



ST HELENA

REVISED EDITION OF THE LAWS, 2017

CORPORATE BODIES

CO-OPERATIVE SOCIETIES ORDINANCE, 1932¹

*Ordinance 1 of 1932
In force 8 January 1932*

Amended by Ordinances 17 of 1951, 7 of 1998

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CO-OPERATIVE SOCIETIES RULES, 1951
Legal Notice 26 of 1951
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CO-OPERATIVE SOCIETIES ORDINANCE, 1932

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¹ Under section 10 of the Revised Edition of the Laws Ordinance, 1999 this text is authoritative and is the sole authentic edition in respect of the law contained in it as at 1 November 2017.

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AN ORDINANCE to provide for the constitution, registration, control and encouragement of co-operative societies.

Preliminary

Short title

1. This Ordinance may be cited as the Co-operative Societies Ordinance, 1932.

Application of Ordinance

2. This Ordinance applies to Societies formed for the purpose of encouraging amongst their members the building of houses, the development of agriculture, of horticulture, of fisheries and of trade, and for such other purposes as are approved by the Governor in Council

and notified in the *Gazette*.

Interpretation

- 3.** In this Ordinance, unless the context otherwise requires—
- “**by-law**” means any rule made by a Society in the exercise of a power conferred by this Ordinance or by a rule made under this Ordinance;
- “**committee**” means the governing body of a Society to whom the management of its affairs is entrusted;
- “**member**” includes a person joining in the application for the registration of a Society, and a person admitted to membership after registration in accordance with the by-laws and any rules made under this Ordinance;
- “**officer**” includes the secretary, the treasurer, the chair and other members of the committee of management of a Society registered under this Ordinance;
- “**Registrar**” means the person appointed to perform the duties of Registrar of Co-operative Societies under this Ordinance;
- “**rules**” means rules made under section 13;
- “**Society**” means a Co-operative Society registered under this Ordinance.

Registration of a Co-operative Society

Registration of Societies

4. A Society wishing to obtain the benefits of this Ordinance must be constituted and registered in accordance with this Ordinance.

Registrar

5. (1) The Governor may appoint a person to be the Registrar of Co-operative Societies for purposes of this Ordinance.

- (2)** The Registrar must –
- (a)* supervise and advise upon the formation of any society wishing to be registered under this Ordinance;
 - (b)* ensure that all formalities are duly complied with for the registration of such a Society;
 - (c)* keep in close touch with the affairs of Societies duly registered; and
 - (d)* perform all the duties assigned to the Registrar by this Ordinance or the rules.

Constitution of Societies

6. A Society must consist of not less than 7 adult persons who are owners or lessees of property.

Application for registration

7. (1) For the purposes of registration an application must be made to the

Registrar.

- (2) The application must be signed—
- (a) in the case of a society of which no member is a registered Society, by at least 10 persons qualified in accordance with section 6, or, when there are less than 10 members, by all of them;
 - (b) in the case of a society of which a member is a registered Society, by a duly authorised person on behalf of every such registered Society, and, if all the members of that society are not registered Societies, by 10 other members, or, when there are less than 10 other members, by all of them.

(3) The application must be accompanied by copies of the proposed by-laws of the society, and the persons by whom or on whose behalf such application is made must provide any information in regard to the society the Registrar requires.

Registration of societies

8. (1) If the Registrar is satisfied that a society has complied with the provisions of this Ordinance and the rules, and that its proposed by-laws are not contrary to this Ordinance or to the rules, the Registrar may register the society and its by-laws.

(1A) If the Registrar refuses an application by a society for registration, the society may, within one month from the date of the refusal, appeal to the Governor in Council against the refusal.

- (2) On registration the society must pay any fee required by the rules.

Place of business

9. Every Society must have an address registered in accordance with this Ordinance to which all notices and communications may be sent. The address must be the office or place of business of the Society.

Manner of registration

10. (1) The Registrar must keep a register and enter in it the particulars contained in the application for registration and any other particulars the Registrar considers necessary to record.

- (2) The secretary of every Society must keep the Registrar informed of –
- (a) any change in the office or place of business of the Society or in the names or addresses of the officers of the Society;
 - (b) the death or withdrawal of any member; and
 - (c) the names and addresses of any new member.

- (2A) The Registrar must make the alterations in the register made necessary by

information provided under subsection (2).

(3) The secretary of any Society who is in default for a period of one month in giving to the Registrar any information or notification required by this section commits an offence.
Penalty: A fine of £5.

Powers of a Society

Name of the Society and powers of its committee

11. (1) A Society registered under this Ordinance –
(a) is to be known by the name under which it is registered; and
(b) may enter into contracts, institute and defend civil suits, and do all things necessary for the purposes of its constitution.

(2) The Society exercises all its functions and powers through its committee.

(3) In the execution of any document required for the purposes of the Society and duly authorised to be executed by the committee, the signatures of the secretary and 2 other members of the committee are sufficient.

Powers of Society

12. A Society has the following powers within the limits allowed by its constitution—
(a) to borrow money in accordance with the relevant provisions of this Ordinance;
(b) to purchase or lease immovable and moveable properties; to construct or lease factories, stores, sheds and other buildings; to purchase, charter or construct boats and equip them; and to purchase any other materials required for effectually carrying out the purposes for which the Society was formed;
(c) to make advances by way of loans to its members for trading, building, agricultural or horticultural purposes, or for the purpose of developing the fishing industry, or for such other purposes approved by the Governor in Council in accordance with section 2;
(d) to purchase and make use of such other things and to do such other acts as the Governor in Council considers to be incidental to agriculture, housing, fisheries, and other industries approved by the Governor in Council and specified by the rules.

