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**SECTION A**

**BY-LAWS OF  
SINGAPORE MALAY TEACHERS CO-OPERATIVE LIMITED  
( SGM SINGAPURA KOPERATIF BERHAD )**

## **1 NAME, ADDRESS AND AREA OF OPERATION.**

1.1 The Society shall be called SGM Koperatif Bhd.

1.2 The registered address of Society Shall be at 785 Geylang Road, Singapore 389673. Every change of address shall be notified the Register and to any non-members who may be creditors of the Society.

1.3 The areas of operation of the Society shall be in the republic of Singapore and elsewhere insofar it is to the objective of the Society.

## **2 INTERPERATION**

2.1 In these by-laws, unless the context otherwise requires :-

- (a) "Act" means the Co-operative Societies Act (CAP 62) or any amendment thereto for the time being in force in Singapore;
- (b) "allowance" means the remuneration paid to an officer of the Society in consideration of their voluntary services rendered to the Society on a regular basis;
- (c) "By-Laws" means the By-Laws of the Society;
- (d) "Central Co-operative Fund" means the fund established under Section 71 of the Act;
- (e) "Board" or "Board of Directors" means the governing body of the Society, which is responsible for the management of the affairs of the Society.
- (f) "dividend" means a portion of the net surplus of the Society distributed among the members in the proportion to paid-up share capital, bonus shares and subscription capital held by them in the Society;
- (g) "employees" refers to persons who is on the full-time paid staff of the Society;
- (h) 'honorarium' means a portion of the net surplus of the Society distributed among some or all of the members of the Board of Directors and not the Supervisory Board who receive monthly allowances for their services.
- (i) "member" means any person duly admitted to the membership of the Society in accordance with the By-Laws;
- (j) 'net surplus" means the remaining portion of the surplus after provisions have been made for the Reserve Fund and the Central co-operative Fund;
- (k) "officer" includes Chairman, Deputy Chairman, Honorary Secretary, Honorary Assistant Secretary, Honorary Treasurer, Honorary Assistant Treasurer, member of Board of Directors, employee, member of Supervisory board or other person empowered under the Act, the Rules or the By-laws to give directives in regard to the business of the Society or to supervise such business;
- (l) 'patronage refund" means a portion of the surplus of the Society distributed among the members in proportion to the volume of business done by them with the Society from which the surplus of the Society was derived;

- (m) "Registrar" means the Registrar of the Co-operative Societies appointed under Section 3 of the Act, and includes a person exercising such powers of the Registrar as may have been conferred upon him under that section;
- (n) "Rules" means the Co-operative Societies Rules, 1979 or any made under the Act for the being in force in Singapore;
- (o) "Society" means SGM Koperatif Bhd.
- (p) "supervisor" means a person elected or co-opted to the Supervisory Board in accordance with By-law 7;
- (q) "surplus" means the economic results of the Society less all items of expenditure including provisions for depreciation and the bad debts;
- (r) Words importing the masculine gender shall include the feminine gender and words importing the singular shall include the plural.
- (s) "Manager" means a paid staff of the Society who holds an executive position or any such designation as defined by the Society.

### **3 OBJECTS**

3.1 The objects of the Society shall be :-

- (a) to promote the economic interest of its members which are in accordance of Islamic principles;
- (b) to encourage thrift, co-operation, self-help and mutual assistance among its member;
- (c) to promote and popularize the buying and selling of consumer goods and services on a co-operation basis;
- (d) to prevent permanent indebtedness of its members by enabling them to obtain loans on reasonable terms and which are in accordance to Islamic principles.
- (e) to established and operate such co-operative schemes, ventures or projects subject to the approval of the Registrar.

3.2 In furtherance of its objects, the Society shall be at liberty;-

- (a) to enter into contracts with members and non-members for the purchase, produce, manufacture, processing, packing, storage, packaging, transportation, display, distribution or sale of consumer goods and services and to arrange for the registration, grant or use of any trade mark, patent right, license or permit in relation thereto;
- (b) to appoint or to act as representative and agents for the purchase of carrying on the business of the Society;
- (c) to raise funds by obtaining loans and deposits from members and non-members subject to the Act and the By-laws;

- (d) to purchase, lease, rent, hold, hire, develop, mortgage, sell, or otherwise acquire, deal with or otherwise acquire, deal with or dispose of such movable or immovable properties or any portion thereof as maybe required for use as shops, offices or for any other purposes of the Society for the conduct of its business and the welfare of the co-operative movement, with the sanction of the Registrar;
- (e) to frame administrative policy and rules and such other regulations as may be required for the proper conduct of the Societies business;
- (f) to invest or to deposit its surplus funds in accordance with the provisions of the Co-operative Societies Act;
- (g) to arrange to make budgetary payments on behalf of members;
- (h) to establish a fund out of the net surplus of the Society for the education its members and their children;
- (i) to organize programmed for co-operative education and training subject to the availability of the relevant fund;
- (j) to establish such funds as would provide its members or their dependents with financial grant in time of bereavement or other hardship; and
- (k) to set up and operate childcare centers or other educational development centers, or provide other social or community services as deemed necessary for the benefit of both members and non-members.
- (l) to do all other things as may be necessary, incidental or conducive to the attainment of any of the objects of the Society subject to prior approval of the Registrar.

#### **4 MEMBERSHIP**

4.1 Membership shall consists of;-

- (a) Ordinary Members who shall each hold a minimum of hundreds shares at \$1 per share and who shall pay monthly subscription in accordance with By-law 8.5.1;and
- (b) Senior Members who shall each hold a minimum of a thousand shares at \$1 per share but who shall not pay monthly subscription in accordance with By-law 8.5.1;
- (c) Associate members shall hold a minimum of a hundred shares at \$1 per share and he shall pay minimum monthly subscription in accordance with By-law 8.5.1;
- (d) Institutional Members shall be restricted to registered co-operative societies and trade unions registered under the Co-operative Societies Act and Trade Union Act respectively. Mosques registered under the Administration of Muslim Law Act and Malay/Muslim social educational and cultural organizations registered under the Societies Act.

4.2 4.2.1 Subject to By-law 4.2.2 membership shall open to;-

- (i) all grades of Muslim professional staff or teacher who are serving in, or have retired from the Singapore Educational Service, the National Institute of Education, Institute of Technical Education , Government Aided School and Independent School;
- (ii) all grades of Muslim professional staff or teachers who are serving in other educational bodies registered with the Ministry of Education, Ministry of Community Development or Majlis Ugama Islam Singapura provided that they have continuously served in these bodies for not less than one year; and
- (iii) all Muslim students of the National Institute of Education who are undergoing any course that qualify them to teach professionally in the Singapore Educational Service.

b) Subject to By-law 4.2.2, associate membership shall be open to

- (i) parents, spouse, siblings or children of an Ordinary Member who must be under full time employment at the point of application.
- (ii) all Muslim professionals, so defined by the board who must be under full-time employment at the point of application.

All members shall ;-

- (a) be a good character
- (b) be citizens of Singapore or residents (i.e permanent residents and long-term employment pass holders) in Singapore;
- (c) not already be members of any other co-operative society whose primary object is to grant loans to its members;
- (d) not be legally or mentally disabled;
- (e) not be undercharged bankrupts; and
- (f) not be convicted of any offence punishable with imprisonment.

4.2.2 A working person, who is qualified under By-Law 4.2.1 may apply to be an Ordinary Member or Associate Member. A retired person who is qualified under By-Law 4.2.1, or a person who is aged 60 and above, may apply to be a Senior Member subject to By-Law 4.20.4.

4.3 Application for membership shall be submitted on a form prescribed by the Board. Every application for membership shall be proposed by a member and seconded by another member.

4.4 The Board shall have the power to approve or reject any application without assigning any reason therefore provided that an application so rejected may appeal in writing to a general meeting of the Society.

4.5 For the admission to membership by a general meeting, a majority of two-thirds of those present and voting shall be necessary.

- 4.6 The election or rejection of any application shall be notified such applicant without delay.
- 4.7 The following dues shall become payable on election to membership :-
- (a) entrance fee of \$25.00 (Dollars Twenty Five);
  - (b) Ordinary member and Associate member  
Payment for purchase of at least 100 shares in the Society subject to By-Law 8.4.1 and minimum subscription of \$30.00 (Dollars Thirty) per month in accordance with By-Law 8.5.1 provided an ordinary member admitted before 16 July 1988 (i.e date of amendment of this By-Law) shall not without his consent in writing having been first obtained, be bound and subscribe to more than \$20.00 (Dollars Twenty) per month.
  - (c) Senior members  
Payment for purchase of at least 1000 shares in the Society
- 4.8 All members shall agree to pay all their dues to the Society by normal deduction from their salaries through their respective employers who shall place such sums so dedicated to the credit of the Society.
- 4.9 Every member who has been elected to the membership of the Society shall, on payment of all obligatory dues, be deemed to have acquired all the rights, duties and liabilities of a member of the Society as laid down in these By-laws.
- 4.10 Every member shall undertake :-
- (a) to free himself as soon as possible from all debts contract prior to his joining to the Society;
  - (b) to refrain for borrowing except from or with the consent of Society;
  - (c) not to stand surety of any loan except with the consent of the Board; and
  - (d) to furnish the Society with a full and true statement of his liabilities at the time of his application for the admission to the Society and his assets, whenever required to do so.
- 4.11 Every Ordinary, Associate, Senior and Institutional member shall be supplied with a copy of the By-Laws free-of-charge.
- 4.12 Every Ordinary, Associate, Senior and Institutional member shall be supplied by statement of his personal account as at 31<sup>st</sup> December each year.
- 4.13 Every member may in writing nominate one or more persons in the presence of at least two witnesses to who sums due to him shall be paid on his death.
- 4.14 Every member shall keep the Hon Secretary informed in any change in his address. All notices posted or sent to his known address shall be deemed to be duly served.
- 4.15
- 4.15.1 Ordinary Member shall, unless otherwise disqualified under the Act or the By-laws, have the right to:-
- (a) exercise one vote irrespective of the number of shares held by him;

- (b) avail himself of all services of the Society;
- (c) stand for election to office
- (d) be appointed by the President to hold office in the Society
- (e) participate at a general meeting; and
- (f) enjoy all other rights provided under the By-laws.

4.15.2 Associate Member unless otherwise disqualified under the Act or the By-law shall:-

- (a) exercise one vote irrespective of the number of shares held by him;
- (b) stand for election to office;
- (c) be appointed by the President to hold office in the Society; and
- (d) participate at a general meeting.

4.15.3 Senior Members, Associate Members and Institutional members shall not be entitled for the Common Good Fund (DKA), Education Fund and any other funds the Board deems.

#### **4.16**

4.16.1 The liability of an Ordinary Member, Associate Member and Senior Member, present or past of the Society shall not exceed the nominal value of any bonus shares and bonus certificate held by him.

4.16.2 The liability of a past Ordinary Member, Associate Member and Senior Member for the debts of the Society, within the limitation of By-law 4.16.1, as they existed on the date he cease to be a member shall not continue for a period of more than two years reckoned from date.

4.16.3 The estate of a deceased Ordinary Member, Associate Member, Family Member and Senior Member, who is not a past member to whom By-law 4.16.2 applies, shall not be liable for the debts of the society as they existed on the date of his death for a period of more than two years reckoned from the date of his death.

4.17 Membership shall cease by :-

- (a) resignation subject to By-law 4.18:-
- (b) insanity :-
- (c) permanent removal of resident beyond Singapore:-
- (d) expulsion subject by By-law 4.21;
- (e) conviction of an offence punishable with imprisonment;
- (f) bankruptcy;

- (g) termination of employment subject to By-law 4.20.1 ; or
- (h) termination as a student of the National Institute of Education provided that he is able to secure employment in institutions stipulated in By-laws 4.2.1 (i) and (ii) within such time as the Board may determine ; or
- (i) death, dissolution or deregistration as the case may be

- 4.18 Any member who is not liable to the Society as borrower or surety resign from the Society on giving 12 months notice of resignation in writing. The Board may accept a shorter notice of resignation at its discretion. Such member who is an Ordinary Member shall not be compelled to pay any subscription during the period of notice. The effective date of cessation of membership by resignation or such shorter notice approved in writing by the Board, as the case may be. However, during the period of notice such member shall not be eligible to vote or to stand for election to office or to incur fresh liabilities with the Society. If member does not claim any outstanding net amount after 12 months from the date of resignation, and the Society has made efforts to locate him, the amount will be transferred to the Ex-Members Fund.
- 4.19 Any Ordinary Member or Associate Member who is on study leave or sabbatical leave or whose post is under suspension may, if approved by the Board, continue to pay monthly subscription and interest but suspend repayment of principal on the loan but the member still enjoys its full rights as a member.

## **4.20**

- 4.20.1 If an Ordinary Member who retires from his employment he shall become a Senior Member, provided that he may, with the permission of the Board but only if he is free from all liabilities to the Society as borrower, remain as an Ordinary Member, subject to By-law 4.20.3.
- 4.20.2 A retired or resigned member who remains as an Ordinary Member under By-law shall continue his monthly subscription. Such member shall be eligible for all rights of membership except that he shall not be eligible to stand as surety.
- 4.20.3 An Ordinary Member who retires from employment and becomes a Senior Member under By-law 4.20.1 may withdraw all or a portion of his subscription credit and convert the balance, if any, to his shares in the Society.
- 4.20.4 Members retaining their membership under By-Law 4.20.1 shall make arrangement themselves for the prompt payment of all their dues to the Society.
- 4.20.5 Members retaining their memberships under By-law 4.20.1 may serve on the Board of Directors.
- 4.20.6 An Ordinary Member who retires from employment and resign from the Society, may re-apply membership, subject to By-law 4.20.2.
- 4.20.7 Senior members shall be eligible to apply for Personal Surety Loan.
- 4.21 The Board shall have power, without reference to the general meeting to expel any member whose payments to the Society are more than two months in arrears or may at

their discretion, impose a fine not exceeding \$5.00(Dollars Five) for every month in which a member is more than two months in arrears provided that the member has been given written notice of the intention to expel him or to impose such a fine on him and that he has been given a reasonable opportunity to show cause why he should not be expelled or fined. No fine exceeding \$50.00(Dollars Fifty) shall be imposed except with the written approval of the Registrar.

- 4.22 If a member contravenes any provisions of the Act or the Rules of the By-laws or is guilty of conduct derogatory to the dignity of or injurious to the reputation of the Society or acts in any way detrimental to the interests of the Society, he may be expelled by a vote of not less than two-thirds of the members present and voting at a general meeting upon a charge of which he is informed by the Board at least one week before the meeting.
- 4.23 On the cessation of membership by insanity, permanent removal of residence of beyond Singapore, termination or resignation of service or death, the amount due to the member after the deduction of any amount owed by him to the Society shall be paid to him, to his nominee or his legal representative, as the case may be, at once without profits, or after the last day of the financial year, with the dividend found due thereon, at the discretion of the member or his nominee or his legal representative.
- 4.24 The net amount standing to the credit of an expelled or resigned member shall only be refunded to him after 12 months from the date of the expulsion or resignation. An expelled or resigned shall not be entitled to any dividend for the year in which his expulsion or resignation took place. If the member does not claim the outstanding amount after 18 months from the date of expulsion or resignation, and the Society has made efforts to locate him, the amount will be transferred to the Ex-Members Fund.

