BY-LAWS
OF

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned duly authorized representative(s) of our respective cooperatives, all of legal age and Filipino citizens, have on this day voluntarily organized a [Secondary/Tertiary] Cooperative Union, do hereby adopt the following By-laws.

Article I
Purpose/s and Goals

The purpose/s and goals of this Cooperative Union are those set forth in its Articles of Cooperation.

Article II
Membership

Section 1. Membership. This Cooperative Union shall have ________________ members.

Section 2. Qualification for Membership - The membership of this Cooperative Union is open to any registered ________________, within the common bond of membership.

Section 3. Requirements for Membership.

A member must have complied with the following requirements:

a. Approved application for membership;

b. General Assembly Resolution;

c. Board of Director Resolution on authorized representative;

d. Certification of line of business activities engaged in;

e. Subscribed and paid the required minimum share capital and membership fee; and

Section 4. Application for Membership. An applicant for membership shall file a duly accomplished form to the Board of Directors who shall act upon the application within ______ (____) days from the date of filing. The Board of Directors shall devise a form for the purpose which shall, aside from the profile of the applicant cooperative, include the duties of an affiliate to participate in all programs including but not limited to capital build-up, patronizing the businesses and services and savings mobilization of the federation and, such other information as may be deemed necessary.

The application form for membership shall include an undertaking to uphold the By-laws, policies, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly. No application for membership shall be given due course if not accompanied with a
membership fee of __________ (Php _____), which shall be refunded to the applicant cooperative in case of rejection.

Section 5. **Appeal.** An applicant cooperative whose application was denied by the Board of Directors may appeal to the Appeal and Grievance Committee or the general assembly by giving notice to the Secretary of the Cooperative Union within thirty (30) days upon receipt of the decision.

Section 6. **Duties and Responsibilities of Affiliates.** Every affiliate shall have the following duties:

a. Pay the monthly dues and whatever fees and contributions;
b. Patronize the Cooperative Union’s 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;
f. Remit the Cooperative Education and Training Fund (CETF) due to the Federation/Union; and
g. Promote the purposes and goals of the Cooperative Union, the success of its operations, the welfare of its affiliates and the cooperative movement in general.

Section 7. **Rights and Privileges of Affiliates.** An affiliate shall have the following rights and privileges:

a. Attend through authorized representative during General Assembly meetings;
b. Avail the services of the Cooperative Union, subject to certain conditions as may be prescribed by the Board of Directors;
c. Inspect and examine the books of accounts, the minutes books, the share register, and other records of the Cooperative Union during reasonable office hours;
d. Secure copies of Cooperative Union’s records/documents pertaining to the account information of the concerned affiliate; and
e. Such other rights and privileges as may be granted by the General Assembly.

Section 8. **Affiliate 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 the minimum contribution required for membership;
b. Not delinquent in the payment of its contribution, dues, fees and other accounts or obligations;
c. Not violated any provision of cooperative laws, CDA administrative issuances, Articles of Cooperation and 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;
e. Remitted the Cooperative Education and Training Fund (CETF) due to the Federation/Union; and
f. Participated in the affairs of the Cooperative Union and patronized its services in accordance with the policies and guidelines.
Failure of the member to meet any of the above conditions shall mean suspension of voting rights subject to the declaration of the Board of Directors until the same has been lifted upon the determination of the latter.

Consequently, an affiliate entitled to vote shall have the following additional 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 of this By-laws and the Philippine Cooperative Code of 2008; and

c. Such other rights and privileges as may be provided by the General Assembly.