Rules

13. (1) Every Society is to be governed by the rules.

(2) The Governor in Council may make rules for the control and government of Societies and for the carrying out of the provisions of this Ordinance and (without limiting that power) in particular as regards the following matters—

(a) the forms to be used in applying for the registration of a society and the procedure in the matter of such application;
(b) the conditions to be complied with by persons applying for registration and by

- persons applying for admission or admitted as members and the election and admission of members from time to time;
- (c) the general meetings of members, the procedure at such meetings and the powers to be exercised by such meetings;
 - (d) the appointment, suspension and removal of members of the committee, and other officers, the procedure at meetings of the committee, the powers to be exercised and the duties to be performed by the committee and officers, and the security to be furnished by officers and members of the Society;
 - (e) the matters in respect of which the Society may or must make by-laws, the procedure to be followed and the sanction to be required in making, altering and abrogating by-laws;
 - (f) the withdrawal and expulsion of members, the payments to be made to members who withdraw or are expelled, and the liabilities of past members;
 - (g) the mode in which the interests and liabilities of a deceased member are to be ascertained and dealt with, and the nomination of a person to represent such deceased member;
 - (h) the conditions to be complied with by the Society when applying for the financial assistance of the Government or other lender;
 - (i) the payments to be made and the conditions to be complied with by members applying for loans from the Society, the periods for which loans may be made and the amount which may be lent to an individual member;
 - (j) the conditions under which profits may be distributed to the members of the Society;
 - (k) the registers, accounts and other books to be kept by the Society and the Registrar, the form of them, the manner of making entries in them and the returns and reports to be made;
 - (l) the procedure to be followed in presenting and disposing of appeals from decisions or orders of the Registrar;
 - (m) the procedure to be followed in cancelling the registration of a Society and in liquidating the business of a Society;
 - (n) the settlement of disputes.

(3) A penalty not exceeding £10 may be imposed for the infraction of any rule made under this section.

By-laws of Society

14. (1) The Society may –

- (a) make by-laws for the management of its affairs, not inconsistent with the provisions of this Ordinance or the rules; and
- (b) amend or repeal such by-laws.

(2) A by-law is not valid until it has been deposited with the Registrar and been approved and registered by the Registrar.

(3) If the Registrar refuses to register any by-law the Society may appeal to the Governor in Council.

(4) The Registrar must issue to Society a certified copy of all its by-laws that are registered with the Registrar.

Loans

The Governor in Council may make loans to registered Societies

15. (1) On the application of a Society, the Governor in Council may advance by way of loan to the Society for its assistance a sum of money out of the surplus moneys of St Helena in the hands of the Financial Secretary.

(2) The total amount of loans made by the Governor in Council out of such surplus moneys to Societies outstanding at any one time must not exceed the sum of £1,500 without the prior approval of a Secretary of State.

Provision as to Government loans

16. The following provisions apply to loans granted by the Governor in Council under section 15—

- (a) applications for loans must be made to the Registrar who must forward them with his or her report to the Governor in Council;
- (b) the granting or refusal of a loan is in the absolute discretion of the Governor in Council;
- (c) the amount of the loan or loans to any one Society must not be larger than in the proportion of £25 to every member of the Society;
- (d) no loan may be for a longer period than ~~two~~ 2 years in the first instance, but the Governor in Council may renew ~~such~~ a loan for not more than 3 successive periods of 12 months, each renewal to be granted only after the expiration of the previous period;
- (e) all loans are to bear interest at a rate not exceeding 7% per annum;
- (f) the committee on behalf of the members of the Society must enter into an agreement for the payment of the loan and the payment of the interest on it;
- (g) the Governor in Council may, if satisfied that there is good and sufficient reason to do so, call in a loan at any time, and ~~to~~ cause the Financial Secretary to take ~~all~~ such proceedings in the Supreme Court as are necessary to recover the full amount of that loan and all interest and charges due on it.

Restrictions on loans to members

17. (1) A Society must not make a loan to any person other than a member.

(2) Loans by the Society to members must not be for longer than 24 months at a time and the interest on them must not exceed 9% per annum.

(3) Loans to members may be in money or the equivalent value in kind including cattle, implements, building materials, raw material, manure or labour.

(4) When making a loan to a member a Society does not need to take security on any moveable property of the member or to take a mortgage on the member's immoveable property.

(5) The Secretary must send to the Registrar ~~with~~ a memorandum signed by the committee and the member borrowing, setting out the amount to be lent to the member, the purposes for which the loan is made, the terms of repayment, the interest and other necessary particulars of the loan. The memorandum must be filed by the secretary with the Registrar within 3 days after the date of its execution.

(6) A secretary or any member of a Society who fails to comply with or contravenes any of the provisions of this section commits an offence.
Penalty: A fine of £5.

Loan to be applied only to purposes of Society

18. (1) A Society that has obtained a loan from the Government or from any other source whatsoever must not knowingly ~~to~~ allow any part of the loan to be applied to any purposes other than those for which the Society was formed or incidental to those purposes.

(1A) A member of a Society who has obtained a loan from the Society must not apply any part of it loan to any purposes other than those for which the Society was formed or incidental to those purposes.

(2) A member of a Society who contravenes this section commits an offence.
Penalty: A fine of £25

Privilege for payment of loans

19. (1) Subject to the prior claims of the Government on the property of its debtors and of landlords in respect of rent or any money or produce recoverable as rent, and notwithstanding anything in any other law to the contrary, a Society has a privileged claim in priority to all other creditors, to the extent of its claim against a debtor member, as described in subsection (2).

