

THE BYE-LAWS  
OF  
MAITLAMO SAVINGS AND CREDIT  
CO-OPERATIVE SOCIETY LIMITED

REVISED AND ADOPTED

ON THE 6<sup>TH</sup> MAY 2012

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**THE BYE – LAWS OF MAITLAMO SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD**

**1.0 Society's Name and Area of Operation**

**1.1** This Society shall be called: Maitlamo Savings and Credit Cooperative Society Limited; hereinafter referred to in the Bye-Laws as "the Society."

**2.0 Registered Office and Postal Address**

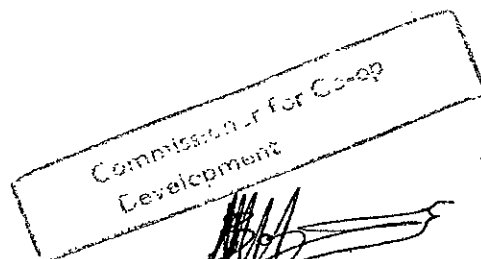
The registered office of the Society shall be at Motlakase House:  
P. O. BOX 81773,  
Molapo Crossing  
Gaborone

**2.1** Notice of any change of address shall be given by the Secretary within (14) days to the Commissioner for Co-operative Development (hereinafter referred to as "Commissioner") and all members of the Society.

**2.2** The Society shall have branches at the following places:

- a) Gaborone  
P O Box 81773,  
Molapo Crossing  
Gaborone
- b) Palapye  
C/O Botswana Power Corporation  
Private Bag 007  
Palapye
- c) Francistown  
C/O Botswana Power Corporation  
P O Box 815  
Francistown
- d) Selibe Phikwe  
C/O Botswana Power Corporation  
P O Box 170  
Selibe Phikwe

**2.3** General Meetings of the Society shall be held within the limits of the above stated branches.



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### 3.0 Definitions/Interpretations

3.1 In these Bye-laws, unless the context otherwise suggests, words or phrases shall be defined/ interpreted in accordance with the Co-operative Societies Act No. 5 of 1989 CAP 42:04, and the Co-operative Societies Regulations issued hereunder: hereinafter referred to as " The Act" and " The Regulations" respectively.


3.2 Any questions concerning interpretation of these Bye-laws or any matters not provided for therein shall be referred to the Commissioner.

### 4.0 Objectives

4.1 The objectives for which the Society is established are:

- a) To promote thrift among its members by affording them an opportunity for accumulating savings, thereby creating a source of funds from which loans can be made to them exclusively for provident and productive purposes at fair and reasonable rates of interest thereby enabling them to use and control money for their mutual benefit.
- b) To promote the education and training of the members and employees on Co-operative principles and practices.
- c) To affiliate to the apex for all Co-operatives in Botswana and promote the spirit on international Co-operation.
- d) Accept and invest members' savings at a reasonable rate of return.
- e) To create a pool of funds for the funeral scheme for the members.
- f) For the attainment of the above objects, the Society may do such other things as are incidental, conducive and necessary for the proper exercise of the above objects in accordance with the ACT.

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## 5.0 Membership

5.1 Membership shall consist of:

- a) Original members who signed application for registration and
- b) New members subsequently admitted in accordance with these Bye-laws

5.2 Any person who possesses all of the following qualifications shall be eligible for membership:

- a) Is within the field of membership consisting of the Botswana Power Corporation common bond.
- b) Is on permanent/contract employment with Botswana Power Corporation (B.P.C) having signed the application for membership and paid joining fee.
- c) Bought shares at a minimum shareholding price.
- d) Is of good character.
- e) Is not less eighteen (18) years of age

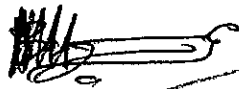
5.3 Every applicant for membership shall complete an "Application form for Membership". This shall be drawn so as to include all the information required for the purpose of a register of members. The completed form, when filed in serial order, shall constitute the register of members as required under the Regulations and the Act.

5.4 (a) An applicant shall be entitled to the rights and privileges of membership after three (3) months' probation with continuous savings subject to 5.2.

(b) An applicant shall not qualify for the rights and privileges of membership until he/she has paid joining fee of fifty Pula (BWP50.00) and paid at least two hundred (200) Shares of one Pula (BWP1.00) each in three (3) months; however joining fee may be reviewed from time to time by the Management Committee.

(c) Every member shall be issued with a membership identification card.

5.5 The Management Committee may refuse membership to any person and shall give reasons thereof; provided however, that person, whose membership has been refused, if otherwise eligible for membership, shall have the right to

  
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appeal to a General Meeting. Any such appeal must be supported by at least ten (10) members.

**5.6 (a)** Every Member shall have a pass book which shall contain full particulars as to his/her membership and in which shall be recorded his/her shares, savings, and loan transactions with the Society. A Pass Book signed by a fully authorized officer shall be conclusive evidence that the person named therein is a member of the Society and shall constitute a certificate of shareholding, unless it is proved otherwise. If such a book is lost, issuance of a duplicate shall be authorized by the Management Committee upon payment of such fees as it may decide.


**(b)** In case of a Society using the "Check-off" system for payment of members shares, savings and loan repayments, the Management Committee shall direct that a periodic "Statement of Account" containing a record of the members transactions with the Society, in the same form as a Pass Book, shall be used instead of the Pass Book. Such statement of Account shall be sent to members every three months and shall constitute a Pass Book, and the latter may not be used in addition.

**5.7** Every member shall nominate in writing persons to whom, upon his/her death, shares, savings and any other interests shall be transferred. Appointment of a nominee(s) by a member shall be in writing and signed by the member in the presence of two attesting witnesses. The name of the nominee(s) shall be entered in the register of members then recorded and sealed in an envelope kept safely by the Society. A member shall have the right to change his/her nominee(s), but any such change or alteration must be in writing and signed by the member in the presence of two attesting witnesses.

**5.8** If not admitted to membership, the nominee(s) shall be paid the value of deceased member's shares, savings, and interest on savings less any sums due by the latter to the Society, thirty (30) calendar days after notification.

**5.9** Membership in the Society shall cease as a result of :

- a) Member's Death
- b) Being expelled from Membership.
- c) Member withdrawing all his/her Shares, Savings and Interest on Savings.
- d) Ceasing to hold the qualifications stated as per Bye-laws 5.2.
- e) Becoming Certifiably Insane.

  
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5.10 A member may at any time withdraw from the Society by giving written notice, subject to the provisions of the Bye-laws clause 5.9 and 5.13.

5.11 The Management Committee or the General Meeting may expel a member who:

- a) Is convicted in a court of law for criminal or civil offences and sentenced to imprisonment.
- b) Acts in any way prejudicial to the interest of the Society.

5.12 A member so expelled shall have the right to appeal to the next General Meeting convened in accordance with these Bye-laws, which may reinstate him/her.


5.13 A member who withdraws or is expelled shall be repaid the following amount after deduction of any debt owed by him/her to the Society as a borrower, or otherwise:

- a) The nominal or book value of his/her shares whichever is less.
- b) Any dividends or interest due to him/her on the date membership ceased.
- c) Accumulated savings.
- d) Any other sum held by the Society on his/her behalf.

## 6.0 Funds

6.1 The funds of the Society shall consist of:

- a) Joining fees.
- b) An unlimited number of shares and part shares.
- c) Members' savings.
- d) The Reserve Fund as required by law and such other reserves as may be established with the written approval of the Commissioner.
- e) Any surplus resulting from operations of the Society and
- f) Funds obtained from miscellaneous sources.

  
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## 7.0 Deposit and Investments Funds

7.1 The funds of the Society may be deposited or invested in loans to members and in any other manner permitted by the Act to further the stated objects of the Society defined in the Bye - laws.

7.2 The Society shall have the power to rent, lease and acquire land, buildings, plants and machinery and to mortgage and dispose of property as required by the Act.

## 8.0 Shares

8.1 Shares shall be issued only to members. The nominal value of each share shall be one Pula (BWP1.00) Every member shall hold at least two hundred (200) shares in the Society, but no member shall hold more than one-fifth of the total shares.