## **5 GENERAL MEETING**

- 5.1 The supreme authority of the Society shall be vested in the general meeting of the members.
- 5.2 There shall be two kinds of general meeting, Annual General Meeting and Extra-Ordinary General Meeting.
- 5.3 Annual General Meeting shall be convened by the Board of Directors and shall be held as soon as practicable, but not later than six months after the end financial year, unless the approval of the said of six months, been obtained to extend the period.
- 5.4 An Extra-Ordinary Meeting shall be convened by the Board of Directors whenever it thinks fit, or on the receipt of a requisition for a such meeting signed by at least one-fifth or one hundred of the members, whichever is the less, stating the objects of the meeting.
- 5.5 If the Board of Directors fails to convene a meeting in accordance with By-law 5.4 within one month of receiving the requisition for the meeting, the members making the requisition shall have the power to convene the meeting themselves by notice to all members of the Society stating the objects of the meeting and fact that the Board of Directors has failed to convene the meeting.
- 5.6 The Registrar or his representative may at any time convene a Special General Meeting and also direct what matters shall be discussed at the Meeting.
- 5.7 Notice of every general meeting shall be sent to each member entitled to attend the meeting and to the Registrar at least seven clear days, and in the case of proposed

amendment to the By-laws at least fifteen clear days, prior to the date of general meeting. The notice shall state the matters for the discussion or the resolutions to be proposed and no other subject shall be discussed without the consent of the majority of the members and voting at such general meeting.

5.8 The functions of the Annual General Meeting of the Society are:-

- (a) to consider and confirm the minutes of the last Annual General Meeting and any intervening general meeting;
- (b) to consider the auditor' s report, the reports of the Board of Directors and any report made by the Registrar or his representative;
- (c) to approve the financial statements;
- (d) to consider and resolve the manner in which any net surplus shall be distributed or invested subject to the provisions the Act, the Rules and the By-laws;
- (e) to consider and to adopt any amendments to the By-laws;
- (f) to elect members to the Board of Directors;
- (g) to elect members to the Supervisory Board;
- (h) to consider and deal with the expulsion of a member recommended by the Board of Directors and applications for membership refused by the Board;
- (i) to consider and deal with any complaint which individual member may prefer against the Board of Directors of which due written notice shall have been given.
- (j) to consider and determine the maximum amount the Society may borrow subject to the provisions of the Act and By-law 10.11
- (k) to write off bad debts to the approval of the Registrar; and
- (l) to transact any other business of the Society of which notice has been given to members.

5.9.1 No business shall be transacted at any general meeting unless a quorum of the members is present. The quorum necessary for such transaction shall be one-fifth or fifty of all members qualified to vote, whichever is less.

5.9.2 If, within thirty minutes after the time fixed for a general meeting, the members are not sufficient to form a quorum, such meeting shall be considered as dissolved if convened on the requisition of the members; in all other cases it shall be postponed to a date at least seven days and not more than fourteen days later, at the same time and place, and the business to be transacted at such postponed meeting shall be the same as, and no other than, that proposed for the original date of the meeting; and if at the postponed meeting a quorum is not present within thirty minutes from the time fixed for the meeting, the members present shall form a quorum, except tat a general meeting with such reduced quorum shall not have the power to amend the By-laws and that any resolution passed shall not be valid unless it is passed with a majority of two- thirds of the members present.

**5.10**

5.10.1 Except as otherwise provided in the Act or in these By-laws a question referred to the members present at a general meeting shall be decided by a majority of vote. In the case of an equality of votes the motions shall be held to be lost. The Chairman shall have no casting votes. In the case of election of officers, voting shall be secret ballot.

In the case of amendment of By-laws, a resolution to amend the by-laws shall be passed either:-

- (a) by not less than three quarters of the members present and voting at a general meeting duly summoned; of
- (b) if a referendum is held, by not less than three quarters of the votes returned, provided that the voting papers have been sent to all member of the Society and the number of returned votes is not less than one-third of the total membership or five hundred, whichever is the less, and of the returned votes are examined and counted under the supervision of the Registrar.

5.10.3 No By-law or amendment to a By-law of the Society shall be valid until it has been registered by the Registrar. A member of the Society shall not, without his consent in writing having been first obtained, be bound by any amendment of the By-laws registered after he became a member, if and so far as that amendment in any way increases his liability to contribute to the share capital of the Society.

## **5.11**

5.11.1 Minutes of the general meeting shall be entered in the minute book and shall contain;-

- (a) the number of members present at the meeting and the name of the Chairman who presided;
- (b) the time the meeting commenced and ended; and
- (c) all resolutions and decisions made at the meeting.

5.11.2 The minutes of each meeting shall be read or shall be taken as read previously circulated at the next meeting and, if confirmed or after amendment, signed by the Chairman of that meeting and the Secretary, and when so signed shall be evidence of anything contained therein.

## **6 BOARD OF DIRECTOR**

6.1 The control of the affairs of the Society shall be entrusted to the Board of Directors comprising;-

- (a) not more than five members appointed by the President among members of the Society; and
- (b) not more than ten members elected by the Annual General Meeting.

## **6.2**

6.2.1 All members of the Board shall be elected or appointed at the Annual General Meeting of the Society.

- 6.2.2 The Board shall retire in rotation, one-third retiring at each Annual General Meeting. Retiring board members shall be eligible for re-election or re-appointment .
- 6.2.3 Subject to the condition in By-law 6.2.2 all Board members shall be elected to the board for a term of 3 years each.
- 6.3 No member shall be eligible for membership of the Board of Directors of the Society or remain member of the Board if:-
- (a) he is under 21 years of age;
  - (b) he is not a citizen of Singapore except with the approval of the Registrar
  - (c) he is an undischarged bankrupt;
  - (d) he has convicted an offence involving dishonesty or moral turpitude and has been sentenced to imprisonment;
  - (e) he has been convicted an offence under the Act;
  - (f) he has been dismissed as an employee of a co-operative society;
  - (g) he has been found to have previous misused or mismanaged the funds of a co-operative; or
  - (h) he becomes ineligible under any of the By-laws of the Society.
- 6.4.1 A member of the Board of Directors shall cease to office hold if:-
- (a) he has become ineligible for membership of the Board of Directors in accordance with By-law 6.3;
  - (b) he becomes legally or mentally unsound;
  - (c) he gives notice of resignation to the Board of Directors;
  - (d) he is removed by a general meeting in case of an elected Director; or
  - (e) he fails to be present at three consecutive meetings of the Board of Directors without satisfactory reasons acceptable to the Board of Directors.
- 6.4.2 A member of the Board of Directors who resigns under By-law 6.4.1 (c) shall be eligible for election to the Board of Directors until after an interval of not less than one years.
- 6.5 A member of the Board of Directors who ceases to be a member under By-laws 6.4.1 and 6.4.1(e) shall not be eligible for election until after an interval of not less than three years.
- 6.6 If, during the term of office of the Board of Directors, a vacancy occurs in the Board, the board may, and if the number of members fails below eleven shall, co-opt a member of the Society to serve on the Board of Directors from the remaining term of office, provided that a vacancy of an appointed Director shall be filled by re-appointment by the president if he deems fit.

## 6.7

- 6.7.1 The Board of Directors shall, immediately after their election and in any case not later than seven days from the date of the general meeting, meet to elect among themselves a Chairman, a Deputy Chairman, an Honorary Secretary, an Honorary Assistant Secretary, an Honorary Treasurer, two Honorary Assistant Treasurers and such other officers as it deems fit.
- 6.7.2 The Board shall be empowered to appoint a secretary and a treasurer or a secretary or a treasurer from among the employees of the Society who, in such case, shall not be a member of the Board of Directors but shall have the right and the duty to attend all meetings of the Board of Directors.
- 6.7.3 The Board shall have power to appoint Sub-Committees from among themselves or the employees or the members of the Society to be fully responsible for the daily efficient functioning of the Society or for any other purposes which it may deem fit.

## 6.8

- 6.8.1 The Board of Directors shall represent the society before all competent public authorities and in all dealings and transactions with third persons, with power to institute defend suits brought in the name of or against the Society and, in general, direct and supervise the business and the property of the Society shall exercise all necessary powers to ensure the full and proper administration and management of the affairs of the Society, except those powers reserved for the general meeting of the members and subject to any restrictions duly laid down in a general meeting or in the By-laws.
- 6.8.2 Without limiting the generality of the By-laws 6.8.1, the duties and powers of the Board of Directors are:-
- (a) to consider and approve or reject applications for membership of the Society;
  - (b) to call for and regularly examine reports Sub-Committees or officers or employees which will disclose the true position of the Society, its operations and financial conditions;
  - (c) to keep members informed of the progress of the Society and encourage interest and a sense of ownership on the part of the members; to prepare and to present to the
  - (d) to prepare and to present to the Annual General Meeting of the Society a proposal for the distribution of any net surplus accrued during the preceding financial year, in accordance with the Act and the By-laws;
  - (e) to make report to the Annual General Meeting of the work of the Board of Directors during the preceding financial year with such recommendations as they deem necessary to maintain or improve the service provided by the Society to the members;
  - (f) to consider and to take immediate action on matters reported by the Registrar or the auditor;
  - (g) to consider and approve or reject applications for loans subject to the provisions laid down in Section 67 of the Act and these By-laws;
  - (h) to exercise any or all of the powers conferred in these By-laws;

- (i) to sanction additional expenditure up to a maximum of \$1,000/- in excess of the approved budget for any one year.
- (j) to appoint, suspend and dismiss any officer of the Society whose appointment is not reserved to the general meeting;
- (k) to define the duties of officers of the Society and fix their remuneration, if any, to furnish adequate security for the proper fulfillment of their duties;
- (l) to appoint delegates or representatives to represent the Society in the Singapore National Co-operative Federation Limited or other such organisations in which the Society may have interest;
- (m) to elect or nominate representatives to attend conferences, seminars, training course and meeting related to co-operative movement;
- (n) to expel any member in accordance with By-laws 4.21 and 4.22; and
- (o) to carry on the business of the society generally and to frames rules for the conduct of such business as may be necessary.

6.8.3 A full and correct record shall be kept of all proceedings of the Board of Directors in carrying out their duties, and the records shall be available for inspection by the registrar and by the auditor.

6.8.4 The Board of Directors may appoint, on such terms and conditions as it thinks fit, a manager to administer and manage the affairs of the Society and may employ such other persons as it considers as it considers necessary to assist the manager in the discharge of his duties. Where a full-time manager is appointed, any or all the duties of the Secretary or Treasurer, or both may be delegated to such manager and where all the duties of the Secretary or Treasurer, or both are so elegated the Society may operate without electing a Secretary or a Treasurer, or both.

6.9 The Board of Directors shall meet as often as the business of the Society may require and any case not less frequently than once in every three months.

6.10 The quorum for a meeting for the Board of Directors shall be half the number of its member. Decisions shall be taken on a simple majority of votes. The Chairman shall have no casting vote. No member of board of Directors shall vote on any matter in which he is individually interested.

6.11 Minutes of Board of Directors meetings shall be recorded by the Secretary in the Minutes Book and shall include;-

- (a) the number and names of those present;
- (b) the names of the Chairman of the meeting; and
- (c) a brief record of business done and decisions taken including whether such decision taken unanimously or by a majority.

## **6.12**

6.12.1 In the conduct of the affairs of the Society of the members of the Board of Directors shall exercise the prudence and diligence of ordinary men of business and shall be jointly and

severally liable for any loss sustained through failure to exercise such prudence and diligence or through any act which is contrary to the provisions of the Act or the Rules or the By-laws or the directions of the general meeting.

- 6.12.2 Where the Board of Directors has appointed a person as a manager or Sub-Committee to administer and manage the affairs of the Society, such appointment shall not absolve the Board of Directors from its responsibility for the proper directions of the affairs of the Society.

### **6.13**

- 6.13.1 The services of all members of the Board of Directors and the Supervisory Board shall be gratuitous. A member of the Board of Directors shall receive an honorarium or, if he is an Honorary Secretary or Treasurer an allowance from the Society, provided the payment of an honorarium or allowance has to be authorized by a resolution to that effect passed by a general meeting of the Society, and the amount of the honorarium or allowance shall not exceed a sum to be fixed from time to time by the Registrar.

- 6.13.2 All officials who are in receipt of an allowance shall not be entitled to receive an honorarium as a member of the Board of Directors.

### **6.14**

- 6.14.1 The duties of the Chairman shall include the following:-

- (a) to preside at all meetings of the Board of Directors, and if necessary, at the general meetings of the society;
- (b) to sign minutes of all meetings at which such minutes are confirmed in terms of their correctness;
- (c) to exercise general supervision over the officers and employees of the Society;
- (d) to represent the Society at any co-operative organization or for any purposes as the Board of Directors may decide;
- (e) to certify or sign appropriate documents, returns and statements required under the Act, the rules, the By-laws or the direction of the Board of Directors;
- (f) to serve on appropriate Sub-Committees constituted by the Board of Directors; and
- (g) to perform such other duties specified in these By-laws or entrusted him by the Board of Directors.

- 6.14.1 In the absence of the Chairman, his duties shall be carried out by the Deputy Chairman or in the absence of both the Chairman and the Deputy Chairman, by any other person elected by the majority of those present at that meeting.

### **6.15**

- 6.15.1 The duties of the Secretary shall include the following:-

- (a) to maintain, correctly and up-to-date, all the records, papers and registers of the Society;
- (b) to keep the inventory of the property belonging to the Society;
- (c) to sign on the behalf of the Board of Directors and conduct its correspondence;
- (d) to summon and attend the general meetings and meetings of the Board of Directors and to record the proceedings of such meetings in the minutes book;
- (e) to have custody of the common seal of the Society;
- (f) to submit al minutes of the meetings and such information, returns and statements required by the Act or called for by the Registrar within the prescribed period; and
- (g) to conduct the ordinary business of the Society and perform all the duties entrusted to him by the Board of Directors or specified in these By-laws;

6.15.2 The Assistant Secretary shall perform such duties and such transact such business which customarily pertain to his office and which are prescribed by the Board.

## **6.16**

6.16.1 The duties of the Treasurer shall include the following :-

- (a) To take charge of all financial transactions of the Society including all moneys received by the Society from a bank, member or others to make disbursements in accordance with the directions of the Board of Directors;
- (b) To prepare or cause to be prepared all receipts, vouchers, financial statements and documents required by the By-laws or called by the Board of Directors;
- (c) To be responsible for the proper and the punctual of all the keeping accounts and books of accounts of the Society; and
- (d) To perform all duties entrusted to him by the Board of Directors of specified in these By-laws.

6.16.2 The two Assistant Treasurer shall perform such duties and transact such business which customarily pertain to his office and which are prescribed by the Board.

6.17 The duties of the manager shall include the following ;-

- (a) to manage the business property of the Society;
- (b) to attend all meetings of the Society and of the Board of Directors and to carry all the instructions of the Board;
- (c) to record or cause to be recorded the whole of the transactions of the society in the books prescribed for that purposes; and

- (d) to be solely responsible for the processing and approval General Savings withdrawals, Personal Surety Loans and Purchasing Loans amounting to not more than \$15,000. Such approval shall adhere to the guidelines governing Loans; and
- (e) to perform all or any of the duties of the Secretary or Treasurer as may entrusted to him by the Board.