(2) The privileged claim is –

- (a) upon one-half of the crops or other agricultural or industrial produce of the member or past member accruing to the member during the current year in which payment of the claim is due, and during the next succeeding 5 years; and
- (b) upon the houses, cattle, agricultural or industrial implements and unused raw material, supplied by the Society or purchased in whole or in part with money lent by the Society, in respect of the outstanding liability on account of that supply or loan.

(3) If the claim is as described in subsection (2)(a), the Society may enforce its claim immediately after default in payment is made by the member and until the whole amount of the loan, interest and charges on it are fully paid.

Government or other lender to Society may exercise privilege

20. (1) The Governor in the case of a Government loan, and the lender in the case of a loan from any other source, may require a Society to whom it has lent money to exercise its privilege under section 19 against any debtor member in default.

(2) If, in the circumstances described in subsection (1), the Society fails to take steps to enforce its claim within one month from the date of service of notice to that effect on the Society, the Governor or the lender as the case may be may take the necessary steps in the name of the Society to enforce the payment of the amount due by the debtor member and exercise the privileges conferred by section 19.

Recovery of sums due to Government or other lender

21. (1) All sums due by a Society or by an officer or member or past member of the Society to the Government including any costs may be recovered in the same manner as any other Crown debt.

(2) All sums due by the Society to a lender other than the Government, if contracted in accordance with the provisions of this Ordinance, may be recovered in the manner provided by due process of law.

Liabilities of members

Charges and set-off in respect of share of members

22. A Society has a charge upon the share or interest of a member or past member in the assets of the Society and upon the profits payable to a member or past member in respect of any debt due by that member or past member to the Society, and may set off any sum credited or payable to a member or past member in or towards payment of every such debt.

Liability of past members

23. The liability of a past member for the debts of the Society or for a debt due by the member to the Society as they existed at the time when the member ceased to be a member continues for a period of 5 years from the date of the member ceasing to be a member.

Liability of estate of a deceased member

24. The estate of a deceased member remains liable for a period of 5 years from the time of the death for the debts of the Society as they existed at the time of death, or for a debt due by the deceased member to the Society.

Representative of a deceased member

25. On the death of a member of a Society, the interests and liabilities of the deceased member pass to the member's heirs or legal representatives unless some person is nominated and accepted to represent the interest of the deceased member in accordance with the rules.

Administrative provisions

Mode of registering agreement

26. Despite any other law to the contrary, any agreement for the repayment of a loan made to the Society or to any member of the Society, on being lodged in the Registrar's office, is deemed to be duly recorded and does not need to be otherwise registered.

Documents to be free of stamp duty, etc.

27. (1) A bond or other security, agreement, declaration, application, receipt or other document, required to be given or executed pursuant to this Ordinance, or on account of any Society, does not need to be on stamped paper and is not chargeable with any fee or any duty.

(2) No charge may be made by the Registrar for registering or recording any document or for certifying copies of any document in his the custody of the Registrar under this Ordinance.

Register and records open to inspection

28. The registers required to be kept by the Registrar and all documents filed with the Registrar for record under this Ordinance must be open to inspection by the public during office hours without payment of any fee.

Audit

29. The accounts of every Society must be audited at least once every year, and the Registrar must approve the appointment of a suitably qualified auditor or auditors to be engaged for that purpose.

Inspection and enquiry

30. (1) The Registrar may at any time call for and inspect the books, accounts, papers and securities of a Society, and every officer must provide any information in regard to the transactions and working of the Society that the Registrar requires.

(2) The Registrar may on his or her own initiative, and must on the application of a majority of a committee or of not less than 1/3rd of the members of a Society, hold an enquiry into the constitution, working, and financial position of the Society, and all officers and members of the Society must provide any information within their knowledge in regard to the affairs of the Society that the Registrar requires.

(3) Any officer or member of a Society who refuses to provide any reasonable information within the knowledge of the member or officer as required by this section commits an offence.

Penalty: A fine of £5.

Annual report by Registrar

31. The Registrar must annually, before the last day of September, provide to the Governor a full report on every Society registered under this Ordinance, giving details of the working of the Society during the previous year, the financial position of the Society, its assets and liabilities, the name and standing of its officers, the names of its members thereof and any other details which may be required by the rules.

Copy of Ordinance and rules to be open to inspection

32. Every Society must keep a copy of this Ordinance and of the rules and of its by-laws open to inspection free of charge at all reasonable times at the registered address of the Society.

Register of members to be admitted as evidence of certain particulars

33. Any register or list of members kept by the Society is *prima facie* evidence of—
- (a) the date at which the name of any person was entered in the register or list as a member;
 - (b) the date at which that person ceased to be a member.

Proof of entries in Societies' books

34. A copy of any entry in a book of a Society regularly kept in the course of business, if certified in the manner prescribed by the rules, is to be—

- (a) received in any suit to recover a debt due to the Society as *prima facie* evidence of the existence of the entry; and
- (b) admitted as evidence of the matters, transactions, and accounts recorded in the entry, in every case where, and to the same extent as, the original entry itself is by law admitted but no further or otherwise.

Cancellation of registration of a Society

35. (1) If there are fewer than 7 members of a Society the Registrar must immediately notify the Governor in Council who must order the registration of the Society to be cancelled unless for special reasons the Governor in Council considers it necessary to continue such Society.

(2) The Governor in Council may, for reasons that appear good and sufficient to the Governor in Council, at any time cancel the registration of a Society.

(3) Cancellation under this section does not affect the individual liability of a debtor member towards the Society.

(4) A notification of any such cancellation must without undue delay be published in the *Gazette*.

Liquidation of a Society

36. (1) If the registration of a Society is cancelled under section 35, the Governor in Council may appoint a competent person to be a liquidator to the Society.

