The Amended By-Laws

of the

Newly Amended Name, Southern Cebu Mango Growers’-Fruits And Crops Producers’ Cooperative (SCMGFCPC), formerly known as Dalaguete Mango Growers Fruit Producer Cooperative.

**KNOW ALL MEN BY THESE PRESENTS:**

        We, the undersigned Filipino citizen, of legal age, and residents of the Philippines, representing at least majority of the members of the newly amended name Southern Cebu Mango Growers’-Fruits And Crops Producers’ Cooperative (SCMGFCPC) formerly known as (Dalaguete Mango Growers Fruits Producer Cooperative (DMGFPC)), a primary producer cooperative, do hereby **amend** the following code of By-laws.

**Article I**

**Purpose**

Section 1. Purpose. The purpose of this cooperative is set forth in its Articles of Cooperation.

**Article II**

**Objectives**

Section 1. Objectives. The objectives of this cooperative are those enumerated in its Articles of Cooperation.

**Article III**

**Membership**

Section 1.  ***Bond and Field of Membership****.*  The membership of this cooperative shall be open to Filipinos who are of legal age, with capacity to contract or heads of the families and are:

* Mango growers producing mangoes and are residing or working within the area of operation as provided in Article 3 of the Articles of Cooperation

The prospective members should:

* Pledge to undertake the responsibilities of members and uphold the by-laws, policies, guidelines, rules and regulations promulgated by the Board of Directors and the General Assembly;
* Pay the required membership fee;
* Pay the required initial minimum common share capital;
* Complete the prescribed pre-membership co-operative education program; and
* Use or anticipate using the services of the co-operative.

Section 2.  ***Application for Membership****.*  An applicant for membership shall file a duly accomplished form with the Board of Directors who may accept or deny it within thirty (30) days from the date of filing. The Board of Directors shall devise a form for the purpose which shall, aside from the personal data of the applicant, include the duty of a member to participate in all capital build-up and savings mobilization programs of the co-operative and such other information as may be deemed necessary.

No application for membership shall be given due course if not accompanied by proof of payment of membership fee of One Hundred Pesos (Php 100.00), and initial minimum share capital subscription which shall be refunded to the applicant in case of rejection.

Section 3.  ***Minimum Share Capital Subscription****.*  An applicant shall subscribe at least twenty eight (28) common shares and pay the value of at least seven (7) shares upon approval of his/her membership.

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

Section 4.  ***Appeal****.*  An applicant whose application was denied by the Board of Directors may appeal to the general assembly by giving notice to the Secretary of the co-operative within thirty (30) days before the next General Assembly meeting. For this purpose, the General Assembly may opt to create a Membership Appeals and Grievance Committee, the members of which shall serve for a period of one (1) year and shall decide appeal on membership within thirty (30) days upon receipt thereof. If the committee fails to decide within the prescribed period, the appeal is deemed approved in favor of the applicant whose decision on the matter shall be final.

Section 5.  ***Duties and Responsibilities of a Member***.  Every member shall have the following duties:

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

b.   Patronize the Cooperative’s businesses and services;

c.    Participate in the membership education programs;

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

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

f.     Promote the goals and objectives of the co-operative, the success of its business, the welfare of its members and the cooperative movement in general.

Section 6*.****Member Entitled to Vote***.  Any member who meets the following conditions is a member entitled to vote:

a.    Paid the membership fee and the value of at least seven (7) shares;

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

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

d.   Completed the basic orientation training program prescribed by the Board of Directors; and

e.    Participated in the affairs of the co-operative and patronized its businesses.

The Board of Directors, after due notice and hearing, shall suspend the right to vote of those members who fail to meet any or all of the afore-cited conditions sixty (60) days prior to the date of general assembly meeting through board resolution henceforth classified them as members not entitled to vote. The board shall promulgate procedural guidelines to evolve a mechanism for the purpose including but not limited to the restoration of right to vote.

A member whose right to vote is suspended to two consecutive years may be a ground for termination of his/her membership.

Section 7.  ***Rights of Member Entitled to Vote***.  A member entitled to vote shall have the following rights:

a.    Participate and vote on all matters deliberated upon during general assembly meetings;

b.   Seek any elective or appointive position, subject to the provisions of this By-laws and the Philippine Cooperative Code;

c.    Avail himself of the services of the co-operative, subject to certain conditions as may be prescribed by the Board of Directors;

d.   Inspect and examine the books of accounts, the minutes books, the share register, and other records of the co-operative during reasonable office hours; and

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

Section 8.***Liability of Members*.**  A member shall be liable for the debts of the co-operative only to the extent of his/her subscribed share capital.

Section 9.***Termination of Membership***.  Termination of membership, which may be automatic, voluntary or involuntary, shall have the effect of extinguishing all rights of a member in the co-operative or in its assets, subject to the provisions of Article III, Section 11 of this by-laws and as may be provided by the general assembly.

*a.*   *Automatic Termination*.  The death, insanity, permanent incapacity or judicial declaration by a competent court of the insolvency of a member shall be considered automatic termination of his/her membership in the co-operative.

*b.*   *Voluntary Termination*.  A member may, for any reason, withdraw his/her membership from the co-operative by giving a sixty (60) day notice to the Board of Directors.  Provided, however, that any member whose membership withdrawal is approved by the board and has any pending obligation with the co-operative over and above his/her share capital and deposits shall not be allowed for refund or transfer of his/her share capital including withdrawal of deposits and interests thereof unless he/she settles first such obligation.

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

i.   When he/she has not patronized the services/businesses of the co-operative for more than twelve (12) months;

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

iii. When he/she has violated any provision of this By-laws and the rules promulgated by the co-perative; and

 iv. For any act or omission injuries or prejudicial to the interest or the welfare of the cooperative.

