BY-LAWS
Of
DE LA SALLE CREDIT COOPERATIVE
(Amended as of February 13, 2010)

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned Filipino citizens, all of legal age, and residents of the Philippines, representing at least majority of the members of the De la Salle Credit Cooperative (DLSCC) a primary credit cooperative, do hereby adopt the following code of By-laws.

Article I
Objectives and Purposes

Section 1. Objectives. The objectives and purposes of this Cooperative are:

1. To inculcate a culture of thrift and assist members to attain financial stability through periodic savings and financial discipline among members;

2. To create funds and grant loans to members for productive and providential purposes;

3. To promote the upliftment of the quality of life of its members through mutual and cooperative assistance;

4. To ensure financial and organizational stability through good governance and prudent management of financial, human and other resources guided by the Lasallian values;

5. To continually expand and improve services to members through the use of modern technology and availment of external resources;

6. To collect, invest and reinvest all monies and income coming to it, while they are not loaned out to members, and hold the same for the benefit of the Cooperative;

7. To work with the cooperative movement, non-government and government organizations/entities in the promotion and development of cooperatives and in carrying out government policies;

8. To undertake other activities for the effective and efficient implementation of the provisions of the Cooperative code.
Article II
Membership

Section 2. Membership. This Cooperative shall have regular membership only.

A regular member is one who has complied with all the membership requirements and entitled to all the rights and privileges of membership.

Section 3. Qualifications for Membership.

Membership. The membership of this Cooperative is open to all bonafide employees of De La Salle University, De La Salle-College of Saint Benilde, De La Salle Santiago Zobel School, De La Salle University-Dasmariñas, De La Salle-Health Sciences Institute, De La Salle-Canlubang, De La Salle Credit Cooperative, and other affiliates of DLSU. These are employees, who can make use of its services, are in agreement with its purposes and its by-laws. Members who have retired may opt to continue membership in the Cooperative.

Membership may be opened to employees of other Lasallian schools that formally signified to be associated with the DLSCC as approved by the Board of Directors and the General Assembly.

The prospective members should:

a. Undertake to uphold the By-laws, policies, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly;

b. Complete the prescribed pre-membership cooperative education program;

c. Use or anticipate to use the services of the cooperative more particularly the savings and loaning services and other allied services relative thereto;

d. Pay the required membership fee; and

e. Pay the required initial minimum share capital or initial investment.

Provided that no member shall be accepted if he/she is already a member of an existing cooperative of the same kind operating in the same area.

Section 4. Application for Membership. The application for membership shall be made in writing on a form provided for the purpose and shall be presented to the Board of Directors for action, within thirty (30) days from the date of filling.

No application for membership shall be given due course if not accompanied with a membership fee of One hundred Pesos (P 100.00), which shall be refunded to the applicant in case of rejection. The membership fee may be adjusted by the Board from time-to-time.
Section 5. Minimum Share Capital Subscription. An applicant for membership shall subscribe at least ONE HUNDRED (100) shares and pay the value of at least ONE (1) shares upon approval of his membership.

However, no member shall own or hold more than ten percent (10%) of the total subscribed share capital of the Cooperative. The Board of Directors shall issue membership certificate and subscription agreement with such terms and conditions as may be deemed equitable.

Section 6. Appeal. An applicant whose application was denied by the Board of Directors may appeal to the general assembly by giving notice to the Secretary of the Cooperative within thirty (30) days before the next General Assembly meeting, whose decision on the matter shall be final.

Section 7. Duties and Responsibilities of a Member. Every member shall have the following duties:

a) Pay the installment of his share capital subscription as it falls due and to participate in the capital build-up and savings mobilization activities of the Cooperative;

b) Patronize the Cooperative's businesses and services;

c) Participate in the membership education programs;

d) Attend and participate in the deliberation of all matters taken during general assembly meetings;

e) Observe and obey all lawful orders, decisions, rules and regulations adopted by the Board of Directors and the general assembly; and

f) Promote the goals and objectives of the Cooperative, the success of its business, the welfare of its members and the cooperative movement in general.

The Board may determine additional duties that may qualify members of good standing.

Section 8. Member Entitled to Vote. Any regular member who meets the following conditions is a member entitled to vote:

a) Paid the membership fee and the value of at least TWENTY FIVE (25) shares;

b) Not delinquent in the payment of his share capital subscriptions and other accounts or obligations;

c) Not violated any provision of this By-laws, the terms and conditions of the subscription agreement; and the decisions, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly;

d) Completed the continuing education program prescribed by the Board of Directors; and

e) Participates in the affairs of the Cooperative and patronize its businesses.

Failure of the member to meet any of the above qualifications shall mean loss of right to vote.
Section 9. Rights of a Regular Member Entitled to Vote. A member entitled to vote shall have the following rights:

- a) Participate and vote on all matters deliberated upon during general assembly meetings;
- b) Seek any elective or appointive position, subject to the provisions Sec. 2A of this By-laws and the Philippines Cooperative Code of 2008;
- c) Avail himself of the services of the Cooperative, subject to certain conditions as may be prescribed by the Board of Directors;
- d) Inspect and examine the books of accounts, the minutes books, the share register, and other records of the Cooperative during office hours;
- e) Participate in the continuing education and other training programs of the cooperative; and
- f) Such other rights and privileges as may be provided by the General Assembly.

Section 10. Liability of Members. A member shall be liable for the debts of the Cooperative only to the extent of his subscribed share capital.