(2) A liquidator appointed under subsection (1) may, in the name of the liquidator, institute and defend suits on behalf of the Society, and may—

- (a) sue for and recover any sums of money due or accruing to the Society at the date of the cancellation;
- (b) determine the contribution to be made by the members and past members of the Society respectively to the assets of the Society;
- (c) investigate all claims against the Society and pay the amounts of such claims if due;
- (d) determine by what persons and in what proportions the costs of the liquidation have to be borne;
- (da) sell or otherwise dispose of the assets of the Society to the best advantage;
- (e) give such directions in regard to the collection and distribution of the assets of the Society as appear to be necessary for winding up the affairs of the Society.

CO-OPERATIVE SOCIETIES ORDINANCE, 1932

CO-OPERATIVE SOCIETIES RULES, 1951

(Section 13)

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Citation

1. These rules may be cited as the Co-operative Societies Rules, 1951.

Registration of Societies

2. The Registrar must keep or cause to be kept at the office of the Registrar a register to be called “the Register of Societies” in which are to be entered particulars relating to the registration of societies and their by-laws.

3. All original entries in the Register of Societies must be made by, or under the direction of, the Registrar and signed by him or her.

4. Every alteration, interlineation or erasure in the Register of Societies must be initialled by the Registrar.

5. The Register of Societies must be open to inspection by the public at all reasonable times and free of charge.

6. (1) Every application for the registration of a society must be submitted to the Registrar in the form specified by the Registrar.

(2) 3 copies of the by-laws which the Society proposes to adopt must be submitted together with the application.

7. If the Registrar decides to register a proposed society, the society and its by-laws must be registered in the Register of Societies.

8. Upon the registration of a society the Registrar must forward to the society, free of charge—

- (a) a Certificate of Registration;
- (b) a copy of the by-laws of the society as approved by the Registrar and certified under his or her hand as having been approved by the Registrar
- (c) a copy of this Ordinance and of the rules.

9. If the Registrar refuses to register a society or its by-laws the Registrar must record the reasons in writing.

Members of Societies

10. Every Society must keep a Register to be called the “Register of Members” in which must be entered—

- (a) the name, address and occupation of each member and a statement of the shares, if any, held by the member;
- (b) the date on which each member’s name was entered in the register,

- (c) the date on which any member ceased to be a member, and
- (d) the nominee, if any, appointed under rule 18.

11. Every Society must keep such accounts and use such books as are specified by the Registrar.

12. The election and admission of members to a Society, other than original members, must be in the manner and on the conditions the by-laws prescribe.

13. A member may withdraw from a Society by giving written notice to the secretary, but such withdrawal does not affect the operation of section 23 of the Ordinance.

14. A member who acts in contravention of the rules or by-laws or in any way detrimental to the interests of the Society may be expelled by a vote of 2/3rds of the members present at a general meeting upon a charge communicated to the member in writing by the committee not less than one week before the meeting. The expulsion does not affect the operation of section 23 of the Ordinance.

15. A member who loses any of the qualifications for membership prescribed by the Ordinance or the rules or by-laws ceases to be a member of the Society and the committee must cause the member's name to be struck off the Register of Members, without affecting any liabilities of the person under section 23 of the Ordinance.

16. If a Society of limited liability holds deposits or loans from non-members, no member withdrawing, removed or expelled from it is entitled to a repayment of any money paid by the member towards the purchase of shares.

17. A Society must not fix any limit to the number of its members.

18. (1) An appointment of a nominee by a member of a Society for the purpose of section 25 of the Ordinance must be made in writing signed by the member in the presence of 2 attesting witnesses.

(2) A member of a Society with share capital is not entitled to appoint more than one nominee unless the member holds more than one share.

(3) If more than one nominee is appointed by any member the number of shares to be transferred or the exact proportion of the amount available that is to be transferred to each of these nominees must be specified at the time of the appointment.

(4) Every appointment of a nominee must be recorded in the Register of Members.

(5) For the purpose of a transfer to a nominee the value of any share or interest must be represented by the sum actually paid for that share or interest by the member holding it, unless the by-laws of the Society otherwise provide.

(6) If any money is paid to a nominee who is a minor, a receipt given either by the minor or by his or her guardian is sufficient discharge to the registered society.

Deceased members

- 19. (1)** On the death of a member, a Society may –
- (a) transfer the share or interest of the deceased member to the person nominated in accordance with Rule 18;
 - (b) if there is no person so nominated, transfer the share or interest to a person that appears to the committee to be the heir or legal representative of the deceased member; or
 - (c) pay to the nominee, heir or legal representative, as the case may be, a sum representing the value of the member's share or interest, as ascertained in accordance with the rules or by-laws.

(1A) If the Society has unlimited liability, the nominee, heir or legal representative, as the case may be, may require payment by the Society of the value of the share or interest of the deceased member, ascertained in accordance with the rules or by-laws.

(1B) If the Society has limited liability, it may transfer the share or interest of the deceased member to the nominee, heir or legal representative, as the case may be, if that person is qualified in accordance with the rules and by-laws for membership of the Society, or, on that person's application within 6 months of the death of the deceased member, to any person specified in the application who is so qualified.

(2) A Society must pay all other moneys due to the deceased member from the society to the nominee, heir or legal representative, as the case may be.

(3) All transfers and payments made by a Society in accordance with this Rule are valid and effectual against any demand made upon the Society by any other person.

Distribution of profits

20. (1) At least 1/4th of the net profits of every Society, as ascertained by the audit prescribed by section 29 of the Ordinance, must be carried to a fund to be called "the reserve fund", which must be employed as prescribed by these rules. The remainder of such profits and any profits of past years available for distribution may be divided among the members by way of dividend or bonus, or allocated to any funds constituted by the Society, to the extent or under conditions may be prescribed by these rules or the by-laws.