Section 9. **Termination of Membership.** Termination of membership may be automatic, voluntary or involuntary, which shall have the effect of extinguishing all rights of a member in the Cooperative Union.

a. **Automatic Termination of Membership.** The dissolution or the insolvency of an affiliate shall be considered an automatic termination of its membership in the Cooperative Union.

b. **Voluntary Termination.** An affiliate may, for any valid reason, withdraw his membership from the Cooperative Union by giving a sixty (60) day notice to the Board of Directors.

c. **Involuntary Termination.** An affiliate 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. Has not patronized the services of the Cooperative Union as provided for in its policies;

ii. Has continuously failed to comply with its obligations as provided for in the policies of the Cooperative Union;

iii. Has violated any provision of this By-laws and the policies promulgated by the board of directors of the Cooperative Union; and

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

Section 10. **Manner of Involuntary Termination.** The Board of Directors shall notify in writing the affiliate which is being considered for termination and shall give them the opportunity to be heard.

The decision of the Board of Directors shall be in writing and shall be communicated in person or by registered mail to said member and shall be appealable within thirty (30) days from receipt thereof to the General Assembly whose decision shall be final.

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**ARTICLE III**

Administration

Section 1. **The General Assembly (GA).** The General Assembly is composed of all the members entitled to vote, duly assembled and constituting a quorum and is the highest policy-making body of the Cooperative Union.

Section 2. **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:

a. To determine and approve amendments to the cooperative Articles of Cooperation and By-laws;
b. To elect or appoint the members of the board of directors, and to remove them for cause;
c. To approve developmental plans of the cooperative; and
d. To delegate the following power/s to a smaller body of the Cooperative Union:
   i. __________________________________________________________
   ii. _________________________________________________________

Section 3. **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 Union, there being a quorum, shall be valid.

Section 4. **Regular General Assembly Meeting.** The General Assembly shall hold its annual regular meeting at the principal office of the Cooperative Union or at any place in the Philippines within ninety (90) days after the close of its fiscal year.

Section 5. **Special General Assembly Meeting.** The Board of Directors may, by a majority vote of all its affiliates, 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 affiliates entitled to vote; b) the Audit Committee; or c) upon Order of the Cooperative Development Authority.

Section 6. **Notice of Meeting.** All notices of meetings shall be in writing and shall include the date, time, place, and agenda thereof stated therein.

a. **Regular General Assembly Meeting.** Notice of the annual regular General Assembly meeting shall be served by the Secretary, personally or his duly authorized representative, by registered mail, or by electronic means to all affiliates of record at its 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.

b. **Special General Assembly Meeting.** Notice of any Special General Assembly meeting shall be served by the Secretary personally or his duly authorized representative, by registered mail, or by electronic means 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.

c. **Waiver of Notice.** Notice of any meeting may be waived, expressly or impliedly, by the affiliate concerned.
Section 7. Order of Business. As far as practicable, the order of business of a regular general assembly meeting shall be:

a. Call to order;
b. Declaration/Consideration of presence of quorum;
c. Reading, consideration and approval of the minutes of the previous meeting;
d. Presentation and approval of the reports of the board of directors, officers, and the committees, including audited financial statements of the Cooperative Union;
e. Unfinished business;
f. New business;
   i. h.1 Election of directors and committee members
   ii. h.2 Approval of Development and/or annual Plan and Budget
   iii. h.3 Hiring of External Auditor
   iv. h.4 Other related business matters
   g. Announcements; and
   h. Adjournment

Section 8. Quorum for General Assembly Meeting. During regular or special general assembly meeting, at least _______ percent (_______%) of the total number of affiliates entitled to vote shall constitute a quorum.

Section 9. Voting System. Only affiliates entitled to vote shall be qualified to participate and vote in any general assembly meeting. The votes cast by the representative/delegate duly authorized shall be deemed as votes cast by the affiliates.

   Election 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.

ARTICLE IV
Board of Directors

Section 1. Composition of the Board of Directors (BOD). The Board of Directors shall be composed of _______ ( ) members.