## **7 THE SUPERVISORY BOARD**

- 7.1 The Supervisory Board shall comprise 3 members who shall be elected annually at the general meeting and who shall serve until the next Annual General Meeting.
- 7.2 Should a Supervisor resign during his term, the Supervisory Board shall co-opt a member of the Society to serve on the Supervisory Board until the next Annual general Meeting.
- 7.3 All Supervisors should preferably have knowledge of accounting, auditing and financial procedure.
- 7.4 The Supervisory Board shall meet at least once in two weeks as often as necessary.
- 7.5 A majority of Supervisors present shall constitute a quorum for a meeting. At each meeting the Supervisors present shall elect from among themselves a Chairman and a Secretary for the meeting.
- 7.6 Decisions shall be taken on a simple majority of votes. In case of equality of votes the motion shall be held to be lost.
- 7.7 The proceedings of every meeting of the Supervisory Board shall be recorded by the Secretary of that meeting.
- 7.8 Any Supervisor absenting himself for three consecutive meetings without satisfactory explanation acceptable to the Board shall cease to be a member of the Supervisory Board.
- 7.9 The Supervisory Board shall be responsible to the member of the Society for ensuring that the affairs of the Society are being conducted in accordance with the By-laws and policy as laid down and in accordance with the decisions and resolutions adopted at Board or general meetings. Its duties shall be:-
  - (a) to make a monthly audit of the Society's accounts;
  - (b) to ensure that all the transactions of the society are properly authorized and entered in various accounts and documents;
  - (c) to examine all the Society's books and accounts at regular intervals of not less than once a fortnight and satisfy themselves that the same are correctly maintained and, if so, certify his effect to the Board;
  - (d) to report and draw the attention of the Board to aberrations or discrepancies which may arise;
  - (e) to submit monthly reports based on the minutes of the proceedings to the Board for its appropriate action;

- (f) to have free access at all time to all books, papers and documents of the Society. The Board and employees of the Society shall, whenever called upon by the Supervisory Board to render an account or special information to the Supervisory board, produce such account or special information, including the cash in hand and other assets of the society for their inspection;
  - (g) to ensure the validity and accuracy of the balance sheet and other annual and/or periodical statements, and returns which the Registrar may prescribe from time to time ; and
  - (h) to present to the Annual General Meeting a specific report on the conduct of the affairs of the Society including any cases in which the Board has failed to act in accordance with requirements of the By-laws.
- 7.10 The services of all members of the Supervisory Board shall be gratuitous. However, Supervisory may be paid an allowance by the Society for the performance of his duties provided that the payment has to be authorized by a resolution to that effect passed by a general meeting of the Society and the amount shall not exceed a sum to be fixed from time to time by the Registrar. A supervisor shall not be eligible to receive an honorarium.

## **8 FUNDS OF THE SOCIETY**

8.1 The funds of the Society shall consist of:-

- (a) Share Capital and Bonus Shares;
- (b) Subscription Capital;
- (c) Bonus Certificates;
- (d)
  - (i) General Savings Deposits
  - (ii) Hajj Pilgrimage Savings Deposits
  - (iii) Education Savings Deposit
  - (iv) Earn and Save Deposit
  - (v) Term Deposit
- (e) Reserve Fund;
- (f) Common Good Fund;
- (g) Dividend Equalization;
- (h) Donations except that no donations from foreign source whether offered directly or otherwise, shall be received by the Society without the prior approval of the Registrar;
- (i) Loan Default Fund; and
- (j) Any other funds approved by the Registrar.

8.2 The funds of the Society shall be invested:-

- (a) in the Post Office Savings Bank;
- (b) in such investment and securities as are the time being authorized for the investments of trust funds;
- (c) with any bank registered under the Banking Act;
- (d) in the shares of any other co-operative society approved for any purpose by the Registrar;
- (e) in the purchase of leasing of land, office space or buildings or in the construction of buildings necessary for the conduct of its business and the welfare of the co-operative movement, with the previous sanction of the Registrar;
- (f) in such other manner as may be approved in writing by the Registrar, either generally or in any particular case.

8.3 The entrance fee shall be as such amount the Board of Directors may determine from time to time. Entrance fee shall be treated as Income in the Income & Expenditure accounts.

#### 8.4

8.4.1 The authorized share capital of the Society shall be \$10,000,000.00 (dollars Ten Million) which shall be divided by 10,000,000 shares of value \$1.00 each. The capital may be increased from time to time by a resolution in a general meeting. Each Ordinary Member and Associate Member shall on application to the membership, purchase at 100 shares at \$1.00 each. Each Senior Member shall at least hold 1000 shares at \$1.00 each. The above members may, at any time, purchase more shares subject to By-laws 8.4.2.

8.4.2 Every Ordinary Member, Associate Member and Senior Member shall least hold 100 shares. No member shall hold more than one-fifth of the share capital of the Society. If any member becomes possessed of more than one-fifth of the shares of the Society, the Board shall sell the excess numbers of the shares and hold the proceeds at its disposal or take over such shares on behalf of the society at a price not exceeding their face value.

8.4.3 Shares shall not be quoted for sale or purchase in the stock exchange or in any public manner. A member may, with prior approval of the Board, transfer any share registered in his name or held by him, or any other member of the Society or a person whose application for membership has been accepted by the Board provided that :-

- (a) no member shall transfer any shares held by him unless he has held such shares for not less than one year;
- (b) a member shall not be permitted to transfer his qualifying number of shares for so long as he remain a member of the society; and
- (c) a transfer share shall take effect only upon the registration of the transfer by the Society.

#### 8.5

8.5.1 Every Ordinary Member and Associate Member shall subscribe a minimum of \$30.00 (Dollars Thirty) to the Subscription Capital, subject to By-law 4.7 (c). There

shall be no maximum. The rate of subscription shall not be changed more than twice in any financial year without the consent of the Board. Provided an Ordinary Member admitted before 16 July 1998 (i.e. date of amendment of this By-Law) shall not, without his consent in writing having been first obtained, be bound to subscribe more than \$20.00 (Dollars Twenty) per month.

8.5.2 A member's subscription shall not be withdrawable, except on cessation of membership or in accordance with By-law 4.20.3, provided that a member may, with the approval of the Board, make three withdrawals during his term of the membership, each in circumstances which fulfill all of the following conditions:-

- (a) his membership is of at least five years' standing;
- (b) his subscription balance is not less than \$4,000.00 (Dollars Four Thousand);
- (c) the withdrawal should not exceed such sum as would leave a balance of less than \$500.00 (Dollars Five Hundred) in his subscription account;
- (d) he shall apply the sum withdrawn for the purchase of a house/flat/land for his own use, or for the Hajj Pilgrimage and Education expenses for himself, his spouse or his children;
- (e) he is not reliable to the Society as borrower or surety; and
- (f) he has given one month's notice in writing.

8.5.3 A member may, by giving notice to the Board of Directors, transfer any amount of his subscription not exceeding \$500.00 (Dollars Five Hundred) as fully paid shares valued at par.

8.6 The Society shall introduce various savings schemes as the Board may determine from time to time. The Board shall frame the Administrative Policy and Rules governing various savings schemes and shall not submit such Administrative Policy and Rules to the Registrar for registration.

8.7

8.7.1 The Reserve Fund of the Society shall be kept in the form of liquid assets. They shall pay into the Reserve Fund at least twenty per cent of the surplus resulting from the operations of the Society during the financial year, provided that when the Reserve Fund has reached an amount which is equal to ten per cent of the paid up share and subscription capital, the Society may carry five per cent of its surplus to the Reserve Fund.

8.7.2 The Reserve Fund shall be indivisible and no member shall be entitled to claim a specific share of it.

8.7.3 The Reserve Fund shall be used:-

- (a) to meet unforeseen losses;
- (b) to provide a margin beyond the liabilities of the Society so as to ensure its liability to pay such liabilities in the full in the event of liquidation; and
- (c) to enable the Society by reason of the income derived from the Reserve Fund to reduce the rates of interest on loans granted to members without causing a

reduction in the rate of dividend on share capital or bonus shares and subscription capital.

8.8

8.8.1 The Common Good Fund (DKA) shall be used only for the benefit of Ordinary Members of the Society and may, with the approval of the Registrar, be devoted to any educational, medical, social or charitable purposes.

8.8.2 The Common Good Fund shall be derived from an annual contribution, not exceeding ten per cent of the surplus of the Society, subject to the approval of the general meeting. Donations, subject to By-law 8.1 (i) may be accepted to the Common Good Fund.

## **9 LOANS**

9.1 The Society shall introduce various loans schemes as the Board may determine from time to time. The Board shall frame the Administrative Policy and Rules Governing Loans as may be required and shall submit such Administrative Policy and Rules to the Registrar for registration.

## **10 FINANCIAL MATTERS**

10.1 The financial year of the Society shall begin on the 1<sup>st</sup> January and end on the 31<sup>st</sup> December.

10.2 At the close of each financial year, the surplus of the Society shall be distributed as follows:-

- (a) 20% of the surplus shall be carried to the Reserve Fund subject to By-law 8.7.1
- (b) 5% or the first \$500,000 of the surplus shall be contributed to the Central Co-operative Fund; and
- (c) 20% of any surplus in excess of \$500,000 shall be contributed either to the Central Co-operative Fund or the Singapore Labor Foundation as the Society may opt.

10.3 The remainder shall be distributed in one or more of the following ways at the discretion of the general meeting;

- (a) by payment of a dividend not exceeding ten per cent pro rata on the amount of fully-paid shares or bonus shares and subscription held by members as at the end of the financial year or which the net surplus is distributed;
- (b) by payment of a patronage refund to members in proportion to the volume of business done by them with the Society from which the surplus of the Society is derived;
- (c) by payment of honoraria to some or all of the members of the Board in consideration of their services which would not otherwise be remunerated subject to a sum to be fixed from time to time by the Registrar under the Act and By-laws 6.13.1 and 6.13.2.

- (d) by a contribution not exceeding ten per cent of the net surplus to the common Good Fund;
- (e) by contribution to an Education Fund;
- (f) by contribution to a Building Fund for the purchase of a building for the Society;
- (g) by contribution to a Dividend Equalization Fund;
- (h) by contribution not exceeding of the net surplus to a charitable purposes;
- (i) by contribution not exceeding twenty per cent of the Net Surplus to the Loan Default Fund;
- (j) by payment of bonus certificates or bonus shares;
- (k) by further contribution to Reserve fund or the Central Co-operative fund; and
- (l) by payment to any other funds approved by the Registrar.

10.4 A member whose name appeared in the books of the Society on the last day of the financial year shall be eligible to draw dividend on fully-paid shares and subscription when declared subject always to any restriction imposed in these By-laws. The dividend payable shall be paid on pro-rata basis. Dividend when declared shall be credited to the General Savings Account of the member unless the member makes a claim to the Society.

10.5 A member holding bonus certificates shall only be entitled to claim payment out of the funds of the Society after ten years from the date when the bonus certificate were issued. No interest or dividend shall be paid on such bonus certificates.

10.6 A member holding bonus shares shall only be entitled to claim payment out of the funds of the Society after five years from the date when the bonus shares were issued. A member or a past member shall be eligible to draw dividend on the bonus shares when declared.

10.7 Shares held by Ordinary Members Associate Members shall not be withdraw able except on cessation of membership in accordance with By-laws with disclosed by the last audited balance sheet, whichever is less. Shares shall normally be withdrawn after expiry of one year from the date of cessation of membership. The Board may at its discretion allow withdrawal of shares to be made earlier. Shares held by Senior Members mat be withdrawn at any time on condition that at least 1,000 shares are maintained.

10.8 The Board shall open or cause to open in the name of the Society such accounts with any bank registered under the Banking Act to which all money received shall be deposited.

## **10.9**

10.9.1 All cheques drawn on such accounts shall have a validity period not exceeding thirty days. All cheques shall be signed by the Treasurer and at least two other officers authorized by the Board.

10.9.2 All cheques drawn for Personal Surety Loans, Purchasing Loans and General Savings withdrawal, amounting not more than \$15,000 shall be signed by the Manager and his assistant. In the absence of the Manager and his assistant, the cheques shall be signed by any two of the Executive Committee Members as

assigned by the Board. All payments shall be correctly made and properly authorized in accordance with the direction of the Board.

- 10.9.2 All payments drawn shall on such account may also be paid directly to the members' bank accounts by the inter-bank GIRO and such payments shall be deemed to be made with the members' consent.
- 10.10 All receipts shall be issued for all moneys paid to the Society. Receipts shall be signed by the Treasurer and one other officer authorized by the Board provided that the Treasurer may sign receipt for a sum of \$300.00 (Dollars Three Hundred).
- 10.11 The Society shall have power to borrow money to be used in its business from members and non- members provided that the Society shall determine from time to time to a general meeting the maximum liability which it may incur in loans and deposits from members and non-members and shall notify the Registrar of the maximum so fixed. The maximum so fixed shall be subject to the approval of the Registrar who may, at any time, reduce the maximum or impose such conditions as he thinks necessary and his decision shall be final.
- 10.12 The Society shall as soon as practicable but not later than six months submit to the Registrar two certified true copies of the audited financial statements of the Society and the audit report for the year.
- 10.13 The Board shall, from time to time, authorize the maximum amount of cash which may be retained by any officer at any one time subject to any limit which the Registrar may impose.

## **11 BOOKS, DOCUMENTS, AND SEAL OF THE SOCIETY**

11.1 The following books and documents shall be kept:-

- (a) Register of members and their nominees;
- (b) Register of shares, bonus certificates and bonus shares;
- (c) Register of members' Subscriptions;
- (d) Register of members' General Savings;
- (e) Register of members' Hajj Pilgrimage Savings;
- (f) Register of members' Education Savings;
- (g) Cash Book;
- (h) Journals and ledgers;
- (i) Inventory of Society's assets;
- (j) Sales Book;
- (k) Purchase Book;
- (l) Stock Register;

- (m) Loan Register;
  - (n) Register of the Member's Liabilities;
  - (o) Minutes book;
  - (p) Copy of the Act, the Rules and the By-laws;
  - (q) Administrative Policies and Rules governing the different funds of the Society;  
and
  - (r) Any other books and documents that may be found necessary or prescribed by  
the Registrar.
- 11.2 The Society shall keep a copy of the Act, the By-law, the rules and a list of members of the Society open to inspection by its members free of charge, at all reasonable times at the registered address of the Society.
- 11.3 The Society shall have its own common seal of a design approved by the Board. All bonds, contracts, and important documents shall be sealed with the seal of the Society. The sealed shall not be affixed to any document except with the authority of the Board and such sealing shall be done in the presence of at least three officers authorized by the Board, who shall affix their signatures to every document so sealed.

## **12 EXTERNAL AUDITOR**

- 12.1 The books and accounts of the Society shall be audited by an external auditor authorized by the Registrar, once at least in every year. The auditor shall inspect and audit the accounts and other relevant records of the Society and shall forthwith draw the attention of the Registrar and the Society to any irregularity disclosed by the inspection and audit that is, in his opinion, of sufficient importance to justify his so doing
- 12.2 The external auditor shall report:-
- (a) whether the financial statements show fairly the financial transaction and the state affairs of the Society; and
  - (b) such other matters arising from the audit as he considers should be reported.
- 12.3 The external auditor shall state in his report whether:-
- (a) proper accounting and other records have been kept; and
  - (b) the receipt, expenditure and investment of moneys, and disposal of assets by the Society during the year have been in accordance with the Act, the rules and these By-laws.
- 12.4 The external auditor may at any other time report to the Registrar and the Society upon any matters arising out of the performance of the audit.

- 12.5 The audit of the accounts shall include an examination of and report on overdue debts, if any, and an examination of and report on the valuation of the assets and liabilities of the Society.
- 12.6 An external auditor authorized by the Registrar under the Act shall have the powers prescribed under Act.

### **13 PATRON, PRESIDENT AND VICE PRESIDENT**

- 13.1 The Board may invite a distinguished person in the government to be a patron of the Society. The Patron shall have the right to attend all meetings of the Board, any sub-committee, the Supervisory Board and the Society but shall have no voting power. He shall have no financial responsibility or liability in the respect of the debts of the Society.
- 13.2 The Board may invite one or more reputable citizens preferably from the Singapore Education Service, to fill the positions of President and Vice Presidents of the Society. They shall be honorary members of the Society and shall advise the Board on its general administration. They shall have the right to attend all meetings of the Society, the Board, any sub-committee and the Supervisory Board but shall have no financial responsibility or liability in respect of the debts of the Society. The President shall preside at all meetings of the Society when present. In his absence, the Vice-President shall preside when present.
- 13.3 The President shall be empowered to do all that can be done or in the name of the Society under these By-laws without the express approval of the General Meeting, including the power to appoint, on the advice of the Board, not more than five members of the Board of Directors from the amongst the members of the Society or to remove them from the Board.