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

After hearing, the Board of Directors shall render its decision in writing within thirty (30) days and the same shall be given to said member by the Secretary of the Board, personally or by registered mail. The decision of the Board shall be appealable within thirty (30) days from receipt thereof to the general assembly. For this purpose, the General Assembly may opt to create an Appeal and Grievance Committee, the members of which shall serve for a period of one (1) year and shall decide appeal on membership within thirty (30) days upon receipt thereof. If the committee fails to decide within the prescribed period, the appeal is deemed approved in favor of the applicant whose decision on the matter shall be final. Pending resolution by the general assembly, his/her membership remains valid and in force.

Section 11.***Refund of Share Capital Contribution***. Notwithstanding the provision of Article III, Section 9, paragraph C, a member whose membership is terminated shall be entitled to a refund of his/her share capital contribution and all other interests in the Cooperative less outstanding loan obligations and other financial accountabilities.  However, such refund shall not be made if upon payment, the value of the assets of the Cooperative would be less than the aggregate amount of its debts and liabilities exclusive of his/her share capital contribution.  In which case, the terminated member shall continue to be entitled to the interest of his/her share capital contributions, patronage refund and the use of the services of the Cooperative until such time that all his/her interests in the Cooperative shall have been duly paid.  Upon the acceptance of his/her withdrawal or approval of his termination, however, he/she losses his/her right to attend, participate and vote in any meeting of the Board of Directors or the general assembly.

**ARTICLE IV**

**Government**

*Section 1.****The General Assembly (GA)****.*  The general assembly is composed of all the members entitled to vote and is the highest policy-making body of the Cooperative.

*Section 2.****Powers of the General Assembly***.  Subject to the provisions of the Philippine Cooperatives Code and the rules and regulations issued thereunder, the general assembly duly assembled shall have the following powers:

* To adopt and amend the Articles of Cooperation and By-laws, in accordance with law;
* To elect members of the board of directors, audit and election committees and remove them for cause;
* To review, modify, reject or approve developmental plans and programs of the cooperative;
* To hear and pass upon the reports of the Board of Directors, Officers and committees;
* To take final decision on any substantial change in the financial and operational policies of the cooperative;
* To enter into merger or consolidation with other cooperative;
* To approve the plan of division of the cooperative;
* To delegate the power to decide on appeal for disapproval of application for and involuntary termination of membership to Appeals and Grievance Committee; and
* To delegate the power to review and determine the amendment to the articles of cooperation and by-laws to a smaller body for final approval of the general assembly.

*Section 3.****Fiscal Year***.  The fiscal year of this cooperative shall commence on the first day of January and end on the last day of December of every year.

*Section 4.****Meetings***.  Meetings of the general assembly, board of directors and committees may be regular or special.  All proceedings and businesses undertaken at any meeting of the general assembly or Board of Directors, if within the powers or authority of the cooperative, there being a quorum, shall be valid.

*Section 5.****Regular General Assembly Meeting***.  The cooperative shall hold its annual regular general assembly meeting every 3rd Sunday of March at the principal office of the cooperative or at any place within its area of operation and at such time the Board of Directors may designate.

*Section 6.****Special General Assembly Meeting***.  The Board of Directors may, by a majority vote of all its members, call a special general assembly meeting at any time to consider urgent matters requiring immediate membership decision.  The Board of Directors must likewise call a special general assembly meeting within one (1) month from receipt of a written request from at least ten percent (10%) of the total number of members entitled to vote to transact specific business covered by the call.

If the board fails to call a regular or special meeting within the given period, the ten percent (10%) of all the members entitled to vote may file a petition with the Cooperative Development Authority (CDA) for them to convene the General Assembly.

Furthermore, the board of directors shall convene the general assembly within thirty (30) days upon receipt of written order from the CDA at the instance of the Authority to report to the members the result of examination or other investigation of the cooperative affairs.

*Section 7.****Notice of General Assembly Meeting***.  All written notices of meetings shall state therein the date, time, place and agenda thereof.

*Regular General Assembly Meeting*.  Notice of the annual regular general assembly meeting shall be served by the Secretary, personally or his/her duly authorized representative or by registered mail, upon each member at his/her last known postal address, or by posting or publication, or through other **electronic means**, at least two (2) weeks before the said meeting. As far as practicable, it shall be accompanied with an agenda, minutes of meeting of the last general assembly meeting, consolidated reports of the Board of Directors and Committees, audited financial statements, and other papers which may assist the members to intelligently participate in the proceedings.

*Special General Assembly Meeting*.  Notice of any special general assembly meeting shall be served by the Secretary personally or his/her duly authorized representative or by registered mail upon each member who are entitled to vote at his/her 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 for which the meeting is called for and, except for related issues, no other business shall be considered during the meeting.

*Section 8.* ***Order of Business*.**  As far as practicable, the order of business of a regular general assembly meeting shall be:

* Roll Call;
* Proof of due notice;
* Call to order;
* Consideration of the minutes of the previous meeting;
* Matters arising from the minutes;
* Consideration of the consolidated report of the board of directors, officers, and the committees, including audited financial statements of the cooperative;
* Consideration of annual operations plan and budget;
* Election of directors and committee members, (if applicable);
* Unfinished business;
* New business; and
* Adjournment

*Section 9.****Quorum for General Assembly Meeting****.*  During regular or special general assembly meeting, at least fifty percent plus one (50% + 1) of the total number of members entitled to vote shall constitute a quorum.

*Section 10.****Voting System***.  Only members entitled to vote shall be qualified to participate and vote in any general assembly meeting.  A member is entitled to one vote only regardless of the number of shares he/she owns.