Section 2. Functions and Responsibilities. The Board of Directors shall have the following functions and responsibilities:

a. Provide general policy direction;
b. Formulate the strategic development plan;
c. Determine and prescribe the organizational and operational structure;
d. Review the Annual Plan and Budget and recommend for the approval of the GA;
e. Establish policies and procedures for the effective operation and ensure proper implementation of such;
f. Evaluate the capability and qualification and recommend to the General Assembly the engagement of the services of the External Auditor;
g. Appoint the members of the Mediation/ Conciliation and Ethics Committees and other Officers as specified in the Code and Cooperative Union’s By-laws;
h. Decide election related cases involving the Election Committee and its members in accordance with the Guidelines issued by the CDA, Art. 137 of Republic Act No. 9520, Memorandum Circulars issued
by the Cooperative Development Authority, Alternate Dispute Resolution Act of 2004 and its suppletory laws;

i. Act on the recommendation of the Ethics Committee on cases involving violations of Code of Governance and Ethical Standards in accordance with the Guidelines issued by the CDA, Art. 137 of Republic Act No. 9520, Memorandum Circulars issued by the Cooperative Development Authority, Alternate Dispute Resolution Act of 2004 and its suppletory laws; and

j. Perform such other functions as may be prescribed in the By-laws or authorized by the General Assembly;

Section 3. Qualifications. Any affiliate who is entitled to vote and has the following qualifications can be elected or continue as member of the Board of Directors:

a. Has paid the minimum capital requirement;
b. Has no delinquent account with the Cooperative Union;
c. Have continuously patronized the Cooperative Union’s services;
d. An affiliate in good standing for the last two (2) years;
e. Completed or willingness to complete within the prescribed period the required education and training whichever is applicable; and
f. Other qualifications prescribed in the rules and regulations of the Authority.

Section 4. Disqualifications. Any affiliate representative 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 being an officer of a cooperative he or she represents;
b. The members of the Board of Directors holding other position directly involved in the day-to-day operation and management of the cooperative he/she represents;
c. Having direct or indirect personal interest with the business of the Cooperative Union;
d. Having been absent for three (3) consecutive meetings or in more than fifty percent (50%) of all meetings within the twelve (12) month period unless with valid excuse as approved by the board of directors;
e. Having been convicted in administrative proceedings or civil/criminal suits involving financial and/or property accountability; and
f. Having been disqualified by law.

Section 5. Election of Directors. The members of the Board of Directors shall be elected, by secret ballot, by the affiliates, who are duly authorized representatives, who are 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 ______ ( ) years or until their successors shall have been elected and qualified; Provided, that majority of the elected directors obtaining the highest number of votes during the first election after registration shall serve for two (2) years, and the remaining directors for one (1) year. Thereafter, all directors shall serve for a term of _________ ( ) years; The term of the cooperating directors shall expire upon the election of their successors in the first regular general assembly after registration.
Section 6. **Election of Officer within the Board of Directors.** The Board of Directors shall convene within ten (10) days after the General Assembly meeting to elect by secret ballot from among themselves the Chairperson and the Vice-Chairperson, appoint the Secretary and to elect Treasurer from outside of the Board.

For committees elected by the General Assembly and/or appointed by the BOD, procedural process of electing the Chairperson, Vice-Chairperson or other positions among themselves should be in accordance with the process mentioned above.

Section 7. **Meeting of the Board of 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 through the Secretary stating the date, time and place of such meeting and the matters to be considered. Notice of regular and special meetings of the Board of Directors, unless dispensed with, shall be served by the Secretary in writing or thru electronic means to each director at least two (2) days before such meeting.

Majority of the total number of directors constitutes a quorum to transact business of the meeting. 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 8. **Vacancies.** Any vacancy occurring in the Board of Directors by reason of death, incapacity, removal or resignation may be filled-up 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 temporarily 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 9. **Removal of Members of the Board 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 of Directors 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. For this purpose, the Board of Directors shall provide policy on suspension.
In cases where the officers sought to be removed consist of the majority of the BOD, at least 10% of the affiliates with voting rights may file a petition with the CDA, upon failure of the BOD to call an assembly meeting for the purpose to commence the proceeding for their removal within thirty (30) days from notice. The decision of the GA on the matter is final and executory.

An officer appointed by the Board of Directors may be removed from office for cause by a majority vote of all the members of the Board of Directors.