### **14 GENERAL**

- 14.1 All disputes touching the business of the Society shall be referred to the Registrar in the manner provided in the Act.
- 14.2 These By-laws are supplementary to the provisions of the Act and the Rules. The Society shall be governed by the Act, the Rules and the By-laws read together. Nothing in these By-laws shall have any power to limit the authority of the Registrar.
- 14.3 The By-laws of the Society shall, when registered bind the Society and the members thereof to the same extent as if they were signed by each member and contained covenants on the part of each member for himself and for his personal representatives to observe all the provisions of the By-laws.
- 14.4 No act of the Society or the Board or a sub-committee constituted by the Board or any officer shall be deemed to be invalid by reason only of the existence of any defect in the constitution of the Society or of the Board, sub-committee or the Supervisory Board or in the appointment or election of an officer or on the ground that such officer was disqualified for his appointment.

**SECTION B**

**ADMINISTRATIVE POLICY AND RULES  
GOVERNING LOANS OF  
SINGAPORE MALAY TEACHERS CO-OPERATIVE LIMITED  
(SGM SINGAPURA KOPERATIF BERHAD)**

## **1 COMPOSITION AND POWERS OF THE LOAN COMMITTEE**

1.1 The loan Sub-Committee shall comprise at least the Chairman, Secretary and Treasurer of the Society.

1.2 The duties of the Sub-Committee shall be to:-

- (a) scrutinize all loan applications submitted by members;
- (b) approve all loans amounting to more than \$10,000 but less than \$15,000;
- (c) consider all loans amounting to more than \$15,000 and forward its decisions for ratification to the Board of Directors at its monthly meetings;
- (d) refer any doubtful loans applications that do not fully comply with the criteria governed by the By-law and the Administrative Policy and the Rules Governing Loans to the Board of Directors at its monthly meetings.

## **2 POWERS OF THE MANAGER**

The Manager shall;

- (a) be delegated the responsibility for the processing and approval of Personal Surety Loans, Insurance Surety Loans and Purchasing Loans and withdrawal of General Savings amounting to not more than \$15,000; and
- (b) refer any doubtful loans applications that do not fully comply with the criteria governed by the By-law and the Administrative Policy and the Rules Governing Loans to the Loan Sub-Committee.

## **3 TYPES OF LOANS**

The following categories of loan shall be available:

- (a) Personal Surety Loan;
- (b) Ordinary Loan;
- (c) Purchasing Loan; and
- (d) Any other form of loans as approved by the Board.

## **4 GENERAL RULES**

### **ELIGIBILITY**

- 4.1 Unless otherwise disqualified, a member who pays monthly subscription in accordance with By-law 8.5.1 shall be eligible for a loan, secured by the Loan Default Scheme, Sureties or Insurance Policy. Only Ordinary Member shall be eligible for the Surety Scheme and to stand as surety for a loan.
- 4.2 An Associate Member must satisfy the following requirements to be eligible to apply for a loan:
  - (a) he has been a member for at least six months;

- (b) he is at least 21 years of age for male and 18 years of age for female; and
- (c) the loans is secured by Sureties Scheme Policy or Insurance Policy Scheme except for personal Surety Loan.

#### **APPLICATION**

- 4.3 The Society shall not make a loan to any person other than a member of the Society. Any member wishing to apply for a loan shall submit an application on a form prescribed by the Board. If so required, he shall be present at the meeting where his loan application is considered and shall be prepared to answer all questions relevant to his application.

#### **CREDIT LIMIT**

- 4.4 a) Ordinary Member
- (i) Loans shall be limited to the amount of six months gross salary of the borrowing member plus his paid-up shares and subscriptions, subject to Rule 5.5.1 and 5.3.1 and provided that monthly repayment shall not exceed one quarter of his monthly gross income. A borrowing member may pay the loan in whole or in part at any time before the due date.
  - (ii) Notwithstanding the above, the maximum allowable loan shall be S\$50,000.
- b) Associate Member
- I. Loans shall be limited to the amount of four months gross salary of the borrowing member plus his paid-up shares and subscriptions, subject to Rule 5.2.5 and 5. 3.1 and provided that the monthly repayment shall not exceed one quarter of his monthly gross income.
  - II. Notwithstanding the above, the maximum allowable loan shall be S\$25,000.

#### **POSTPONEMENT OR REDUCTION OF LOAN**

- 4.5 Under exceptional circumstances, the Board may approve postponement or reduction of any installment of loan, provided that such application for application or reduction shall be with the consent of the sureties or insurers.

#### **SECURITY**

- 4.6 Loans up to the total of the members' shares and subscription s capital shall be granted on he personal security of the borrowing member, while loans in excess of his shares and subscriptions capital shall be granted only on personal security of the borrowing member and two or more sureties, who shall cover the whole loan less the borrower's shares and subscription balance, subject to Rule 5.3.3.
- 4.7 Loans may be secured by an Insurance policy provided that the premium or any other cost shall be borne by the borrowing member.
- 4.8 Notwithstanding par 4.6and 4.7, the Board may grant unsecured loans subject to the payment of interest as specified in the By-law 4.3 (ii) and to the terms and conditions laid down by the Board from time to time.

#### **LIMIT OF LIABILITY**

- 4.9 The limit of total liability of an Ordinary Member of the Society as surety shall not exceed his six month' s gross salary plus his share capital and subscription balance, subject to Rule 5.3.6

### **SUBSTITUTION OF SURETY**

- 4.10 It shall be the borrowing member to see that fresh surety is provided, or that the loan is immediately repaid in full in whatever any of the existing sureties dies or ceases to be a member, or is otherwise ineligible to continue his surety ship , provided that the original surety shall not be released from his liability until a new surety has been approved by the Board or full repayment of the loan has been made.

### **OBLIGATION OF BORROWER**

- 4.11 A borrower who fails to inform the Board of the death or inability of his surety to fulfill his obligation, will be liable to have his loan recalled at once.

### **DISBURSEMENT OF LOAN**

- 4.12 Loans shall only be disbursed to a member only after the completion of the necessary bond. Disbursement of the loan shall be made in the name of the borrower by Account Payee Only or crossed cheque, or paid direct to the bank account of the member through inter-bank GIRO, subject to Rule 5.3.8.

### **INTEREST**

#### **4.13 (i) SECURED LOAN**

The interest payable shall be according to the rate stipulated for the type of loan in Rule 5. All interest shall be based on the amount of loan granted and shall be repayable in equal monthly installments in the same period as the principal.

#### **(ii) UNSECURED LOAN**

The interest payable shall be 1% above the rate charged for secured loan.

#### **(iii) MONTHLY REST INTEREST RATE**

The board reserve the right to introduce loans with the monthly rest interest rate as if deems fit.

### **PURPOSE OF LOAN**

- 4.14 Loans shall be given only for useful necessary purposes approved by the Board. The purpose for which a loan is required shall be clearly and truly stated in the application for loan. Documents, as proof, are required if an Ordinary member applies for a loan exceeding \$15,000. However, Associate member shall provide the Society with the documents for his loan application.

### **REJECTION OF LOAN**

- 4.15 It shall be entirely within the power of the Board to refuse a loan, to limit the amount or to object to a particular member as surety, without providing any reason whatsoever No member may claim a loan as a matter of right.

### **DISCRETION OF BOARD**

- 4.16 The Board shall have the discretion to grant any form of loan it deems necessary, that is not specified in the Administrative Policy and Rules Governing Loans, from time to time. However the full Board must give its consent

## **RECOVERY OF LOAN**

4.17 A loan shall normally fall due at once, and be recovered with interest without delay and without any reference to the term for which it was granted it.

- (a) The membership of the borrower ceases for any reason whatsoever
- (b) One of the sureties ceases to be eligible to continue as a surety and the borrower fails to provide another surety to the satisfaction of the Board
- (c) The loan is used for any other purpose than that for which it is granted
- (d) Any loan installment becomes overdue for more than two months
- (e) The Board considers it necessary for any reason whatsoever

## **AUTHORISATION OF DEDUCTION**

- 4.18 (i) When a member is granted a loan or becomes a surety for a loan, he shall agree to the deduction of installments and interest from his salary by his employer. He shall authorize his employer to pay over to the Society any balance of his salary which may be due to him, on cessation of his membership, if the Society makes a claim thereof.
- (ii) When a member is granted a loan or becomes a surety for a loan, he shall agree to the deduction of installment and interest from his bank account through GIRO or INTERBANK GIRO.

## **RECOVERY OF LOAN FROM SURETIES**

4.19 When any installment of a loan, whether principal or interest, becomes overdue for more than two months, the Board shall recover the balance of the loan with interest from the sureties, if the sureties fail to pay any sum demanded by the Board within one month, the Board shall take the necessary legal action, the cost of which shall be borne by the borrower or his sureties.

## **EARLY SETTLEMENT OF FULL LOAN AMOUNT**

- 4.20 An interest rebate will be given based on the Rule of 78(Sum of Digits Method) for early settlement of full loan amount before the expiry of the loan term
- 4.21 If the monthly rest interest rate is used, then the Rule of 78 (Sum of Digits Method) does not apply.

## **5 CONDITIONS**

5.1 Personal Surety Loan

5.1.1 A member is eligible to apply for a personal loan up to the actual amount of the total of his paid-up shares and subscription capital.

5.1.2 Such loans shall be repayable in not more than sixty monthly installments for an Ordinary Member. The maximum repayment period for an Associate Member is forty-eight monthly installments.

5.1.3 The interest payable on such loan shall be decided by the Board from time to time but shall not exceed 6 per cent per annum.

## 5.2 Ordinary Loan

### Ordinary Member

5.2.1 A member shall be eligible to apply for an ordinary loan on the security of the total or his six months' gross salary, paid-up shares and subscription capital.

5.2.2 Such loans shall ordinary be repayable in not more than sixty monthly installments

5.2.3 Loans shall be secured by two sureties or by an Insurance Policy, in accordance with Rule 4.6 and 4.7;

5.2.4 The interest payable on such loans shall be at 6 per cent per annum

### **Associate Member**

5.2.5 A member shall be eligible to apply for an ordinary loan on the security of the total of his four months gross salary paid-up shares and subscription capital

5.2.6 Such loan shall ordinary be repayable in not more than forty-eight monthly installments

5.2.7 Loans shall be secured by two sureties or by an insurance Policy in accordance with Rule 4.6 & 4.7

## 5.3 Purchasing Loan

5.3.1 A member shall be eligible to apply for a purchasing loan up to his three months gross salary

5.3.2 Such loans shall ordinary be repayable in not more than twenty-four monthly installments. However, the Board may, at its discretion, allow repayments over a period not exceeding sixty months

5.3.3 Loans not exceeding \$10,000 may be secured by one surety who is an Ordinary Member and who shall cover the whole loan. Loans exceeding \$10,000 shall be secured by two sureties who shall cover the whole loan. Purchasing loans may also be granted to a member on such insurance coverage in accordance with Rule 4.7

5.3.4 The interest payable on such loans shall be 6 per cent per annum.

5.3.5 For the purpose of this loan only and notwithstanding Rule 4.4 and 4.10, the total limit of liability of an Ordinary or Associate Member to the Society either as a borrower or surety shall not exceed his nine months gross salary provided that his monthly repayment of loans does not exceed a quarter of his monthly gross salary

5.3.6 Purchasing loans shall only be allowed for the purchase of articles of general use or for any other services as the Board may approve or make available from time to time.

- 5.3.7 The Purchasing Loan Schemes shall be subjected to the following:
1. the articles shall be for the borrowers/his immediate family members own use.
  2. All other services made available for the member and his immediate family members

## **5.4 Education Loan**

### **Eligibility**

- 5.4.1 The Education Loan may be granted to:
- (a) children of Ordinary and Associate members (subsequently called children of members) of the Society studying full-time in recognized local or foreign universities and
  - (b) Ordinary and Associate members (subsequently called members) qualified to further their studies either full-time or part-time in any recognized university
- 5.4.2 The term 'children' refers to dependant legitimate children and includes step-children and legally adopted children in accordance with any declaration
- 5.4.3 Applicants shall have been admitted to recognized university or institute of higher learning in Singapore or Overseas.
- 5.4.4 The term 'applicant' refers to members or children of members on whose account the Education Loan is applied
- 5.4.5 Members who apply for Education Loan or members whose children apply for Education Loan shall have been members of the Society continuously for at least 1 year
- 5.4.6 No member and/or child of a member shall be eligible for the Education Loan if the member concerned has tendered his resignation from the Society which has been accepted by the Board or if the member has been expelled from the Society
- 5.4.7 No member or child of a member shall be eligible for the Education Loan more than once in any one calendar year
- 5.4.8 Not more than one child of a member shall be permitted to apply for the Education Loan in any one calendar year.
- 5.4.9 No member shall claim the Education Loan as a matter of right or entitlement
- 5.4.10 Each member may apply for the loan on top of other loans already obtained from the Society
- 5.4.11 An applicant who has obtained the Society's Scholarship will not be eligible for the Education Loan

### **Total Value of the Education Loan**

- 5.4.12 The total value of the Education Loan to be granted each year shall be subjected to the financial strength of the Society, it shall be decided by the Board and shall be made known to members of the Society through circulars. A copy of the circular shall be submitted to the Registrar of Co-operative Societies, Singapore for his information with a reasonable time from the date of its issue.

#### **Value of Education Loan**

- 5.4.13 The value of the Education Loan shall be not more than \$2000. The exact amount shall be determined by the Board depending on the number of successful applicants and the amount set aside for the Education Loan

#### **5.4.14 Administrative Fee**

Each successful applicant of the Education Loan is required to pay an administrative fee of such amount as the Board may determine from time to time but shall not exceed \$50.00

#### **Repayment of Loan**

- 5.4.15 All successful applicants shall pay the loan in not more than twelve monthly installments. Each installment shall be paid at the end of each month by GIRO or direct deduction from the employer

#### **General**

- 5.4.16 Applicants for Education Loan shall complete the form prescribed by the Board and submit it to the Society within the stipulated period. The opening and closing dates to receipt of applicants shall be fixed and made known to all members through circulars by the Board. No late applications shall be entertained.
- 5.4.17 Documentary evidence shall be submitted in support of the applications for the Education Loan. This would include an official Statement of Results issued by a school or other recognized educational institutions and other relevant documentary evidence shall be submitted to the Board for inspection. Relationship between an application and a member shall be proved by official certificate or statutory declaration in each case. A Photocopy of the aforesaid documents shall be attached to the application form.
- 5.4.18 Every successful applicant for the Education Loan shall be required to give a written understanding that he shall not ceased his study any time before the end of the school or academic year
- 5.4.19 Applications for the awards of Education Loan shall be deal with by the Board at its monthly or special meetings.
- 5.4.20 The Board may stipulate additional rules for the processing of the Education Loan from time to time

#### **Dispute**

- 5.4.21 Any member who for any reason is not satisfied with the award of the Education Loan under this policy and Rules shall submit an appeal within 14 days from the date of announcement of the successful applications for awards of Education Loan, to the Chairman of the Society who shall table it at the next monthly Board meeting or a special Board meeting for a decision. Any award of Education Loan in respect of which there is an appeal shall be withheld until the dispute is fully settled.

**SECTION C**

**ADMINISTRATIVE POLICY AND RULES  
GOVERNING SAVINGS DEPOSITS OF  
SINGAPORE MALAY TEACHERS CO-OPERATIVE LTD  
( SGM SINGAPURA KOPERATIF BERHAD**

## **1. GENERAL RULES**

### **A. Application**

1. Applications to open any account shall be submitted on a form prescribed by the Society. Members shall agree to abide and be bound by the terms and conditions governing each type of account
2. The Society may use its discretion to utilize the deposits in its financing and investment projects and determine the profit-sharing ratio on which to distribute the profits earned from the investments of the funds.
3. Members shall be required to register his address and to furnish his specimen signature or his thumb print impressions as required.

### **B Dormant Accounts and Unclaimed Monies**

1. An account which is not operated for more than seven years or any such period as defined by the Society will be classified as dormant. Any balances of less than \$1000 (one thousand dollars) in the account shall be transferred to an Unclaimed Monies Account.