8.2 Any amount may be accepted toward the purchase of shares provided one does not exceed the limit set at clause 8.1.

8.3 With the approval of the Management Committee, a member may at any time transfer his/her share to another member; such transfer must be in writing and at nominal value.


a) A minimum shareholding to be maintained.

b) A member to give thirty (30) days written notice of intentions to transfer shares in whole or in part.

8.4 All transfers of shares must be registered with the Secretary and no transfer shall be valid unless so registered. The Management Committee shall require payment of a fee of twenty pula (BWP20.00) for such transfer.

8.5 The shareholdings of a member, who fails to complete payment of two hundred (200) shares within three (3) months of his/her admission to membership, may be absorbed by his/her savings upon authorization by the Management Committee. Before such savings are transferred, such a member shall be sent a written notice to the effect that his/her share balance is cleared off or his/her shareholding will be withdrawn within thirty (30) days of the date of the notice and his/her share balance will be absorbed by his/her savings.

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8.6 The Management Committee shall have the right at any time to require members to give thirty (30) days written notice of intention to withdraw shares.

8.7 Shares cannot be withdrawn unless the membership is withdrawn or cancelled provided that a written notice of thirty (30) days is given.

#### 9.0 Members Savings

9.1 The Society shall accept regular savings.

9.2 The minimum regular saving to be used as collateral shall be fifty pula (BWP50.00). No savings withdrawal shall be made until the savings exceed the loan balance.

#### 10.0 Members Liability

- a) The liability of a member shall be limited to the nominal value of shares held by him/her.
- b) In the event of liquidation, where available funds are sufficient to pay the full nominal value of shares held by members, the funds shall be distributed pro-rata among the shareholders according to the amount of shares held by each.

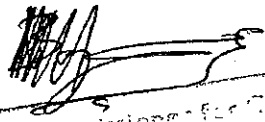
#### 11.0 Society's Power to Borrow

- a) The Society may borrow from members and non-members funds not exceeding twenty five percent (25%) of its savings and paid-up shares subject to terms approved by the Annual General Meeting.
- b) The rate of interest paid on such loans shall not exceed the current market rates, nor shall the maturity exceed two (2) years, except with the written permission of the Commissioner.

#### 12.0 Receipting Money

- a) Money paid in or out on account of shares, savings, loans, interest, fees or fines shall be evidenced by an entry in the passbook or other form of receipt approved by the Management Committee. Every person receiving or paying out any money on behalf of the Society shall be identified on the receipt.
- b) Should the passbook or other receipt given to the member by the Society be lost or destroyed, the member shall give immediate notice of such fact to the Manager

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who shall be authorized by the Management Committee to issue a duplicate. The Management Committee may require the member to sign an indemnity to protect the Society against any loss due to the issuance of such duplicate. The Management Committee may also require payment to the Society of a reasonable charge to cover the cost of issuing duplicate passbook.

**13.0 Reserve Fund**

**13.1** The Society shall maintain a reserve fund as required by the Act and Regulations. Unless otherwise resolved by the Annual General Meeting and approved by the Commissioner, the reserve fund shall be credited with twenty five percent (25%) of the net surplus of each financial year.

**14.0 General Meetings to Members**

**14.1** The Supreme Authority of the Society shall be vested in the General Meetings of members. Such meetings shall be held as follows:


**14.2** The first General Meeting of members shall be held not later than one (1) month after receipt of the certificate of registration and shall:

- a) Elect Officers and Committee to serve until the next General Meeting.
- b) Consider and decide upon the maximum borrowing powers of the Society.
- c) Consider and approve estimates of income and expenditure for the ensuing financial year or part thereof.
- d) Appoint the Society's bankers and
- e) Receive reports and decide upon other matters as may be necessary for the conduct of the Society's business.

**14.3** The Annual General Meeting shall be held every year within one hundred and eighty (180) days of the close of the financial year to hold elections and to undertake such other business as is laid down in these Byelaws.

**14.4** Any business not completed at the Annual General Meeting such as, acting upon the Auditor's report disposal of the net surplus, etc. may be taken upon at a subsequent Special General Meeting, or at the next Annual General Meeting.

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14.5 A Special General Meeting shall be held:

- a) When convened by the Management Committee or the Commissioner or
- b) Within fourteen (14) days of receipt of a written request from at least twenty (20) members or one-fifth of the members whichever is less, stating the objects of the meeting.
- c) If the Committee fails to convene the meeting, as required under (b) within one month of the receipt of the requisition, the members who have signed the requisition shall have power to convene the meeting themselves by notice to the members stating the objects of the meeting and that the Committee has failed to convene the meeting.

14.6 Except as noted above, at least fourteen (14) days notice shall be given in the case of an Annual General meeting or a Special General Meeting. The Secretary shall take all possible and usual steps, such as announcement at public meetings, posting a notice on the Society's notice board, or an advertisement in the local newspaper etc, to inform all members of the date and main business of the meeting. All written notices shall include an AGENDA of the meeting.

14.7 For a Special General Meeting requested by the members, the request must state the objectives of the meeting being called and be signed or thumb- marked by the requestors. The request shall be transmitted by hand delivery or registered mail to the registered office of the Society and a receipt obtained.

14.8 The presence of at least twenty-five (25) or one- fourth of the total members whichever is less, shall constitute a quorum for the conduct of business at a General meeting, except when the Meeting is convened by the Commissioner in which case the members who attend shall constitute a quorum. When a quorum is not formed, the Chairperson shall adjourn the meeting and shall set a date within a week at the same place and time of the adjourned meeting, which shall be advertised as prescribed in clause 14.6 of these Byelaws. If at such a meeting, a quorum again is not present, the Chairperson shall declare the meeting open with those present, one half hour after the advertised time of the meeting.

14.9 The Chairperson, or in his/her absence, the Vice-Chairperson shall preside at every General Meeting. If both are absent any member elected by a majority of those present shall preside.



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14.10 Before they may attend or vote at a General Meeting, members may be required to produce their Pass Books Identity Cards as evidence of membership, or identify themselves in some other manner.

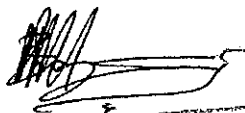
14.11 In the case of a nation-wide Society that has decided upon de-centralization the Management Committee may establish a special procedure that is not inconsistent with the Regulations, for giving representation at the General Meeting to the outlying members.

15.0 Agenda

15.1 General meetings shall be conducted and shall have the powers and duties prescribed in the Regulations and these Bye-laws. The agenda of the Annual General Meeting shall be the following unless changed by a majority vote of the meeting;

- a) Establish that a quorum is present.
- b) Approve the agenda.
- c) Approve minutes of the previous meeting as corrected.
- d) Consider and act upon the following:
  - i. Reports of Management and Supervisory Committees.
  - ii. Statements of account and budget for the following year.
  - iii. Auditor's report.
  - iv. Inspection of the Commissioner's notes.
- e) Decide the disposal of the net surplus.
- f) Consider appeals against the expulsion of members and refusals of membership by the Management Committee.
- g) Elect, suspend, or remove members of the Management, Credit and the Supervisory Committees and fill vacancies in these positions.
- h) Fix the maximum liability which the Society may incur in borrowing.
- i) Fix the honorarium payment for services rendered by Management, Supervisory and Credit Committees.

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- j) Transact any other general business of the Society of which notice has been given to members in the manner prescribed in these Bye-laws.

- 15.2 The new Committees, Officers and Committee Chairpersons may not take office until items (a) to (j) above have been acted upon unless resolved otherwise by the General Meeting whereby special resolutions shall be made.
- 15.3 The new Committees, Officers shall execute resolutions taken at Annual General Meeting (AGM) and act upon pending items in the normal business operations.
- 15.4 All business discussed or decided at the Annual General Meeting shall be recorded in a minute book which, within fourteen calendar days of the meeting, shall be signed by the Chairperson and Secretary of the meeting to verify that in their opinion the minutes are a true and complete record of all important matters which were discussed or decided at the meeting. At the next Annual General Meeting, after approving any alterations or variations in the minutes, which changes shall be written immediately below the above signatures, and not as alterations to the original record, the meeting shall, by resolution, authorize its Chairperson and Secretary to sign and date the final record.

