

guarantee for a member's loan. In considering the maximum amount of loan that a member can access from the Society, the total amount of shares of the member together with the savings balance shall be accepted as a collateral.

16. Are TAUCSOD LTD. shares withdrawable or transferable?

No. TAUCSOD LTD. shares are not withdrawable or transferable. Shares held by a member in TAUCSOD LTD. societies shall be personal to the individual. Shares cannot therefore be transferred from one member to another member of the society or a member of another TAUCSOD LTD. society. Additionally, TAUCSOD LTD. shares are also not withdrawable unless the holder ceases to be a member; either by death or resignation of membership. In either case, withdrawal will be permitted in writing after given three (3) months notice. On receipt and approval of application for withdrawal of shares of a member, the balance on his share account will be used as a set-off any loans and interest owed by the member. Any balance remaining will then be paid to the member or next-of-kin as indicated in the membership application form on admission.

17. How will TAUCSOD LTD. handle a member's share records?

- a. TAUCSOD LTD. shall keep an updated share record of members.
- b. The record shall be kept at all TAUCSOD LTD. societies' offices as well as in the HEAD OFFICE and shall contain the following information.
 - i. The date on which the member purchased the share.
 - ii. The name and address of the member
 - iii. The amount of shares bought.
 - iv. Dates and amounts of any additions.
 - v. The date on which the member ceased to be a member.
 - vi. Any other relevant information.

18. What are the regulations on dividend payment?

- a. TAUCSOD LTD. Board of Directors shall recommend to the Annual General Meeting the rate of dividend payable at the end of every financial year.
- b. Dividend shall be paid after the accounts have been audited and certified by The TAUCSOD LTD. or Department of Co-operative union.
- c. The amount of dividend payable shall not be higher than that proposed by the Board of Directors.
- d. Dividend shall be credited to members' share account. No cash dividend shall be paid.
- e. Dividend shall be paid on the minimum share balance held by a member for the year.
- f. Dividend for any financial year shall be paid on the surplus of that particular year.
- g. No dividend shall be declared or paid if after such payment the TAUCSOD LTD. Society will be unable to pay its debts as they fall due.

19. What shall be a member's liability at the time of dissolution?

- a. Upon liquidation (winding up) a member's liability shall be limited to the amount of shares held.
- b. However, where a member's shareholding falls below the required minimum shareholding at the time of liquidation, the member shall be required to pay up the difference to attain the minimum. This shall be achieved by debiting the members savings and crediting the share account with the difference needed for the member to attain the minimum shares.

20. Is voting by proxy allowed by TAUCSOD LTD.?

No. Voting by proxy at the Annual General Meeting shall not be allowed. TAUCSOD's LTD. bye-laws state 'a member must be present to vote.



LOCATION:
In The Premises of The Catholic
Archdiocesan Secretariat
P. O. Box TL 42

Tel: 03720-21391 / 024-2818311

TAUCSOD LTD.
Tamale Archdiocesan Union
of Co-operative Societies
for Development Limited



03720-21391
024-2818311

Printed By: 0544659515

1. TAUCSOD LTD. shares policy

TAUCSOD LTD. shares policy aims at ensuring three things.

- a. a stable share capital source of funds for TAUCSOD LTD., maintained at all times to protect the Society's assets against the risk of loss.
- b. Ensure that share contributions are adequately accounted for and applied on only worthwhile purpose.
- c. Pay fair returns (dividend) on investment in shares.

2. What is a share capital

A share capital of TAUCSOD LTD. is the Society's financial base. TAUCSOD's main objective is to build and maintain an adequate capital level.

3. What components make up TAUCSOD LTD. share capital?

The share capital of TAUCSOD LTD. is comprised of the following.

- a. Equity capital which is the amount of share contributions from members. This equity is needed for the commence and stay in operations.
- b. Institutional capital or Reserves. This share capital of is built over the course of its life through appropriations.

4. What total capital adequacy ratio shall the TAUCSOD LTD Board of Directors (BOD) endeavour to maintain?

In line with the industry standards or as may be determined by the TAUCSOD LTD. Society from time to time, TAUCSOD LTD. BOD shall always endeavour to maintain a total capital adequacy ratio of 15% of Total Assets or better.

5. What uses shall the TAUCSOD LTD. share capital be put to?

As a stipulated source of funds, TAUCSOD LTD. share capital shall be used to protect the Society Assets against the risk of loss in the following order.