Section 11. Termination of Membership. Termination of membership, which may be automatic, voluntary or involuntary, shall have the effect of extinguishing all rights of a member in the Cooperative or its assets, subject to the provisions of Section 14 of this By-laws and as may be provided by the general assembly.

a. 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 membership in the Cooperative.

b. Voluntary Termination. A member may, for any reason, withdraw his membership from the Cooperative by giving a 60-day notice to the Board of Directors. However, no member shall be allowed to withdraw or terminate his membership during any period in which he has any pending obligation with the Cooperative.

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

i. When he has not patronized the services/businesses of the Cooperative for more than twelve (2) months;

ii. When he has continuously failed to comply with his obligations;

iii. When he has violated any provision of this By-laws and the rules promulgated by the Cooperative; and

iv. For any act or omission injurious or prejudicial to the interest or the welfare of the Cooperative.

v. When a member became a member of another cooperative of the same type in the same area of operation.
Section 12. Manner of Involuntary Termination. A member whose membership the board of directors may wish to terminate shall be informed of such intended action in writing and shall be given an opportunity to be heard before the said board makes its decision. The decision of the board shall be in writing and shall be communicated in person or by registered mail to the member and shall be appealable, within thirty (30) days after the decision is promulgated, to the general assembly whose decision therein, whether in a general or special sessions, shall be final. Pending a decision by the general assembly, the membership remains in force.

Section 13. 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 Cooperative. However, such refund shall not be made if upon payment the value of the assets of the Cooperative 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 Cooperative until such time that all his interests in the Cooperative shall have been duly paid. Upon the acceptance of his withdrawal or approval of his termination, however, he loses his right to attend, participate and vote in any meeting of the Board of Directors or the general assembly.

ARTICLE III
Government

Section 14. The General Assembly. The general assembly is composed of all the members entitled to vote and is the highest governing body of the Cooperative.

Section 15. Powers of the General Assembly. Subject to the pertinent provisions of the Cooperative Code and the rules issued thereunder, the general assembly shall have the following exclusive powers which, cannot be delegated:

1. To determine and approve amendments to the cooperative Articles of Cooperation and By-laws;
2. To elect or appoint the members of the board of directors, and to remove them for cause;
3. To approve developmental plans of the cooperative; and
4. To hear and pass upon the reports of the Board of Directors, officers and committees;
5. To take final decisions regarding any drastic change in financial policies, subject to legal restrictions;
6. To exercise final authority on all matters vitally affecting the cooperative;
7. To exercise all powers expressly provided by law and the by-laws.

Section 16. Meetings. Meetings of the general assembly, board of directors and committees may be regular or special. All proceedings and businesses
undertaken at any meeting of the general assembly or Board of Directors, if within the powers or authority of the Cooperative, there being a quorum, shall be valid.

Section 17. Regular General Assembly Meeting. The General Assembly shall hold its annual regular meeting at the principal office of the Cooperative or at any place within the Philippines on the date fixed by the Board of Directors; provided, that such date shall be within ninety (90) days after the close of each calendar year.

Section 18. Special General Assembly Meeting. The Board of Directors may, by a majority vote of all its members, call a special general assembly meeting at any time to consider urgent matters requiring immediate membership decision. The Board of Directors must likewise call a special general assembly meeting within one (1) month from receipt of a written request from a) at least ten percent (10%) of the total number of members entitled to vote; b) the Audit Committee; c) the head of the Federation or Union to which the Cooperative is a member, or d) upon written petition by at least 10% of all members entitled to vote to the Cooperative Development Authority.

Section 19. Notice of Meeting. All notices of meetings shall be in writing and shall include the date, time, place, and agenda thereof stated therein.

Regular General Assembly Meeting. Notice of the annual regular general assembly meeting shall be served by the Secretary, personally or his duly authorized representative or by registered mail, to all members of record at his last known postal address, or by posting or publication, or through other electronic means, at least one (1) week before the said meeting. It shall be accompanied with an agenda, minutes of meeting of the last general assembly meeting, consolidated reports of the Board of Directors and Committees, audited financial statements, and other papers which may assist the members to intelligently participate in the proceedings.

Special General Assembly Meeting. Notice of any special general assembly meeting shall be served by the Secretary personally or his duly authorized representative or by registered mail upon each members who are entitled to vote at his last known postal address, or by posting or publication, or through other electronic means, at least one (1) week before the said meeting. It shall state the purpose and, except for related issues, no other business shall be considered during the meeting.

Section 20. Order of Business. As far as practicable, the order of business of a regular general assembly meeting shall be:

a) Call to order;
b) Roll Call;
c) Proof of due notice;
d) Declaration of presence of quorum;
e) Consideration of presence of quorum;
f) Reading of the previous minutes of meeting;
g) Matters arising from the minutes;
h) Consideration of the consolidated report of the board of directors, officers, and the committees, including audited financial statements of the Cooperative;
i) Unfinished business;
j) Election of directors and committee members;
k) Approval of Development Plan and Budget;
l) New business;
m) Other matters; and
n) Adjournment

Section 21. Quorum for General Assembly Meeting. During regular or special general assembly meeting, at least twenty-five percent (25%) of the total number of members entitled to vote shall constitute a quorum.

Section 22. Voting System. Only members entitled to vote shall be qualified to participate and vote in any general assembly meeting. A member is entitled to one vote only regardless of the number of shares he owns.

Election or removal of Directors and Committee members shall be by secret ballot. Action on all matters shall be in any manner that will truly and correctly reflect the will of the membership. No proxy and/or cumulative voting shall be allowed.

ARTICLE IV
Board of Directors

Section 23. Composition of the Board of Directors. The Board of Directors shall be composed of nine (9) members.