#### 16.0 Elections

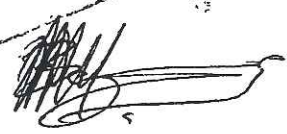
16.1 At least 30 days prior to each Annual General Meeting, the Chairperson shall appoint an Elections Sub Committee of not more than three (3) members from the general members of the Society. It shall be the duty of the Elections Sub Committee to prepare an election procedure for the General Meeting based on the following rules:

a) To be qualified for election to the Management Committee, the Supervisory Committee or the Credit Committees the member shall:

- (i) Be 21 years of age or above
- (ii) Not engage in business as a moneylender
- (iii) Not having been convicted of an offence involving dishonesty or have been imprisoned for six months or more
- (iv) Not hold any position of employment under the Society.

b) The General Meeting shall first elect the Management Committee or fill vacancies therein, and proceed thereafter to elect the Chairperson and the

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Vice Chairperson out of the Committee members. Similar elections shall be held for the Supervisory Committee and the respective chairperson

- c) Subject to the provisions in Bye-Law 16.1a, the election and tenure of the office of members of these Committees shall be governed by the following rules:
- (i) Members of the Committees shall be elected for three years term. The regular terms shall be fixed at the first General Meeting, or upon any increase or decrease in the Committees' members authorized by the members at the Annual General Meeting, so that approximately an equal number of regular terms shall expire at each Annual General meeting.
  - (ii) A retiring Committee member is eligible for re-election.
  - (iii) Notwithstanding the above provisions, the General Meeting shall have the power to replace any or all of the Committee members at any time by a motion included in the agenda of the Annual General Meeting.
- d) Full Committees shall be elected at the First General Meeting held after the Registration of the Society. The committees so elected shall be divided into three equal panels either by drawing of lot or by the number of votes each receives. Each respective panel shall be retired at the next three Annual General Meetings.
- e) Vacancies occurring in the Committees between two General Meetings may be filled by election at a meeting of the Management Committee, subject to the approval of the next subsequent General Meeting. Members so elected shall hold office, subject to the approval of the General Meeting, for a period not exceeding the unexpired part of the term of office of the Committee members whose vacancies they fill.
- f) To facilitate equitable representation in the Management Committee, the four branches (Gaborone, Palapye, Selebi Phikwe and Francistown) shall each have a representative. The remaining vacancies may be filled by members from any other branch. Notwithstanding the above provision, where a member from a particular branch is transferred to another branch leaving that branch without a representative, that member shall not resign his or her position but the branch representative will be filled by a vacancy created by a retiring member at the next Annual General Meeting or Special General Meeting as the case may be.
- g) All elections shall be by show of members' hands unless a secret ballot is specifically requested by a majority of the members.
- h) No member shall be entitled to vote by proxy.

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- i) Irrespective of the number of shares held by him/her, no member shall have more than one vote.
- j) Within ten (10) days after their election, the names and addresses of all persons elected to office shall be forwarded to the Commissioner.

There shall be four (4) Credit Committees, one at each branch, elected by the General Meeting held at branch level. Each Committee shall be responsible for assessing all loans submitted from its branch.

**17.0 Management Committee**

17.1 The Management Committee shall consist of not less than five (5) and not more than nine (9) members of the Society, the exact uneven number to be decided by the Annual General Meeting.

17.2 a) Meeting of the Management Committee shall be held regularly at least once each month and at any other times when necessary. Over one half of the total number of members of the Committee shall form a quorum.

b) If a member of the Management Committee fails to attend three consecutive meetings without being excused there from, or otherwise fails to perform his/her duties, his/her position shall be declared vacant and the vacancy filled as provided in these Bye-laws.

**18.0 Duty of Care of the Committee**

18.1(a) in conducting the affairs of the Society the Management Committee shall exercise the prudence and diligence of ordinary men of business and shall be jointly and severally responsible for any loss sustained through imprudence and acts contrary to the Act, the Regulations and the requirements of these Bye-laws.

18.1(b) All Committee members elected at General Meetings and those co-opted shall be required to make pledges to act honestly, diligently, in good faith and in the best interest of the Co-operative Society as a whole. The above mentioned pledge shall be signed by the Commissioner of Oaths in the presence of the Commissioner for Co-operative Development, his/her representative, the Regional Co-operative Officer and in his or her absence, in the presence of his/her representative or an authorized officer.

**19.0 Procedure, Powers and Duties of the Management Committee**

19.1 The Management Committee shall be the governing authority of the Society and subject to any directives given by the General Meeting and / or the Commissioner, its procedures, powers and duties shall be as prescribed in the regulations and these Bye-laws and in particular, it shall:

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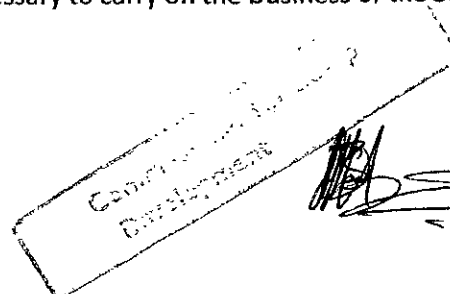
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- a) Observe in all its activities the Act, the Regulations, these Bye-laws and prudent business practices.
- b) Generally manage the affairs of the Society
- c) Act upon all applications for membership
- d) Ensure that true and accurate Society's records of income and expenditure, assets and liabilities, capital and reserves are kept.
- e) Decide the amount and kind of surety bond, or other security, which shall be required of the Manager and other officer or employee having the custody of or handling funds or property of the Society.
- f) Contract for the purchase of such insurance as the Annual General Meeting may authorize and/or the Commissioner may require.
- g) Determine from time to time the interest rates on loans to members; the maximum maturities and terms of payment or amortization of loans to members and the maximum amounts that may be loaned with or without security to members. When by action of the Committee, the interest rates on the future loans are changed, similar action may be taken with regard to interest rates on unpaid balances of existing loans.
- h) Lay before the Annual General Meeting a balance sheet and final accounts together with proposals for the disposals of the net surplus (if any) and the Commissioner's comments (if any) on such proposal.
- i) Recommend to the General Meeting the disposal of the net surplus including the dividend rate to be paid on shares and the interest refund (if any) to be paid to borrowers.
- j) Fill vacancies occurring in the Management, the Credit and the Supervisory Committees between Annual General Meetings.
- k) Authorize investments of the Society.
- l) Authorize the conveyance of property.
- m) Authorize borrowing and lending operations of the Society in accordance with the Act, the Regulations and these Bye-laws.
- n) Designate a depository or repository for the funds of the Society.
- o) Employ and fix salaries of a Manager and other employees in accordance with labor laws as may be necessary to carry on the business of the Society.



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- p) Impose fines on delinquent loans, shares and savings payments.
- q) Approve transfers of shares between members.
- r) Supervise the collection of loans from members and recommend to the auditors any write-offs of uncollectible accounts.
- s) Recommend the affiliation of the society to the Societies Apex subject to approval of the Annual General Meeting.
- t) Perform such other duties as the members may from time to time direct.
- u) Perform or authorize any actions consistent with the Act, Regulations and these Bye-laws, unless specifically reserved for the Annual General Meeting.
- v) Establish the lending policy, which shall be reviewed when necessary by the Management Committee and approved by the members at the Annual General Meeting.
- w) Set out General Conditions of Service for permanent employees and acquire fidelity cover for employees handling cash.

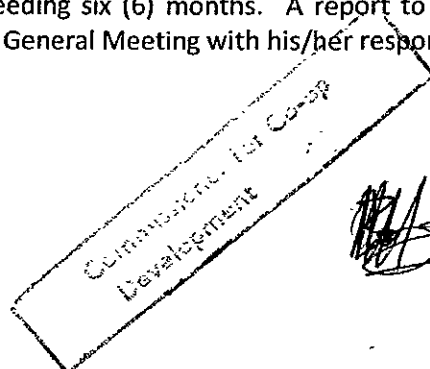
19.2 The Management Committee may delegate to the Manager or any senior employee of the Society some of its duties as it deems necessary.