Section 10. Prohibitions. Any 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 Union nor engage in any services similar to that of the Cooperative Union or who in any way has a conflict of interest with it.

ARTICLE V
Committees

Section 1. Audit Committee. An Audit Committee is hereby created and shall be composed of _____ ( ) 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 Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the Cooperative Union during his term of office. The Committee shall provide internal audit service, maintain a complete record of its examination and inventory, and submit audit 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 Union’s management control system and audit the performance of the Cooperative Union and its various responsibility centers.

Section 2. Functions and Responsibilities. The Audit Committee shall:

a. Monitor the adequacy and effectiveness of the Cooperative Union’s management and control system;

b. Audit the performance of the Cooperative Union and its various responsibility centers;

c. Review continuously and periodically the books of account and other financial records to ensure that these are in accordance with the cooperative principles & generally accepted accounting procedures;

d. Submit reports on the results of the internal audit and recommend necessary changes on policies and other related matters on operation to the Board of Directors and General Assembly;

e. Recommend or petition to the Board of Directors conduct of special general assembly when necessary; and

f. Perform such other functions as may be delegated by the BOD or authorize by the GA.

Section 3. Election Committee. An Election Committee is hereby created and shall be composed of _____ ( ) 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 Chairperson,
Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the Cooperative Union during his term of office.

Section 4. **Functions and Responsibilities.** The Election Committee shall:

a. Formulate election rules and guidelines and recommend to the GA for approval;

b. Implement election rules and guidelines duly approved by the GA;

c. Recommend necessary amendments to the election rules and guidelines, in consultation with the Board of Directors, for approval of the GA;

d. Supervise the conduct, manner and procedure of election and other election related activities and act on the changes thereto;

e. Canvass and certify the results of the election;

f. Proclaim the winning candidates;

g. Decide election and other related cases except those involving the Election Committee or its members in accordance with the Guidelines issued by the CDA, Art. 137 of Republic Act 9520 and its Implementing Rules and Regulations; Alternative Dispute Resolution Act of 1994 and its suppletory laws and circulars issued by the Cooperative Development Authority, and

h. Perform such other functions as may be delegated by the BOD or authorized by the GA.

Section 5. **Education and Training Committee.** An Education and Training Committee is hereby created and shall be composed of ______ ( ) members to be appointed by the Board of Directors and shall serve for a term of one (1) year, without prejudice to their reappointment. Within ten (10) days after their appointment, they shall elect from among themselves a Vice-Chairperson and a Secretary. The Vice-Chairperson of the Board of Directors shall act as the Chairperson of the Committee.

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

Section 6. **Functions and Responsibilities.** The Education and Training Committee shall:

a. Keep members, officers, staff well-informed regarding cooperative's goals/objectives, policies & procedures, services, etc.;

b. Plan and implement educational program for coop members, officers and staff;

c. Develop promotional and training materials for the cooperative; and

d. Conduct/Coordinate training activities.

e. Perform such other functions as may be delegated by the BOD or authorized by the GA.

Section 7. **Mediation and Conciliation Committee.** A Mediation and Conciliation Committee is hereby created and shall be composed of ______ ( ) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of one (1) year or until successors shall have been appointed and qualified. No member of the Committee shall hold any other position in the Cooperative Union during his term of office.
Section 8. **Functions and Responsibilities.** The Mediation and Conciliation Committee:

- a. Formulate and develop the Conciliation-Mediation Program and ensure that it is properly implemented;
- b. Monitor Conciliation-Mediation program and processes;
- c. Submit semi-annual reports of cooperative cases to the Authority within 15 days after the end of every semester;
- d. Accept and file Evaluation Reports;
- e. Submit recommendations for improvements to the BOD;
- f. Recommend to the BOD any member of the Cooperative Union for Conciliation-Mediation Training as Cooperative Mediator-Conciliator;
- g. Settle the disputes lodged in accordance with the Guidelines issued by the CDA, Art. 137 of Republic Act 9520 and its Implementing Rules and Regulations; Alternative Dispute Resolution Act of 1994 and its suppletory laws and circulars issued by the Cooperative Development Authority;
- h. Issue the Certificate of Non-Settlement after exhaustion of reasonable efforts to settle the disputes lodged in accordance with the Guidelines issued by the CDA, Art. 137 of Republic Act 9520 and its Implementing Rules and Regulations; Alternative Dispute Resolution Act of 1994 and its suppletory laws and circulars issued by the Cooperative Development Authority;
- i. Perform such other functions as may be delegated by the BOD or authorized by the GA.