### **C Statement of Accounts**

1. A member who opens a new account shall be issued an official letter with the current statement of accounts. A final statement of accounts will be issued when the account is closed.
2. A statement of the accounts will be issued on a yearly basis in accordance to By-Law Section A 4.12.
3. Members shall examine the entries in every statement and report any error or discrepancy to the Society. The member has the right to object to any entries and matters contained in such a statement within fourteen days after the date of issue of the statement. After which, he shall be deemed conclusive to have accepted the statement and all the entries and matters contained therein shall be conclusive evidence of the balance in the account and of the particulars of the Account and shall be binding on the member.

### **D. Freezing and Closing of Accounts**

- 1 In the event of death, insanity or bankruptcy of a member and upon service of actual notice, the Society shall immediately freeze the accounts held by that member.
- 2 The acceptance and continuance of an account shall be entirely at the discretion of the Society
- 3 Members may close their Earn and Save accounts at any time. Ordinary and Associate members are required to give 14 days notice, in writing to close their General Savings Account. External and Institutional members may close their General Savings accounts at any time.

## **E Change of Address**

1. Members shall keep the Society informed of any change of address, resident status, signatories (if any) or any other change that directly or indirectly affects the operation of the Account. The Society shall have the right to approve or reject any application without assigning any reason.
2. All correspondence sent by post to or delivered at the member's last recorded address or at any of the recorded mailing addresses or at the last known place of business or abode shall be deemed to have been given on the day following that which it was posted notwithstanding the fact that the letter may be returned through the post undelivered. All correspondence delivered personally may be delivered to the last known address and shall be deemed to be given at the time of the delivery.

## **F. Change to terms and conditions**

1. The Society may at its discretion, and at any time add to, alter, vary or modify all or any of the above terms and conditions.
2. Any changes in the profit-sharing ratio shall not affect the current contracted profit-sharing ratio agreement.

## **II. RULES GOVERNING SAVINGS**

1. All members of the Society may open any/ all of the following savings account:
  - A. General savings account
  - B. Earn and save account
  - C. Term deposit account
2. Opening of any/ all of the savings account above do not require any recommendation or introduction from anyone. Members can open the accounts on their own accord by personally presenting themselves when opening the accounts.
3. The Society reserves the right to demand for any form of identification or documentation prior to any application for deposits or withdrawals are approved.
4. The Society may at its sole and absolute discretion refuse to accept any deposits or withdrawals and shall not be responsible or liable for any delay or error in crediting the members account in the event of a total or partial breakdown in the on-line computer system.

## **A. GENERAL SAVING ACCOUNTS**

### **1. General Savings Deposits**

- i. All members may deposit any amount at any time to the general savings account. The deposits may be in the form of cash, cheque, draft, postal order or any form as may be acceptable by the Society as determined by the Board of Directors where the depositors name is made out as the bearer of the instrument
- ii. The depositors account shall be credited only upon receiving the funds by the Society.

- iii. All members may also opt to made monthly contributions to the general savings account for an amount which shall not be less than S\$30.00 or any such minimum amounts as may be determined by the Board of Directors from time to time.
- iv. The initial minimum deposit to open the general savings account is S\$30.00 or any amount as may be determined by the Board of Directors payable by cash or deductible through GIRO or the Central Pay Office of the Ministry of Finance.
- v. Members making contributions to the general savings account may use the GIRO service, direct deductions through the Central Pay Office (CPO) or complete a deposit form prescribe by the society and present the same to the society when he makes a deposit into their accounts

## **2. General Savings Withdrawals**

- (i) A member may withdraw from their general savings account when the following conditions are fulfilled:
  - A. The member must be personally present at the Society or present a written consent duly signed by the member allowing an authorized nominee to make the withdrawals.
  - B. Complete a withdrawal form prescribed by the Society duly signed.
- (ii) Minimum withdrawal limit is S\$10.00 and at any time the minimum balance in the general savings account must be S\$30.00. Failure to maintain the minimum balance amount may result in the closure of the accounts.
- (iii) Any payment made by the Society to a person who produces a written of withdrawal and/or a withdrawal from purporting to be signed by the member for the purpose of withdrawal of any sum deposited or monies standing to the credit of the account shall have the same effect as if such payment shall absolve the Society from all liabilities to the member or to any other party.

## **3. Profit-Sharing for General Savings Accounts**

- (i) may be credited to the amount on a monthly basis that is on the first day of the following month.
- (ii) Shall be calculated on a daily basis, where 365 days make a year
- (iii) Shall be distributed between members and the Society according to a ratio of 50% to 50% or any other ratio as may be determined by the Board of Directors from time to time.
- (iv) May be calculated based on either gross or net profits are used the profit-sharing ratio may be adjusted to reflect a higher percentage rate of return.

## **4. Payment of bills**

- 1. A member may request the Society to make disbursements on his behalf from his General Savings Account for the payment of his bills for insurance premier, public utilities, taxes, rents or any other purposes approved by the Board, provided that he meets such requirements as the Board may impose.

## **B EARN AND SAVE ACCOUNTS**

1. All members may open an Earn and Save account by making a fixed monthly contribution to the Account of not less than S\$30.00 and not more than S\$1000.00 to the account or such amount as may be determined by the Board of Directors from time to time.
2. Members making contributions to the Earn and Save account may use the GIRO service, direct deductions through the Central Pay Office(CPO) or complete a deposit form prescribed by the society and present the same to the society when he makes a deposit into their accounts.
3. Accounts opened between the 1<sup>st</sup> and the 5<sup>th</sup> days of the month will commence from the current month. Accounts opened between the 6<sup>th</sup> day and the end of the month will commence from the following month.
4. Only one account may be opened each month.
5. Fixed monthly contributions in multiples of S\$10.00 shall be made to the Account and is to be decided by the depositor. The monthly contribution shall be at least S\$30.00 and must not exceed S\$1000.00 per account.
6. All monthly contributions to the Account shall be made between the 1<sup>st</sup> and the 5<sup>th</sup> day(inclusive) of every month.
7. Any contributions made after the 5<sup>th</sup> day of the month, no profits shall be made to that contribution for the month.
8. If the contribution is still not made by the end of the month, the Earn and Save account shall be terminated. The balance amount (less administrative charges if any) from the Earn and Save account will be transferred to the general savings account of the depositor.
9. Each Earn and Save account shall mature in 24 months. The profit sharing ratio between the depositor and the society shall be 60:40(60% to depositors and 40% to the Society) for the first 12 months, and 75:25(75% to depositors and 25% to the Society) for the following 12 months or any other ratios as determined by the Board of Directors from time to time.
10. The Society may impose an administrative charge if the Earn and Save account is closed before it matures. The charge will be automatically deducted from the Account when the Account is being closed.
11. If the earn and save account is closed before the end of the first 12 months, the account balance may earn prevailing general savings profit sharing ratios. If the account is closed at any time between the 13<sup>th</sup> and 24<sup>th</sup> month, the account balance will earn the 60:40 profit sharing ratio (60% to depositors and 40% to the Society) but not the 75:25 profit sharing ratio or any other prevailing ratios as determined by the Board of Directors from time to time.
12. no further contribution can be made into a matured Account
13. All the contributions made over the 24 months period, excluding the profits earned, will make up the Principal sum.
14. The matured account will continue to earn prevailing general savings profits sharing ratios for every subsequent 12 months as long as the principal sum is not withdrawn.

15. No partial withdrawals can be made on the principal sum. However, the depositor may withdraw the entire balance in the Account by closing the matured Earn and Save account.
16. The depositor may also withdraw all the profits earned from the matured Account in part or in full i.e. any amount in excess of the Principal sum.

## **C. TERM DEPOSIT ACCOUNTS**

### **1. Eligibility**

All members of the Society may open a Term Deposit Account.

### **2. Deposit and Withdrawals**

- i. The member shall present to the Society all relevant documents required when he opens a Term Deposit Account.
- ii. Any member may deposit with the Society sums for specific period of 3,6,9,12,18 and 24 months or any other periods as determined by the Board of Directors.
- iii. The maximum amount that can be placed in the Term Deposit Account shall be \$1000.00 and a maximum of \$50,000.00 in multiples of \$1000.00, or such other amount as may be determined by the Society from time to time.
- iv. The deposit required for the opening of the account may be in the form of cash, cheque or funds transferred from General Savings or Earn and Save accounts. If a cheque is deposited, the term-deposit slip will be issued immediately to the customer when the fund has been received by the Society. The depositors may decide on the options available as indicated on the form/ advice whether to withdraw or renew the deposit.
- v. Term Deposit advice shall be issued in respect of each deposit and the Society reserves the right to demand for the advice to be presented to the Society when making withdrawal or renewal.
- vi. If the Term Deposit advice is lost stolen or destroyed, the depositors has to complete the Society's standard letter of indemnity and have it stamped by the Society's seal before payment of the deposit is made or a fresh advice is issued.
- vii. The rate of distribution of Profit accruing to the Term Deposit Accounts for various terms shall be determined by the Society from time to time. The profit-sharing ratio will be stated on the Term Deposit advice note.
- viii. No profit shall be paid on any 3,6,9,12,18, and 24 months or other such periods as may be determined by the Society from time to time if the deposit is uplifted before the completion of 1 month.
- ix. Other than in the circumstances mentioned in (8) above, profit is payable proportionately for the complete months the funds have been on deposit at the rate applicable to the completed period.
- x. No portion of the deposit placed on the Term Deposit accounts can be withdrawn unless the original advice is returned to the Society duly endorsed by the depositor.

- xi. Where a depositor is unable to attend personally to receive payment for his deposit and desires payment to be made to another party on presentation of the endorsed advice, he should send a letter authorizing the Society to make the payment to that party. The payment is made subject to the Society's discretion after the verification of the signature on the member's record and authorizing form. In such cases, the Society accepts no liability for the funds once a written authority has been received and a cheque has been passed to the bearer of the authority.
- xii. For joint all account depositors, in the event of death of any party, the survivor(s) may immediately give notice in writing to the Society and the payment in respect of the deposit will be paid to the survivor(s).

### **3. Maturity**

- (iii) On maturity of the Term Deposit, the member may either come personally to the Society, write a letter of instruction or send a representative bearing a letter of authority as per regulation (11) above.
  - (ii) There are several options to the depositor on presentation of the Term Deposit Advice as follows:
    - a) Renew the principal sum together with the profit.
    - b) Renew the principal sum and withdraw profit either in cash, cheque or credit to General Savings account.
    - c) Withdraw the principal sum and/ or profit in cash or for credit of General Savings Account.
- (iii) If any of the option has not been selected, the Society will automatically renew the deposit with profit without issuing a new advice, when the customer fails to withdraw his/her deposit within 14 days after its maturity date.

## **SECTION D**

### **ADMINISTRATIVE POLICY OF THE COMMON GOOD FUND SINGAPORE MALAY TEACHER CO-OPERATIVE LIMITED (SGM SINGAPURA KOPERATIF BERHAD)**

(these rules are made under the Administrative Policy of the Common Good Fund of the Singapore  
Malay Teachers Co-operative Limited)  
(to repeal the Administrative Rules heretofore made)

## **1. CITATION**

This Fund shall be called “the Common Good Fund” of the Syarikat Guru Melayu Singapura Koperatif Berhad (Singapore Malay Teachers’ Co-operative Limited) or SGM Koperatif Bhd.

## **2. INTERPRETATION**

In this Policy unless the context otherwise requires:-

- (a) “Society” means the Syarikat Guru Melayu Singapura Koperatif Berhad
- (b) “Fund” means the Common Good Fund of the Society.
- (c) “Policy” means the Administrative Policy of the Fund
- (d) “Board” means the Board of Directors of the Society.
- (e) “Member” means a member of the Society.
- (f) “Act” means the Co-operative Societies Act, 1979 or any amendment thereto for the time being in force in Singapore.
- (g) Words importing the masculine gender shall include the feminine gender and words importing the singular shall include the plural

## **3 OBJECTS**

- 3.1 To provide financial grants and relieves to the members of the Society as laid down in the Rules made under this Policy.
- 3.2 To engage in charitable activities subject to the provisions of the Act.
- 3.3 To aid or do all that is necessary, incidental or conducive to the attainment of any of the objects of the Fund or of the Society with the prior approval of the Registrar.

## **4 FINANCIAL SOURCES/REPORT ON THE FUND**

- 4.1 Sources: An amount not exceeding 10 per cent of the net surplus of the Society may be appropriated to the Fund in accordance with By-law 10.3 and, if necessary voluntary contributions by members approved at a General Meeting from time to time may be added to the fund. Donations, subject to the Act and the By-laws, may be accepted into the Fund. All disbursement under the Fund shall be subjected to the Fund remaining financially strong.
- 4.2 Operation and Report ; The Fund shall not be operated separately. A report on the Fund to be incorporated in the Society’s audited Statement of Accounts shall be attached to the Society’s Annual Report for presentation to members at the Annual General Meeting of the Society.

## **5. ADMINISTRATION**

- 5.1 The administration of the Fund shall be vested in the Board of Directors of the Society. The committee shall exercise the diligence and prudence of ordinary men of business and shall be responsible in all their acts or omission in this connection.

- 5.2 The Board may appoint sub-committees, comprising such number of persons as it deems necessary, to approve grants or awards laid down in the Rules. Such appointment shall not, however, absolve the Board from its responsibility for the proper administration of the Fund.

## **6 ELIGIBILITY**

To receive benefits from the Fund, a member shall complete at least two years membership continuously, provided that:-

- 6.1 No member shall be eligible for more than one grant in any one financial year of the Society.
- 6.2 No member whose resignation has been accepted by the Board, and who is not paying monthly subscriptions during the period of notice of resignation, or who acts in any way detrimental to the interest of the Society, shall be eligible.
- 6.3 No member who has been expelled from the Society under the By-laws of the society shall be eligible to any of the grants made under the Fund.
- 6.4 No member may claim for any grant as a matter of right or entitlement.
- 6.5 It shall be within the power of the Board or Sub-Committee to approve, defer or reject any claim without assigning any reason thereto.

## **7. DISPUTES**

Any dispute touching the Fund shall be referred to the Registrar of Co-operative Societies in the manner provided for in the Co-operative Act 1979.

## **8. RULES**

Subject to the approval of the Registrar of Co-operative Societies, Singapore, the Board shall make all such rules as are necessary for government grants made under the Fund. The rules or any one thereof, may, from time to time, be amended, added to or delete there from, provided that the prior approval of the Registrar of Co-operative Societies, Singapore, has been obtained.

## **9. GENERAL**

- 9.2 All claims for any of the grants under this Policy shall be made on the forms prescribed by the Board to be addressed to the Hon Secretary of the Society.
- 9.3 This Policy is supplementary to the By-laws of the Society and shall be governed by the Co-operative Act and the By-laws of the Society read together.

**SECTION E**

**RULES GOVERNING GRANTS MADE UNDER  
THE COMMON GOOD FUND OF  
SINGAPORE MALAY TEACHERS CO-OPERATIVE LIMITED  
(SGM SINGAPURA KOPERATIF BERHAD)**

## **1 GRANT ON RETIREMENT OF SERVICE**

1.1 This grant shall be payable to members upon their retirement from service subject to the approval from the Board of Directors.

1.2 The following rates of grant are payable according to length of membership with the Society.

<b>Length of Membership</b>	<b>Rate of Grant S\$</b>
2 years	10.00
3 years	20.00
4 years	40.00
5 years	60.00
6 years	80.00
7 years	100.00
8 years	120.00
9 years	140.00
10 years	160.00
11 years	180.00
12 years	200.00

1.3 In case of a break in service, the previous period of membership shall not be taken into account.

## **2 PROLONGED SICKNESS GRANT**

2.1 A member who is on prolonged sickness, shall upon the exhaustion of all entitlement for sick benefits provided under the existing term of service, be eligible for a grant of \$5.00 (Dollars Five) per day (24hours) subject to the maximum of 60 days per calendar year.

2.2 Payment of this grant shall be on production of medical certificates at fortnightly intervals or at a shorter period under exceptional circumstance at the discretion of the Board.