19.3 No expenditure shall be authorized by the Management Committee unless it is provided for in the estimates having formally been provided for by the Annual General Meeting.

19.4 All business discussed or decided at the Committee Meetings shall be recorded in a minute book which, within fourteen (14) calendar days of the meeting, shall be signed by the Chairperson and Secretary of the meeting, to verify that, in their opinion, the minutes are true and complete record of all important matters which were decided or discussed at the meeting. At the next meeting, after approving any corrections or variations, which shall be written immediately below the above signatures and not as alterations to the original record, the Committee shall authorize the Chairperson and Secretary to sign and date the final record.

19.5 The Management Committee may appoint Sub-Committees, such as Education Sub-Committee, a Loans Collection Sub-Committee and shall consist of persons drawn from the General Membership of the Society and shall carry out their duties on voluntary basis.

19.6 The Management Committee may suspend any officer for incompetence/irregular cause after conducting an independent hearing and assign his/her duties to an Acting Officer for a period not exceeding six (6) months. A report to that effect shall be made available to the Annual General Meeting with his/her response therein.



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19.7 A member of the Management Committee, or of any other Committee or Sub-Committee, shall cease to hold office if he ceases to be a member of the Society.

**20.0 Officer's and Committee Chairperson**

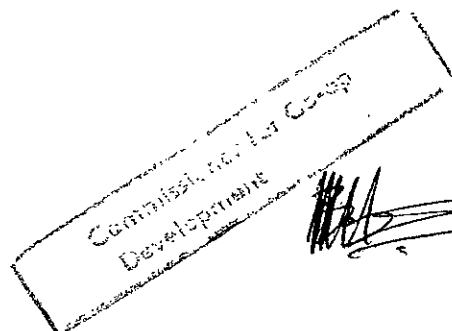
20.1 The Officer of the Society shall be a Chairperson, Vice Chairperson, Secretary, Treasurer and additional members who will be elected from the General Membership at the Annual General Meeting (AGM) or at the Special General Meeting (SGM).

The Supervisory Board shall also be elected from the General Membership at the Annual General Meeting or at the Special General Meeting (SGM).

**21.0 Chairperson and Vice-Chairperson of the Society**

**21.1**

- a) The Chairperson of the Society shall preside at the meetings of the members, and at the meetings of the Management Committee. He/she shall perform such other duties as he/she may be directed to perform by the Management Committee, not inconsistent with provisions of the Act, the Regulations, and these Bye-laws.
- b) No person shall serve in the post of Chairperson for more than two consecutive three (3) terms, and no person who has held office for two consecutive three (3) year term shall be eligible for re-election as Chairperson for a period of two (2) years from the date of vacating office without the prior permission of the Commissioner.
- c) The Vice Chairperson shall perform the duties of the Chairperson during his/her absence, and shall perform such other duties as he/she may be directed to perform by the Management Committee.



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22.0 The Secretary

- a) The Secretary shall be signatory (authorizing officer) to the Society's documents, contracts and cheques.
- b) The Secretary shall in the absence of the Manager take minutes of proceedings at General and Management Committee meetings.

23.0 The Treasurer

- a) The Treasurer shall be responsible to checking the Manager's monthly and annual reports before presentation to the Management Committee.
- b) The Treasurer shall be signatory (authorizing officer) to the Society's documents, contracts and cheques.

24.0 The Manager

24.1 The Management Committee shall appoint the Manager of the Society to whom all duties of the Treasurer and the Secretary shall be delegated. These duties subject to the directions of the Management Committee shall include:

- a) To conduct the day to day business of the Society including the receipt, custody and disbursement of money on behalf of the Society.
- b) Generally to manage, or cause to be managed the affairs of the Society in a competent manner.
- c) To keep and maintain proper and punctual books of account.
- d) To issue notices of the general and committee meetings, prepare all papers, accounts and reports for such meetings and record minutes of such meetings.
- e) To conduct the Society's correspondence and sign on its behalf.
- f) To prepare and submit each month, for the consideration of the Management Committee, a statement of income and expenditure, cash reconciliation, bank reconciliation, list of loans and savings, progress report of the business and cash in hand for inspection by the Committee.
- g) To supervise the staff of the Society.
- h) To liaise with the banks, Insurance Companies and any other such bodies that deal with the Society.
- i) To follow up all debts of the Society, recover and prepare progress reports on such.

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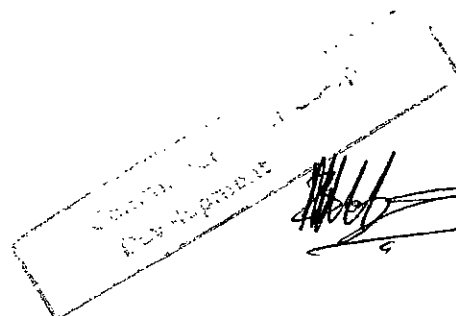
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- x j) To keep and maintain an updated register of the Society's assets (movable and immovable).
- x k) To prepare the Society's annual financial budgets.
- l) To perform such other duties as the Management Committee may assign him/her from time to time.
- x m) To maintain full and complete records of all assets, liabilities, income and expenditure of the Society.
- x n) To ensure the safe-keeping of the Society's money, securities and books of account.
- x o) To ensure that all payments and expenditure are duly authorized.
- p) To ensure compliance with all directives of the Management Committee and the Commissioner.
- q) To record minutes of Management Committee meetings and General Meetings.
- r) To ensure that the Society's correspondence is promptly and correctly attended to.
- s) To prepare and send notices of meetings.
- t) To ensure that the Society is managed in a competent manner.

24.2 Within fifteen (15) days after the close of each month, the Manager shall prepare and submit to the Management Committee for verification, a financial statement showing the condition of the Society at the end of such month for onward submission to general membership, and shall promptly post a copy of such monthly financial statement in a conspicuous place for the information of the members. The Manager shall prepare a financial report, which shall be forwarded to the Commissioner as required by law.

## 25.0 Credit Committees

25.1 The Credit Committees shall consist of three (3) members of the Society. None of them shall be officers of the Management Committee. The members of the Credit Committees shall be elected at the General Meetings held at branch level and presided over by the Management Committee. The Credit Committee may co-opt any member of the Society in the absence of any committee member to form a quorum.



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25.2 The Credit Committees shall hold such meeting as the business of the Society may require, but at least once a month.

25.3 The Credit Committees shall enquire carefully into the character and financial conditions of each applicant for a loan, to ascertain his ability to repay fully and promptly the obligations incurred by him/her; and to determine whether the loan is for a worthy purpose and will be of probable benefit to the borrower. The Credit Committees shall endeavor diligently to assist member to solve their financial problems.

25.4 The Credit Committees shall make reports to the Management Committee as may be required.

## 26.0 Supervisory Board

26.1 The Supervisory Board shall consist of three (3) members of the Society elected by the Annual General Meeting. No member of the Management Committee, the Credit Committee, or any employee, may be elected to the Supervisory Board.

26.2 The Supervisory Board shall make, or cause to be made, at least every three (3) months, an investigation into the affairs of the Society, including an audit of its books; and shall make a report thereof to the next meeting of the Management Committee. The Supervisory Board shall also make a yearly report to the Annual General Meeting.

26.3 The Supervisory Board shall, from time to time, and not less frequently than once every year, cause the pass Books Statements of Account of all members to be compared with the records of the Manager and confirm permanent record of all such verification.

## 27.0 Books and Records

27.1 The Society shall keep an up-to-date and in a proper business-like manner such accounts and such books as the Regulations and the Commissioner may from time to time direct, and in particular, shall keep the following books of account:

- a) A Register of Members, which may be made of the completed Application forms for Membership showing in respect of each member:
  - (i) The name, national identity number, membership number, date of birth, date of application for membership, address and occupation.
  - (ii) The date he/she was admitted to membership.

