six (6) regular board meetings for the committee chair and three (3) regular board meetings for the committee members or six (6)

committee meetings in a year inclusive of fieldwork, whether excused or unexcused.

Section 2. *Election Committee (ELECOM)* - The ELECOM shall be composed of **three (3) members. Two members shall be elected at large every General Assembly. The member getting the highest votes will serve for two (2) years while the other member with the next higher votes will serve for one (1) year.** The incumbent Vice-Chairperson shall automatically serve as the next Chairperson and the elected member with the highest votes shall automatically be the Vice-Chairperson. **The remaining member shall act as the Secretary. The committee shall perform its functions and duties upon induction to office.** Furthermore, Election Committee members shall not be allowed to run for any other office during their terms.

(Section 2. Election Committee (ELECOM). - The Election committee shall be composed of five (5) members elected by the general membership. The interim composition shall be the incumbent member elected to serve for two years and four (4) to be elected at large. The two members getting the highest votes will serve for two (2) years while the two (2) other members with the next higher votes will serve for one (1) year. The subsequent elections shall be for the three(3) other Election Committee members providing for the same term of service for the first two highest and the next third higher votes cast. The incumbent Vice Chairperson shall automatically serve as the next Chairperson and the elected member with the highest votes shall automatically be the Vice-Chairperson. Within ten (10) days after their election, the Committee members shall choose from among themselves a Secretary.)

2.1 Functions and Responsibilities - The ELECOM shall perform its functions and duties upon installation/induction to office. The committee shall supervise the conduct of all elections, shall perform its duties **in accordance with established election practices, shall canvass, shall certify in writing the returns to the Chairperson of the MSU-IIT NMPC and the Secretary of the Board.**

2.1.1 In case of a tie **in an election, a special process shall be undertaken by the ELECOM to break the tie with the presence and approval of the parties involved within one (1) week after the election.**

2.1.2 Advance voting shall be allowed for those who will be out-of-town **one (1) week before the start of the scheduled regular election. The voting shall be done at the Coop Office within business hours.**

2.1.3 **Other formalities and the conduct of election not provided for in this Bylaws are in the implementing rules and regulations (IRR) found in the ELECTION CODE of MSU-IIT NMPC.**

(Section 2.1 Said committee shall perform its functions and duties upon installation/induction to office. The committee shall supervise the conduct of all elections, perform its duties in accordance with established election practices, canvass and certify in writing the returns to the Chairperson of MSU-IIT NMPC and the Secretary of the Board.

In case of a tie, a special process to break the tie with the presence and approval of the parties involved will be undertaken within one (1) week after the regular election.

Advance voting shall be allowed for those who will be out-of-town during the week of a regular election. Such voting shall be done at the Coop Office within business hours one week before the scheduled regular election.

In appreciation of ballots, cumulative voting shall be counted as one vote and a vote for a director or committee member shall be counted as one vote. Such other formalities and the conduct of election not provided for in this Bylaws shall be determined by the annual general assembly.

Election Committee members shall not be allowed to run for any other office during their terms.)

2.2 Qualifications in ELECOM Membership - Any regular member of the MSU-IIT NMPC who, under the Bylaws of the Cooperative, and possesses all the qualifications provided below shall be eligible for election as a member of the ELECOM:

(Section 3. Qualifications and Disqualifications for Elective Committee Membership. - The qualifications and disqualifications provided for Directors shall apply to members of the Election, and Audit Committees.)

2.2.1 has the minimum share capital requirement set by the BOD;

2. 2.2 a member-in-good standing (MIGS) for the last three (3) years;

2. 2.3 has attended any of the mandated CDA courses;

2. 2.4 is of good moral character.

2. 2.5 patronizer of at least one (1) Coop product (i.e revenue generating products such as but not limited to Multi-purpose Loans, Cosa Real loan, etc.) and one (1) Coop Servcies (i.e Coop Care, Sunshine Plan, etc.)

2.3_ Disqualifications for ELECOM Membership - Any ELECOM member who, under the bylaws of the Cooperative, shall be disqualified upon the following grounds:

2.3.1 Possessing the disqualifications provided for the Board of Directors (Art. IV Sec 3) shall apply to the ELECOM, except for Art IV Sec 3.3.

2.3.2 Disqualification on leave of absence in Art V. Sec 1.3.2 for Audit Committee shall also apply.

(Section 3. Qualifications and Disqualifications for Elective Committee Membership.- The qualifications and disqualifications provided for Directors shall apply to members of the Election, and Audit Committees.)