Section 24. Qualifications. No member shall be elected or to continue as such member of the Board of Directors unless he is a member entitled to vote and has the following qualifications:

a) Has paid the minimum capital requirement;
b) Have continuously patronized the cooperative services;
c) A member in good standing for the last two years;
d) Completed or willingness to complete the required education and training as may be provided by law, rules and regulations and policy approved by the general assembly; and
e) Of good moral character and other qualifications prescribed in the IRR.

Section 25. Disqualifications. Any member who is under any of the following circumstances shall be disqualified to be elected as a member of the Board of Directors or any committee, or to continue as such:

a. Holding any elective position in the government, except that of a party list representative or being an officer of a cooperative he or she represents
b. Having served as director of the Cooperative for three (3) consecutive terms;
c. The members of the board of directors shall not hold any other position directly involved in the day-to-day operation and management of the cooperative.
d. Having direct or indirect personal interest with the business of the Cooperative;
e. Having been absent for three (3) consecutive regular meetings without reasonable cause;
f. Being an official or employee of the Cooperative Development Authority;
g. Having been convicted in administrative proceedings or civil/criminal suits involving financial and/or property accountability;
h. Having been disqualified by law.

Section 26. Election of Directors. The members of the Board of Directors shall be elected by secret ballot by members entitled to vote during the annual regular general assembly meeting or special general assembly meeting called for the purpose. Unless earlier removed for cause, or have resigned or become incapacitated, they shall hold office for a term of two (2) years or until their successors shall have been elected and qualified; All directors shall be elected for a term of two (2) years; Provided further that no director shall serve for more than three (3) consecutive terms. Four (4) from De La Salle University and one each from five campuses;

Section 27. Election of Officers. A meeting of the Board of Directors shall be held within ten (10) days after each annual general assembly to elect by secret ballot from among themselves a Chairman, and a Vice-Chairman. The Treasurer and the Secretary must not come from the Board. The Board of Directors may fill either or both of said positions by appointment. The elected officers shall hold office for a term of one year or until the election, qualification and assumption into office of their successors. No two (2) or more persons with relationships up to the third civil degree of consanguinity or affinity shall serve as elective or appointive officers in the same Board.

Thereafter, the Board of Directors shall meet at least once a month. For committees elected by the General Assembly and/or appointed by the BOD, procedural process of electing the Chairman, Vice Chairman or other positions among themselves should be in accordance with the process mentioned above.

Section 28. Meeting of the Directors. The regular meeting of the Board of Directors shall be held at least once a month. However, the Chairperson or majority of the directors may at any time call a special Board meeting to consider urgent matters. The call shall be addressed and delivered to the Secretary stating the date, time and place of such meeting and the matters to be considered. Notice of regular or special meetings of the Board of Directors, unless dispensed with, shall be served by the Secretary in writing to each director at least five (5) days before such meeting.

Majority of the total number of directors constitutes a quorum to transact business. Any decision or action taken by the majority members of the Board of Directors in a meeting duly assembled shall be a valid cooperative act.

Section 29. Vacancies. Any vacancy occurring in the Board of Directors by reason of death, incapacity, removal or resignation may be filled by a majority vote of the remaining directors, if still constituting a quorum; otherwise, such vacancy shall be filled by the general assembly in a regular or special meeting called for the purpose. The elected director shall serve only for the unexpired term of his predecessor in office.

In the event that the general assembly failed to muster a quorum to fill the positions vacated by directors whose term have expired and said directors
refuse to continue their functions on a hold-over capacity, the remaining members of the Board together with the members of the Audit Committee shall designate, from the qualified regular members of the general assembly, their replacements who shall serve as such until their successors shall have been elected and qualified in a regular or special general assembly meeting called for the purpose.

If a vacancy occurs in any elective committee it shall be filled by the remaining members of the said committee, if still constituting a quorum, otherwise, the Board, in its discretion, may appoint or hold a special election to fill such vacancy.

Section 30. Removal of Directors and Committee Members. All complaints for the removal of any elected officer shall be filed with the board of directors and such officer shall be given the opportunity to be heard. Majority of the board of directors may place the officer concerned under preventive suspension pending the resolution of the investigation. Upon finding of a prima facie evidence of guilt, the board shall present its recommendation for removal to the general assembly. An elective officer may be removed by three-fourths (¾) of the regular members present and constituting a quorum, in a regular or special general assembly meeting called for the purpose. The officer concerned shall be given the opportunity to be heard at said assembly.

In cases where the officers sought to be removed consist of the majority of the BOD at least 10% of the members with voting rights may file a petition with the CDA upon failure of the BOD to call an assembly meeting to commence the proceeding for their removal. The decision of the GA on the matter is final and executory.

An officer elected or appointed by the Board of Directors or any committee may be removed from office for cause by a majority vote of all the members of the Board or Committee as the case may be.

Section 31. Powers and Duties of the Board. The board of directors shall be responsible for the strategic planning, direction-setting and policy-formulating activities of the cooperatives. Provided further that any member of the board shall not hold any other position directly involved in the day-to-day operation and management of the cooperative. It shall be its special duty to:

a. Act upon all applications for membership and on resignation, withdrawal or expulsion of members;

b. Fix from time to time, the amount of bond of the Treasurer and any other who handles money or are authorized to draw check in the name of the De La Salle Credit Cooperative;

c. Determine from time to time the maximum deposits and loan policies;

d. Subject to limitation by this By-Laws, determine the interest rate on savings deposits and fix the maximum amount which may be loaned to any member with or without security;
e. To fix the compensation of the Secretary, Treasurer, General Manager and employees and upon recommendation of the General manager prescribe the duties of the latter;

f. To designate the depository or depositories for the funds of the DLSCC;

g. Recommend amendments to this By-laws; and

h. Perform such other duties as the general assembly members may assign from time to time.