- (2)** Sub-rule (1) is subject to the following–
- (a) if the Society has unlimited liability, no distribution of profits may be made without the general or special order of the Governor;
 - (b) no Society may pay a dividend on share capital exceeding 3%;
 - (c) if in any year the amount of the reserved fund is such that in the opinion of the Registrar a transfer to the fund of 1/4th of the net funds would be excessive, such

smaller amount as the Registrar decides may be so transferred.

General meetings of a Society

21. The supreme authority in a Society vests in the general meeting of members. at which every member has a right to attend and vote on all questions. Each member has one vote only, and it must be exercised in person and not by proxy.

22. The first meeting of members has the same powers as are given to the annual general meeting and must be held immediately or not later than one month after the receipt of the certificate of registration of the Society.

23. (1) The annual general meeting of members must be convened by the committee as soon as the report on the audit of the accounts of the Society is received by the committee.

(2) At least 8 days' notice must be given before any general meeting is held, except that the Registrar may at any time after the audit of the accounts has been completed convene the annual general meeting, which must proceed as if it had been convened by the committee.

24. The functions of the annual general meeting are—

- (a)* to confirm the minutes of the previous annual general meeting and of any intervening special general meeting;
- (b)* to consider the reports of the committee and the balance sheet together with the report on the audit of the accounts of the Society for the previous year as prepared in accordance with section 29 of the Ordinance;
- (c)* to approve the accounts or, if the accounts are not approved, to cause the secretary to notify the Registrar who must consider the matter and make a decision on it; and such decision as to the correctness of the accounts is final and conclusive;
- (d)* to hear and decide upon any complaint brought by members aggrieved by a decision of the committee, but only if notice of the complaint to be brought before the meeting has been given to the secretary at least 2 days prior to the meeting; and
- (e)* to transact any other general business of the Society.

25. (1) A special general meeting of members may be convened at any time by the committee.

(2) On receipt of a demand stating the object of the proposed meeting signed by not less than 1/5th of the members of the Society, if the society has fewer than 100 members, or by 25 members, if the society has 100 members or more, the chair of the committee must convene such a meeting giving 8 days' notice.

(3) If the chair of the committee fails to convene a meeting within 14 days from the receipt of a demand as mentioned in sub-rule (2), the members applying for the meeting may convene the meeting by notice which must contain the object of the proposed meeting and a statement to the effect that the meeting is convened on the failure of the chair of the committee to

convene the meeting demanded.

- (4) The Registrar, or a person authorised by the Registrar, may –
- (a) at any time summon a special general meeting of the Society in a manner and at a time and place the Registrar or that person directs; and
 - (b) direct what matters are to be discussed at the meeting.

Such a meeting has all the powers of a meeting called according to these rules.

26. (1) If a Society has fewer than 40 members, one half of the members or 10 members, whichever is the less, constitute a quorum for the purpose of the annual general meeting or a special general meeting, except as mentioned in sub-rule (1A).

(1A) If a Society has 40 or more members, 1/4th members constitute a quorum for the purposes of the annual or special general meetings, except that if a meeting is summoned by the Registrar any members present at the meeting constitute a quorum.

(2) If within one hour of the time fixed for any meeting other than a meeting convened by the Registrar, the members present are not sufficient to constitute a quorum, the meeting must be considered as dissolved if convened on the demand of members; in all other cases it must stand adjourned to the same day in the next week at the same time and place and a notice to that effect must be posted by the secretary within 24 hours. If at the adjourned meeting a quorum is not present within one hour from the time appointed for the meeting the members present constitute a quorum.

Procedure at meetings

27. (1) The chair of the committee or in his or her absence any other person elected by a majority of those present presides at the annual or special general meeting, except that the Registrar or a person appointed by the Registrar must preside at any meeting convened by the Registrar or on the demand of the Registrar.

(2) The secretary or in the secretary's absence any other person nominated in writing by the chair, acts as secretary at the meeting. The chair, if necessary, may nominate other officers to assist at the meeting.

(3) The chair may by the decision of the meeting adjourn the meeting from time to time and from place to place but no business may be transacted at any meeting so adjourned other than the business left unfinished at the meeting from which the adjournment took place.

(4) The chair has the right to order the closure of a discussion and put the matter to the vote.

28. Any question submitted to the decision of the members present at a meeting, unless otherwise dealt with in the rules, is to be decided by a majority of votes.

29. (1) At any meeting a resolution put to the vote is to be decided on a show of

hands unless voting by call of names or a ballot is demanded by at least 5 of the members present before the declaration of the result of the show of hands, in which case voting by call of names or a ballot must be taken, as the case may be.

(2) The chair has an ordinary vote and in case of an equality of votes is entitled to a casting vote. In the case of a meeting convened by the Registrar and presided over by the Registrar or his or her representative, the Registrar or his or her representative is not entitled to vote except on an equality of votes in which case he or she has a casting vote.

(3) In respect of every resolution put to the vote the chair must declare whether it has been carried or lost, and whether on a show of hands or unanimously or by a particular majority, and an entry to that effect in the minute book is conclusive evidence of anything contained in it.

30. Minutes of the meeting must be entered in the minute book and signed by the chair and secretary before the dissolution or adjournment of the meeting and must contain—

- (a) the number and names of the members present at the meeting and the name of the chair or of the person who presided at the meeting;
- (b) the time fixed for the meeting and the time the meeting commenced;
- (c) the total number of members present on the day the meeting was held; and
- (d) all resolutions passed or decisions made at the meeting.

Committee of a Society

31. (1) The committee must be elected at a general meeting of the Society to be held once in every 2 years convened by the Registrar for the purpose, and its members hold office until the election of a new committee and are eligible for re-election.