2.3 A photocopy of each of the medical certificates shall accompany the complete application form.

2.4 All claims for prolonged sickness grants shall be submitted within 2 months of the sickness. Late submission shall not be entertained under any circumstances.

## **3 HOSPITALIZATION**

3.1 A member who has been admitted to a recognized hospital in Singapore for more than 10 days shall be eligible for a grant of \$3.00 (Dollars Three) a day (24 hours) after the 10<sup>th</sup> day subject to a maximum of 40 days. Claims for such grant shall be submitted together with a letter authorizing hospitalization and a medical certificate.

3.2 Proof of hospitalization shall be supported by medical certificates or such other documents acceptable by the Board.

3.3 A photocopy of such certificate or document shall accompany the completed application form.

3.4 All claims for hospitalization grant shall be submitted within 2 months of the date of discharge from hospital. Late submission shall not be entertained except under special circumstances acceptable by the Board.

3.5 No grant shall be made if a member is hospitalized in the event of war, invasion, commotion, rebellion, revolution, insurrection, mutiny, attempted suicide, self-affliction, alcoholism, drug-addiction or venereal diseases and hospitalization due to childbirth.

#### **4. GRANT ON DEATH OF A MEMBER**

4.1 In the event of the death of a member, a grant of S\$300.00 (Dollars Three Hundred Only) shall be paid to the nominee designated by the member, their or legal representative as the Board deems fit.

4.2 Proof of death shall be in the form of official. Death Certificate or Burial Certificate/ Permit which shall be submitted for inspection by the Board in each case and a Photostat copy of each of the aforesaid documents shall be attached to the application.

4.3 The grant shall be disbursed immediately and shall not be deductible from the deceased member's liabilities to the Society.

4.4 No grant shall be made when a member's death is caused by war, invasion, and acts of a foreign enemy, hostilities, civil commotion, civil war, rebellion, revolution, mutiny or suicide.

#### **5. FUNERAL/BURIAL**

5.1 A grant shall be given in the event of the death in Singapore or overseas of a member's father, mother, wife or husband, or an unmarried child of not more than 21 years of age. In this context, a member's wife or husbands shall be referred as the legal wife or legal husband of the member.

<b>Death of</b>	<b>Amount of Funeral Grant S\$</b>
A member	300.00
A spouse of a member	100.00
A parent of a member	100.00
A child or legally adopted	50.00

5.2 An official Death Certificate or Burial Permit or such other relevant documentary evidence shall be submitted to the Board for inspection as proof of death. Proof of relationship shall be by Birth Certificate or Statutory Declaration. A copy of each of such documents shall be attached to the application form.

5.3 All claims for funeral grant shall be submitted within 2 months from the date of death. Not more than one claim for payment shall be laid against the death of a deceased.

## **SECTION F**

### **ADMINISTRATIVE POLICY OF THE EDUCATION FUND OF SINGAPORE MALAY TEACHERS CO-OPERATIVE LIMITED (SGM SINGAPURA KOPERATIF BERHAD)**

(These rules are made under the Administrative Policy of the Education Fund of the Singapore  
Malay Teachers' Co-operative Limited)  
(To repeat the Administrative Rules heretofore made)

## 1. CITATION

This Fund shall be called “the Education Fund of the Syarikat Guru Melayu Singapura Koperatif Berhad (Singapore Malay Teachers’ Co-operative Limited) or SGM Koperatif Bhd.

## 2. INTERPRETATION

In this Policy unless the context otherwise requires:-

- (a) “Society” means the Syarikat Guru Melayu Singapura Koperatif Berhad.
- (b) “Policy” means the Administrative Policy of the Education Fund of the society,
- (c) “Fund” means the Education fund of the Society,
- (d) “Board” means the Board of Directors of the Society,
- (e) “Members(s)” means the member(s) of the Society,
- (f) “Children” means legitimate children and includes legally adopted children in accordance with any declaration and also step children,
- (g) “Co-operative Societies Act” means the Co-operative Societies Act for the time being in force to the Republic of Singapore and the Rules made there under;
- (h) Words importing the masculine gender shall be taken to include the feminine gender,
- (i) Words in the singular shall include the plural, and words in the plural shall include the singular.

## 3. OBJECT

The objects of the Fund are :-

- (a) To provide scholarship awards to members and children of members of the Society as laid down in the rules made under this Policy,
- (b) To provide educational awards to members; and
- (c) To provide grants for current serving Board members and Supervisory Board members to pursue courses / seminars relevant to the co-operative movement.

## 4. FINANCIAL SOURCES/ OPERATION AND REPORT

4.1 **Financial Sources:** The Fund may be derived from the net surplus of the Society in each financial year with the approval of the members of the Society at a General Meeting in accordance with By-law 10.3 and may, if necessary be added to by contributions from members approved at a General Meeting from time to time.

4.2 **Operation and Report :** The Fund shall not be operated and invested separately, A report on the Fund to be incorporated in the Society’s Statement of Accounts shall be attached to the Society’s Annual Report for presentation to members at the Annual General Meeting of the Society.

## 5. ADMINISTRATION

The Board shall exercise the diligence and prudence of ordinary men of business and shall be responsible in all their acts or omissions to the general body of members and shall be responsible in all their acts or omissions in the administration of the Fund.

## **6. RULES**

Subjected to the approval of the Registrar of Co-operative Societies the Board shall make all such rules as are necessary for governing grant/awards made this Fund. The rules or any one thereof may, from time to time, be amended, added to or deleted there from, provided that the approval of the Registrar of Co-operative Societies has first been obtained.

## **7. SCOPE OF ELIGIBILITY**

### **7.1 Scholarship Awards:**

7.1.1 Scholarship may be granted to:-

(a) children of members of the Society studying in recognized local or foreign universities, government schools, the Institute of Technical Education or any recognized educational institutions in Singapore or overseas, and

(b) members qualified to further their studies in any recognized university

7.1.2 members who apply for awards of scholarship or members whose children apply for awards of scholarship shall have been members of Society continuously for at least two years

7.1.3 No member and/ or child of a member shall be eligible for scholarship if the member concerned has tendered his resignation from the Society which has been accepted by the Board or if the member has been expelled from the Society,

7.1.4 No member or child of a member shall be eligible for a scholarship of any type under the Fund more than once in any one financial year. Not more than one child of a member shall be permitted to apply for a scholarship under this Policy in any one financial year.

7.1.5 No member shall claim a scholarship as a matter or right or entitlement

7.1.6 Members and children of members in receipt in receipt of Government or non-Government scholarships/ bursaries shall not be eligible to apply for awards of scholarship under this Policy.

### **7.2 Educational Awards:**

7.2.1 These awards will be given to :-

(a) those members who have been successful in obtaining a degree from any recognized university or a professional qualification from any recognized tertiary institution either through post or on a part-time basis.

(b) member's children who have achieved academic excellence in the following examinations:-

- (i) Primary School Leaving Examinations
- (ii) General Certificate of Examinations at "Ordinary" Level
- (iii) General Certificate of Examinations at "Advance" Level
- (iv) Overall Examinations in recognized local Polytechnics

7.2.2 Only those who have been members and/ or whose parents have been members for a continuous period of two years shall be eligible for educations awards.

7.2.3 No member and/or member's child shall receive an award if he or his parent has tendered his resignation or his parent has been expelled from the society

7.2.4 No member or member's child is allowed to receive an award more than once in any one financial year.

7.2.5 No member and/or member's child is allowed to claim an award as a matter of right or entitlement.

## **8 INTERVIEW**

Applicants for scholarship shall be required to present themselves for an interview with Board and shall be prepared to answer all questions asked at the interview.

## **9 BOOKS AND REGISTER**

A register showing particulars of all applicants for scholarships and of successful applicants of educational awards including the number of scholarships and educational awards granted and the value of each grant shall be maintained by the Society.

## **10 DISPUTE**

10.2 Any member who for any reason is not satisfied with any award of scholarship under this Policy shall submit an appeal, within 14 days from the date of announcement of the successful applicants for awards of scholarship to the Chairman of the Society who shall table it at the next monthly board meeting or a special board meeting for a decision. Any award of Scholarship in respect of which there is an appeal shall be withheld until the dispute is fully settled.

10.3 Any dispute touching the fund for which the Board is not able to resolve shall be referred to the Registrar of Co-operative Societies, Singapore in the manner provided for in the Act.

## **11 GENERAL**

11.1 applicants for scholarships shall complete the forms prescribed by the Board and shall submit it to the Secretary of Society within the stipulated period. The opening and closing dates for receipt of applications shall be fixed and made known to all members through circulars by the Board. No late application shall be entertained.

11.2 Documentary evidence shall be submitted in support of the applications for the scholarship or educational awards under this Policy.

- 11.3 Applications for the awards of scholarship shall be dealt with by the Board at its monthly or special meeting and the decision of the Board shall be notified to all members through circulars
- 11.4 Payments of monies for scholarships granted shall be made in whole 14 days after the names of successful applicants have been announced provided that no appeal lies with the Board in accordance with Para 10 of this Policy
- 11.5 This Policy is supplementary to the By-laws of the Society and shall be governed by the Act and the By- laws of the Society read together.

**SECTION G**

**RULES GOVERNING GRANTS MADE UNDER  
THE EDUCATION FUND  
SINGAPORE MALAY TEACHERS CO-OPERATIVE LIMITED  
(SGM SINGAPURA KOPERATIF BERHAD)  
(To repeal the Administrative Policy therefore made)**

## **1. SCHOLARSHIP**

The number of scholarship to be granted each year shall be subjected to the financial strength of the Fund. It shall be decided by the Board and shall be made known to the circular shall be submitted to Registrar of Co-operative Societies Singapore for his information within a reasonable time from the date of its issue.

The value of the scholarship shall be as follows:

Each scholarship for members to study in a university shall not exceed \$1,000.00 (dollars one Thousand Only)

Each scholarship for members children studying in a recognized university or any recognized institution of higher shall not exceed \$500.00 (Dollars Five Hundred Only).

Each scholarship for members children studying in Pre- University classes shall not exceed \$150.00 (Dollars One Hundred and Fifty Only)

### **Qualifications**

Applicants for scholarships under Para 1.2.1 above shall be holders of General Certificate of Education (Advanced Level) and shall have been admitted to a recognized university in Singapore or Overseas

Applicants for scholarships under Para 1.2.2 above shall be holders of General Certificate of Education (Advance level) and shall have been admitted to a recognized local or overseas university or institute of higher learning

Application for scholarships under 1.2.3 above shall be students who shall have completed secondary four and shall be sitting for the pre-University I,II or III Examination or the General Certificate of Education (advanced Leave) Examination or any other recognized examinations of a similar standard as the case may be .

The results of the relevant examination of the applicants shall be the basis of the award of scholarship. Awards shall be made to the most deserving applicants. The income and the family responsibilities of the members concerned and the courses taken by the member/members children shall have to be taken into account in making awards of scholarship under the Policy.

A General Certificate of Education (Advanced Level), General Certificate of Education (Ordinary Level) or an official Statement of Results issued by a school or other recognized educational institution under Para 1.3 and other relevant documentary evidence shall be submitted to the Board for inspection. Relationship between an application and a member shall be proved by official certificate or Statutory Declaration in case. A photocopy of each of the aforesaid documents shall be attached to the application form.

With the exception of failure in examination at the end of the school or academic year the Board shall have the power to recall the award in full from the member concerned should the successful applicant concerned cease to carry on study before the end of the school to academic year

Every successful applicant for a scholarship shall be required to give a written understanding that he shall not cease his study any time before the end of the school or academic year.

### **Educational Awards**

The award for a member who has successfully obtained a degree from any university or a professional qualification from any recognized tertiary institution shall not exceed \$300.00 (Dollars Three Hundred Only)

Members who have been successful in obtaining the degrees in accordance with these Rules are required to inform the Society of their success within 3 months from the date on which the results were known to them.

The award for members children who have received academic excellence and satisfy the criteria set by the Board shall not exceed:-

- (a) \$100.00(Dollars One Hundred Only) for Primary School Certificate holders
- (b) \$150.00(Dollars One hundred and Fifty Only) for General Certificate of Examination at Ordinary Level holders
- (c) \$200.00 (Dollars Two Hundred Only) for General Certificate of Examination at “ Advanced Level Holders.
- (d) \$250.00 (Dollars two Hundred and Fifty Only) for Diploma holders from local Polytechnics

2.4 The numbers of awards given to member’s children shall not exceed

- (a) 10-for P.S.L.E holders
- (b) 5 -for G.C.E.’O’ holders
- (c) 5 -for G.C.E.’A’ holders
- (d) 5 -for Diploma holders of recognized local polytechnics

The awards for the members’ children for 2.3a) 2.3b ) and 2.3c) will only be applicable to those who sat for the above examination in the preceding year.

2.6 The award for member’s children for 2.3d) will only be applicable to those who sat their final year examination in the current year.

2.7 All Documentary evidence relating to the results together with a copy of such results shall be presented to the Board for inspection if requested.

**SECTION H**  
**ADMINISTRATIVE RULES OF**  
**THE EMPLOYEES LOAN SCHEME**  
**SINGAPORE MALAY TEACHER CO-OPERATIVE LIMITED**  
**(SGM SINGAPURA KOPERATIF BERHAD)**

(These rules made pursuant to the Ministerial General Order dated 21 December 1981 under section 97 of the co-operative Societies act 1979)

## **1. CITATION**

This scheme shall be called "The Employee' Loan Scheme of the Syarikat Guru Melayu Singapore Koperatif Berhad'.

## **2. INTERPRETATION**

In these rules, unless the context otherwise required:-

- (a) act means the Co-operation Societies Act 1979 or any amendment thereto fir the time being in force in Singapore ;
- b) "Board" of Directors" means the governing body of the Society which is responsible for the management of the affairs of the Society
- c) Employees means a full-time paid staff of the Society & its subsidiaries
- d) Registrar means the Registrars appointed under the Act;
- e) Rules means the Administrative Rules of the scheme;
- f) Salary means the gross consolidated pay of the employee including any fixed allowances
- g) "Scheme" means the Employees Loan scheme of the Society
- h) "Society" means the Syarikat Guru Melayu Singapura Koperatif Berhad and
- i) Words Importing the masculine gender shall include the feminine gender and words importing the singular shall include the plural.

## **OBJECT**

The object of the Scheme shall be the promotion of staff welfare by enabling employees to obtain loans from the Society on such terms as may be approved from time to time by the Registrar

## **4. LOANS FOR THE PURCHASE OF VEHICLES**

### **4.1 Purpose of loan**

- 4.1.1 Subjects to these Rules, a loan may be granted to assist an employee to purchase a motor vehicle (i.e. motorcycle or motor scimitar or a bicycle.)
- 4.1.1 The loan shall only be used for the outright purchase of a vehicle for the applicant himself. If the amount of the loan is less than the net purchase price, the employee shall pay the balance. He shall not accept additional loans from other sources or enter into a fire purchase agreement for the vehicle to make up the difference.

### **4.2 Eligibility**

- 4.2.1 Only confirmed employees with a minimum of one year's service and have good conduct and performance shall be eligible to apply for vehicle loans
- 4.2.1 An employee shall only be eligible for a vehicle loan once in five years.

### 4.3 Amount

4.3.1 The maximum amount of any vehicle loan shall be in accordance with Table 1 provided that the initial monthly repayment plus monthly repayment to any other loans obtained from the Society under the Scheme shall not exceed 35 per cent of the employees monthly consolidated salary. In respect of a motor car loan, it shall be in multiples of \$100.00 for a loan not exceeding \$5,000.00 and in multiples of \$200.00 for a loan of \$5,000.00 and above

Type of Vehicle	Employees Consolidated Monthly Salary	Amount
Motor Car	\$1,100 and above	One year's consolidated salary of employee as at the date of application or \$30,000.00 whichever is the less.
	Less than \$1,100	One year's consolidated salary of the employee.
Motor Cycle & Motor Scooter	\$400 and above	\$2,000.00
Bicycle	Any salary	\$200.00

4.3.2 The amount of a loan for a secondhand vehicle shall be based on the evaluation by a competent motor workshop or mechanic authorized by the Board

4.3.3 The amount of a loan for a new vehicle shall be based on the net purchase price of the vehicle (including standard equipment i.e. tools and in the case of bicycle, chain case and pump). No portion of the loan may be used for the purchase of number plates or the payment of vehicle license tax insurance of other incidental expenses.