Section 3. Mandated Committees - The following committees shall be formed or created by the Board of Directors, and their powers and functions defined by RA 9520:

3.1 Mediation and Conciliation Committee

3.2 Ethics Committee

Only cooperative members trained in Mediation and Conciliation may be appointed to this Committee. To ensure availability of trained members, the Coop shall regularly conduct or sponsor trainings for members to this effect.

*Section 4. Board-Created Committees - **The Board-Created Committees are creations of the BOD with specific charge or set of tasks to address issues that are too complex and/or numerous to be handled by the entire board. The Board-Created Committees operate at the board level. They make full use of board members' expertise, time and commitment to recommend policies for approval by the entire board. The Committees are composed of maximum of five (5) members from any of the members of the board and non-board volunteers, except for the Education Committee (EDCOM) whose its membership include all the past BOD Chairs.***

Each of these committees shall be chaired by a Director. The Chief Executive Officer (CEO), Chair of the BOD and certain employees of the Coop may serve as *ex officio* members to these committees when the Board deemed it necessary. The committees shall meet at least once a month.

The following are the Board-created-committees:

- A. **Executive Committee**
- B. **Cooperative Social Responsibility (CSR) Committee**
- C. **Gender and Development (GAD) Committee**
- D. **Education and Training Committee (EDCOM)**
- E. **Finance and Investment Committee (FIC)**
- F. **Health Committee (HC)**
- G. **Human Resource Committee (HRC)**
- H. **Youth Committee (YC)**

I. Other committees created by the Board necessary to carry out its purpose or purposes as stated in its Article of Cooperation and Bylaws.

(Section 4. Board Created Committees

The Board of Directors may form such other committees as may be deemed necessary for the operation of the Cooperative.

- A. Cooperative Social Responsibility Committee*
- B. Gender Committee*
- C. Education and Training Committee [EDCOM]*
- D. Investment*
- E. Member Welfare Committee*
- F. Other Committees)*

Section 5.1 Education and Training Committee.

The Education and Training Committee shall be composed of such a number as may be determined by the Board of Directors and appointed by it for a term of one (1) year, without prejudice to their re-appointment. The Vice-Chairman of the Board shall serve as ex-officio chairman of the committee. The committee shall be responsible for planning and implementing the education and training activities of the MSU-IIT NMPC.

**ARTICLE VI
BRANCH COUNCIL**

ARTICLE VI- Branch Council is ABOLISHED/DELETED!!

Section 1. Branch Council.

A Branch Council shall be organized in every branch of the cooperative whose membership is at least one thousand (1,000) members. Three (3) branch council members shall be elected in a branch with 1,000 to 2,000 members. This number will be increased to a maximum of five (5) when branch membership is beyond 2,000. Initially, the member with the highest vote shall serve for a term of two years while the remaining two shall serve for one year, without prejudice for re-election. Subsequently, two will be elected annually, with the member getting the highest vote serving for two years and the other for one year. They shall elect from among themselves the chairperson and secretary within ten (10) days after their election.

When the branch council membership is increased to five, the manner of election and succession is similar to that of the Audit or Election Committees.

Section 2. Functions and Responsibilities.

The Branch Council shall serve as the local liaison of the branch to the community. All developmental member-related activities of the coop in the local community, such as cooperative social responsibility (CSR) undertakings, shall be coordinated by the council together with the coop branch employees. They shall also be involved in insuring that the membership targets of the branch may be achieved through various recruitment activities in the community and in other undertakings requested/mandated by the Board of Directors.

The Branch Councils of the geographical cluster of branches, as determined by the Board of Directors, shall together with the management and staff of the branches plan the hosting of the cluster Annual General Assembly in their area.)

ARTICLE VI

Officers and Management Staff of the Cooperative

Section 1. Officers and their Duties - The officers of the cooperative shall include the members of the BOD and different committees created by the General Assembly, the Chief Executive Officer (CEO), the Secretary, the Treasurer and the members holding other positions as may be provided for in this Bylaws. They shall serve according to the functions and responsibilities of their respective offices as follows:

1.1 Chairperson

- 1.1.1 Set the agenda for board meetings in coordination with the Chief Executive Officer and the other members of the BOD;
- 1.1.2 Preside over all meetings of the BOD and of the annual General Assembly;
- 1.1.3 Sign contracts, agreements, certificates and other documents on behalf of the cooperative as authorized by the BOD or by the annual General Assembly; and
- 1.1.4 Perform such other functions as may be authorized by the BOD or by the annual General Assembly.