- a. Institutional capital or Reserves shall be the first line of protection in the event of losses either through embezzlement or operational deficit. TAUCSOD LTD. shall always make the effort to build sufficient. Reserves to adequately protect members investments in this direction.
- b. Members share contributions or equity; capital shall be the second line of protection. Consequently, all members shall endeavour to subscribe to the prevailing minimum share capital.
- c. Member's savings shall be the third line of protection in the event of inadequate protection from shares and reserves.

6. Apart from protection what other use can TUACSOD LTD. share capital be put to by the BOD?

The BOD shall use TAUCSOD's LTD. share for investments. NB. Share capital will not be used to finance operational expenses.

The BOD shall ensure that capital is invested profitably to

ensure adequate returns on member investments.

7. Who is qualifies to subscribe to TAUCSOD LTD. share?

As a co-operative body owned and controlled by the members, TAUCSOD LTD. shares shall be limited and available for subscription to only members within the defined TAUCSOD LTD. bond of cooperation.

8. How does one become a member of TAUCSOD LTD. ?

The process for admission to membership and therefore qualification to subscribe to shares are as provided in the bye-laws.

9. Are there limitations or maximum amount of shares any member can hold.?

Yes

- a. No member (corporate individual or groups shall hold more than 20% of the total share capital of TAUCSOD LTD.) except the church (the Roman Catholic Church)
- b. The maximum amount of share a member of TAUCSOD LTD. can hold is related to the total shareholding of all members.
- c. Except the church (the Roman Catholic Church) is exempted from "b" above.

10. Do shareholders have any rights?

Yes. Shareholders have many rights.

- a. Right to vote. In the event of decision-making through voting, each member shall have one vote, irrespective of number of shares held.
- b. Right to be voted for. Every member of TAUCSOD LTD. shall have the right to be voted for. Every member shall exercise his/her right to vote at the Annual General Meeting or any special meeting of members. Every shareholder has the right to contest for election to any of the committees or to serve TAUCSOD in any capacity. This right is however contingent upon the member share qualification. Voting in TAUCSOD LTD. can be either by secret ballot or be open. (show-of-hands) Every member must be present to vote in person.
- c. Each member shall have the right to a dividend on his/or her shares provided the member has attained the minimum shareholding approved by the Board of Directors. Dividend shall be in proportion to members shareholding. The minimum monthly share capital balance for the individual for the financial year shall be used in calculating the amount of dividend payable to the individual shareholder.

11. What is a member's obligation to subscribe to the minimum shares?

A member's obligation to subscribe to the minimum

shares is as follows:

- a. Every member shall be required to acquire the minimum share capital which shall be determined from time to time by the Annual General Meeting.
- b. In order that TAUCSOD LTD. attain its objectives of adequate share capital, it shall be compulsory for every TAUCSOD LTD. member to hold this minimum shares.
- c. Any member who holds less than the minimum, will not be regarded as a qualified member and cannot therefore enjoy the right of membership.
- d. When a new minimum shareholding is approved by the AGM, all members shall be required to attain the new minimum.
- e. As the total assets of the societies increase, there will always be the need for adjustments in share contribution in order that the relationship of shares to Total Assets can be maintained. To achieve this, the minimum shareholding shall be reviewed from time to time.

12. What time period is given for the acquisition of new minimum share capital when approved?

- a. The AGM that approves the minimum shareholding shall also approve of a time within which all members must acquire the minimum share holding either in full or peace meal.
- b. At the expiration of his time period, any member who has not yet acquired the minimum shall not enjoy the rights specified in (10) above.

13. What shall new members be required to do as far as shareholding is concerned?

- a. New members shall be required to acquire the minimum shareholding before payments for other products such as savings etc can be accepted. "
- b. Until the minimum shareholding is attained part of members saving shall be credited to their shares account.

14. Why are share certificates not issued to members?

Share certificates are not issued to members because TAUCSOD LTD. shares are open at all times. Furthermore;

- a. A record of shareholding shall be maintained in the member's statement of account with the society.
- b. Entries made in the member's statement of account shall be enough evidence of the title to shares. Other information shall include the date of purchase/or withdrawal amounts as well as Balances.
- c. A statement shall be issued to every member on demand at no cost.
- d. TAUCSOD LTD. shares are not floated on the stock market.

15. Can shares be used as a guarantee for a member's loan?

Yes. The shareholding of a member can be used as a