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

**ARTICLE V**

**Officers of the Co-operative**

Section 1. **Board of Directors**. The conduct and management of the affairs of the co-operative shall be vested in the Board of Directors, which shall be composed of five (5) members.

Section 2.**Qualifications**.No members shall be elected as a member of the Board of Directors or any committee unless he/she is a member entitled to vote and has the following qualifications:

* Of good moral character. The Election Committee in coordination with the Ethics Committee shall promulgate mechanism to verify this qualifications;
* Has manifested his /her willingness to devote time to serve as director;
* With leadership/managerial experience or has manifested his/her willingness to undergo the required training(s) by the CDA; and
* As far as practicable, having served for **at least** **one year as member** of this co-operative. Provided, however, that this is applicable only to members that join this co-operative one year after it was registered with the Cooperative Development Authority;

Section 3. **Disqualifications**. Any member who is under any of the following circumstances shall be disqualified to be elected as a member of the Board of Directors or any committee, or to continue as such:

* Holding any elective position in the government, expect that of to a party list representative being an officer of a co-operative he/she represents;
* Having served as director of the co-operative for three (3) consecutive terms;
* Having been engaged in a business similar to that of the co-operative or who in any way has a conflict of interest with the co-operative;
* Having been absent for three (3) consecutive regular board meetings without reasonable cause;
* Having been convicted of any crime involving moral turpitude, gross negligence, or gross misconduct of the performance of their duties or found culpable in any administrative case involving such offenses;
* Being an official or employee of the Cooperative Development Authority; and
* Having been disqualified by law.

Section 4. **Election of Directors**. The members of the Board of Directors shall be elected by secret ballot by members entitled to vote during the annual regular general assembly meeting. Unless earlier removed for cause, or have resigned or become incapacitated, they shall hold office for a term of two (2) years until their successors shall have been elected and qualified; Provided, that one-half plus one 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 be elected for a term for two (2) years. The term of the incorporating directors shall expire upon the election of their successors in the first regular general assembly after registration.

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

Section 5. **Meeting of the Directors.** The regular meeting of the Board of Directors shall be held at least once a month. However, the Chairperson or, in his/her absence 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 by the Secretary stating the date, time and place of such meeting and the matters to be considered. Notice of regular or special meetings of the Board of Directors, unless dispensed with, shall be served by the Secretary in writing to each director at least five (5) days before such meeting.

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

Section 6. **Vacancies in the Board**. Any vacancy occurring in the Board of Directors by reason of death, incapacity, removal or resignation may be filled by a majority vote of the remaining directors, if still constituting a quorum; otherwise, such vacancy shall be filled by the general assembly in a regular or special meeting called for the purpose. The elected director shall serve only for the unexpired term of his/her predecessor in office.

Section 7. **Functions and Responsibilities of the Board.**

Notwithstanding the provisions of the Philippine Cooperative Code to the contrary, the following are the specific functions and responsibilities of the board of directors.

* Provide general policy direction;
* Formulate the strategic development plan;
* Determine and prescribe the organizational and operational structure;
* Review the Annual Plan and Budget and recommend for the approval of the General Assembly;
* Establish policies and procedures for the effective operation and ensure proper implementation of such;
* Evaluate the capability and qualification and recommended to the General Assembly the engagement of the services of the an External Auditor;
* Appoint the members of the Mediation/Conciliation and Ethics Committees and other Officers as specified in the Code and co-operative By-laws;
* Decide election related cases involving the Election Committee or its members;
* Act on the recommendation of the Ethics Committee on cases involving violations of Code of Governance and Ethical Standards; and
* Perform such other functions as may be prescribed in the By-laws or authorized by the General Assembly.

The Board of Directors shall convene within ten (10) days after the regular general assembly meeting to elect by secret ballot from among themselves the Chairperson and the Vice-Chairperson and to appoint the Secretary and Treasurer from outside of the Board but should come from the pool of qualified members. The appointed officers shall hold office for a term of one (1) year or until their successors shall have been appointed and actually assumed the functions of their positions.

The Chaiperson of the Board of Directors and his/her Duties

* Set the agenda for board meeting in coordination with the other members of the Board of Directors;
* Preside over the all meetings of the Board of Directors and of the General Assembly;
* Sign contracts, agreements, certificates and other documents on behalf of the co-operative as authorized by the Board of Directors or by the General Assembly;
* Issue Certificate of Non-Affiliation with any Federation or Union; and
* Perform such other functions **including bank withdrawals** as may be authorized by the Board of Directors or by the General Assembly.

The Vice-Chairperson of the Board of Directors and his/her Duties

* Perform all duties and functions of the Chairperson in the absence of the latter;
* To act as ex-officio Chairperson of the Education and Training Committee; and
* Perform such other duties as may be delegated to him/her by the Board of Directors.

The Treasurer and his/her Duties:

* Ensure that all cash collections are deposited in accordance with the policies set the Board of Directors;
* Have custody of all funds, securities, and documentations relating to all assets, liabilities, income and expenditures;
* Monitor and review the financial management operations of the co-operative, subject to such limitations and control as may be prescribed by the Board of Directors;
* Maintain full and complete records of cash transactions;
* Maintain a Petty Cash Fund and Daily Cash Position Report; and
* Perform such other functions as may be prescribed in the By-laws or authorized by the General Assembly;

The Secretary and his/her Duties

* Keep an update and complete registry of all members;
* Record, prepare and maintain records of all minutes of meeting of the Board of Directors and the General Assembly;
* Ensure that necessary Board of Directors’ actions and decisions are transmitted to the management for compliance and implementation;
* Issue and certify the list of members who are in good standing and entitled to vote as determined by the Boards of Directions;
* Prepare and issue Share Certificates;
* Serve notice of all meetings called and certify the presence of quorum of all meetings of the Board of Directors and the General Assembly;
* Keep copy of Treasurer’s reports and other reports;
* Keep and maintain the Share and Transfer Book;
* Serve as custodian of the co-operative seal; and
* Perform such other functions as may be prescribe in the By-laws or authorize by the General Assembly.