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- (iii) The date on which he/she ceased to be a member and
  - (iv) The name of his/her nominee.
- b) Minute Books giving details of proceedings of the Management Committee, the Credit and Supervisory Committees meetings.
  - c) A Cash Book showing the details of all monies received and all monies expected or paid out by the Society.
  - d) A Minute Book giving details of proceedings at the General Meetings.
  - e) A General Ledger containing such accounts as is necessary to reflect properly the business of the Society.
  - f) A personal ledger for each member showing his/her transactions with the Society.
  - g) An assets (property) register.
  - h) A register of loans to members which shall be made up of the completed application for loan forms, showing in respect of each loan, the loan number, name of the borrower, the amount borrowed, the purpose, the due date of repayments and the dates repayments were completed.
  - i) Such other books and records as the Management Committee may decide or that the Commissioner may prescribe.

**28.0 Financial Year**

28.1 The financial year of the Society shall be from the 1st May to 30<sup>th</sup> April of the following year.


**29.0 Conduct of Business**

29.1 The Management Committee may make such rules, not inconsistent with the Act, the Regulations and these Bye-laws, as they deem necessary for the conduct of the Society's business. Any such rules shall be recorded in the minute book and shall come into force when and as determined by the Committee.

29.2 The Management Committee shall establish office hours, schedules on loans and Management Committee meetings.

29.3 The Management Committee shall display the certificate of registration in a conspicuous manner.

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**30.0 Authorization to Sign Documents**

**30.1** Unless decided otherwise by the General Meeting, all documents and contracts shall be signed on behalf of the Society by the Manager and countersigned by the Chairperson or by any authorized person(s) or individuals.


**30.2** The Chairperson, Secretary, Treasurer and an additional member shall be signatories to the Society's contracts, documents and cheques.

**31.0 Disposal of Surplus**

**31.1** Subject to the Act and on approval by the Commissioner, the net surplus resulting from operations of the Society during any financial year shall be disposed of as follows:

- a) Not less than twenty five percent (25%) shall be credited to the Statutory Reserve Fund.
  
- b) The balance may be disposed of in the following order or as decided by the Annual General Meeting for:
  - (i) Payment of dividend on shares at a rate not exceeding ten percent (10%) per annum.
  - (ii) Payment of an interest refund to members on record at the close of the financial year in proportion to the interest paid by them during the financial year.
  - (iii) Payment of honorarium to all Committees and bonus to employees.
  - (iv) Additions to undivided earnings or special reserve accounts approved by the General Meeting for educational, developmental, or other purpose consistent with the objects of the Society.
  - (v) Donations for any charitable purpose
  - (vi) In any other way approved by the Commissioner

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  - (iii) Payment of honorarium to all Committees and bonus to employees.
  - (iv) Additions to undivided earnings or special reserve accounts approved by the General Meeting for educational, developmental, or other purpose consistent with the objects of the Society.
  - (v) Donations for any charitable purpose
  - (vi) In any other way approved by the Commissioner

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**32.0 Reserve Fund**

**32.1** The Society shall maintain a Reserve Fund as required by the Act and Regulations. Unless otherwise resolved by the General Meeting and approved by the Commissioner, the Reserve Fund shall be credited with twenty five percent (25%) of the net surplus of each financial year.

**33.0 Loans to Members**

**33.1** The Management Committee shall establish written loan policies regarding the granting of loans, including the terms, conditions of payment, maximum amounts that may be borrowed, lending ratio and forms of security. These policies shall be adhered to by all members.

**33.2** Every loan granted shall first be approved by the majority of the Credit Committee.

**33.3** The rate of interest on loans shall be fixed by the Management Committee and shall not exceed two percent (2%) per month on declining loan balances, inclusive of all charges incidental to making the loan provided, however, that the Annual General Meeting may authorize the Management Committee to increase the interest rate to exceed two percent (2%) per month depending on prevailing circumstances.

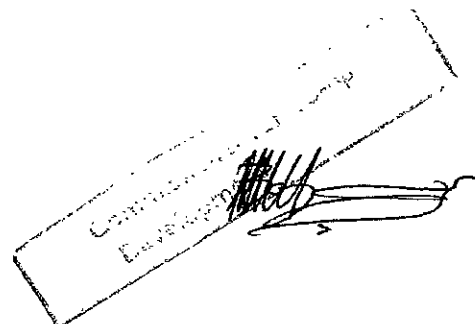
**33.4** All loans shall be applied for on Loan Application forms provided by the Society. The Loans Application in each case set forth the amount applied for, the purpose for which the loan is desired, the terms of repayment, the security, if any, interest rate applied and such other information as the Credit Committee may require. All applications for loans and the minutes of the Credit Committee held thereon shall be filed as permanent records of the Society.

**33.5** In order to assure that loans will benefit the borrower, the Credit Committee shall attempt to ensure that loans are used for their stated purpose.

**33.6** Loan Application shall ordinarily be considered by the Credit Committee in the order in which they were submitted. However, if a loan is an Emergency Loan, it shall be reported as such to the Management Committee.

**33.7** The Credit Committee may require when the need arises, a personal interview with the loan applicant before making its decision on such Loan application.

**33.8** All Loans shall be evidenced by a promissory note or other loan repayment form which shall clearly state the amount of the loan, the rate of interest, the terms of repayment, and the security, if any. If not written in the borrower's and the cosigners' own language, the note or other form shall contain a clause stating that the signatories have had the meaning explained to them and that they understood the explanation(s) provided.



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33.9 Any loan made to a member shall not exceed the lending ratio stipulated in the Society's Loan Policy.

33.10 Loan may be granted to members only if:

- a) The loan application complies with the Bye-Laws and the Loan Policy of the Society.
- b) All loans including those of members of the Management Committee must be approved or rejected by the Credit Committee, and there shall be no undue influence whatsoever by any member of the Management Committee towards approval of his/her loan.
- c) The applicant(s) did not take part in consideration of his/her loan.
- d) The applicant's application will be considered in another Branch Credit Committee.
- e) After the approval of the loan, the total amount of such loans shall not exceed twenty five percent (25%) of the outstanding loan balances at previous month end.
- f) All loans must be covered and all members must sign the forms for the Credit Life Cover of the loan prior to disbursement of the loan.

**34.0 Security for Loans**

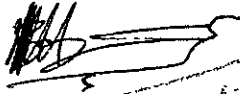
34.1 The Credit Committee shall require a security for loans as it may consider necessary. The savings and other property of the borrower, as approved by the Commissioner, may be taken as security. The Credit Committee shall have authority to limit the amount of a member's total liability to the Society as a borrower.

**35.0 Repayment of Loans and Staggering of Loans Repayment**

35.1 The Management Committee shall establish loan repayment time limits for periods not exceeding six (6) years provided, however, that the Credit Committee or the Management Committee may be empowered by the Annual General Meeting to extend loans beyond the overall six (6) year time limit when necessary for collection purposes.

35.2 Any requests for an extension of time in which to pay which does not exceed six (6) years shall be submitted to the Credit Committee with details of the borrowers

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changed circumstances. Any extension so granted may be treated as if it was a new loan, or it may be included in extension agreement to the original loan documents.

35.3 A borrower may on any day on which the Society is open for business, repay his/her loan in whole or in part prior to maturity through bank or bank guaranteed cheque and shall be charged fifty pula (P50.00) administration fee.

35.4 At every regular meeting of the Management Committee, the Manager shall present an up to date listing of delinquent borrowers showing:

- Name of Borrower
- Account Number
- Date of Loan
- Date of Last Payment
- Unpaid Balance of Loan(s)
- Number of Months Delinquent
- Borrower's shares and Savings Balance

35.5 The Management Committee shall thereupon take action to collect the overdue accounts. Any loan more than three (3) months overdue may be dealt with in accordance with Botswana Laws for such collections.

36.0 Cash Reserve

36.1 Except as otherwise authorized by the Commissioner, a cash reserve shall be maintained of not less than ten percent (10%) of the Society's Capital funds for the specific purposes of meeting requests for the specific purpose of members and other emergency pay outs. The Cash Reserve may consist of cash in hand, the current account and any of the Society's savings accounts or fixed deposit that are withdrawable within thirty (30) days.