ARTICLE V
Committee

Section 32. Audit Committee. An Audit Committee is hereby created and shall be composed of three (3) members to be elected during a general assembly meeting and shall hold office for a term of one (1) year or until their successors shall have been elected and qualified. Within ten (10) days after their election, they shall elect from among themselves a Chairman, Vice-Chairman and a Secretary. No member of the committee shall hold any other position within the Cooperative during his term of office. The Committee shall provide internal audit service, maintain a complete record of its examination and inventory, and submit an audited financial report quarterly or as may be required by the Board and the general assembly.

The audit committee shall be directly accountable and responsible to the General Assembly. It shall have the power and duty to continuously monitor the adequacy and effectiveness of the cooperative's management control system and audit the performance of the cooperative and its various responsibility centers.

Section 33. Election Committee. An Election Committee is hereby created and shall be composed of three (3) members to be elected during a general assembly meeting and shall hold office for a term of one (1) year or until their successors shall have been elected and qualified. Within ten (10) days after their election they shall elect from among themselves a Chairman, Vice-Chairman and a Secretary. No member of the committee shall hold any other position within the Cooperative during his term of office.

The Committee, as an independent body, shall promulgate rules and regulations which shall govern the conduct of elections in accordance with the provisions of the by-laws; pass upon the qualifications of candidates, supervise the conduct of elections, canvass and certify in writing the returns; proclaim the winning candidates; and hear and decide all election protests. Election protests filed by the members of the Election Committee shall be decided by the Board of Directors.

The decision of the Election Committee is appealable to the Board of Directors within fifteen (15) days from receipt thereof who shall decide the case within thirty (30) days after receipt of the records of the case. The decision of the Board is likewise appealable to the Cooperative Development Authority.
fifteen (15) days from receipt of said decision. At the option of any of the
parties, however, the case may be submitted for arbitration to a special board
composed of three (3) persons, one (1) of whom shall come from the
Cooperative Development Authority and the two (2) to be nominated by each of
the parties concerned.

**Section 34. Education and Training Committee.** An Education and
Training Committee is hereby created and shall be composed of three (3)
members to be appointed by the Board of Directors and shall serve for a term
of one (1) year, without prejudice to their reappointment. Except for the Vice-
Chairman, no member of the committee shall hold any other position within
the Cooperative during his term of office.

The committee shall be responsible for the planning and implementation
of the information, educational and human resource development programs of
the Cooperative for its members, officers and the communities within its area of
operation.

**Section 35. Mediation and Conciliation Committee.** A Mediation and
Conciliation Committee is hereby created and shall be composed of three (3)
members to be appointed by the Board of Directors. Within ten (10) days after
their election, they shall elect from among themselves a Chairman, Vice-
Chairman and a Secretary who shall serve for a term of two (2) years or until
successors shall have been elected and qualified. No member of the Committee
shall hold any other position in the Cooperative during his term of office.

The Mediation and Conciliation Committee shall have the following powers
and functions:

a. To conciliate, hear and decide all intra-cooperative disputes between
and/or among members, officers, directors and community;

b. Subject to the approval of the general assembly, to issue supplemental
rules and procedures concerning conciliation processes as may be
deemed necessary; and

c. To exercise such other powers as may be necessary to ensure speedy,
just, equitable and inexpensive settlement of disputes within the
Cooperative.

MC 2007-03-05 dated March 30, 2007 issued and pertinent rules and
regulations prescribed by the Authority shall be observed in the composition,
appointment, procedure of conciliation and mediation proceedings.

**Section 36. Ethics Committee.** An Ethics Committee is hereby created and
shall be composed of three (3) members to be appointed by the Board of
Directors. Within ten (10) days after their appointment, they shall elect from
among themselves a Chairman, Vice-Chairman and a Secretary who shall serve
for a term of two (2) years or until successors shall have been appointed and
qualified. No member of the Committee shall hold any other position in the
Cooperative during his term of office. The powers, function, duties and
responsibilities of the member shall be in accordance to the implementing rules
and regulations promulgated by the Cooperative Development Authority
Section 37. Credit Committee. The credit committee shall be composed of three (3) members appointed by the Board of Directors for a term of one year, or until their successors are appointed and qualified. Within ten (10) days after appointment, the members shall elect among themselves a Chairman and a Secretary.

The Committee shall be responsible for the Credit Management of the DLSCC. In the performance of its function, it shall:

1. Process, evaluate, and act upon loan applications except when the applicant is a member of the Committee, in which case, the application shall be acted upon by the Board of Directors; and

2. Exercise general supervision over all loans to members.

Other committees may be formed and/or created and their powers/functions defined by the Board as the business and operations of cooperative may require. Said committees shall assist the board of directors in the implementation of the cooperative development program.

ARTICLE VI
Officers of the Cooperative

Section 38. Officers and their Duties. The officers of the cooperative shall include the members of the different committees created by the general assembly, general manager or chief executive officers, secretary, treasurer and members holding other positions as may be provided for in this by-laws, shall serve according to the functions of their respective offices as follows:

Chairman – The Chairman shall:

a. Preside over all meetings of the Cooperative and of the Board of Directors;
b. Sign all share certificates, revolving fund certificates, contracts and other instruments or papers essential to the operations of the Cooperative; and
c. Perform such other necessary functions, subject to the restrictions which may be imposed by the Board of Directors or the general assembly.