Section 8. **Election Committee.** An election Committee composed of three (3) members is hereby created and shall be elected during a general assembly meeting. They shall hold office for term of two (2) years 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 Secretary.

No member of the committee shall hold any other position within co-operative during his/her term of office. Their functions and responsibilities are as follow;

* Formulate election rules and guidelines and recommended to the General Assembly for approval;
* Implement election rules and guidelines duly approved by the General Assembly;
* Recommended necessary amendments to the election rules and guidelines for the General Assembly’s approval;
* Supervise the conduct, manner and procedure of election and the other election related activities and act on the changes thereto;
* Canvass and certify the results of the election;
* Proclaim the winning candidates;
* Decide election related cases except those involving the committee or its members; and
* Perform such other functions and prescribed in the By-laws or authorized by the General assembly.

The decision of the Election Committee is appealable to the Board of Directors who shall decide the case.

Election protest filed by the members of the Election Committee shall be decided by the Board of Directors.

*The Duties of the Chairperson of the Election Committee:*

* Preside over all meetings of the committee;
* Establish linkage/communication with the Board of Directors and other functional bodies;
* Present recommendations on electron rules and policies to the General Assembly ; and
* Perform such other functions as may be necessary.

*The Duties of the Vice - Chairperson of the Election Committee:*

* In the absence or disability of the Chairperson, the Vice - Chairperson shall perform all the duties and functions of the Chairperson; and
* Perform such other duties as may be delegated to him/her by the committee.

*The Duties of the Secretary of the Election Committee:*

* Maintain a correct record of all minutes of meetings of the Committee;
* Prepare the necessary documents for the implementation of relevant actions;
* Ensure that all the policies and procedures of the committee are compiled properly;
* Secure from Secretary of the co-operative the list of members entitled to vote; and
* Perform such other duties as may be prescribed by the Committee.

Section 9*.* ***Audit Committee:*** An Audit Committee composed of three (3) members is hereby created and shall be elected during general assembly meeting. They shall hold office for a term of two (2) years 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 co- operative during his / her term of office. Their functions and responsibilities are as follows:

a) Monitor the adequacy and effectiveness of the co-operative’s management and control system;

b) Audit the performance of the co–operative 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 co-operative principles and 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 ; and

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

*The Duties of the Chairperson of the Audit Committee:*

* Preside over all meetings of the committee;
* Establish linkage/communication with the Board of Directors and other functional bodies;
* Present recommendations on internal audit rules and policies to the General Assembly; and
* Perform such other functions as may be necessary.

The Duties of the Vice-Chairman of the Audit Committee:

* In the absence or disability of the Chairperson, the Vice Chairperson shall perform all the duties and functions of the Chairperson; and
* Perform such other duties as may be delegated to him/her by the Committee.

The Duties of the Secretary of the Audit Committee:

* Maintain a correct record of all minutes of meetings of the Committee;
* Prepare the necessary documents for the implementation of relevant actions;
* Ensure that all the policies and procedures of the committee are compiled properly; and
* Perform such other duties as may be prescribed by the Committee.

Section 10. **Mediation and Conciliation Committee**. A Mediation and Conciliation Committee composed of three (3) members is herby created and shall be appointed by the board of directors. They shall hold office for a term of two (2) years or until their successors shall have been appointed and qualified. Within ten (10) days after their appointment, 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 co-operative during his/her term office. Their functions and responsibilities are as follows:

* Formulate and develop the Conciliation-Mediation Program and ensure that it is properly implemented;
* Monitor Conciliation–Mediation programs and processes;
* Submit semi-annual reports of co-operative cases to the Authority within fifteen (15) days after the end of every semester;
* Accept and file Evaluation Reports;
* Submit recommendations for improvements to the Board of Directors;
* Recommend to the Board of Directors any member of the co-operative for Conciliation-Mediation Training as Co-operative Conciliator-Mediator;
* Issue the Certificate of Non-Settlement (CNS); and
* Perform such other functions as may be prescribed in the By-laws or authorized by the General Assembly.

The Duties of the Chairperson of the Mediation and Conciliation Committee:

* Preside over all meetings of the committee;
* Establish linkage/communication with the Board of Directors and other functional bodies;
* Present recommendations on meditation-conciliation rules and policies to the General Assembly; and
* Perform such other functions as may be necessary.

The Duties of the Vice-Chairperson of the Mediation and Conciliation Committee:

* In the absence or disability of the Chairperson, the Vice-Chairperson shall perform all the duties and functions of the Chairperson; and
* Perform such other duties as may be delegated to him/her by the committee.

The Duties of The Secretary of the Mediation And Conciliation Committee:

* Maintain a correct records of all minutes of meetings of the Committee;
* Prepare the necessary documents for the implementation of relevant actions;
* Ensure that all the policies and procedures of the committee are compiled properly;
* Receive complaints, and assist the disputing parties in reducing their complaints in writing;
* Confirm parties’ request to participate in Conciliation-Meditation;
* Assist parties in the selection of a Conciliator-Mediator;
* Monitor and report of the outcome of Conciliation-Meditation conducted by non-pool Conciliator-Mediator;
* Receive and file the Conciliator-Mediator’s evaluation form;
* Submit to the Committee the monthly report summarizing status of all cases processed and the results of the evaluation of the Conciliation-Mediation Process;
* Facilitate the issuance of the Certificate of Non-Settlement from any failed or refused Conciliation-Mediation;
* Monitor and fill-up the documents of the Conciliation-Mediation Process;
* Send communications to the disputants;
* Maintain and updated list of Conciliator-Mediator; and
* Perform such other duties as may be prescribed by the Committee.