1.2 Vice-Chairperson

- 1.2.1 Perform all the duties and responsibilities of the Chairperson in the absence of the latter;
- 1.2.2 Act as ex-officio Chairperson of the Education and Training Committee; and
- 1.2.3 Perform such other duties as may be delegated by the BOD.

1.3 Treasurer

- 1.3.1 Oversees all activities regarding the cash management of the cooperative, including investment portfolio management, credit management, and risk management;
- 1.3.2 Has supervisory responsibilities on the custody of all funds, securities, and documentations relating to all assets, liabilities, income and expenditures of the cooperative;
- 1.3.3 Monitors and reviews the financial management operations of the cooperative, subject to such limitations and control as may be prescribed by the BOD;
- 1.3.4 Regularly render a report to the BOD on the above matters;
- 1.3.5 Perform the duties of the Board Secretary in the latter's absence or inability to perform his/her duties.
- 1.3.6 Performs such other functions as may be prescribed in this Bylaws or as authorized by the BOD.

1.4 Board Secretary

- 1.4.1 Prepares and maintains records of all minutes of all meetings of the BOD & the Assemblies;

- 1.4.2 Ensures that management keeps an updated and complete registry of all record of Members;
 - 1.4.3 Ensures that necessary BODs' actions and decisions are transmitted to the management for compliance and implementation;
 - 1.4.4 Issues and certifies the list of members who are in good standing and entitled to vote as determined by the BOD;
 - 1.4.5 Serves notice of all meetings called and certify the presence of quorum of all meetings of the BOD and Assemblies;
 - 1.4.6 Keeps copy of all reports presented to the BOD and General Assemblies;
 - 1.4.7 Serves as the custodian of the cooperative seal;
 - 1.4.8 Performs the duties of the Treasurer in case of the latter's absence or inability to perform his/her duties; and
 - 1.4.9 Performs such other functions as may be prescribed in this Bylaws or as authorized by the BOD.
- 1.5. Chief Executive Officer [CEO]
- 1.5.1 Oversees the overall day to day business operations of the cooperative by providing general direction, supervision, management and administrative control over all the operating departments subject to such limitations as may be set forth by the BOD or the General Assembly;
 - 1.5.2 Formulates and recommends in coordination with the operating departments or branches under his/her supervision, the Coop's plans, programs and projects, for approval of the BOD, and ratification by the annual General Assembly;
 - 1.5.3 Implements the duly approved plans and programs of the cooperative and any other directive or instruction of the BOD;
 - 1.5.4 Provides the BOD with monthly reports on the status of the coop's operation vis-a-vis its target and recommends appropriate policy/ies or operational changes, if necessary;
 - 1.5.5 Represents the cooperative in any agreement, contract, business dealing, and in any other official business transaction as may be authorized by the BOD;
 - 1.5.6 Ensures compliance with all administrative and other requirements of regulatory bodies; and
 - 1.5.7 Performs such other duties as the BOD may prescribe and turns over to his/her successor all properties belonging to the Cooperative in his/her possession or over which he/she has control upon the expiration/termination of his/her services.

Section 2. Liabilities of Directors, Officers and Committee Members -
 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 Directors, officers or committee members shall be liable jointly and severally for all damages 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/her duties, any interest or equity adverse to the Cooperative in respect to any matter which has been reposed in him/her in confidence, he/she shall, as a trustee for the Cooperative, be liable for damages or loss of profits which otherwise would have accrued to the Cooperative.

Section 3. Management Staff - The BOD shall recruit and appoint the CEO and fix his/her compensation. Subject to the policies set by the BOD, the CEO shall employ, supervise and/or dismiss any agent or employee in the management staff.

Section 4. Qualification of the Chief Executive Officer - No person shall be appointed to the position of CEO unless he/she possesses the following qualifications and none of the disqualifications herein enumerated:

- 4.1 Must be a person of known probity and leadership and management capability;
- 4.2 Must be familiar with the business operation of the Cooperative and have at least two (2) years higher management experience in the operations of a cooperative or related business;
- 4.3 Must not be engaged directly or indirectly in any activity similar to the business of the Cooperative;
- 4.4 Must not have been convicted of any administrative, civil or criminal cases involving moral turpitude, gross negligence or grave misconduct in the performance of his/her duties;
- 4.5 Must not be addicted to any form of gambling or immoral or vicious habits;
- 4.6 Must have no pending administrative, civil or criminal case involving financial and/or property accountabilities at the time of his/her appointment; and
- 4.7 Must undergo pre-service and/or in-service trainings, such as the CEO competency course.