Vice-Chairman – In the absence or incapacity of the Chairman, the Vice-Chairman shall discharge the duties and responsibilities of the Chairman; provided, however, that in case of death, resignation, removal or permanent incapacity of the Chairman, the Board of Directors may elect a new Chairman. The Vice-Chairman of the Board shall serve as ex-officio chairman of the Education and Training Committee.

Treasurer – The Treasurer shall:

a. Take custody of all monies, securities and papers acquired by the Cooperative, maintain a complete records of all its transactions;
b. Keep a complete record of its cash transaction for the  
establishment of proof of his cash position at any given time and  
date;

c. Pay all financial obligations incurred by the Cooperative as  
approved by the Manager and/or Board of Directors;

d. Render report and certify the correctness of the cash position of  
the Cooperative in all financial statements and other reports  
submitted to the Board of Directors, the general assembly and the  
Cooperative Development Authority;

e. Turn over to his successor all monies, securities, papers, books  
and other properties belonging to the Cooperative in his possession  
upon the expiration/term of office;

f. Act as Secretary in case of the latter’s absence or incapacity to  
perform his duties; and

g. Perform such other duties as the Board of Directors may prescribe.

Secretary – The Secretary shall:

a. Keep and maintain a complete registry of all members and  
records/minutes of all meetings of the Board of Directors and the  
General Assembly;

b. Give notice of all meetings called;

c. Keep and maintain the share and Transfer book and serve as the  
custodian of the corporate seal of the Cooperative;

d. Turn over to his successor all books, records and other properties  
belonging to the Cooperative in his possession upon the  
expiration/termination of his term of office; and;

e. Act as a Treasurer in case of the latter’s absence or inability to  
perform his duties as the Board of Directors may prescribe.

Section 39. 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 therefrom to the Cooperative, members and other persons.

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

Section 40. Management Staff. The Board of Directors shall appoint the  
members of the Management Staff, fix their compensation and tenure of office.

Section 41. The General Manager. No person shall be appointed to the  
position of general manager unless he possesses the following qualifications  
and none of the disqualifications herein enumerated:

a. He must be familiar with the business operation of the cooperative;

b. He must at least be a college graduate;
c. He must have at least two (2) years experience in cooperative or related business;
d. He must be honest and must have a deep sense of responsibility;
e. He must not be engaged directly or indirectly in any business similar to that handled by the cooperative;
f. He must not have been convicted of any administrative or criminal case involving moral turpitude, gross negligence or grave misconduct in the performance of his duties;
g. He must not be addicted to any form of gambling or immoral or vicious habits; and
h. At the time of his appointment he must have no pending administrative, civil or criminal case involving financial and/or property accountabilities; and
i. He must be willing to undergo pre-service and/or in-service trainings.

Section 42. Duties of the General Manager. The General Manager shall:

a. Have general charge of all the phases of the business operations of the Cooperative, subject to the policies and guidelines set by the board of Directors and the General Assembly.
b. Maintain records and accounts of the Cooperative in such manner that the true condition of its business may be ascertained therefrom at any time.
c. Render reports monthly, annually or as may be required by the Board of Directors or the general assembly, and preserve the books, documents, correspondence and records of whatever nature concerning the operations of the Cooperative which may come into his possession;
d. Subject to the policies set by the Board of Directors, employ, supervise and/or dismiss any agent or employee in the management force; and
e. Perform such other duties as the Board of Directors may prescribe and turn over to his successor all properties belonging to the Cooperative in his possession or over which he has control upon the expiration/termination of his services.
f. Post an adequate bond to assure the faithful performance of his duties.

Section 43. Accountant/Bookkeeper. No person shall be appointed to the position of accountant/bookkeeper unless he possesses the following qualifications and none of the disqualifications herein enumerated:

a. He must be at least a Commerce graduate, major in accounting;
b. He must have at least two (2) years experience in cooperatives or related business;
c. He must be honest and must have a deep sense of responsibility;
d. He must not be engaged directly or indirectly in any business similar to that handled by the cooperative;
e. He must not have been convicted of any administrative or criminal case involving moral turpitude, gross negligence or grave misconduct in the performance of his duties;
f. He must not be addicted to any form of gambling or immoral or vicious habits; and
g. He must be willing to undergo pre-service and/or in-service trainings; and
h. At the time of his appointment, he must have no pending administrative, civil or criminal case involving financial and/or property accountabilities.
Section 44. Duties of the Accountant. The Accountant of the Cooperative, who shall be under supervision and control of the General Manager shall:

a. Install an adequate and effective accounting system within the Cooperative;
b. Render reports on the financial condition and operations of the Cooperative monthly, annually or as may be required by the Board of Directors and/or the general assembly,
c. Provide assistance to the Board of Directors in the preparation of annual budget;
d. Keep, maintain and preserve all books of accounts, documents, vouchers, contracts and other records concerning the business of the Cooperative and make them available for auditing purposes to the Chairman of the Audit Committee; and
e. Perform such other duties as the Board of Directors may require.

The Accountant shall be under the manager for purposes of administrative supervision, but shall be directly responsible to the Board of Directors in the performance of his duties.

Section 45. Compensation. Subject to the approval of the general assembly, the members of the Board and Committees may, in addition to per diems for actual attendance to board and committee meetings, and reimbursement of actual and necessary expenses while performing functions in behalf of the cooperative, 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
Capital Structure

Section 46. Source of Funds. The Cooperative may derive its funds from any or all of the following sources:

a) Member’s share capital contribution;
b) Revolving capital build-up which consist of the deferred payment of patronage refund or interest on share capital;
c) Loans and borrowings including deposits;
d) Subsidies, grants, legacies, aids, donation and such other assistance from any local or foreign institution, public or private;
e) Retentions from the proceeds of services/goods acquired/procured by members; and
f) Other sources of funds as may be authorized by law.