Section 11. ***Ethics Committee.*** An Ethics Committee composed of three (3) members is hereby created and shall be appointed by the board of directors. They shall hold office for a term of two (2) years or until their successors shall have been appointed and qualified within ten (10) days after their appointment, 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 co-operative during his/her term of office. Their functions and responsibilities are as follows:

* Develop Code of Governance and Ethical Standards to be observed by the members, officers and employees of the co-operative subject to the approval of the Board of Directors and ratification of the General Assembly;
* Disseminate, promote and implement the approved Code of Governance and Ethical Standards;
* Monitor compliance with the Code of Governance and Ethical Standards and recommend to the Board of Directors measures to address the gap, if any;
* Conduct initial investment or inquiry upon receipt of a complaint involving Code of Governance and Ethical Standard and submit report to the Board of Directors together with the appropriate sanctions;
* Recommend ethical rules and policy to the Board of Director; and
* Perform such other functions as may be prescribed in the By-laws or authorized by General Assembly.

The duties of the Chairperson of Ethics Committee:

* Preside over all meeting of the committee;
* Establish linkage/communication with the Board of Directors and other functional bodies;
* Present recommendations on ethical rules and policies to the General Assembly ; and
* Perform such other functions as may be necessary.

The duties of the Vice Chairperson of Ethics Committee:

* In the absence or disability of the Chairperson, the Vice Chairperson shall perform all the duties and functions of the Chairperson; and
* Perform such other duties as may be delegated to him/her by the Committee.

The Duties of the Secretary of the Ethics Committee

* Maintain a correct record of all minutes of meetings of the committee;
* Prepare the necessary documents for the implementation of relevant actions;
* Ensure that all the policies and procedures of the committee are compiled properly; and
* Perform such other duties as may be prescribed by the committee.

Section 12. **Education, Training and Information Committee** .An Education, Training and Information Committee composed of three (3) members is hereby created and shall be appointed by the board of directors. They shall hold office for term of two (2) years or until their successors shall have been appointed and qualified. Within ten (10) days after their appointment, they shall elect from among themselves a Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the co-operative during his/her term of office.

The committee shall assist the board of directors in formulation of the policies, rules and procedures pertaining to human resource development and effective operationalization and implementation of the fifth co-operative principle of education, training and information. Specifically, their functions are follows:

* To design and implement Human Resource Development (HRD) plans and programs for members, officers and employees;
* To conduct Pre-Membership Education Seminar (PMES), Membership Education Program (MEP) and other seminars or meetings for the information and understanding of the organization’s policies, system and programs;
* To continuously update members and the community on activities and program’s performance and achievements of the thru regular publication;
* To tap of technology and training funds;
* To prepare and annual HRD plans and programs for members, officers and employees to be integrated in the co-operative annual plans and program; and
* To submit annual reports of accomplishment to the BOD.

*The Duties of the of the Chairperson of the Education, Training and Information Committee:*

* Preside over all meetings of the committee;
* Establish linkage/communication with the Board of Directors and the other functions bodies;
* Present recommendations on internal audit rules and policies to the General Assembly;
* Perform such other functions as may be necessary.

*The Duties of the Vice-Chairperson of the Education, Training and Information committee:*

* In the absence or disability of the chairperson, the vice chairperson shall perform all the duties and functions of the chairperson; and
* Perform such other duties as may delegated to him/her by the committee.

*The Duties of the Secretary of the Education, Training and Information Committee:*

* Maintain a correct record of all minutes of the meetings of the committee;
* Prepare the necessary documents for the implementation of relevant actions;
* Ensure that all the policies and procedures of the committee are compiled properly; and
* Perform such other duties as may be prescribed by the committee.

Section 13**. *The General Manager***. No person shall be appointed to the position of general manager unless he/she possesses the following qualifications and none of the disqualifications herein enumerated:

* He must be familiar with the business operation of the co-operative;
* He must have at least two (2) years experience in the operations of co-operative or related business;
* He must not be engaged directly or indirectly in any activity similar to the business of the co-operative;
* He must not have been convicted of any administrative, civil or criminal case involving moral turpitude, gross negligence or grave misconduct in the performance of his/her duties;
* He must not be addicted to any form of gambling or immoral or vicious habits;
* At the time of his/her appointment he/she must have no pending administrative, civil or criminal case involving financial and/or property accountabilities; and
* He must be willing to undergo pre-service and/ or in service trainings.

Section 14. **Duties of the General Manager**. The General Manager shall:

* Oversee the overall day to day business operations of the co-operative by providing general direction, supervision, management, and administrative control over all the operating department subject to such limitations as may be set forth by the Board of Directors or the General Assembly;
* Formulate and recommend in coordination with the operating departments under his/her supervision, the Co-operatives Annual and Medium Term Development Plan, programs and projects , for approval of the Board of Directors and ratification of the General Assembly;
* Implement the duly approved plans and programs of the co-operative and any other directive or instruction of the Board of Directors;
* Provide and submit to the Board of Directors monthly reports on the status of the co-operatives operation vis-à-vis its targets and recommend appropriate policy or operational changes , if necessary;
* Represent the co-operative in any agreement , contact, business, dealing, and any other official business transaction as may be authorized by the Board of Directors;
* Ensure compliance with all administrative and other requirements of regulatory bodies; and
* Perform such other functions as may be prescribed in the By-laws or authorized by the General Assembly.