### 4.4 Insurance

The borrower shall take out a comprehensive insurance policy for a motor vehicle bought with a society's loan until the loan is fully repaid and may be required from time to time to produced the insurance policy for inspection. The amount of the policy shall at all times cover the outstanding balance of the loan

### 4.5 Interest

Interest at 5 per cent a year shall be charged on all loans for the purchase of vehicle, calculate on the amount of loan remaining unpaid at the end of each month. For this purpose the method of calculating interest set out in Para 4.6.3 shall apply.

#### 4.6 Repayment

Loans shall be repaid within the maximum periods and subject to the minimum monthly repayments (including interest stipulated in table 2.

**Tables 2: Period and amount of Repayment**

Type of Vehicle	Maximum Repayment Period (Months) S\$	Minimum Monthly Repayments S\$
Bicycle	18	5
Second-hand Motor Cycle or Motor Scooter	24	25
New Motor Cycle or Motor Scooter	36	25
New or Second-hand Motor Car	60	50

Repayment shall be made by deductions from the monthly salary of the employee. Deductions shall commence in the month immediately after that in which the loan is disbursed and shall end not later than the expiry of the employee's contract of service or his anticipated retirement date.

A uniform amount of monthly repayment (combining both principal and interest) shall be calculated at the appointment of loan from Appendix A it is possible to loan for any period up to the 60 months, the resulting amount shall be rounded to the nearest cent.

**Example:** The monthly installment for a loan of \$2,400 repayable over 24 months is calculated as follows:

Amount of repayment for loan of \$100=\$4.39 Therefore the amount of repayment for loan of \$2,400  
=\$4.39 X 24  
=\$105.36

In the case of an employee leaving the Society's service before full repayment of their loan, the employee shall be required to repay the outstanding balance of the loan plus full interest at market rate on the total amount of computed retrospective from the date of commencement of the loan to the date of cessation of service

#### **Lien on Vehicle**

The Society shall have a lien on the vehicle bought with a society's Loan. The vehicle shall be registered in the borrower's name and the registered book shall be deposited with the society upon registration of the vehicle. The Society shall retain it until the loan is fully repaid. In addition, the borrower shall sign a vehicle transfer form in favor of the Society.

A vehicle bought with a society's loan shall not be disposed of by way of a mortgage of sale before the loan is fully repaid without the written consent of the Board. When such permission is given, the vehicle shall not be disposed of for less than the outstanding of the loan unless the employee is himself able to make good the

different. In all such cases, the outstanding balance shall be repaid to the Society immediately after disposal.

### **Application**

An Employee who wishes to apply for a vehicle loan shall submit his application in a form prescriptions by the Board. He shall confirm that he is not a surety for an outstanding loan and shall furnish the following details:-

The amount of loan required

The type of vehicle he intends to purchase

The purchase price of the vehicle

Whether new or second-hand

the vendors name

the period of repayment

his present monthly salary

date joined and date confirmed and

date when he was last granted a vehicle loan

Upon approval of the application, the employee shall sign a Vehicle Loan Agreement with the Society

### **Approval**

The Board shall consider every application for a vehicle loan and may approve it provided that:-

- (a) the employee is a confirmed staff with a minimum of one years service and has good conduct and performance;
- (b) the limits set out in Para 4.3 are adhered to;
- (c) the employee does not already have an outstanding vehicle loan;
- (d) The employee has not been granted such a loan within the last five years; and
- (e) The purchase price is not less than the amount applied for.

## **Loan for the purchase of houses**

- 5.1 A loan may be granted to assist an employee domiciled in Singapore to purchase outright/flat or to build a house in Singapore provided that
- (a) the flat to be purchased under this Scheme shall come within the land Titles (Strata) Act; and
  - (b) the house/flat to be purchased shall solely to used for the occupation by the employee and his immediate family.

### **5.2 Eligibility**

- 5.2.1 Only confirmed employees with a minimum of one year's service and have good conduct and performance are eligible to apply for housing loans provided that

- (a) They are not less than 21 years old
- (b) They or their spouses do not already own houses/flat and
- (c) They have not obtained a housing loan from the Society before

- 5.2.2 An employee is eligible for a housing loan only once in his employment in the Society.

- 5.2.3 A loan may granted to employee even if the employee or his spouse already owns a house or flat which is to be purchase with the loan shall be used exclusively for their accommodation and the rentals derive from the other house or flat shall be taken into account in computing the amount of the monthly repayment.

- 5.2.4 Permission to let or sublet the house/flat, purchased with a loan from the society, shall be at the discretion pf the Board. If permission is granted, the rate of repayment of the loan shall be accelerated to take account of the rentals received.

### **5.3 Amount**

A loan for the purchase of a house/flat shall not exceed a sum equal to five times the annual consolidated salary of the applicant at the time is application, or 90 per cent of the official valuation of the property, whichever is less, provide that the initial monthly repayment plus his monthly repayment to any other loans Obtained from the Society under the Scheme shall not exceed 35 per cent of the employees' monthly consolidated salary. The salary is the applicants' spouse may be included in determining the maximum loan eligibility if the spouse is also an employee of the society and is eligible for a loan under the Scheme

### **5.4 Valuation**

The house/flat to be purchase by the applicant for a loan shall be valued by a registered surveyor.

### **5.5 Mortgage**

- 5.5.1 In consideration of the loan, the employee shall enter into a legal mortgage in favor of the Society, of the house/flat he is purchasing. The preparation and completion of the mortgage deeds shall be made by a competent solicitor approved by the Board.

5.5.2 The property built or purchase under the Scheme may be jointly titled in the names of the applicant and his spouse if the is based on their combined income

## **5.6 Insurance**

5.6.1 The mortgaged property shall be insured against fire and the premium shall be paid by the borrower.

5.6.2 The borrower shall be advised to participate in a Mortgage Decreasing term Assurance or life insurance or Endowment policy with an insurance company acceptable to the Board by insuring his life for the amount of the outstanding loan and assigning such policy to the society. A borrower who has an insurance policy in force may use it to determine the balance, if any of the insurance coverage required

## **5.7 Interest**

5.7.1 The interest charged on housing loans shall be 5 per cent per annum calculated on month rest basis

5.7.2 If the borrower resign from the Society within 5 years firm the date of commencement of the loan or during the currency of the loan whichever is later the rate of interest in respect of loan shall be re-computer. Retrospective from the date of the commencement of the, on an annuity basis at 13 per cent per annum or such other rate as the registrar may prescribe from time to time

5.7.3 If a house/flat bought with a loan from the Society is sold within 5 years from the commencement of the loan or during the currency of the loan, whichever is later, the rate of interest payable in respect of loan shall be re-computed, retrospective form the date of the commencement of the loan on an annuity basis at 13 per cent annum or such other rate as the Registrar may prescribe from time to time.

## **5.8 Repayment**

5.8.1 The loan including interest shall be repaid by deduction of he employee's salary kin equal monthly installments within a maximum period of 25 years or before the retirement of the borrower, whichever is earlier. The Table at Appendix B shows the monthly repayment rates for every \$1000 for any period up to 25 years.

5.8.2 If an employee resigns from the society or ceases to be employed by the Society during the currency of the loan, the loan plus interest re-computed in full immediately

5.8.3 A house/flat bought with a loan from the Society shall not normally be sold by the employee within 5 years from the date of the commencement of the loan or during the currency of the loan, which is later. North less, permission may be granted by the Board for the employee to sell the said house / flat within 5 years form the date of the commencement of the loan of furring the currency of the loan, whichever is later, provide the loan plus interest recomputed in accordance with Rule 5.7.3 shall be recalled in full immediately.

5.8.4 If the loan is base on the combined income of the applicant and his spouse who are both employees of the society and one of them cease to be employed by the Society for any reason whatsoever within 5 years from the date of he commencement of the loan or during the currency of the loan half of the loan plus interest re-computed in accordance with rule 5.7.2 shall be recalled in full immediately.

## **5.9 Default in repayment**

The borrower shall execute an undertaken that in the event of any default in repayment and the consequential loss of money to the Society not recovered by sale under the mortgage, the outstanding balance of the loan including interest payable shall be treated as a debt to the Society and shall be recoverable from any salary gratuity or other payment which may be due to the employee.

## **5.10 Application**

An employee who wished to apply for a housing loan shall submit his application on a form prescribed by the Board.

## **5.11 Approval**

The board shall consider every loan application and may approve it if all the condition in these Rules are me

# **7 PERSONAL LOANS**

## **6.1 Purpose of Loan**

Subject to these Rules, a loan may be granted to an employee for any of the following purpose:-

- (a) his own marriage expenses provided that this is once only
- (b) the purchase of home appliances for his own use
- (c) the renovation of his house/flat
- (d) Excessive medical bill due to the sickness of himself, his spouse and/or his children;  
or
- (e) The funeral upon the death of any immediate members of his family

## **6.2 Eligibility**

- 6.2.1 Only confirmed employees with a minimum of one year's service and have good conduct and performance are eligible to apply for personal loans.
- 6.2.2 An employee shall be eligible for a personal loan only once a year irrespective of the reasons.

## **6.3 Amount**

A personal loan shall not exceed five months' consolidated salary of the borrower as at the date of the application or \$10,00 whichever is less provided that his initial monthly repayment plus his monthly repayment to any other loans obtained from the Society under the Scheme shall not exceed 35 per cent of the employee's monthly consolidated salary

## **6.4 Interest**

The interest charged on personal loans shall be 5 per cent per annum calculated on a monthly rest basis, subject to Rule 6.5.3

## **6.5 Repayment**

6.5.1 Personal loan including interest shall be repaid by deduction of the employees salary 24 equal monthly installments or before the retirement of the employee, whichever is earlier. The first installment shall commence in the month following that in which the loan is disbursed

6.5.2 A uniform amount of monthly repayment, combining both principal and interest shall be calculated at the commence meant of the loan. From Appendix A, it is possible to calculate the amount of combined monthly repayment for any loan for a period up to 24 months the resulting amount rounded to the nearest cent

6.5.3 If the borrower resigns from the Society during the currency of the loan, the loan shall be recalled immediately plus interest calculated at the market rate retrospective from the commencement of the loan

## **6.6 Application**

An employee who wishes to apply for loan shall submit his application on a form prescribed by the Board together with the relevant documentary evidence in support of his application.

## **6.7 Sureties**

Every applicant for a personal loan shall provide two or more sureties who also employees of the Society. The sureties shall cover the full outstanding balance of the Personal loan for which they guarantee and shall authorize the Society to recover such loan

## **6.8 Approval**

The Board shall consider every loan application and may approve it if all the conditions in these Rules are met.

## **7 General**

### **7.1 Status of these Rules**

These rules are supplementary to the provisions of the Act. The scheme shall be governed by the Act and these rules read together

### **7.2 Powers of Registrar**

The Registrar reserves the right to modify the Rules of the Scheme or to withdraw his approval of any part or the whole of the Scheme without assigning any reason therefore. Nothing in these Rules shall have any power to limit the authority of the Registrar

### **7.3 Amendments**

These rules shall not be notified, added to or deleted without the prior written approval of the Registrar

**5 APPENDIX A  
TABLE FOR CALCULATION OF COMBINED MONTHLY OF PRINCIPAL AND INTEREST  
PAYABLE ON VEHICLE LOANS AND PERSONAL LOANS**

Number of Months of Loan	AMOUNT OF LOAN				
	\$100	\$50	\$10	\$5	\$1
	AMOUNT OF REPAYMENT				
1	100.42	50.210	10.042	5.0210	1.0042
2	50.31	25.155	5.031	2.5155	0.5031
3	33.61	16.805	3.361	1.6805	0.3361
4	25.26	12.630	2.526	1.2630	0.2526
5	20.25	10.125	2.025	1.0125	0.2025
6	16.91	8.455	1.691	0.8455	0.1691
7	14.52	7.260	1.452	0.7260	0.1452
8	12.74	6.370	1.274	0.6370	0.1274
9	11.34	5.670	1.134	0.5670	0.1134
10	10.23	5.115	1.023	0.5115	0.1023
11	9.32	4.660	0.932	0.4660	0.0932
12	8.56	4.280	0.856	0.4280	0.0856
13	7.92	3.960	0.792	0.3960	0.0792
14	7.37	3.685	0.737	0.3685	0.0737
15	6.89	3.445	0.689	0.3445	0.0689
16	6.47	3.235	0.687	0.3235	0.0647
17	6.11	3.055	0.611	0.3055	0.0611
18	5.78	2.890	0.578	0.2890	0.0578
19	5.49	2.745	0.549	0.2745	0.0549
20	5.22	2.610	0.522	0.2610	0.0522
21	4.98	2.490	0.498	0.2490	0.0498
22	4.77	2.385	0.477	0.2385	0.0477
23	4.57	2.285	0.457	0.2285	0.0457
24	4.39	2.195	0.439	0.2195	0.0439
25	4.22	2.110	0.422	0.2110	0.0422
26	4.07	2.035	0.407	0.2035	0.0407
27	3.95	1.960	0.392	0.1960	0.0392
28	3.79	1.895	0.379	0.1895	0.0379
29	3.67	1.835	0.367	0.1835	0.0367

**6 AMOUNT OF LOAN**

Number of Months of Loan	AMOUNT OF REPAYMENT				
	\$100	\$50	\$10	\$5	\$1
30	3.55	1.775	0.355	0.1775	0.0355
31	3.45	1.725	0.345	0.1725	0.0345
32	3.34	1.670	0.334	0.1670	0.0334
33	3.25	1.625	0.325	0.1625	0.0325
34	3.16	1.580	0.316	0.1580	0.0316
35	3.08	1.540	0.308	0.1540	0.0308
36	3.00	1.500	0.300	0.1500	0.0300
37	2.92	1.460	0.292	0.1460	0.0292
38	2.85	1.425	0.285	0.1425	0.0285
39	2.78	1.390	0.278	0.1390	0.0278
40	2.72	1.360	0.272	0.1360	0.0272
41	2.66	1.330	0.266	0.1330	0.0266
42	2.60	1.300	0.260	0.1300	0.0260
43	2.54	1.270	0.254	0.1270	0.0254
44	2.49	1.245	0.249	0.1245	0.0249
45	2.44	1.220	0.244	0.1220	0.0244
46	2.39	1.195	0.239	0.1195	0.0239
47	2.35	1.175	0.235	0.1175	0.0235
48	2.30	1.150	0.230	0.1150	0.0230
49	2.26	1.130	0.226	0.1130	0.0226
50	2.22	1.110	0.222	0.1110	0.0222
51	2.18	1.090	0.218	0.1090	0.0218
52	2.14	1.070	0.214	0.1070	0.0214
53	2.11	1.055	0.211	0.1055	0.0211
54	2.07	1.035	0.207	0.1035	0.0207
55	2.04	1.020	0.204	0.1020	0.0204
56	2.01	1.005	0.201	0.1005	0.0201
57	1.97	0.985	0.197	0.0985	0.0197
58	1.94	0.970	0.194	0.0970	0.0194
59	1.92	0.960	0.192	0.0960	0.0192
60	1.89	0.945	0.189	0.0945	0.0189

**7 APPENDIX B**

TABLE FOR CALCULATION OF MONTHLY REPAYMENT FOR HOUSING LOAN  
(5% PER ANNUM ON MONTHLY REST)