Section 47. Continuous Capital Build-Up. Every member shall invest in the share capital build-up of the cooperative at least ONE HUNDRED PESOS (P100.00) of his monthly income until he has paid FIFTY THOUSAND PESOS (Php50,000.00).

Section 48. Savings Deposits. Any member, in addition to his share capital investment, may open a savings deposit, the rate of interest of which shall be
determined by the Board, in no case to exceed the rate prescribed by Banko Sentral.

Savings deposits not falling below any amount set by the Board during any calendar month shall be entitled to interest to be computed annually based on the average monthly balance outstanding during the period. The interest shall be paid to the member during the General Assembly Meeting.

Savings deposits may be withdrawn during the depositor’s membership at any time that the office of the DLSCC is open for business, but no member shall be allowed to withdraw therefrom more than three times a year, except on meritorious cases and upon approval of the Credit Committee and the Board whenever conditions warrant it. The Credit Committee may require at least sixty (60) days notice in writing of the depositor’s intention to make withdrawal.

**Section 49. Borrowing.** The Board of Directors, upon approval of the General Assembly, may borrow money from any source, local or foreign, under such terms and conditions that best serve the interest of the Cooperative.

**Section 50. Revolving Capital.** To strengthen the capital structure of the Cooperative, the general assembly may authorize the Board of Directors to raise a revolving capital by deferring the payment of patronage refunds and interest on share capital, or such other schemes as may be legally adopted. To implement this provision, the Board of Directors shall issue a Revolving Capital Certificate with serial number, name, rate of interest, date of retirement and such other rights and privileges or restrictions as may be deemed just and equitable.

**Section 51. Share Capital Contribution.** Share Capital Contribution refers to the unit of capital, the value of which is ONE HUNDRED PESOS (Php100.00), stated in the Share Capital Certificate issued by the Cooperative in accordance with its Articles of Cooperation, subscribed and paid for by a member.

**Section 52. Share Capital Certificate.** The Board of directors shall issue a Share Capital Certificate only to a member who has fully paid his subscription. The Certificate shall be serially numbered and contain the share holder’s name, the number of shares owned, the par value, and duly signed by the Chairman and the Secretary, and bearing the official seal of the cooperative. All certificates issued and/or shall be registered in the cooperative’s Share and Transfer Book.

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 revolving fund of the cooperative.
Section 53. Transfer of Shares.

1. The cooperative shall have first option to buy any share offered for sale. The amount to be paid for such shares shall be the par value or book value, whichever is lower.

2. If the cooperative 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 cooperative.

3. A member shall not transfer any share held by him or interest in the cooperative or any part thereof, unless:
   a. He has held such shares or interest for at least one year;
   b. The transfer is made to a member of the cooperative or to a person who falls within the field of membership of the cooperative, provided said person is acceptable to the cooperative; and
   c. The Board has approved such transfer.

4. Transfer of shares shall not be binding to the cooperative until such transfer has been registered in its share and transfer book. No transfer shall be completed until the old certificates shall have been endorsed and surrendered and a new certificate issued in the name of the member. The last transferee, if a new member, shall pay the required membership fee. A transfer fee of Php100 shall be charged.

5. In the case of loss or destruction of a share certificate, another may be issued in its place to the owner thereof after executing an affidavit in triplicate setting forth the following:
   a. Circumstance as to how, when and where said certificate was lost or destroyed;
   b. The number of shares represented by the certificate;
   c. The serial number of the certificates; and
   d. The lost or destroyed certificate has never been transferred, sold or endorsed to any third party and that should the same be found, the owner shall surrender it to the cooperative.

Any false representation or statement made in the aforesaid affidavit shall be a ground for expulsion from the cooperative.

ARTICLE VIII
Operations

Section 54. Loans. Since De La Salle Credit Cooperative is primarily a credit cooperative, the various policies regarding loans are incorporated in the By-Laws to provide members accurate and clear understanding of the cooperative’s main business operations.

1. WHO MAY BORROW – Loans may be granted to any member in good standing subject to rules and regulations contained in this By-Laws and those that may be promulgated by the CDA. However, no loan may be made to a
member already indebted to the DLSCC unless he shall, at the time of taking out the second loan, pay the balance of the previous loan and provided that the second loan is within the borrower’s borrowing capacity; provided further that loans renewed on or before sixty per centum (60%) of the original loan is paid, only forty per centum (40%) of the interest collected in advance on the unpaid balance shall be reimbursed.

2. AMOUNT AND TERMS OF LOAN – Loans not exceeding an amount fixed by the Board may be granted to any member in good standing on his promissory note, subject to such uniform conditions as the Board or the Credit Committee may impose. The amount of the loan which a member can borrow shall be in accordance with his earning capacity, fixed deposit, plus his savings with the DLSCC and the solvency of his co-maker or guarantor but in no case should the amount of the loan to one individual member exceed the maximum amount set by the Board, provided: That the Board with the concurrence of the Audit Committee may, whenever in their sound judgment and conditions warrant, elect by unanimous vote to increase the maximum amount which an individual may borrow. An assignment of deposit and the endorsement of a note shall be deemed security.