Section 15. **Removal of Directors and Committee Members**. All complains 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 the directors may place the officer concerned under preventive suspension pending the resolution of the investigation. Upon finding a prima facie evidence of guilt, the board shall present its recommendation for the removal to the general assembly. An elective officer may be removed by three-fourths (3/4) 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.

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

If a vacancy occurs in any elective committee, the board of directors at its option may call an election or appoint a person to fill the same to serve for the unexpired portion of the term. The appointment made by the board shall not however compromise nor impinge upon the independence of such committee.

Section 16. **Compensation**. Subject to the approval of the general assembly, the members of the Board and Committees may, in addition to per diems for actual attendance to board and committee meetings, and reimbursement of actual and necessary expenses while performing functions in behalf of the co-operative, be given regular compensation; Provided, further, that the directors and officers shall not be entitled to any per diem when, in the preceding calendar year, the co-operative reported a net loss or the rate of interest on share capital is less than the official inflation rate for the same year.

**ARTICLE VI**

**Liabilities of Directors and Officers**

Section 1. **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 co-operative 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 the damages resulting therefrom to the co-operative, members and other persons.

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

**ARTICLE VII**

**Training Requirements**

Section 1. **Training**. All officers upon assumption to duties are required to undergo relevant training to be conducted by co-operatives, federations and/or institutions duly accredited by the CDA. On top of the capability building programs relative to their respective positions, all officers must undergo Basic Co-operative Course. Failure of any officer to comply therewith shall include such as one of the grounds for disqualification of the concerned officer to run for such position in accordance with the Implementing Rules and Regulations (IRR) of the Philippine Cooperative Code and/or the related issuances of the Authority.

**ARTICLE VIII**

**Management Staff and Office Personnel**

Section 1. **Organizational and Operational Personnel**. The Board of Directors shall draw an organizational structure fitted to the purpose and objective of the co-operative. Upon recommendation of the general manager, they shall promulgate policies, systems and procedure to sustain functional coordination of all operating units. The General Manager is responsible for the supervision and control over co-operative personnel.

**ARTICLE IX**

**Capital Structure**

Section 1. ***Source of Funds****.* The co-operative may derive its funds from any of the following sources:

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

Section 2. ***Continuous Capital Build-up****.* Every member shall have contributed in any or all of the following:

* At least Fifty Pesos (P50.00) of his/her monthly income;
* At least fifty percent (50%) of his/her annual interest on capital and patronage refund; and
* At least two percent (2%) percent of each good/service acquired by him.

Section 3. ***Deposits****.* The co-operative may accept two (2) kinds of deposits from members only:

* *Saving Deposits.* Any member, in addition to his/her share capital investment, may open savings deposit, the rate of interest of which shall be determined by the Board.

Savings deposits not falling below five hundred pesos(PHP500.00) during any calendar month shall be entitled to interest to be computed quarterly based on the lowest monthly balance outstanding during the period. The interest shall be credited to the depositor’s account, and the same shall earn interest from the date it is credited, at the same rate as savings deposits.

* *Time Deposits-* Deposits for a fixed period of time and for a fixed rate of interest may be accepted by the co-operative. The Time Deposit Certificates in the form prescribed by the Board of Directors evidencing the deposit shall be issued to depositors.

The Board of Directors shall prescribed the rules and regulations governing savings and time deposits.

Section 4*.* ***Revolving Capital****.* To strengthen the capital structure of the cooperative, the general assembly may authorize the Board of Directors to raise a revolving capital by deferring the payment of patronage refunds and interest on share capital, or such other schemes as may be legally adopted. To implement this provision,the board of Directors shall issue Revolving Capital Certificate with serial number, name, rate of interest, date of retirement and such other rights and privileges or restriction as may be deemed just and equitable.

Section 5. **Retentions.** The general assembly may authorize the Board of Directors to raise additional capital by deducting a certain percent on a per unit basis from the proceeds of services and/or goods procured by members.

Section 6**. Borrowing.** The Board of Directors, upon approval of the General Assembly, may borrow money from any source ,local or foreign ,under such terms and conditions that best serve the interest of the co-operative.

Section 7.**Share Capital.** Share capital refers to the unit of capital, the value which is stated in the articles of Cooperation.

Section 8**. *Share Capital Certificate****.* Serially numbered certificates of the co-operative shall be issued to each member, Provided that for the initial subscription, share certificate shall be issued to the member upon payment of the minimum paid-up share capital. Subsequently, a share certificate shall be issued upon full payment of the remaining subscription. Upon full payment of initial subscription, the member shall execute another subscription agreement.

The Certificate shall contain the shareholder’s name, the number of shares owned, the par value and duly signed by the Chairperson and the Secretary, and bearing the official seal of the co-operative. All issues and transfers shall be registered in the share and transfer book.

The shares may be purchased, owned and held only by persons who are eligible for membership. Interest may be paid only on the paid-up capital at the rate prescribed by the CDA and interest may be in cash, or credited towards payment of subscription, outstanding accounts, or additional shares or to the revolving fund of the co-operative.

Section 9**. *Transfer of Shares.*** The cooperative shall have the first option to buy any share offered for sale. The amount to be paid for such shares shall be par value whichever is lower. The transfer of share from a member to another person is subject to the following conditions:

* He has held such shares or interest for at least one year (1) year;
* The transfer is made to a member of the co-operative or to a person who falls within the field of membership of the co-operative, and that said person is acceptable to the co-operative; and
* The board has approved such transfer.

The transfer of shares shall not be binding to the co-operative until such transfer has been registered in the share and transfer book. No transfer shall be completed until the old certificate have been endorsed and surrendered to the co-operative and a new certificate is issued in the name of the member-transferee, is not a member but qualified to be a member, he/she shall be required to pay the membership fee and a transfer fee of one hundred pesos (PHP 100.00) after complying with all other requisites of membership.