Section 9. **Ethics Committee.** An Ethics Committee is hereby created and shall be composed of ____ members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of one (1) year or until successors shall have been appointed and qualified. No member of the Committee shall hold any other position in the Cooperative Union during his term of office.

Section 10. **Functions and Responsibilities.** The Ethics Committee shall:

- a. Develop Code of Governance and Ethical Standard to be observed by the affiliates, officers and employees of the Cooperative Union subject to the approval of the BOD and ratification of the GA;
- b. Disseminate, promote and implement the approved Code of Governance and Ethical Standards;
- c. Monitor compliance with the Code of Governance and Ethical Standards and recommend to the BOD measures to address the gap, if any;
- d. Conduct initial investigation or inquiry upon receipt of a complaint involving Code of Governance and Ethical Standards and submit report to the BOD together with the appropriate sanctions in accordance with the Guidelines issued by the CDA, Art. 137 of Republic Act 9520 and its Implementing Rules and Regulations; Alternative Dispute Resolution Act of 1994 and its suppletory laws and circulars issued by the Cooperative Development Authority;
- e. Recommend ethical rules and policy to the BOD;
- f. Perform such other functions as may be delegated by the BOD or authorized by the GA.

Section 11. **Other Committees.** By a majority vote of all its affiliates, the Board of Directors may form such other committees as may be deemed necessary for the operation of the Cooperative Union.
ARTICLE VI
Officers and Management Staff
of the Cooperative Union

Section 1. Officers and their Duties. The officers of the Cooperative Union shall include the members of the Board of Directors, Members of the different Committees created by the General Assembly, General Manager or Chief Executive Officer, Secretary, Treasurer and members holding other positions as may be provided for in this by-laws, shall serve according to the functions and responsibilities of their respective offices as follows:

a. Chairperson – The Chairperson shall:
   i. Set the agenda for board meetings in coordination with the other members of the BOD;
   ii. Preside over all meetings of the Board of Directors and of the General Assembly;
   iii. Sign contracts, agreements, certificates and other documents on behalf of the Cooperative Union as authorized by the Board of Directors or by the GA; and
   iv. Perform such other functions as may be authorized by the BOD or by the GA.

b. Vice-Chairperson – the Vice-Chairperson shall:
   i. Perform all the duties and responsibilities of the Chairperson in the absence of the latter;
   ii. Act as ex-officio chairperson of the Education and Training Committee; And
   iii. Perform such other duties as may be delegated by the BOD.

c. Treasurer – The Treasurer shall:
   i. Ensure that all cash collections are deposited in accordance with the policies set by the BOD;
   ii. Have custody of all funds, securities, and documentations relating to all assets, liabilities, income and expenditures;
   iii. Monitor and review the financial management operations of the Cooperative Union, subject to such limitations and control as may be prescribed by BOD;
   iv. Maintain full and complete records of cash transactions;
   v. Maintain a Petty Cash Fund and Daily Cash Position Report; and
   vi. Perform such other functions as may be delegated by the board of directors and by the General Assembly.

d. Secretary – The Secretary shall:
   i. Keep an updated and complete registry of all affiliates
   ii. Prepare and maintain records of minutes of all meetings of the BOD & the GA;
   iii. Ensure that necessary BODs’ actions and decisions are transmitted to the management for compliance and implementation;
   iv. Issue and certify the list of affiliates who are in good standing and entitled to vote as determined by the BOD;
   v. Prepare and issue Capital Contribution Certificates;
   vi. Serve notice of all meetings called and certify the presence of quorum of all meetings of the BOD and GA;
   vii. Keep copy of the Treasurer’s report & other reports;
viii. Serve as custodian of the cooperative Seal; and
ix. Perform such other functions as may be prescribed be delegated by the BOD and/or by the GA.