3. LOAN POLICY – All loans shall be secured by a promissory note duly signed by the borrower and an assignment or pledge of his deposits. The Credit Committee, upon recommendation of the Treasurer, may require additional security in the form of co-maker(s) who shall be jointly and severally liable for the loan. In exceptional cases, the Credit Committee may demand other forms of security to ensure full repayment of the loan.

The DLSCC shall have an absolute lien on the deposits and interest due thereon from any member to the extent of any loan made to and/or secured by him and any dues, fees or fines payable by him.

4. APPLICATION FOR LOAN – A loan application shall state specifically the purpose for which the money is to be used. In case the facts as stated in the application are found not true as presented, the loan may not be granted; or if the money borrowed has been used for purposes other than those for which it was granted, the loan shall at once become due and demandable.

No loan shall be granted except for provident and/or productive purposes.

5. RESTRICTIONS ON OFFICERS, DIRECTORS, COMMITTEE MEMBERS – No officer, director, or committee member shall vote on a loan requested by a member of his family, natural or by affinity, to the third degree, nor on a loan requested by a person who owes debt to him or to any member of his family; nor shall he become a co-maker, surety or endorser on any loan contracted with the DLSCC. The application for a loan of any member of the Credit Committee shall be subject to the approval of the Board. Any director, officer, or committee member who defaults in the payment of his loan without valid reason and sufficient cause or reason automatically forfeit his right to his office.

6. INTERESTS RATE ON LOANS – A loan shall bear interest according to the guidelines set by the CDA.
7. FINES – A member failing to make a payment on a loan when due, unless excused therefrom for cause by the Board, shall pay a fine at the rate of two per centum (2%) a month on amounts in default, provided that in no case shall each monthly fine be less than twenty centavos and such fine to be in addition to the interest due. If the default in payment continues for three months, such member may be suspended or his membership terminated at the discretion of the Board and his loans become due and payable on demand at the discretion of the Board.

8. APPEALS – Appeals from the decision of the Credit Committee may be taken to the Board if there is abuse of discretion or any violation of an existing policy whose decision on the matter shall be final.

ARTICLE IX
Allocation and Distribution of Net Surplus

Section 55. At the end of the fiscal year, the Cooperative shall distribute net surplus as follows:

A. Reserve Fund. TEN PERCENT (10%) shall be set aside for reserve fund:

a. The reserve fund shall be used for the stability of the cooperative and to meet net losses in its operations. The general assembly may decrease the amount allocated to the reserve fund when the reserve fund already exceed the share capital;

Any sum recovered on items previously charged to the reserve fund shall be credited to such fund.

b. 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 share capital may be used at anytime for any project that would expand the operations of the cooperative upon the resolution of the general assembly;

c. Upon the dissolution of the cooperative, the reserve fund shall not be distributed among the members. The general assembly may resolve:

1) To establish usufructuary fund for the benefit of any federation or union to which the cooperative is affiliated; and

2) To donate, contribute, or otherwise dispose of the amount for the benefit of the community where the cooperative operates. If the members cannot decide upon the disposal of the reserve fund, the same shall go to the federation or union to which the cooperative is affiliated.
B. Educational and Training Fund. TEN PERCENT (10%) for the education and training fund.

a. Half of the amounts transferred to the education and training fund annually under this subsection shall be spent by the cooperative for education and training purposes; while the other half may be remitted to a union or federation chosen by the cooperative or of which it is a member.

b. Upon the dissolution of the cooperative, the unexpended balance of the education and training fund appertaining to the cooperative shall be credited to the cooperative education and training fund of the chosen union or federation.

Community Development Fund. Three percent (3%) shall be used for projects and activities that will benefit the community where the cooperative operates.

C. Optional Fund. One percent (1%) shall be set aside for Optional Fund for land and building fund, and any other necessary expenses.

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 investments prescribed by CDA 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 refunds shall be made available at the same rate to all patrons of the cooperative in proportion to their individual patronage:

Provided, that:

a. In the case of a member patron with paid-up share capital contribution, his proportionate amount of patronage refund shall be paid to him unless he agrees to credit the amount to his account as additional share capital contribution;

b. In the case of a member patron with unpaid share capital contribution, his proportionate amount of patronage refund shall be credited to his account until his share capital contribution has been fully paid.

ARTICLE X
Settlement of Disputes

Section 56. Mediation and Conciliation Procedures. All intra-cooperative disputes shall be settled within the cooperative. If amicable settlement is not feasible, unless modified or amended by the general assembly, the following rules and procedures shall govern all conciliation processes within the cooperative:
1. Parties to a complaint. The party who files a complaint shall be called a Complainant and the party being charged shall be called the Respondent.

2. Who may file a complaint? Any member who has a cause of action against any member, officer or member of any committee, or of the Board of Directors shall file a written complaint, in any form and in such numbers as there are respondents, to the Secretary of the Conciliation Committee, stating the following.

   a) Name, Address, position in Cooperative and status of membership of the complainant and the respondent/s if known;
   b) brief statement of facts and circumstances which caused commission or omission of the act complained of;
   c) Rights violated and evidence or testimony of witnesses; and
   d) Prayer which shall state the relief sought and such other relief as may be deemed just and equitable.

3. Baseless complaint. Within seven (7) days from receipt of the complaint, the committee shall determine the merit of the complaint. If upon its sound discretion, the complaint is found to be baseless or without merit, it may outrightly dismiss the same and inform in writing the complainant, expressly stating the legal and factual basis of its decision.

4. Valid cause of action. If the complaint states a valid cause of action, the committee shall forthwith inform in writing the respondent/s providing him a copy of complaint, and directing him to submit his answer within ten (10) days from receipt thereof. The Committee Chairman may, upon written request by the respondent, extend the period within which to file his answer provided that it shall not exceed ten (10) days.