In case of lost or destroyed share certificate, the Board of Directors may issue a replacement after the owner thereof executes a sworn affidavit in triplicate, setting forth the following:

1. Circumstances as to how, when and where said certificate was lost or destroyed;
2. The serial number of the certificate; and the number of shares it represents; and
3. The lost or destroyed certificate has never been transferred, sold or endorsed to any third party; and that should the same be found, the owner shall surrender it to the co-operative. Any false representation or statement made in the aforesaid affidavit shall be a ground for explulsion from the cooperative.

**Article X**

**Operations**

Section 1. Service over and above profit shall be the overriding consideration of the co-operative in the pursuit of its goals and in the operation of its business.

Section 2. The co-operative shall adopt and implement plans and programs which insure the continued build-up of the co-operative's capital structure with the end view improving the delivery of services to the members.

Section 3. The co-operative is organized to provide the community with identified products or create a demand for said products by producing the same. In either case, the co-operative shall be operated primarily to ensure the continuous, efficient and reliable production of said goods and making them available to the community at reasonable price.

Section 4. The co-operative shall adopt improved production techniques and practices and shall coordinate closely with the other producer co-operatives towards institutionalizing cooperation and systematizing co-operative production and marketing.

Section 5. The co-operative shall procure its production inputs, supplies and other raw materials requirements through a co-operative pruchasing system to achieve economy and efficiency.

**ARTICLE XI**

**Allocation and Distribution of Net Surplus**

**Section 1.** At the end of its fiscal year, the co-operative shall allocate and distribute its net surplus as follows:

**A. Reserve fund. I**n the first five (5) years of operation after registration the amount allocated for Reserve Fund per year shall not be less than fifty percent (50%) of the Net Surplus, in the succeeding years the allocation thereof is ten percent (10%) of the Net Surplus annually:

* The reserve fund shall be used for the stability of the co-operative and to meet net losses in its operations. The general assembly may decrease the amount allocated to the reserve fund when it has already exceeded the authorized share capital. Any sum recovered on items previously charged to the reserve fund shall be credited to such fund.
* The reserve fund shall not be utilized for investment, other than those allowed in the Philippines Co-operative Code. Such sum of the reserve fund in excess of the authorized share capital may be used at any time for any project that would expand the operations of the co-operative upon the resolution of the general assembly.
* Upon the dissolution of the co-operative, the reserve fund shall not be distributed among the members. However , the general assembly may resolve:
* To establish usufructuary fund for the benefit of any federation or union to which the co-operative is affiliated; or
* To donate, contribute or otherwise dispose of the amount for the benefit of the community where the co-operative operates. If the member could not decide on the disposition on the reserve fund, the same shall be given to the federation or union to which the co-operative is affiliated or operating within the co-operative’s area of operation.

**B. Education and Training Fund**. Ten percent (10%) shall be set aside for Education and Training Fund. The fund shall provide for the training, development and similar other activities geared towards the growth of the co-operative.

* Half of the amounts transferred to the education and training fund annually under this subsection may be remitted to a union or federation chosen by the co-operative of which it is a member;
* Upon the dissolution of the co-operative, the unexpended balance of the education and training fund pertaining to the co-operative shall be credited to the co-operative education and training fund of the chosen union or federation.

**C. Community Development Fund**. Three percent (3%) shall be set aside for projects and activities that will benefit the community where the co-operative operate.

**D. Optional Fund**. Seven percent (7%) shall be set aside for Optional Fund for land and building fund, and such other developmental purposes as may be identified by to co-operative as approved by the general assembly.

**E. Interest on Share Capital and Patronage Refund.** The remaining net surplus shall be made available to the members in the form of interest on share capital not to exceed the normal rate of return on investment prescribed by law, and patronage refunds. The sum allocated for patronage refund shall be made available at the same rate to all patrons of the co-operative in proportion to their individual patronage, subject to the following rules:

* The patronage refund of a member with fully paid share capital shall be paid to him in cash or at this option be credited to his/her account as additional share capital;
* The patronage refund of a member with unpaid share capital subscription shall be credited to his/her account as payment of his/her unpaid subscription until the same shall have been fully paid;
* For non-member patrons, their proportionate patronage refunds shall be set aside in a **general fund** created for the purpose. Their individual patronage refund shall be credited to their respective names only upon request and presentation of evidence of the amount of his/her patronage. When the amount so accumulated under his/her name within a period of one year equals the minimum share capital contribution for membership and he/she is qualified and willing to comply with the requirements for membership, said non-member patron shall be considered member of the co-operative upon payment of membership fee;
* If within the period specified in the preceding paragraph, any non-member patron who has accumulated the sum necessary for membership, but refuses or fails to qualify for membership, the amount so accumulated in his/her account together with any part of the general fund for non-member patrons shall be credited to the **reserve fund** or to the **education and training fund** of the co-operative at the option of the general assembly.

**ARTICLE XII**

**Settlement of Disputes**

Selection1. **Settlement of Disputes.** Any dispute arising between or among members of the board of directors, committee officers, and management staff and individual members shall be referred to the mediation/conciliation committee subject to the rules and procedure promulgated by the board of directors in conformity with the guidelines issued by the CDA.

The board of directors shall appoint from the management staff through the general manager a **conciliator-mediator coordinator** whose term and functions are prescribed by the rule. Likewise, a pool of mediator-conciliator shall be established to aid the conciliation mediation proceedings and for such other functions as provided by the law.

In case mediation-conciliation fails in the level of the co-operative, the same may be brought to the federation or union where co-operative is affiliated or in the **City/Municipal Cooperative Development Council** (CDC) where the co-operative operates.