Section 5. Compensation of Board of Directors and Officers - Subject to the approval of the annual General Assembly, the members of the Board and Committees may, in addition to per diem for actual attendance to Board and Committee meetings, and reimbursement of actual and necessary expenses while performing functions in behalf of the cooperative, may be given regular compensation; Provided, further, that the directors and officers shall not be entitled to any per diem when, if in the preceding calendar year, the cooperative reported a net loss or had a dividend rate less than the official inflation rate for the same year.

ARTICLE VII CAPITALIZATION

Section 1. Sources of Funds - The MSU-IIT NMPC shall derive its funds from the following:

- 1.1 Member's share capital contribution;
- 1.2 Savings and Time deposits;
- 1.3 Loans and borrowings;
- 1.4 Revolving capital build-up which consists of the deferred payment of patronage refund or interest on share capital;
- 1.5 Subsidies, grants, legacies, aids, donation and such other assistance from any local or foreign institution, public or private;
- 1.6 Retentions from the proceeds of services acquired /goods procured by members; and

1.7 Other sources of funds as may be authorized by law.

Section 2. Continuous Capital Build-up - Every member shall invest in the share capital of the cooperative:

- 2.1 at least One Hundred Pesos (P100) monthly;
- 2.2 at least one percent (1%) of each loan granted his/her;
- 2.3 at least one percent (1%) of the annual interest on capital and patronage refund; or
- 2.4 any means as prescribed by the BOD.

Section 3. Savings Deposit

- 3.1 Any regular member, in addition to his/her share capital investment, shall open an initial savings deposit account in the amount of at least five hundred pesos(P500);
- 3.2 The amount of savings deposit that will earn interest shall be determined by the Management and approved by the BOD.

Section 4. Time Deposits - The matrix on time deposits shall be determined by the Management and approved by the BOD. Time deposit certificates shall be issued to depositors.

Section 5. Special Savings - Are savings products formulated by the BOD to meet the needs of members as recommended by Management.

Section 6. Borrowings - The MSUIIT NMPC through the BOD, may borrow money from any source at the best terms and conditions available and in the amount that may be needed. The total outstanding borrowings from any source shall not exceed twenty percent (20%) of the total assets.

Section 7. Share Capital - The term share capital refers to a unit of capital the value of which is fifty pesos (P50). Serially numbered passbook of MSUIIT NMPC shall be issued to each member upon membership, and for the subsequent share they have paid for. The passbook shall contain shareholder's full name, complete address, member's watermark signature and other pertinent information.

The shares may be purchased, owned or held only by persons who are eligible for membership. Subject to existing government rules or laws, interests shall be paid only to paid-up shares which may be in cash; or credited as payment of unpaid subscriptions, outstanding accounts, or additional shares or to the general reserve fund of the cooperative.

Section 8. Transfer of Shares

- 8.1 The MSU-IIT NMPC shall have first option to buy any share offered for sale. The amount to be paid for such shares shall be the par or market value, whichever is lower.

- 8.2 If the MSU-IIT NMPC is not in a position or otherwise refuses to purchase such shares, the member shall have the right to sell them to any person eligible for membership in the MSU-IIT NMPC.
- 8.3 A member shall not transfer any share held by him/her or an interest in the MSU-IIT NMPC or any part hereof, unless:
- 8.3.1 the transfer is made to a person who falls within the field of members of MSU-IIT NMPC, provided such person is acceptable to MSU-IIT NMPC;
- 8.3.2 the Board of Directors has approved such transfer
- 8.4 Transfer of shares shall not be binding to the MSU-IIT NMPC until such transfer has been registered in its stock and transfer book. No transfer shall be completed until the passbook issued in the name of the member shall have been surrendered. The last transferee, if a new member, shall then pay the required membership fee. A transfer fee shall be charged as determined by Management and approved by the Board of Directors.
- 8.5 In case of loss or destruction of a passbook, an approved fee shall be charged and new passbook shall be issued in its place to the owner thereof after he/she has executed an affidavit in triplicate copies, setting forth the following:
- 8.5.1 That the lost or destroyed passbook has never been transferred or sold or endorsed to any third party.
- 8.5.2 and that should the same be found, the owner shall surrender it to the MSU-IIT NMPC.
- 8.6 Any false representation or statement made in the aforesaid affidavit shall be a ground for expulsion from the MSU-IIT NMPC.