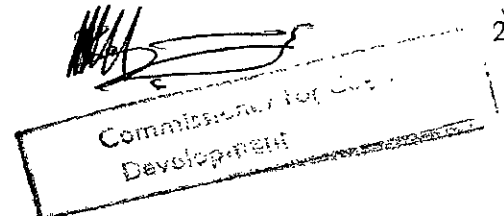
37.0 Common Seal

37.1 The Society may adopt and use a common seal. The seal may be a rubber-stamp bearings the words. "Seal of the Maitlamo Savings and Credit Co-operative Society Ltd", and shall be different from the ordinary name stamp of the Society. The seal shall be kept securely under lock and key by the Manager and shall be used only by Officers and in the presence of the officers authorized to sign document on behalf of the Society.

38.0 Fines

For any breach of these Bye-laws or instructions issued by the Management Committee and for the failure of a member to pay his/her obligation on time, the defaulting member may be

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fined the amount not exceeding one hundred pula (BWP100.00) for each offence. Nothing in this clause precludes the Society from taking any legal action in terms of Laws of Botswana.

#### 39.0 Disputes

- a) Any disputes arising out of the Bye-laws or concerning the business of the Society which cannot be settled by the Management Committee or the General Meeting shall be referred to the Commissioner for Co-operative Development for action.
- b) In the case of debts due to the Society from a member or debts owed by the Society to a member, the Commissioner may at his/her discretion determine these to be disputes and may act accordingly. In the case of debts due to or from past member(s), the Commissioner may at his/her discretion issue such instructions to the Management Committee for the liquidation of the debts as may be necessary.

#### 40.0 Disciplinary Procedures

Members of the Society who behave in a manner deemed unacceptable shall be called for disciplinary hearing in accordance with the Society's laid down procedures.

#### 41.0 Miscellaneous

- 41.1 No Officer or Committee Member shall receive from the Society any payment apart from actual costs of traveling, telephone allowance, meal allowance, leave compensation, sitting allowance and subsistence allowance while working on the Society's business and an honorarium from the net surplus as allowed in the Bye-Laws.
- 41.2 The Officers, members of Committees and employees of the Society shall hold in the strictest confidence all transactions of the Society with its members and all information in respect of their personal affairs, except to the extent deemed necessary by way of loan applications and collections thereof.
- 41.3 When any Committee Member is absent, disqualified, or otherwise unable to perform his/her duties, the Management Committee may designate/co-opt another member or members of the Society to act and serve on the Committee concerned when necessary in order to form a quorum.
- 41.4 No Officer, Committee member or employee of the Society shall in any manner participate in the deliberations upon or determination of any question affecting his/her own financial interest. In the event of disqualification of any such officer, the remaining qualified Committee Members present at the meeting, if constituting a quorum without the disqualified person, may exercise with respect to the matter, all the powers of the Committee Members.

  
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41.5 In all cases, members present may decide to co-opt any member from the general membership to become a member of any Committee until the next Annual General Meeting. A report to that effect shall be availed to the General Membership at the next Annual General Meeting.

41.6 All books of account and other records shall at all times be available to the General Members, the Committee Members of the Society and to the Commissioner or his/her authorized representative. A copy of the Act, the Society's Registration Certificate, its Bye-laws and a list of members excluding details of nominees and shareholdings or loans shall be available for inspection by any member.

41.7 A copy of the Bye-laws shall be furnished to every member who requests one, upon payment of a fee not exceeding its actual costs to the Society.


41.8 The Society shall pay such audit and supervision fees as the Commissioner may prescribe.

42.0 Dissolution

The Society shall be liquidated in accordance with the procedures set forth in the Act.

43.0 Amendment of Bye-laws

These Bye-laws may be amended in accordance with the Act and the regulations, but no amendment shall become effective until it is presented to the Annual General Meeting for approval and registered by the Commissioner.

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44.0 Acceptance

We, the undersigned Officers of Maitlamo Savings and Credit Co-operative Society Limited named herein do hereby adopt these Bye-laws for and on behalf of the Society, together with any changes or alterations that have been initialed or signed for by us:

These Bye-laws come into effect at the date they are signed.

Chairperson or Vice-Chairperson

LEANAME RAMOTSWIRI SEEMA *Seema*

Secretary

DAVID OLEFILE *DF*

Treasurer

O.N. KWITI *OK*

I BOTSHABELO LUCKY MARATLANE certify that the foregoing Bye-Laws of Maitlamo Savings and Credit Co-operative Society Limited have been approved by me and duly registered.

Given under my hand, at Gaborone on this 10<sup>TH</sup> day of July, in the year 2012.

Commissioner for Co-operative Development

*[Signature]*

DATE STAMP

COMMISSIONER FOR COOPERATIVES  
DEVELOPMENT  
10 JUL 2012  
P.O. BOX 88, GABORONE  
TEL: 3102315

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**MAITLAMO SAVINGS AND CREDIT  
CO-OPERATIVE SOCIETY LTD.**

**LOAN POLICY**

**REVISED 2012  
ADOPTED ON THE 06 MAY 2012**

*loan*

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## 1.0 INTRODUCTION

The Management Committee is charged with the responsibility to establish administrative policies including the loan policy. The policies <sup>font.</sup> <sub>policy</sub> ~~policy~~ are established in order to protect the interest of the individual member and guide the Society on its operations. This lending policy has therefore been established to guide the Credit Committee, employees of the Society and Management Committee in granting, managing and collecting loans due for payment and writing off those proving to be uncollectible. <sub>at</sub>

## 2.0 OBJECTIVES

The major objectives of this policy are:

- a) Providing loans to members on favorable terms and conditions to meet their willingness and capacity to pay;
- b) Providing competitive and accessible loans structure with flexible conditions at reasonable rate of interest;
- c) Guiding members on types and purposes of loans offered.
- d) Distinguishing the role of Management Committee from that of Credit Committee in maintaining and administering this policy; and
- e) Providing collection procedure for delinquent loans.

## 3.0 TYPES AND PURPOSE OF LOANS

3.1 The Society has the following types of loans tabulated below:

- a) Main Loan
- b) Emergency Loan
- c) Quick Loan

## 3.2 PURPOSES OF LOANS

- a) Productive loans for business, farming etc.
- b) Provident loans for building houses, buying furniture etc.



#### 4.0 LENDING CRITERIA

1. The Credit Committee is expected to observe the following criteria when assessing loan applications;

a) Character

The character of a member refers to a member's loyalty and activities in Society.

b) Capacity

- i) A member's willingness to acquire a loan must also be based on his or her ability to pay the installment due during the life of the loan.
- ii) A member's installment (principal + interest) shall be determined by the available savings and net salary at the time of application.

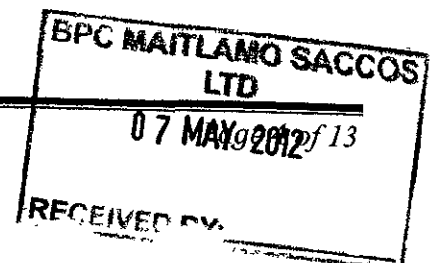
c) Security

- i) All loans less than or equal to a member's savings shall be secured by such member's savings.
- ii) All loan amounts in excess of a member's savings by one hundred thousand pula (BWP100, 000.00) shall require security; such security shall be in the form of immovable property. Provided that it shall be permissible for a member to use a motor vehicle as security in such an event, the financial interest of the Society shall be reflected in the Registration book.

d) Loans Per Member

- i) All members are allowed (3) loans per any given period (main, emergency and quick loans).
- ii) An individual member's savings shall be used to acquire a loan under 1:3 lending ratio.
- iii) All loans shall only be issued to members who have available savings.

*Society Loans Policy Amended in the SGM of 05-06.05.2012  
Oasis Motel - Tlokweg*



## 5.0 LOAN STRUCTURE

The Society shall offer and maintain the following loan structure.

### a) Main Loan

The maximum loan permissible to a qualifying member is two hundred and fifty thousand pula (BWP250, 000.00) subject to the availability of funds. The Credit Committee can approve member's loans up to a maximum limit of one hundred thousand pula (BWP100, 000.00). Loans in excess of one hundred thousand pula (BWP100, 000.00) shall need the approval of the Management Committee.

Every member is entitled to a loan top up after having made six (6) consecutive installments on the main loan.

A member must have at least paid twelve (12) installments before rescheduling; provided that the maximum repayment period is not exceeded.