5. Withdrawal of complaint. At any time before judgement, the complainant may, in writing, withdraw his complaint or enter into a compromise agreement and the case shall be considered dismissed or settled, as the case may be.

6. Answer. In his answer, the respondent shall specifically admit or deny, or deny only a part of averment in the complaint. He shall set forth the substance of the matter upon which he relies to support his denial. If he denies only a part of the averment, he shall specify so much of it, as it is true and deny the remainder. He may also state that he had no sufficient knowledge as to the truth of a certain matter alleged in the complaint and this shall have the effect of denial. Any averment in the complaint not specifically denied shall be deemed admitted.

7. Preliminary conference. Within seven (7) days from the receipt of the answer, the committee shall set a preliminary conference whereby only the parties are invited for possible amicable settlement. If no settlement is made, the chairman may, at his discretion or upon request of either party, set another conference, which shall not be later than ten (10) days. Any party may waive his right to a preliminary conference and instead move in writing for a formal hearing. In which case, the chairman shall set a date, time and place of hearing and the secretary shall notify in writing the parties at least fifteen (15) days before the date fixed.
8. Manner of hearing. The Committee may adopt any manner of hearing that best serve the purpose of resolving the dispute objectively, fairly and amicably. The Committee shall always exert all possible efforts to settle the dispute or encourage the parties to enter into a compromise agreement. The Committee may schedule a series of hearings until the parties shall have completed the presentation of their respective evidence. After which, it shall decide the case within fifteen (15) days from the date of the last hearing, categorically stating the legal and factual basis of its decision.

9. Appeal to the Board of Directors. Any party to a controversy may appeal to the Board of Directors within fifteen (15) days from receipt of a copy of the decision. After the period to appeal, the decision of the committee shall become final and executory and can no longer be reopened, except when the appealing party can show proof that the decision is patently erroneous or obtained through fraud, accident, mistake and excusable negligence or the Committee has committed grave abuse of discretion.

10. Decision of the Board. Within fifteen (15) days from receipt of the records of the case, the Board of Directors, constituting a quorum, shall review and decide the case, specifically stating the reasons and basis of its decision. The parties may be summoned to appear before the Board of Directors to clarify certain matters, or to submit additional evidence.

11. Appeal to the General Assembly. The decision of the Board of Directors may be appealed to the general assembly whose decision shall be final, save those reserved to the adjudicatory powers of the Cooperative Development Authority as provided under the Cooperative Code of the Philippines and other existing rules and laws.

Section 57. 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 Conciliation Committee, the chairman shall endorse the case to the Board of Directors 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 Conciliation Committee, the Chairman of the Committee shall communicate in writing such fact to the Chairman of the Board of Directors who shall forthwith call a special board meeting to form a five-man Special Conciliation Committee, consisting of the heads of Audit and Election Committees, the Secretary and one representative of each party. The special committee shall convene immediately and after electing from among themselves the Chairman, Vice-Chairman and the Secretary, proceed to resolve the case in accordance with the procedures prescribed in the proceeding section. The committee shall automatically cease to exist upon the final resolution of the controversy.

The rules on conciliation and mediation prescribed by the Authority shall have suppletory application.
Article XI
Miscellaneous

Section 58. Investment of Capital. The Cooperative may invest its capital in any or all of the following:

a. Shares or debentures or securities of any other cooperative;
b. Cooperative bank or any reputable bank in the locality;
c. Securities issued or guaranteed by Government; and/or
d. Real Estate primarily for the use of the Cooperative or its members; or
e. In any other manner approved by the general assembly.

Section 59. 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 rules and laws.

Section 60. External Audit. At least once a year, the Board of Directors shall in consultation with the Audit Committee, cause the audit of the books of accounts of the Cooperative by an independent Certified Public Accountant.

Section 61. Annual Report. During the annual regular 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 Chairman, Treasurer, Manager and other responsible officers of the Cooperative as true and correct in all aspects to the best of their knowledge. And the audited financial statements shall be certified by an independent Certified Public Accountant.

Copies of the annual report, social & performance audit reports, and audited financial statements shall be submitted to the Cooperative Development Authority within (120) days from the end of every calendar year.

The form and contents of the reports shall be prescribed by the rules of the Authority.

The Fiscal year of the cooperative shall be the calendar year.
ARTICLE XII
Amendments

Section 62. Amendment of Articles and By-laws. Amendments to the Articles of Cooperation and this By-Laws may be adopted by at least two-thirds (2/3) votes of all members with voting rights without prejudice to the rights of dissenting members to withdraw their membership under the provisions of the Cooperative Code of the Philippines.

The amendment/s shall take effect upon receipt by the Cooperative of the Certificate of Registration of Amendments issued by the Cooperative Development Authority.

Voted and adopted this 13th day of February, 2010 in Manila.

SIGNED IN THE PRESENCE OF:

Marife A. Torres  
(Signature Over Printed Name)

Teresita B. Farrell  
(Signature Over Printed Name)

We, the undersigned, constituting a majority of the Board of Directors of the De La Salle Credit Cooperative do hereby certify that the foregoing instrument is the code of By-laws of the said cooperative.

Tereso S. Tullao Jr.  
Chairman

Harry D. Francisco  
Vice-Chairman

Eva B. Umali  
Director

Ma. Inores C. Palmes  
Director

Mena S. Comia  
Director

Beverlyn O. Dela Cruz  
Director

Sofia S. Ferre  
Director