Section 2. **Disputes Involving Members of the Mediation and Conciliation Committee and Board of Directors.**

If one or both parties are members of the Conciliation Committee , the Chairperson of the Committee shall communicate in writing such fact to the Chairperson of the Board of Directors who shall forthwith call a special board meeting to form a **five man Special Conciliation Committee** created by the board of directors for the purpose. The special committee shall convene immediately and after electing from among themselves the Chairperson, Vice-Chairperson and the Secretary, proceed to resolve the case in accordance with the procedures described in the proceeding section. The committee shall automatically cease to exist upon the final resolution of the controversy.

**ARTICLE XIII**

**MISCELLANEOUS**

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

* Shares or debentures or securities of any other co-operative;
* Co-operative bank or any reputable bank in the locality;
* Securities issued or guaranteed by government; and/or
* Estate primarily for the use of the co-operative or its members;, or
* In any other manner approved by the general assembly.

Section 2. **Accounting System**. The co-operative shall keep, maintain and preserve all its books of accounts and other financial records in accordance with generally accepted accounting principles and practices, applied consistently from year to year, and subject to existing rules and laws. It shall adopt the Standard Chart of Accounts (SCA) promulgated by the Authority.

Section 3. **Annual Audit**. The Board of Directors shall in consultation with the Audit Committee, cause the annual financial, performance and social audit of the co-operative by an external auditor who satisfies all the following qualifications:

* He/She is independent of the co-operative;
* In case of financial audit, he/she is a member in good standing of the Philippines of Institute of Certified Public Accountants (PICPA) and is accredited by both the Board of Accountacy and the CDA;
* The Social Audit shall be conducted by an independent social auditor accredited by the CDA; and
* Performance` and Social Audit Reports which contain the findings and recommendations of the auditor shall be submitted to the Board of Directors.

Section 4. **Regular Reports**. The Board of Directors shall draw up regular reports of its program of its activities including those in pursuance of their socio-economic undertakings, showing their progress and achievements at the end of every fiscal year. The reports must be made accessible to its member and copies thereof shall be furnished to all each members of record. As far as practicable, the financial statements shall be kept posted in a conspicuous place in the principal office of the co-operative.

Notwithstanding the provision of the rules and regulations issued by the CDA, the required reports in the form and format prescribed thereunder shall be submitted within one hundred-twenty(120) days from the end of the every calendar year. Failure to file such reports within the prescribed period shall subject the accountable officers to fines and penalties as maybe prescribed by the CDA.

For this purpose all reports shall be certified by the chairperson or the General Manager to vouch the truthfulness of the statements contained therein.

**ARTICLE XIV**

**Amendments**

Section 1. Amendments. Amendments to the Article of Cooperation and this By-Laws may be adopted by at least two-thirds (2/3) votes of all members entitled to vote at any regular or special general assembly called for the purpose without prejudice to the rights of dissenting members to withdraw their membership under the provisions of the Philippines Cooperative Code.

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

Voted and adopted on **27th day of August, 2010** in Casay, Dalaguete, Cebu.

**Name And Signature of Members**

* (SGD) ISIDORO ABREGANA ENTOMA
* (SGD) SEGUNDINO BEJAGAN JORGE
* (SGD) RICARDO BECERIL BELAMIA
* (SGD) ALEXANDER PAZ LUMAYAG
* (SGD) VICENTE VILLAHERMOSA SUAREZ
* (SGD) CAMILO MONTECALVO MOMO
* (SGD) HERMILITO BECERIL ROSALES
* (SGD) EDUARDO DACUMOS ENOPIA
* (SGD) MAXIMA ESPINOLA ENTOMA
* (SGD) EMELIANO LUMAYAG PAZ
* (SGD) RICKSOR ENOPIA BECERIL
* (SGD) WINEFREDO ENOPIA BECERIL
* (SGD) ROBERTO JULAPON MONTEBON
* (SGD) LEOPOLDO GLABOG BELAMALA
* (SGD) EUGENIA MANGAPIS LUMAYAG
* (SGD) PRIMITIVO ENTOMA BELAMIA
* (SGD) LEONORA BELAMIA MONTEBON
* (SGD) ERNESTA BELCINA VILLANUEVA
* (SGD) ISIDORO VILLACORTA BEJEC
* (SGD) MA. CONCEPTION SANCHEZ BELAMIA
* (SGD) MERLITA PULGO BELAMIA
* (SGD) DIANA REAL ABATOL CAMINGAO
* (SGD) ROLAND CUASETO BIRONDO
* (SGD) GEORGE PAZ LUMAYAG
* (SGD) JUANITA SANCHEZ BELAMIA

And the foregoing Constitution and By-Laws was voted, ratified and amended during the 3rd General Assembly by the majority votes of the registered members of the cooperative on the **13th day of April 2014**, at ACADAB, Casay, Dalaguete, Cebu, Philippines.

In witness whereof, we hereunto set our hands this 23rd day of April 2014, at ACADAB, Casay, Dalaguete, Cebu, Philippines during the Election of Chairmanship in compliance with R.A. 9520.

We, the undersigned, constituting a majority of the Board of Directors of the newly amended Southern Cebu Mango Growers' - Fruits And Vegetables Producers' Cooperative (SCMGFVPC) do hereby certify and attest the the foregoing instrument is the code of by-laws of the co-operative.

**VICENTE LENARES**

*Chairman, BOD*

**ADRIANO RENDON** **ALEXANDER LUMAYAG**

*Vice Chairman Member, BOD*

**LEVI BARRIENTOS**  **ISIDORO BEJEC**

*Member, BOD Member, BOD*

**GEORGE LUMAYAG**

*Secretary*

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