A member who deposits any lump sum will have to wait for a period of 3 months before taking a loan against that amount. ✓

For purposes of this section a lump sum means not more than forty (40) percent of a member's total savings allowable only once in twelve months.

### b) Main Loan Credit Life Cover Policy

The main loans shall be fully covered for the whole period of repayment against the following:-

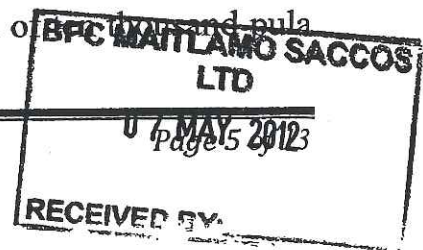
- i) Death of member and
- ii) Incapacitation of member.

### c) Quick Loan

Every member is entitled to a Quick Loan amounting to a maximum of one thousand pula (BWP1, 000.00) provided he or she has available savings.

### d) Emergency Loan

Emergency loans shall be limited to a maximum of <sup>one thousand and</sup> one hundred and fifty thousand pula (BWP1, 000. 00)



## 6.0 REPAYMENT TERMS

### a) Main Loans

All main loans shall be payable within six (6) years. The period of repayment for a member who is approaching retiring age will be limited to the remaining years of employment.

### b) Quick Loans

i) Quick loans are strictly payable within 30 days from the time by which they were given out.

ii) Quick loans shall only be issued to members who have available savings to settle it in case of default.

iii) Should a member default, the loan amount plus interest shall be recovered from his/her savings, and such a member shall be suspended from the Quick Loan scheme for a period of three (3) months.

c) Emergency Loan is repayable within fifteen (15) months. The interest applicable to this loan will be that of the main loan and it shall be covered.

## 7.0 DISBURSEMENT

a) All loans disbursed shall be recorded properly both on the books of the Savings and Credit Society and in the member's Pass Book and Ledger.

b) Loans (Emergency and Main) shall be paid to the member through a bank transfer/cheque as the Society may decide.

## 8.0 LOAN REPAYMENTS

### a) PERIOD OF PAYMENT

i) All loans will become delinquent after thirty (30) days. Payments are expected at the end of every month or anytime before the end of this period.

ii) A member shall pay his/her dues to the Society when realizing that a deduction has not been made from their salary.

b) PROBLEM LOANS / DELINQUENT

(i) Loans which are delinquent for more than two (2) months shall be referred to Management Committee for action after collection efforts have been exhausted by Manager.

(ii) The Credit Life Cover Policy will not apply to defaulting members. Defaulters shall be sent to tracking companies such as ITC. Credit life cover shall not cover self inflicted deaths and incapacitation.

c) SOCIETY'S RIGHT TO DEMAND PAYMENT

i) The Society shall have the right to demand payment made by stop order, salary deductions.

ii) Deduction from a member's savings shall be made two (2) months after the loan has been in arrears.

iii) The Society shall also have the right to demand payment from member's savings and terminal benefits due to the member from his/her employer.

iv) The Society shall use the legal right to demand payment through any legal means available in the Laws of Botswana.

v) A member shall be charged penalty interest of 12% for all months the loan repayment has not been deducted.

d) DECEASED MEMBERS DEBTS/ACCOUNTS

A deceased member's liability to the Society's debts is limited to total shares held by him/her in the Society. If a deceased member owes a loan to the Society, such debt shall be paid from his/her Credit Life Cover Policy.

ii) All deceased member's accounts must be settled within three months from the date of notice of his/her death.

iii) All uncovered loans shall be recovered from the deceased member's accumulated savings



## 9.0 ELIGIBILITY FOR LOANS

Every member shall qualify for a loan only if the following are maintained:

- a) A member shall qualify for a loan after accumulating savings with the Society for three (3) months from date of joining the society.
- b) Lump sum deposits shall be used to acquire a loan, only after having been in the coffers of the Society for three (3) months.

## 10.0 DECISIONS ON MANAGEMENT/CREDIT COMMITTEE MEMBER'S LOAN

- a) Management Committee members shall not have undue influence on the decisions of the Credit Committee.

Management Committee members and Credit Committee members shall not participate in the discussions and assessment of their loans applications.

- c. A Credit Committee member's application may be considered by the Management Committee.

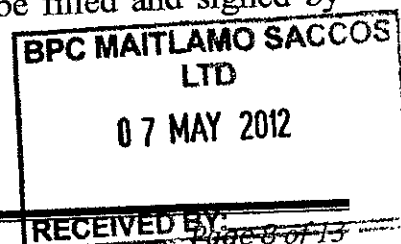
## 11.0 INTEREST RATE AND ADMINISTRATIVE FEES

- a) The Society shall charge not more than two (2) percent interest per month on Main and Emergency loans as determined by the Management Committee from time to time.
- b) Quick loan shall be charged ten (10) percent interest per month as determined from time to time by the Management Committee.

## 12.0 LOAN APPLICATION AND APPROVAL

- a) The procedure for loan applications and approval shall be maintained by the Credit Committee. Applications shall be filled and signed by the borrowers stating the following:

- i) Particulars of a member



- ii) Loan purpose
- iii) Loan amount
- iv) Loan security
- v) Outstanding debts to the Society & outsiders
- vi) Net salary (take home)
- vii) Repayment plan
- viii) Relevant legal documents in case of movable and immovable security for attachment including value of security and ownership verification, state and location of property.

b) The Credit Committee shall fulfill the following conditions when considering loan application.

- i) They must constitute a quorum; where the committee does not constitute a quorum they may co-opt any member of the Society to form the required quorum.
- ii) They must consider loans up to a maximum limit of one hundred thousand (BWP100, 000.00)
- iii) They must minute approval/disapproval decisions and complete decisions forms.

### 13.0 CONDITIONS FOR OBTAINING A LOAN

- a) A member shall continue saving while repaying the loan.
- b) Changes in loan installment must be negotiated between the Management Committee and borrower within the frame work of this policy.

Loan applications shall be processed based on schedule made by Credit Committee for assessing loans once a week.



#### 14.0 AUTHORITY AND RESPONSIBILITY

##### a) The Management Committee

- i) The Committee owes an allegiance to members and has legal responsibility for safety and maintenance of the policy in protecting member's funds.
- ii) The Management Committee shall review and approve all loans above one hundred pula (BWP100, 000.00).

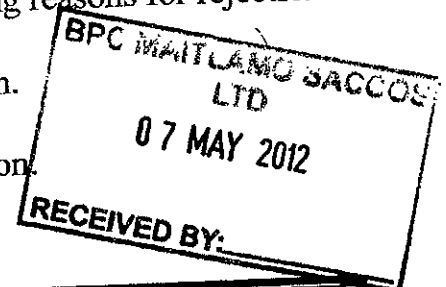
The Committee shall receive monthly reports from Credit Committees for monitoring and performance purposes and action.

Consider all loans appeals directed to them by members.

- iii) May consider loan applications for Credit Committees members
- iv) Review interest charges from time to time
- v) Take action on delinquent loans
- vi) Review and evaluate collection procedures

#### 15.0 CREDIT COMMITTEE

- a) The Credit Committee shall consider all loans on weekly basis based on this policy guidelines and conditions.
- b) The Credit Committee is charged with the responsibility to inform Management Committee on monthly basis through reports on:
  - i) Approved loan purposes and amounts.
  - ii) Rejected loans and amounts including reasons for rejection.
  - iii) Delinquent loans and measures taken.
  - iv) Problem loans for Management action.





## 16.0 SUPERVISORY BOARD

The Supervisory Committee is the watchdog of the society on compliance and maintenance of Bye-laws and Policy requirement through:

- i) Review of policy and documentation check list.
- ii) Review and verify legal compliance.
- iii) Reconcile all disbursed loans with Credit Committee approvals.
- iv) Review monthly listing of delinquent loans and collection efforts.
- v) Ensure that accounts are carried out correctly and with regularity.