e. General Manager. The General Manager shall:

i. Oversee the overall day-to-day 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 GA;

ii. Formulate and recommend in coordination with the operating departments under his/her supervision, the Cooperative Union’s Annual and Medium Term Development. Plan, programs and projects, for approval of the BOD, and ratification of GA;

iii. Implement the duly approved plans and programs of the Cooperative Union and any other directive or instruction of the BODs;

iv. Provide and submit to the BODs monthly reports on the status of the Cooperative Union’s operation vis-a-vis its target and recommend appropriate policy or operational changes, if necessary;

v. Represent the Cooperative Union in any agreement, contract, business dealings, and in any other official transaction as may be authorized by the BODs;

vi. Ensure compliance with all administrative and other requirements of regulatory bodies;

vii. Maintain records and accounts of the Cooperative Union in such manner that the true condition of its business may be ascertained therefrom at any time; and

viii. Perform such other functions as may be delegated by the BOD or by the GA.

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 Union 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 Union, 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 Union in respect to any matter which has been reposed in him in confidence, he shall, as a trustee for the Cooperative Union, be liable for damages or loss of profits which otherwise would have accrued to the Cooperative Union.

Section 3. Management Staff. A core management team composed of Chief Executive Officer, Cashier, Bookkeeper, Accountant, and other position as may be necessary or as provided for in their Human Resource Manual shall take charge of the day-to-day operations of the Cooperative Union. The Board of Directors shall appoint, fix their compensation and prescribe for the functions and responsibilities.

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

a. Must be familiar with the operation of the Cooperative Union;
b. Must have at least two (2) years experience in the operations of or related activities;
c. Must not be engaged directly or indirectly in any activity similar to the operation of the Cooperative Union;
d. Must be of good moral character;
e. 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;
f. Must not have been convicted of any administrative, civil or criminal case involving financial and/or property accountabilities at the time of his/her appointment; and
g. Must undergo pre-service and/or in-service trainings.

Section 5. **Duties of the Bookkeeper.** The bookkeeper of the Cooperative Union who is under supervision and control of the Chief Operating Officer shall:

a. Records and update books of accounts;
b. Provide assistance in the preparation of reports on the financial condition and operations of the Cooperative Union monthly, annually or as may be required by the Board of Directors and/or the general assembly;
c. Keep, maintain and preserve all books of accounts, documents, vouchers, contracts and other records concerning the activities of the Cooperative Union and make them available for auditing purposes to the Chairperson of the Audit Committee; and
d. Perform such other duties as the Board of Directors may require.

Section 8. **Qualifications of Bookkeeper.** No person shall be appointed to the position of bookkeeper unless he/she possess the following qualifications and none of the disqualifications herein enumerated:

a. Must be knowledgeable in handling bookkeeping and accounting works;
b. Must have at least two (2) years experience in Cooperative Union or related activities;
c. Must not be engaged directly or indirectly in any activity similar to the activity of the Cooperative Union;
d. Must not be convicted of any administrative, civil or criminal case involving moral turpitude, gross negligence or grave misconduct in the performance of his/her duties;
e. Must be of good moral character;
f. Must be willing to undergo pre-service and/or in-service trainings in accounting; and
g. Must not have been convicted of any administrative, civil or criminal case involving financial and/or property accountabilities at the time of his/her appointment.

Section 9. **Compensation.** Subject to the approval of the General Assembly, the members of the Board of Directors 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 Union, be given regular compensation.
ARTICLE VII
Structure of Funds

Section 1. Source of Funds. The Cooperative Union may derive its funds from any or all of the following sources:

a. Affiliates’ share capital contribution;

b. Membership dues;

c. Loans and borrowings;

d. Subsidies, grants, legacies, aids, donation and such other assistance from any local or foreign institution, public or private; and

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

Section 2. Borrowing. The Board of Directors, upon approval of the General Assembly, may borrow funds from any source, local or foreign, under such terms and conditions that best serve the interest of the Cooperative Union.