(1A) A special general meeting convened for the purpose by or on behalf of the Registrar may remove the committee or any members of it before the expiration of their period of office by a majority of 3/4ths of the members present, who must proceed at the same meeting to the election of others in their place. Those so elected hold office until the election of a new committee by the next general meeting convened for this purpose by the Registrar.

(2) The committee is to consist of 5 members of which 3 constitute a quorum.

32. The committee must elect its own chair who has an ordinary vote and on an equality of votes has a casting vote. In the temporary absence of the chair the committee must elect one of its members to perform the duties of the chair.

33. (1) The committee's function is to represent the Society before all competent public authorities and in all dealings and transactions with third persons. It may institute or defend suits brought in the name of or against the Society, and in general it is to carry out such duties in the management of the affairs of the Society as have not been specially assigned by the rules or by-laws to general meetings or to any other officer of the Society.

(2) The committee must always keep a copy of the latest annual balance sheet of the

Society together with the report referred to in rule 17 hung in a conspicuous place at the registered office of the Society.

34. The committee must meet as often as the business of the Society requires and in any case at least once a month. Meetings of the committee must be summoned by the secretary in writing.

35. At each committee meeting the secretary must—

- (a) read the minutes of the preceding meeting;
- (b) produce the cash book, detail the entries of receipts and payments made in it since the last meeting and with the treasurer produce the cash in their possession for verification by the committee with the cash book;
- (c) produce a statement showing the loans due and unpaid, for decision by the committee as to the action to be taken in each case;
- (d) produce applications for loans, if any, for decision by the committee in accordance with the priority of receipt; and
- (e) submit any other business for consideration by the committee.

36. Minutes of committee meetings must be recorded forthwith by the secretary in the minute book and be signed by the chair or other presiding member and by the secretary. They must contain —

- (a) the names of the members present and the date of the meeting;
- (b) the name of the chair or other presiding member; and
- (c) a short statement of all matters discussed and decisions made and a record as to whether each decision was made unanimously or by a majority.

37. A member of the committee who, without due excuse approved by the committee, fails to attend at 3 consecutive meetings of the committee is deemed to have vacated his or her office, which must then be filled as provided by rule 38.

38. (1) Vacancies occurring on the committee must be filled within 8 days by the election of substitutes elected by the remaining members of the committee. If such an election does not take place the Registrar may appoint the required substitutes.

(2) Any substitutes elected or appointed under sub-rule (1) hold office until the expiration of office of the committee.

39. The committee may borrow money on behalf of the Society up to an amount fixed by the by-laws of the Society.

40. The committee may, subject to the approval of the Registrar, open a banking account. All documents in connection with the account must be signed by 2 members of the committee and the secretary, except that with the authority of the Registrar previously obtained, such documents may be signed by one member of the committee and the secretary.

41. (1) The committee may—

- (a) appoint any clerks or employees as it considers necessary; and
- (b) fix the salary, wages or remuneration of every such clerk or employee.

(2) Every clerk and employee appointed under this rule holds office at the pleasure of the committee.

Loans to members

42. Members wishing to obtain a loan must submit an application to the committee stating the amount and the purpose for which the loan is required, the term for which it is asked, whether it is desired to repay it by instalments, and the names of the proposed sureties or any other security which is offered.

43. (1) The committee must consider at a meeting every application for a loan and if the committee is satisfied with the trustworthiness of the applicant, the sufficiency of the security offered and the prospects of advantage to the borrower, in the way of increased production or economy or otherwise, it may sanction the loan.

- (2) The following rules apply to a meeting when a loan application is considered –
- (a) no persons other than members of the committee and the secretary and the Registrar and staff of the Registrar may be present at any meeting of the committee;
 - (b) a member of the committee who applies for a loan or who is proposed as surety for a loan must withdraw while the relevant application is being discussed;
 - (a) if there is a difference of opinion concerning the granting of a loan, the voting must be taken by ballot.

(3) The proceedings with regard to loans at committee meetings must be kept secret, and any member of the committee or officer of the registered society infringing this rule is liable to immediate expulsion or dismissal.

44. Loans that have been approved in principle by the committee must be granted if a member is able to obtain 2 sureties approved by the committee, or can give other security to the satisfaction of the committee.

45. (1) No loans may be made except for a purpose to be approved in each case by the committee.

(2) All loans made must be applied by the borrowing member to the purpose the committee has approved.

46. If a loan is approved by the committee, a notice must be sent to the borrower to that effect, and before the amount is advanced the borrower and the borrower's sureties must execute an instrument in writing setting out the terms of repayment of the loan and containing any other terms and conditions the committee may consider necessary.

47. A member is not entitled to receive another loan from the Society if the

member—

- (a) is in default in the repayment of a loan or of an instalment of a loan; and
- (b) does not satisfy the committee that the default is due to a good cause,

48. If, because of sickness or some other cause, a member will be unable to discharge the obligations to the Society and notifies the secretary in writing before a loan is due, the committee may extend the time fixed for payment on conditions it thinks fit.

49. If the committee is satisfied that a member of the Society who has obtained a loan has applied the proceeds of it to a purpose other than that stated in the application for the loan under rule 43, the committee may, by notice in writing to the debtor, demand payment of the loan before the agreed date of payment.

50. The committee must take steps for the recovery of a loan or instalment by referring the matter to the Registrar as prescribed by rule 71 whenever—

- (a) a loan or an instalment of a loan has not been paid on the date on which it became due; and
- (b) no extension for the payment of it has been given to the debtor by the committee under rule 48,

Defaulting members

51. (1) Every member of the Society must deliver to the Society at a place the committee directs an amount of articles produced or obtained by the member as prescribed in the by-laws or in the relevant contract, to be disposed of by the Society.