ARTICLE VIII LOANS

Section 1. Loan(s) may be availed of by a member in good standing as a matter of privilege and not as a matter of right.

Section 2. Loan(s) may be granted to a member in good standing either for providential or productive purposes.)

Section 3. Loans to be granted shall be based on the credit policies of the cooperative.

Section 4. Application for Loans. - A loan application shall state specifically the purpose or purposes for which the money is to be used. Any false representation or statement made in the application shall be a ground for the cancellation of the loan. If the money has been used for a purpose other than that for which it was granted, the loan shall at once become due and demandable.

Section 5. Restrictions on Credit Officers, Directors and Committee Members. - No Director or Committee member shall vote on a loan requested

by a member of his/her family, natural or related by affinity to the third degree or on a loan requested by a person who owes a debt to him/her or to any member of his/her family; neither can he/she become a co-maker, surety nor endorser on any loan contracted with the MSU-IIT NMPC.

Section 6. Appeal. - An appeal from the decision of the Credit and Loans Division on the grounds of abuse of discretion or violation of any existing policy may be presented in a meeting of the Board of Directors called for the purpose by the Chairperson upon notice of documented complaints. The decision of the BOD on the matter shall be final.

ARTICLE IX OPERATION

Section 1. The MSU-IIT NMPC shall coordinate closely with other cooperative organizations towards institutionalizing and systematizing cooperatives.

Section 2. Formulate and implement program strategies that will provide its members and the communities within its area of operation needed goods/services;

Section 3. Adopt and implement plans and programs which ensure the continued build-up of its capital structures with the end view of establishing other needed services for the members and the public;

Section 4. Formulate and implement studies and/or programs that will address the needs of the members;

Section 5. Interested members may execute a marketing agreement with MSUIIT NMPC whereby the latter shall market the products of the members in the usual and customary manner, or in any manner it may see fit under the circumstances, having in mind the interest and welfare of the members.

Section 6. All members shall procure their production inputs, supplies and other requirements through the MSU-IIT NMPC, which the latter shall in turn procure in bulk through a cooperative purchasing system to achieve economic efficiency.

Section 7. The MSU-IIT NMPC, based on the need of its members and on sound economic considerations shall acquire, lease, maintain and operate a pool of machinery and equipment, warehouse and other facilities.

Section 8. Service over and above profits shall be the primary consideration of the MSU-IIT NMPC in the pursuit of its goals and in the operation of its business.

ARTICLE X Allocation and Distribution of Net Surplus

Section 1. Allocation. - At the end of its fiscal year, the MSUIIT NMPC shall allocate and distribute its net surplus as follows:

- 1.1 Reserve Fund. - At least ten percent (10%) shall be set aside for Reserve Fund subject to the following rules:

- 1.1.1 The reserve fund shall be used for the stability of the MSUIIT NMPC and to meet net losses in its operations. The General Assembly may decrease the amount allocated to the reserve fund when it has already exceeded the authorized share capital. Any sum recovered on items previously charged to the reserve fund shall be credited to such fund.
- 1.1.2 The reserve fund shall not be utilized for investment, other than those allowed in the Cooperative Code. Such sum of the reserve fund in excess of the authorized share capital may be used at any time for any project that would expand the operations of the cooperative upon the resolution of the Annual (Representative) assembly.
- 1.1.3 Upon the dissolution of the cooperative, the reserve fund shall not be distributed among the members. However, the general assembly may resolve:
 - 1.1.3.1 To establish usufructuary trust fund for the benefit of any federation or union to which the cooperative is affiliated; or
 - 1.1.3.2 To donate, contribute or otherwise dispose of the amount for the benefit of the community where the cooperative operates. If the member could not decide on the disposition of the reserve fund, the same shall be given to the federation or union to which the cooperative is affiliated.
- 1.2. Education and Training Fund. - Not more than ten percent (10 %) shall be set aside for Education and Training Fund.
 - 1.2.1 Half of the amount allocated to the education and training fund annually under this subsection may be spent by the MSUIIT NMPC for education and training purposes; while the other half may be remitted to a union or federations chosen by the cooperative or of which it is a member.
 - 1.2.2 Upon the dissolution of the cooperative, the unexpended balance of the education and training fund pertaining to the cooperative shall be credited to the cooperative education and training fund of the chosen union or federation.
- 1.3 Community Development Fund. - At least three percent (3%) shall be used for projects and activities that will benefit the community where the cooperative operates.
- 1.4 Relief, Rehabilitation, Recovery and Reconstruction Fund. - At least three percent (3%) shall be used for relief, rehabilitation, recovery and reconstruction should calamity arise.
- 1.5 Optional Fund - Not more than seven percent (7%) shall be set aside for Optional Fund for land and building, and any other necessary fund.
- 1.6 **Venture Capital Fund is ABOLISHED/DELETED.**