## 17.0 LOAN ADMINISTRATION

Credit files shall be maintained on all problem loans. The files shall contain such information related to:

- a) Collection efforts on problem loans.
- b) Assessment and recommendations on problem loans.
- c) The rating of delinquent loans in the category of:  
A = 30 days      B = 60 days      C = above 60 for action.
- d) Security agreements maintained
- e) Risks rating e.g. financial problems.
- f) Collection notices.



## 18.0 THRESHOLD FOR OBTAINING LOAN

Threshold for obtaining a loan shall be forty percent (40%) of the basic salary inclusive of fixed allowances or one thousand pula (BWP1,000.00) whichever is less, and should be verified by an original current salary advice slip.

**19.0 ADOPTION**

Adopted at the Special General Meeting held at Oasis Motel –Tlokweng on the 6 May 2012

**20.0 ACCEPTANCE**

Accepted on behalf of the Society by the Management Committee

NAMES	POSITION	SIGNATURE	DATE
Leaname Ramotswiri Seema	Chairperson	<i>Seema</i>	13/05/2012
David Olefile	Secretary	<i>David G</i>	07 MAY 2012
Onkgopotse Kwiti	Treasurer	<i>Kwiti</i>	13/05/12

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07 MAY 2012  
RECEIVED BY: \_\_\_\_\_

**MAITLAMO SAVINGS AND CREDIT  
CO-OPERATIVE SOCIETY LTD**

**SOCIETY LOANS' CREDIT LIFE COVER  
POLICY**

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**Clause 1 Preamble**

- 1.1 Whereas the Society recognizes the risk associated with the issuance of funds in loans to members without surety;
- 1.2 Whereas the Society seeks to secure funds dispatched through loans to members;
- 1.3 Whereas the Society recognizes the disadvantages the members go through under the external insurance covers;
- 1.4 Whereas the Society seeks to localize the security of funds dispatched to members as opposed to external securities' insurance policies;
- 1.5 Now therefore, the Society here-in establishes the Society Loans' ***Credit Life Cover Policy*** as set out here under the set rules and regulations wholly funded and administered by the society through its structures.

**Clause 2 Interpretation**

- 2.1 The authority for interpretation of the policy and all matters there-to shall be vested in the management committee which shall manage same through the Society Manager by directives and or as set out here-in.
- 2.2 The following terms as used in this policy shall, for the purposes of the policy application and interpretation mean as set out here under;
  - 2.2 a. Society shall mean Maitlamo Savings and Credit Co-operative Society Ltd as established in terms of the Co-operatives Act and set out in the Society Bye-Laws as amended from time to time.
  - 2.2.b. All officers and or structures of the Society described in this policy shall be as set out in the society bye-laws.
  - 2.2. c. Should it occur that at any given time the set-out clause of this policy contravene the Bye Laws of the Society, the relevant Bye Laws' clause shall supersede only that clause of the policy and the policy shall remain in force.
  - 2.2. d. Should it occur that at any given time, any of the set-out clauses of this policy contravene any clauses of the Loan Policy, the Loan Policy shall supersede only those clauses subject to the authority of the Bye-Laws of the Society.
  - 2.2. e. Policy shall mean the ***Credit Life Cover Policy*** unless specifically mentioned otherwise in this policy.
  - 2.2. f. Member shall mean an employee of Botswana Power Corporation registered as a member of the Society in terms of the Society Bye-Laws or employee of the Society.
  - 2.2. g. Words signifying feminine shall include masculine and words signifying singular shall include plural unless specifically mentioned otherwise from the clause.
- 2.3 All terms not interpreted and or circumstances arising in the execution of this policy process but not covered under the policy or Bye-Laws of the Society shall be subject to clause 2.1 and such interpretation shall be made addendum to the policy for reference and subject to review as part of the policy in totality in terms of clause 13.
- 2.4. Incapacitation; the state of health that renders a member unable to service his liability to the Society due to ill health failing him to maintain his employment status within the corporation or secure employment anywhere due to such ill health.

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07 MAY 2012  
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### Clause 3 Objectives

The objectives of the establishment of this policy shall be;

- 3.1 To create a fund within the Society for members' cover in the event of their incapacity to service their liabilities to the Society as set out in terms of the Society Loans' Policy under the conditions as shall be set out in this policy.
- 3.2 To create affordable credit life cover premiums for members on their liabilities as set out in the Loans Policy.
- 3.3 To have a policy for members such that they shall contribute to a fund, commensurate with the funds committed for the member by the Society in terms of the loans' policy.
- 3.4 To provide for set-out of credit life cover values

### Clause 4 Litigations under the Policy

- 4.1 Any claim made under this policy shall be made to the Society in its name and the Society shall make claim against any member in its name in any court of law in Botswana.

### Clause 5 Effective Date

The effective date of this policy shall be 1<sup>st</sup> May 2008 and shall remain in force unless replaced.

### Clause 6 Liabilities covered under the Policy

- 6.1 Death due to illness or accident
- 6.2 Incapacitation

### Clause 7 Exclusions on Liabilities

- 7.1 Death or incapacitation resulting from alcohol abuse, narcotics or other intoxicants
- 7.2 Suicide and self inflicted permanent disability
- 7.3 Loss of remuneration due to attempting to or committing any breach of the law.
- 7.4 Uncovered loans as shall have been set out in the loan policy shall not be covered under this clause.

### Clause 8 Funding of the Policy Account

- 8.1 This fund shall be funded from the premiums as charged and prescribed in the Loan Policy.



Credit life cover policy amended at SGM of 05/05/2012 - 06/05/2012  
Oasis Motel -Tlokweng

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### Clause 9 Value Credit Life Cover

9.1 The Credit Life Cover shall cover the whole loan amount.

9.2 The loan premium cover shall be charged as set out below

$$\frac{\text{Loan amount} \times \text{repayment period} \times 2\%}{12}$$

### Clause 10 Reimbursements under the Policy

10.1 Where a member clears his loan before the repayment period lapses, he shall be refunded the cleared loan premiums provided the remaining period is not less than six (6) months.

10.2 It is the responsibility of the member to make a declaration on the cleared loan and make follow up with the office from the time of clearance deposit into the Society account.

$$\frac{\text{Total Premium}}{\text{Term of loan (months)}} = \text{Monthly Premium}$$

$$\text{Total Premium} - \text{Total Premium} = \text{Remaining Premium}$$

Charged Utilized

$$\text{Remaining Premium} \times 70\% = \text{Refundable premium}$$



### Clause 11 Exclusions to Reimbursements under the policy

11.1 The office is to reimburse every member due for reimbursements after clearance.

### Clause 12 Clearance procedure

12.1 Where a member's beneficiary as set out in the nomination procedure of the society has entitlement under clause 6 of this policy, the beneficiary shall provide proof of death or permanent incapacitation of the member to the Society. The following process shall then be followed;

12.1.a. The Society shall provide a form prescribed for purposes of clearance for completion by the beneficiary from which such information shall be computed for credit life cover as set out.

12.1.b. The Society shall proceed to clear the loans under the credit life cover from the fund as set out.

12.1.c. Where there is no cover in terms of clause 7, the beneficiary shall be advised accordingly and the outstanding loan balance shall be recovered from the member's savings and proceed to recover the outstanding balance from his/her estate

12.1. d. All savings for the member shall be paid out to the beneficiary upon settlement of loans as per the policy

12.1. Where there is no cover in terms of clause 7, the beneficiary shall be advised accordingly and the outstanding loan balance shall be recovered from the member's savings.

12.1. All savings for the member shall be paid out to the beneficiary upon settlement of loans as per the policy.

12.2 Qualification for issuance of clearance form for completion shall only be after production of full identity and confirmation of the legitimate beneficiary as declared by the member.

### Clause 13 Policy Amendments and review

13.1 This policy shall remain in force and shall not be amended within twelve months after implementation.

13.2 This policy shall be reviewed every three (3) years or when need arises.

### Clause 14 Dissolution of the Policy

14.1 This policy shall remain in force unless replaced by any other insurance policy whose purpose shall be the achievement of the objectives as set out in clause 3.

Accepted on behalf of the Society by:

Chairperson: Leaname Ramotswiri Seema Seema

Secretary: David Olefile DAF-G

Treasurer: Onkgopotse Kwiti Kwiti