(2) Any member who is approved or adjudged in accordance with rule 71 of these Rules to be guilty of a breach of the by-laws or of a contract with the Society must pay to the Society as liquidated damages a sum assessed or ascertained in a manner prescribed by the by-laws or by the relevant contract and such sum is a debt due to the society.

52. The committee may with the approval of the Registrar cause bad debts to be written off the books of the Society in a manner and at times the Registrar thinks fit.

Annual accounts

53. The committee must every year and as soon as conveniently possible within a time the Registrar directs—

- (a) cause the secretary to prepare and send to the Registrar the yearly balance sheet closed on the preceding 31st March together with a detailed statement of the profit and loss account; and
- (b) prepare a report on the year's working of the Society to be presented to the annual general meeting.

Transfers of shares

54. (1) Any share may be transferred with the approval of the committee to any other member at the option of the transferor, but if the transferee is not a member, the transferee must be approved of as a member by the committee, or the general meeting, according to the by-laws relating to the admission of members, before the transfer can be registered.

(1A) If the by-laws require a member to hold more than one share, the transferee must acquire by the transfer, or by the transfer and allotment, the number so required to be held before the transfer can be registered.

(2) Special transfer forms must be provided by the Registrar.

(3) No transfer of a share is valid and effective unless and until it has been registered by the secretary on the direction of the committee.

(4) A transfer of a share by a member indebted to the Society must not be registered without a special order of the committee.

(5) Until a transfer is registered no right is acquired against the Society by the transferee, nor is any claim of the Society upon the transferor affected by the transfer.

55. (1) The committee may, in default of payment by any member indebted to the Society for at least 3/4ths of the sum paid up for the time being on any transferable share held by the member, sell, the share to any person entitled to hold it under the rules or by-laws for the best price obtainable and apply the proceeds in or towards the discharge of the debt so due and of any expense incurred in relation to the debt.

(2) The committee must then pay the balance (if any) to the member, and is not responsible for any loss occasioned by the sale, and the defaulting member ceases to have any further claim in respect of the share.

(3) A share sold under this Rule must be registered in the books of the Society as transferred.

Secretary of a Society

56. (1) The committee must appoint a secretary and, unless the person so appointed is a member of the committee, may fix the remuneration for his or her services.

(2) The secretary, if a member of the committee, is to be unpaid.

(3) No appointment made under sub-rule (1) is valid and effective and no remuneration fixed under it is payable or recoverable unless approved by the Registrar. If approval is given, it must be communicated in writing by the Registrar to the committee.

(4) If the committee fails to appoint a secretary, the Registrar must appoint one, and unless the person so appointed is a member of the committee, must fix his or her remuneration.

An appointment by the Registrar under this sub-rule is valid and effective, and remuneration fixed by the Registrar is payable and recoverable as if made or fixed by the committee.

(5) The secretary holds office until his or her services are terminated by one month's notice in writing given by the committee, but no such determination is valid and effective until approved in writing by the Registrar.

(6) The secretary may resign office by giving one month's notice to the committee in writing.

(7) On the occurrence of a vacancy in the office of secretary, the provisions of this rule apply, with necessary modifications, to the filling of the vacancy.

57. The remuneration of the secretary (if any) is to be paid from the funds of the Society monthly in arrear.

58. (1) The secretary may be required to give security in an amount the committee decides.

(2) Every such security and its amount are subject to the written approval of the Registrar.

59. (1) The committee may at any time suspend the secretary for an irregularity in the performance of his or her duties.

(2) Such suspension must be reported forthwith to the Registrar who must approve or disallow it and communicate his or her decision to the secretary and the committee in writing. On notification of the Registrar's approval of the suspension the services of the secretary must be terminated without further notice.

(3) If the secretary is suspended, the committee must forthwith appoint a substitute to hold office during the period of the suspension and must report the name of such substitute to the Registrar.

60. (1) The secretary must not be absent from duty except with the permission of the committee previously obtained.

(2) During the absence of the secretary, the committee must appoint a temporary secretary and must report the appointment to the Registrar.

(3) If the secretary wishes to be absent from duty for more than one month at any one time, the committee must, before granting permission for the absence, obtain the Registrar's permission for the absence.

61. (1) The duties of the secretary are —

(a) to attend all meetings of the Society and of the committee and carry out all the

- instructions of the committee;
- (b) to be present at the office during the hours of business as fixed from time to time by the committee;
 - (c) to record the whole of the transactions of the Society in the books provided for that purpose; to conduct correspondence on behalf of the Society; to prepare the annual statement of accounts and balance sheet and to have charge of the documents, books and vouchers for payments and receipts on behalf of the Society;
 - (d) to receive all applications for loans and bring them before the committee; to prepare receipts and other documents in the form prescribed for signature by borrowers prior to their taking the loans sanctioned; and with the authority of the committee to supply information about the Society which is applied for by members;
 - (e) to receive all moneys due or payable to the Society and issue receipts to the payer of them from a counterfoil receipt book supplied to the Society for the purpose by the Registrar, obtaining at the same time the signature of the person making the payment on the counterfoil;
 - (f) to deposit with the treasurer from moneys collected by the Secretary on behalf of the Society all sums in excess of an amount to be fixed from time to time by the committee and to obtain from the treasurer a receipt on a form to be taken from the prescribed counterfoil book;
 - (g) to keep separate all moneys belonging to the Society and on no account to mix them with any other moneys; and to produce at all times when called upon to the committee or the Registrar or any person authorised by the Registrar all moneys in the secretary's hand belonging to the Society;
 - (h) to make payments as authorised by the committee, obtaining the payee's signature in the payment book specified by the Registrar; but if the payment is made outside the Society's office the secretary must obtain from the payee a manuscript receipt and attach it to a separate page of the payment book;
 - (i) to issue a receipt on a form to be taken from the specified counterfoil book when receiving money from the treasurer; and
 - (j) to summon meetings as provided in these rules.