(1.6.Venture Capital Fund. - Not more than seven percent (7%) shall be set aside as Venture Capital Fund which shall be used as start-up capital to fund promising entrepreneurial business ventures of members. A venture capital investment and management committee shall be established to select venture projects proposed by members and to help manage the undertaking in accordance with the venture capital fund policy/ies approved by the Board.)

Section 2. Interest on Share Capital and Patronage Refund - The remaining net surplus shall be made available to the members in the form of interest on share capital not to exceed the normal rate of return on investment and patronage refunds. Provided, that any amount remaining after the allowable interest and the patronage refund have been deducted shall be credited to the reserve fund. The sum allocated for patronage refund shall be made available at the same rate to all patrons of the cooperative in proportion to their individual patronage, provided that:

- 2.1 In the case of a member patron with paid-up share capital contribution, his/her proportionate amount of patronage refund shall be paid to him unless he/she agrees to credit the amount to his/her account as additional share capital contribution;
- 2.2 In the case of member patron with unpaid share capital contribution, his/her proportionate amount of patronage refund shall be credited to his/her account until the share capital has been fully paid;
- 2.3 In the case of non-member patron, his/her proportionate amount of patronage refunds shall be set aside in a general fund for such patron and shall be allocated to individual non-member patron and only upon request and presentation of evidence of the amount of his/her patronage. The amount so allocated shall be credited to such patron toward payment of the minimum capital contribution for membership. When a sum equal to this amount has accumulated at any time within two (2) years, such patron shall be deemed and become a member of the cooperative if he so agrees or requests and complies with the provisions of the Bylaws for admission to membership; and
- 2.4. If within the period specified hereof, any subscriber who has not fully paid his/her subscribed share capital or any non-member patron who has accumulated, the sum necessary for membership, but who does not request nor agree to become a member or fails to comply with the provisions of this Bylaws for admission to membership, the amount so accumulated or credited to their account together with any part of the general fund for non-member patron shall be credited to the reserve fund or to the education and training fund of the cooperative, at the option of the cooperative.

ARTICLE XI SETTLEMENT OF DISPUTES

Section 1. Mediation and Conciliation - All inter and intra-cooperative disputes shall be settled within the cooperative to be facilitated by the Mediation and Conciliation Committee in accordance with pertinent Guidelines issued by the Cooperative Development Authority.

Section 2. Disputes Involving Members of the Mediation and Conciliation Committee and Board of Directors - If one of the parties to a controversy is a member of the Mediation and Conciliation Committee, the Chairperson shall endorse the case to the BOD who shall resolve the case following the procedures prescribed in the proceeding section.

If one or both parties are members of the Board of Directors and the Mediation and Conciliation Committee, the Chairperson of the Committee shall communicate in writing such fact to the Chairperson of the BOD who shall forthwith call a special board meeting to form a five (5)-member Special Conciliation Committee, consisting of the heads of Audit and Election Committees, the Secretary and one (Representative) of each party. The special conciliation committee shall convene immediately and after electing from among themselves the Chairperson, Vice- Chairperson and the Secretary, proceed to resolve the case in accordance with the procedures prescribed in the preceding section. The committee shall automatically cease to exist upon the final resolution of the controversy.

Article XII MISCELLANEOUS

Section 1. Investment of Capital. - The Cooperative may invest its capital in any or all of the following:

- 1.1 Shares or debentures or securities of any other cooperative, any other reputable financial institutions or subsidiaries;
- 1.2 Any reputable bank in the locality or any cooperative and cooperative banks;
- 1.3 Securities issued or guaranteed by Government;
- 1.4 Real Estate primarily for the use of the Cooperative or its members;
or
- 1.5 In any other manner approved by the General Assembly.