ARTICLE VIII
Operations

Section 1. Primary Consideration. Adhering to the principle of service, the Cooperative Union shall endeavor to:

a. Engage in:
   
i. ______________________________________________________
   
ii. _____________________________________________________
   
iii. ________________________________________________

b. Adopt and implement plans and programs with the end view of establishing other needed services for the members and the public;

d. Formulate and implement studies and/or programs that will address the needs of affiliate; and

e. Collect CETF and other dues from its affiliates.

ARTICLE IX
Settlement of Disputes

Section 1. Mediation and Conciliation. All inter and intra-union disputes shall be settled within the Cooperative Union in accordance with the Guidelines issued by the Cooperative Development Authority, Art. 137 of Republic Act No. 9520 and its Implementing Rules and Regulations, Alternative Dispute Resolution Act of 2004 and its suppletory laws.

Section 2. Voluntary Arbitration. Any dispute, controversy or claim arising out of or relating to this By-laws, the cooperative law and related rules, administrative guidelines of the Cooperative Development Authority, including disputes involving members, officers, directors, and committee members, intra-union disputes and related issues, and any question regarding the existence, interpretation, validity, breach or termination of agreements, or the membership/general assembly concerns shall be exclusively referred to and finally resolved by voluntary arbitration under the institutional rules promulgated by the Cooperative Development Authority, after compliance with the conciliation or mediation mechanisms embodied in the by-laws of the Cooperative Union, and in such other applicable laws.
Article X
Miscellaneous

Section 1. Investment of Funds. The Cooperative Union may invest its fund in any or all of the following:

a. Shares or debentures or securities;
b. Any reputable bank in the locality or any tertiary federation of which it is a member and cooperative banks;
c. Securities issued or guaranteed by Government;
d. Real Estate primarily for the use of the Cooperative Union or its affiliates; or
e. In any other manner approved by the General Assembly.

Section 2. Accounting System. The Cooperative Union 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. Financial Audit, Performance Audit, and Social Audit. At least once a year, the Board of Directors shall cause, in consultation with the Audit Committee, the audit of the books of accounts of the Cooperative Union, performance audit and social audit by CDA Accredited Independent Certified Public Accountant, Accredited Social Auditor, and Cooperative Union’s Compliance Officer/Audit Committee.

Section 4. Annual Report. During the annual regular assembly meeting, the Cooperative Union shall submit a report of its operation to the general assembly together with the audited financial statements, performance audit and social audit reports. The annual report shall be certified by the Chairperson and Manager of the Cooperative Union as true and correct in all aspects to the best of their knowledge. The audited financial statements and social audit reports shall be certified by CDA Accredited Independent Auditors.

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

a. Cooperative Annual Performance Report (CAPR);
b. Social Audit Report;
c. Performance Report;
d. Audited Financial Statement duly stamped “Received” by BIR;
e. List of officers and trainings undertaken/completed;
f. List of cooperatives which have remitted their respective Cooperative Education and Training Funds (CETF);
g. Consultancy assistance to include the nature and cost; and
h. Other training activities undertaken specifying therein the nature, participants, and cost of the activity.

ARTICLE XI
Amendments

Section 1. Amendment of Articles of Cooperation 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 Philippine Cooperative Code of 2008.

The amendment/s shall take effect upon approval by the Cooperative Development Authority.

Voted and adopted this ____ day of ______, 20___ in __________, Philippines.

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We, constituting the majority of the Board of Directors of the _________________ do hereby certify that the foregoing instrument is the Code of By-laws of this Cooperative Union.

Signed this _____ of ________, ________, in __________.

____________________    _______________________
     Chairperson           Vice Chairperson

____________________    _______________________
     Director              Director

____________________    _______________________
     Director              Director

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