Period (Years)	Monthly Repayment Rate On Every \$1,000
1	85.61
2	43.87
3	29.97
4	23.03
5	18.87
6	16.11
7	14.13
8	12.66
9	11.52
10	10.61
11	9.86
12	9.25
13	8.73
14	8.29
15	7.91
16	7.58
17	7.29
18	7.03
19	6.80
20	6.60
21	6.42
22	6.25
23	6.10
24	5.97
25	5.85

**Example:** The monthly instalment for a loan of \$125,100 repayable over 25 years is calculated as follows :

Amount of Monthly Repayment for loan of \$1,000 = \$5.85

Therefore : Amount of Monthly Repayment for loan of \$125,100

= \$5.85 X 125.1

= \$731.835

= \$732 (rounded to nearest dollar)

**SECTION I**

**RULES OF THE DANA KEBAJIKAN BERSAMA  
SINGAPORE MALAY TEACHERS CO-OPERATIVE LIMITED  
(SGM SINGAPURA KOPERATIF BERHAD)**

## **1. NAME**

This Fund shall be called “Dana Kebajikan Bersama, Singapore Malay Teachers’ Co-operative Limited (Syarikat Guru Melayu Singapura Koperatif Berhad)

## **2. INTERPRETATION**

In these rules, unless there is anything repugnant in the context:

- (a) “Fund” means Dana Kebajikan Bersama, Singapore Malay Teachers’ Co-operative Limited;
- (b) “Society” means Singapore Malay Teachers Co-operative Limited;
- (c) “Rules” means Rules of the Dana kebajikan Bersama, Singapore Malay Teachers Co-operative Limited;
- (d) “Board” means Board of Directors of the Singapore Malay Teachers Co-operative Limited;
- (e) “Sub-Committee” means the Sub-Committee, nominated by the Board of Directors, for Dana Kebajikan Bersama, Singapore Malay Teachers Co-operative Limited;
- (f) “Members” means registered members of the Dana Kebajikan Bersama Singapore Malay Teachers Co-operative Limited;
- (g) “Parents” means the natural parents/foster parents/step parents of the member;
- (h) “Child” means the natural child, legally adopted child and step child of the member;
- (i) “Wife/Husband” means the wife or husband of the member;
- (j) “Co-operative Societies Law” means the Co-operative Societies Act, and any amendment thereto for the time being in force in Singapore;
- (k) “By-law” means the By-laws of the Singapore Malay Teachers Co-operative Limited;
- (l) “Registrar” means the Registrar of the Co-operative Societies, Singapore;
- (m) Words importing the masculine include the feminine gender and word importing the singular includes the plural;

## **3. OBJECTS**

The objects of this Fund shall be:

- 3.1 To inculcate co-operative and mutual help amongst members of the Dana Kebajikan Bersama, Singapore Malay Teachers Co-operative Limited;
- 3.2 To raise funds from amongst members to provide financial grants to members;
  - (a) in matters of death;
  - (b) who have prolonged illness and receiving treatment in a hospital;

(c) whose house and property is destroyed by fire, natural phenomena, and other calamities;

3.3 to provide grants pertaining to the education of the children of a member, who is sole breadwinner, in the event of his death.

#### **4. MEMBERSHIP**

4.1 Membership of this Fund shall be open to all Ordinary Members, Associate and Senior Members of the Singapore Malay Teachers Co-operative Limited.

4.2 Application for membership shall be made in the prescribed form duly completed and submitted to the Sub-Committee.

4.3 A person whose application has been approved by the Sub-Committee shall pay his entrance fee before his is registered as a member of this Fund.

#### **5. ENTRANCE FEES**

5.1 A person who is being accepted as a member to this Fund shall pay a non-refundable entrance fee of \$3.00 (Dollars Three)

5.2 Ordinary Members shall pay the entrance fee to the Society by normal deduction from their salaries and External Members shall pay the entrance fee to the Society by cash payment.

#### **6. SUBSCRIPTION**

6.1 Every member shall pay a non-refundable monthly subscription of \$3.00 (Dollars Three).

6.2 Ordinary Members shall Pay the monthly subscription to the Society by normal deduction from their salaries and the Senior and Associate Members shall pay the monthly subscription to the Society by cash payment.

6.3 The monthly subscription collected from the members shall be credited directly to the General Fund.

#### **7. ELEGIBILITY FOR GRANTS**

7.1 Every member of this Fund shall be eligible to receive grants under these Rules only after he has been member for at least 3 months and further provided that he is not in default.

7.2 An application for grants as stipulated in Rule 9 shall be submitted within 1 calendar month from the day the event occurs.

7.3 Any application for grants submitted after 1 calendar month from the date the even occurs shall be considered if the member was "on overseas leave" during the material time.

**8. MEMBER’S DEPENDANTS**

8.1 Member’s dependants shall be any or all of the following: -

- (a) Wife/Husband of the member;
- (b) Natural child, step child and legally adopted child and still schooling; a child above the age of 16 years can be included if he/she is physically and mentally retarded;
- (c) Natural parents/foster parents/step parents of the member.

8.2 Every member shall, upon admission, register his dependants with the Society, in accordance to Rule 8.1(a), 8.1(b) and 8.1(c), by furnishing the relevant documentary\ proof thereof. The Society shall be notified, in writing, of any changes or addition of dependants.

**9. TYPES OF GRANTS**

**9.1 Death Grants:**

9.1.1 Grants shall be given in accordance with these Rules only upon the death of any member of this Fund or his registered dependants. No member and /or member’s child is allowed to claim an award as a matter of right or entitlement.

9.1.2 The rate of death grants shall be:

(a) Member	\$1000.00
(b) Wife/Husband of member	\$ 500.00
(c) Natural child, step child and legally adopted child of member	\$ 250.00
(d) Natural parent/foster parents and step parents of members	\$ 250.00

9.1.3 Every application for death grant shall be accompanied by a copy of the Marriage Certificate as well as a copy of the Death Certificate.

9.1.4 Grant shall be paid only to the member concerned or, in the case of the member’s death, the grant shall be paid to the deceased member’s nominee(s) who shall have been duly elected by the member in accordance with the Society’s registered By-laws.

9.1.5 Where there is more than one nominee in each case, the sum shall be disbursed to each nominee in accordance with the proportion spelt out by the member in his nomination form.

9.1.6 Any acknowledgement by a nominee of the due receipt of his share of the grant shall be sufficient discharge to the Board.

**9.2** The grants for members who have prolonged illness 1 day and above and receiving treatment in a hospital are \$30.00 (Dollars Thirty) per day from the day admitted in a hospital up to a maximum of 60 days of hospitalization in a calendar year.

- (a) Every application from this grant shall be accompanied by an official receipt from the hospital.

### **9.3 Calamity Grants:**

- (a) Disbursement of calamity grants shall only be made if the member's house and property is destroyed by fire, natural phenomena and other calamities.
- (b) The Sub-Committee shall decide on the amount of the grant based on the loss incurred upon the member concerned;
- (c) The grant shall be up to the maximum of S\$2,000.00 (Dollars Two Thousand).

9.4 Grants pertaining to the education of the children of a member who is sole breadwinner in the event of his death, shall be once only and based on a maximum of two children who are still studying:

- (a) a child in primary school \$ 400.00
- (b) a child in Institute of Technical Education, Secondary School, Pre-University Centers, Junior Colleges \$ 500.00
- (c) a child in Higher Institute \$ 700.00

## **10. CESSATION OF MEMBERSHIP**

10.1 Membership to this Fund shall cease on the occurrence of any of the following events: -

- (a) Cessation of membership from the Society for any reasons whatsoever in accordance with By-law 4.17(a)-(h);
- (b) Resignation by giving one month's written notice to the Sub-Committee.
- (c) Three months in arrears of subscription without assigning satisfactory reasons to the Sub-committee

10.2 Members who cease to be members of this Funds do not necessarily cease to be members of the Society.

10.3 Any person who ceases to be a member of this Fund shall be entitled to any refund whatsoever.

## **11. ADMINISTRATION**

11.1 The administration of this Fund shall be vested in the Sub-Committee duly nominated by the Board of Directors of the Society. The Sub-Committee shall consist of a maximum of 7 and a minimum of 5 members of which three members of the Sub-Committee shall be from the Board of Directors of the Society who shall be:

-

- (a) the Chairman of the Fund
- (b) the Secretary of the Fund;
- (c) the Treasurer of the Fund.

- 11.2 The Sub-Committee shall meet as frequently as is necessary for the conduct of the business of the Fund and shall be responsible in full for all their acts and omission to the Board of Directors.
- 11.3 The Chairman of the Fund shall preside on all meetings of this fund.
- 11.4 The Secretary of the Fund shall be responsible for all correspondence of this Fund.
- 11.5 The Treasurer of the Fund shall be responsible for all correspondence of the Fund and shall work in close co-operation with the Treasurer of the Society with regards to the accounts of this Fund
- 11.6 The sub-Committee shall prepare the Annual Report and Statement of Accounts of the Fund which shall be consolidated with the Annual report and Statement of Accounts of the Society for presentation at the Annual General Meeting of the society.
- 11.7 The Services of all the Sub-Committee shall be gratuitous without any allowance or remunerations except transport allowance for meeting and other administrative expenses of this Fund .

## **12 Account and Financial Matters**

- 12.1 All monies received from members shall be issued with the official receipts of the Society
- 12.2 All financial transactions shall be duly certified by the Sub-Committee
- 12.3 The accounts of this Fund shall be written in a separate book specially for this purpose and shall be audited by the Supervisory Board and the Auditors of the Society
- 12.4 All administration expenses of this Fund shall be a direct and exclusive charge to this Fund
- 12.5 The Fund Shall be invested separate in the mode approved by the Registrar and all income arising there from shall be channeled to this Fund
- 12.6 In the event that the Fund becomes exhausted because of the disbursement of grants, the Sub-committee shall convene an Extra-ordinary General Meeting of members of this Fund to decide on the issue
- 12.7 The Treasurer of this Fund may as cash-in-hand a sum not exceeding S\$100.00 (dollars one Hundred) for administrative expenses of Fund
- 12.8 This Fund may accept donations from well-wishers and other intuitions registered in Singapore, with the prior approval of the Registrar and subject to statutory contributions of the Reserve Fund and the Central Co-operation Fund.

### **13 Books and Documents**

The Sub-Committee shall be responsible in keeping all books and documents of this Fund:-

- (a) Register of members and their dependents in accordance with Rule 8
- (b) Register of monthly subscriptions
- (c) Register of disbursement of financial grants
- (d) Cash book, Journal and ledgers
- (e) Any other books in connection with

### **14 Use of Funds**

Other than the types of grants as stated in Rule 9, this Fund may, with prior approval of the Registrar, be used for ;

- (a) Purchasing hearse and other vehicles for the good of this fund: and
- (b) The Purpose of giving financial aids to the general public in cases of emergencies and disasters, as the Sub-Committee thinks fit

### **15 Rules and By Laws**

These Rules are subject to the By-Laws of the Syarikat Guru Melayu Singapura, Koperatif Berhad, which is registered under the Co-operative Societies Act.

### **16 Amendments to the Rules**

Amendments to these Rules may be made from time to time with approval of the Registrar and passed by the General Meeting of members of this Fund.

## **SECTION J**

### **ADMINISTRATIVE POLICY OF THE LOAN DEFAULT FUND OF SINGAPORE MALAY TEACHERS CO-OPERATIVE LIMITED (SGM SINGAPURA KOPERATIF BERHAD)**

(These rules are made under the Administrative Policy of the Loan Default  
Fund of the Singapore Malay Teachers' Co-operative Limited)  
(To repeat the Administrative Rules heretofore made)

## 1. CITATION

This Fund shall be called “the Loan Default Fund of the Syarikat Guru Melayu Singapura Koperatif Berhad (Singapore Malay Teachers’ Co-operative Limited) or SGM Koperatif Bhd.

## 2. INTERPRETATION

In this Policy unless the context otherwise requires:-

- (j) “Society” means the Syarikat Guru Melayu Singapura Koperatif Berhad.
- (k) “Fund” means the loan default fund of the Society,
- (l) “Policy” means the Administrative Policy of the Loan Default Fund of the society,
- (m) “Board” means the Board of Directors of the Society,
- (n) “Members(s)” means the member(s) of the Society,
- (o) “SGM LDS” means the Society Loan Default Scheme,
- (p) “Default in repayment” as stipulates in Administrative Policy & Rules Governing Loans of the Society (4.19)
- (q) “Co-operative Societies Act” means the Co-operative Societies Act for the time being in force to the Republic of Singapore and the Rules made there under;
- (r) Words in the singular shall include the plural, and words in the plural shall include the singular.

## 3. OBJECT

The objects of the Fund is:-

To pay off the outstanding loan of members who sign up for SGM Loan Default Scheme to secure the loan, who default in payment due to accidental death and bankruptcy which the Society is unable to recover the amount owing and any other reasons which will be determined by the Board of the Society.

## 4. FINANCIAL SOURCES/ OPERATION AND REPORT

- (a) **Financial Sources:** The Fund may be derived from the net surplus of the Society in each financial year with the approval of the members of the Society at a General Meeting in accordance with By-law 10.3 and may, if necessary be added to by contributions from members approved at a General Meeting from time to time.
- (b) **Operation and Report :** The Fund shall not be operated and invested separately, A report on the Fund to be incorporated in the Society’s Statement of Accounts shall be attached to the Society’s Annual Report for presentation to members at the Annual General Meeting of the Society.

## **5. ADMINISTRATION**

- (a) The Board shall exercise the diligence and prudence of ordinary men of business and shall be responsible in all their acts or omissions to the general body of members and shall be responsible in all their acts or omissions in the administration of the Fund.

## **6. RULES**

- (a) Subjected to the approval of the Registrar of Co-operative Societies the Board shall make all such rules as are necessary for governing grant made this Fund. The rules or any one thereof may, from time to time, be amended, added to or deleted there from, provided that the approval of the Registrar of Co-operative Societies has first been obtained.

## **7. SCOPE OF ELIGIBILITY**

The default loan of any member shall be paid off by this fund:-

- (a) If the loan is secured by SGM Loan Default Scheme.
- (b) If the loan is defaulted due to accidental death of member, bankruptcy or other reasons that may deem fit.
- (c) If after all the recovery processes have been carried out by the Society.
- (d) If the member is declared as bankrupt.
- (e) The Board can cite any other reasons from time to time.

## **8. BOOKS AND REGISTER**

- (a) A register showing particulars of all members who have signed up for SGM Loan Default Scheme.
- (b) It should include the bond number, effective date of security, amount secured, monthly repayment amount and the tenure of loan.

## **9. DISPUTE**

- (a) Any member who for any reason is not satisfied with any clause of the SGM LDS shall submit an appeal, within 14 days from the date of coverage to the Chairman of the Society who shall table it at the next monthly board meeting or a special board meeting for a decision. The disbursement of loan in respect of which there is an appeal shall be with held until the dispute is fully settled.
- (b) Any decision by the Board must be final.
- (c) Any dispute pertaining to the fund for which the Board is not able to resolve shall be referred to the Registrar of Co-operative Societies, Singapore in the manner provided for in the Act.

## 10. GENERAL

- (a) Borrowing member shall complete the forms prescribed by the Board and shall submit the form with loan application for Board's approval.
- (b) Documentary evidence shall be submitted in support of the applications for the loan.
- (c) The maximum loan repayment tenure for SGM LDS is 24 months.
- (d) The total amount secured for the total loans granted secured by SGM LDS shall not exceed the amount of the fund.
- (e) The premium of SGM LDS shall be considered as an income to the Society in the effort of attaining annual surplus for appropriation.
- (f) The distribution of surplus to loan default fund shall not exceed 10 % of Society's annual surplus.
- (g) The amount secured by SGM LDS is the total loan granted less member's share capital and subscription savings.
- (h) In case of the death of borrowing member, the next of kin shall produce the death certificate and other relevant documents for verification of the Board.
- (i) The writing off of members outstanding loan against Loan Default Fund shall only be done with the decision of the Board and the approval of AGM and the Registrar as stipulates in By-Law Section 5.8 (k).