Section 2. Accounting System - The Cooperative shall keep, maintain and preserve all its books of accounts and other financial records in accordance with generally accepted accounting principles and practices, applied consistently from year to year, and subject to existing laws, rules and regulations.

Section 3. External Audit - At least once a year, the BOD shall in consultation with the Audit Committee, cause the audit of the books of accounts of the Cooperative by CDA accredited independent Certified Public Accountant.

Section 4. Annual Report - During the annual general assembly meeting, the Cooperative shall submit a report of its operation to the General Assembly

together with the audited financial statements. The annual report shall be certified by the Chairperson, CEO, Treasurer and Chairperson of the Audit Committee of the Cooperative as true and correct in all aspects to the best of their knowledge. The audited financial statements shall be certified by CDA accredited independent Certified Public Accountant.

The cooperative shall submit the following reports to the Authority within (120) days from the end of every calendar year:

- 4.1 Cooperative Annual Performance Report (CAPR);
- 4.2 Social Audit Report;
- 4.3 Performance Report;
- 4.4 Audited Financial Statement duly stamped "Received" by the BIR;
- 4.5 List of officers and trainings undertaken/completed.

*Section 5. The MSU-IIT NMPC Logo - The logo of the MSU-IIT NMPC **shall have the following description:***

The pot serves as the depository of the **Coop funds**. The brown color symbolizes the services that are rendered by the Cooperative to each member. **The holding hands depict a** strong cooperation and stability between MSU-IIT NMPC members and **its officers and management** to achieve the objectives of the Cooperative. The people represent the **members** who share a common belief in the Cooperative. The "Okir" design **in the pot cover** symbolizes the origin of the Coop being established in Lanao.

(Section 5. The MSU-IIT NMPC Logo. - The logo of the MSU-IIT NMPC shall have the following descriptions:

"The pot serves as the depository of fund. The brown color symbolizes the services that are rendered by the Cooperative to each member. The hand depicts a strong cooperation and stability between MSU-IIT NMPC members and officers to achieve the objectives of the Cooperatives. The people represents the members of the Cooperative who share a common belief in the Cooperative. The "Okir" symbolizes the origin of the Coop having being established in Lanao.")

Article XIV Amendments

Section 1. Amendments - Amendments of the Articles of Cooperation and this Bylaws, may be adopted by two-third (2/3) votes of all the members with voting right present in any regular or special annual General Assembly called for the purpose.

Amendment shall take effect upon receipt by the Cooperative of the corresponding Certificate of Registration issued by the CDA.

WE, the undersigned, constituting the Board of Directors of the MSU-IIT NATIONAL MULTIPURPOSE COOPERATIVE (MSU-IIT NMPC), do hereby certify that the foregoing instruments is the Code of Bylaws of the MSU-IIT NATIONAL MULTIPURPOSE COOPERATIVE [MSU-IIT NMPC] as amended in its annual

General Assembly by clusters held on _____ at the MSU-IIT Gymnasium, in Iligan City.

WE, the undersigned, constituting the **Board of Directors** of the MSU-IIT NATIONAL MULTIPURPOSE COOPERATIVE (MSU-IIT NMPC), do hereby certify that the foregoing instruments is the By-laws of the MSU-IIT NATIONAL MULTIPURPOSE COOPERATIVE [MSU-IIT NMPC] as amended in its **38th annual General Assembly by Cluster** held on February 27, 28, 2016 and March 5,6,12,13,19, 2016 at Iligan City, Davao City, General Santos City, Butuan City, Cagayan de Oro City, and Maranding, Lanao del Norte.

Dr. RHODORA S.N. ENGLIS
Chairperson

DIR. NORA A. CLAR
Vice Chairperson

DIR. EDNA E.ABERILLA
Chairperson Emeritus
Ex-Officio Member

DIR. MYRNA P. CALO
MHRM
Director

DIR. ROLY ANN A. CLARO,
Director

DIR. LUDIVINA G. CARBONELL
Director

DIR. AIDA S. CORTES
Director

DR. CORAZON V. LIGARAY
Director

DR. MYRNA SILLERO MAHINAY
Director

DR. RODOLFO B. TRINIDAD, CPA
Director

ENGR. JEREMY V. PINZON
Board Secretary

Signed in the presence of:

Dr. EMMA A. NIEVA, CPA
Chief Executive Officer
Member, ex-Officio

LORADEL B. PABILLAR, CPA
Finance Manager