# BONYERE TEACHERS' COOPERATIVE CREDIT UNION LIMITED
# REVISED OPERATIONAL SHARE POLICY

## PREAMBLE

To comply with the Co-operative Law which states that "before a person is accepted as a member of any co-operative venture(s), he/she might have paid the required entrance fee, and at least the minimum required share(s)". This document, herein called **The Share Policy** seeks to regulate the shareholding of members so as to create wealth for them. It also seeks to consider the capital gearing of the Credit Union.

## ARTICLE 1 - OBJECTIVES

1. To regulate members' shareholding.
2. To determine the level of shares acquisition in the Credit Union.
3. To ensure equitable distribution of dividends.
4. To encourage members to increase their share capital voluntary.
5. To have an acceptable gearing level of equity for the Credit Union.

## ARTICLE 2 - PURPOSE OF SHARES

1. To become a co-owner of the Credit Union and be able to participate in the democratic process of the Credit Union.
2. To guarantee the members' right of voting at any properly organised general meeting.
3. To invest the supreme authority and power in the co-owners who are known as the **members** of the Credit Union.
4. To build a sound capital base for the Credit Union.
5. To let the shares also serve as a risk capital; a member's liability is limited to the minimum required amount of capital he/she owns.
6. To use shares to improve upon the income generation of the Credit Union.

7. To use share capital to serve as funds for long term projects and capital investments.

## ARTICLE 3 - VALUE OF SHARES

1. The share shall be called **Ordinary Shares.**

2. The value of each ordinary share of the Credit Union shall be **GH¢20.00**

## ARTICLE 4 - LEVEL OF SHAREHOLDINGS

### 1. Minimum Share Capital

Every person shall buy the minimum share capital of the Credit Union in order to become a qualified member. The minimum shares shall at least be **fifteen (15) at GH¢20.00 each.** The Board of Directors shall be responsible to determine or increase the minimum share capital considering the economic factors of the economy and in accordance with CUA's minimum share capital per member.

Shares subscribed shall be evidenced by the issuance of a passbook. In the absence of the passbook, share certificate shall be issued.

a. Every member or prospective member of Bonyere Teachers Co-operative Credit Union Limited shall be required to own (buy) at least the minimum shares in compliance with the Co-operative Decree 252 of 1968 and the Credit Union’s Bye-Laws (Article 9)

b. Each person must buy the minimum shares of **GH¢300.00** consists of 15 shares at **GH¢20.00** a share.

c. The Board of Directors may review the minimum share when deemed necessary.

d. The minimum aggregate shares subscribed should be at least **10%** of the total assets of the Credit Union.

### 2. Maximum Share Capital

a. A member is allowed to own or buy more than the minimum shares.

b. No member shall be allowed to hold or buy more than 25% of the total shares of the Credit Union at any given time.

**ARTICLE 5 - SHARE DIVIDENDS**

1. Members may receive dividend on their shares at the end of every financial year as proposed by the Board and accepted by the Annual General Meeting.

2. The Manager with his/her Management shall submit to the Board a proposal of the rate of dividend for consideration and approval after profit is declared at the end of the financial year.

3. Dividend shall be calculated after all reserves have been met fully.

4. A member qualifies to be paid with dividend if he/she has purchased the minimum shares within six months' time of the financial year.

5. Dividends shall only be declared after interest on members' savings has been deducted and a net profit is declared at the end of the financial year.

6. Dividends when proposed shall be paid to members only after it has been approved by a properly Constituted Annual General Meeting as per Article 45 (3) of Credit Union's Bye-Laws.

7. Share dividends, when approved by the Annual General Meeting shall be paid into members' share account, and shall be capitalised.

8. Dividend rate shall be high at all times than interest on Regular Savings to attract more purchase of shares by members and at least shall not be less than **12%.**

**ARTICLE 6 - LIABILITY**

For any legal purpose or by the order of the Registrar as in Article 71 of the Bye-Laws should there be any liquidation of the Credit Union, all debts incurred by the Credit Union shall be defrayed with members' shareholdings only. This means that the liability of a member for the debts of the Credit Union shall be limited to his/her shareholdings only and **shall not include any type of his/her savings.**

## ARTICLE 7 - VOTING RIGHTS

All members holding the minimum shares shall have equal voting rights. New members who have not paid up to (100%) of their minimum shares shall not have the right to vote at the Annual General Meeting. Existing members who have not paid up to 80% of new minimum share capital when the Board increased the old minimum shares shall not be allowed to vote at the Annual General Meeting. This is only for the first year of the increase in the shares' value. Every new change of minimum shares value shall be fully paid up for by the end of the second (2nd) financial year after the declaration by the Board of Directors to guarantee full voting right of all members.

## ARTICLE 8 - WITHDRAWAL OF SHARES

Shares shall not be withdrawn either in part or whole except in the event of resignation, where the member shall be required to give at least **thirty (30) days written notice**. However, if the Board of Directors so desire to allow any member who has invested much in the share capital to withdraw part, so shall it be done.

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