(2) The duties of the secretary set out in sub-rule (1) may be exercised by the secretary in person or by an employee subordinate to the secretary acting under and in accordance with his or her general or special instruction.

Treasurer of a Society

62. The committee must appoint one of the members of the committee other than the chair, to be the treasurer.

63. The treasurer may be required to give security for an amount decided by and to the satisfaction of the committee.

64. The duties of the treasurer are—

- (a) to receive from the secretary as provided in rule 61(f) moneys collected by the latter on behalf of the Society, providing him or her with a receipt on a form taken from the

- counterfoil book supplied for the purpose by the Registrar and obtaining at the same time the signature of the secretary on the counterfoil;
- (b) to advance money to the secretary for payments and obtain from him or her a receipt from the prescribed counterfoil book;
 - (c) to place to the account of the Society in the Bank of St Helena Limited any amount in his or her hands in excess of the amount fixed from time to time by the committee;
 - (d) to keep separate all moneys belonging to the Society and on no account to mix them with any other moneys; and produce at all times, when called upon, to the committee, the Registrar or any person authorised by the Registrar, all moneys in his or her hands belonging to the Society; and
 - (e) to keep a record on the specified form of all moneys received by him or her from the secretary and of all moneys paid to the secretary.

Miscellaneous provisions

65. If, in the opinion of the Registrar, a member of the committee or other officer of a Society is unfit for the discharge of his or her duties, the Society must on being so required by the Registrar dismiss the member or officer.

66. (1) The reserve fund of a Society, created pursuant to rule 20 may, with the approval of the Registrar, be—

- (a) used in the business of the Society; or
- (b) applied to meet occasional deficiencies incurred by the Society.

(2) In approving the use or application of the reserve fund under sub-rule (1), the Registrar may impose terms and conditions he or she thinks fit.

67. (1) Pursuant to section 29 of the Ordinance, the accounts of every Society must be audited at least once a year by the auditor engaged for that purpose.

(2) The auditor must have access to all the books and accounts of the Society, must examine every balance sheet and annual return of the receipts and expenditure, fund and effects of the Society and must verify them with the accounts and vouchers relating to them, and either sign them as found to be correct, duly vouched and in accordance with the Ordinance, and report to the Registrar accordingly; or must specially report to the Registrar in what respects the auditor finds them incorrect, unvouched or not in accordance with the Ordinance.

(3) The Registrar must send the auditor's report received under sub-rule (2) to the committee.

68. (1) The by-laws of a proposed society must contain provision in respect of the following matters—

- (a) the name of the society;
- (b) the registered address of the society;
- (c) the objects for which the society was established;
- (d) the purposes to which the funds may be applied;

- (e) the qualifications for membership, the terms of admission of members, and the mode of election;
- (f) the nature and extent of the liability of members; and
- (g) the manner of raising funds, including the maximum rate of interest on deposits.

(2) If the objects of the proposed society include the creation of funds to be lent to the members, the proposed by-laws must in addition contain provision in respect of the following matters—

- (a) the occupation or residence of the members;
- (b) the conditions on which loans may be made to members including—
 - (i) the rate of interest; and
 - (ii) the maximum amount which may be lent to a member; and
- (c) the consequences, if any, of default in the payment of any sum due on account of shares.

69. (1) If, pursuant to section 14 of the Ordinance, a Society amends its by-laws, the amendments must be made by a resolution of the members at a general meeting.

(2) A resolution under sub-rule (1) is not valid and effective unless it was taken by a majority of not less than 3/4ths of the members present at the general meeting at which it was proposed.

(3) A copy of a resolution under sub-rule (1) must be forwarded to the Registrar together with 3 copies of the amendment.

70. (1) For the purposes of section 34 of the Ordinance a copy of an entry in the books of a Society may be certified by a certificate written at the foot of the copy, declaring that it is a true copy of the entry and that the book containing the entry is still in the custody of the Society.

(2) A certificate provided under sub-rule (1) must be dated and signed by the secretary and one member of the committee.

71. (1) Any dispute concerning the business of a Society—

- (a) among members, past members, and persons claiming through members, past members and deceased members;
- (b) between a member, past member, or person claiming through a member, past member and deceased member and the Society, its committee or any officer of the Society;
- (c) between the Society or its committee and any officer of the Society; or
- (d) between the Society and any Society,

must be referred to the Registrar for decision upon payment of any prescribed fee.

(1A) A claim by a Society for any debt or demand due to it from a member, past member or the nominee, heir or legal representative of a deceased member is deemed to be a dispute concerning the business of the society within the meaning of sub-rule (1).

- (2) The Registrar may, on receipt of a reference under sub-rule (1)—
- (a) decide the dispute himself; or
 - (b) refer it for disposal to an arbitrator or arbitrators.

(3) Any party aggrieved by the award of the arbitrator or arbitrators may appeal from it to the Registrar within a period and in a manner specified by the Registrar.

(4) A decision of the Registrar under sub-rule (2) or on appeal under sub-rule (3) is final and may not be called in question in any civil court except by way of judicial review of the decision.

- (5) The award of the arbitrator or arbitrators under sub-rule (2) -
- (a) is, if no appeal is made to the Registrar under sub-rule (3), or if any such appeal is abandoned or withdrawn, final and may not be called in question in any civil court except by way of judicial review of the decision; and
 - (b) is enforceable in the same manner as if the award had been a judgment of a civil court.
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