

AMENDEMENTS OF ARTICLES OF COOPERATION AND BY LAWS

FROM	TO
Amended Articles of Cooperation	Amended Articles of Cooperation
Article II Type and Purpose(s)	Article II Type and Purpose(s)
That the type of this cooperative is multipurpose and the purpose(s) for which this Cooperative is organized is/are to engage in:	That the type of this cooperative is multipurpose and the purpose(s) for which this Cooperative is organized is/are to engage in:
None	<u>Credit</u>
None	<u>Consumers</u>
None	<u>Insurance Agent</u>
None	<u>Transportation</u>
None	<u>Housing</u>
1.To encourage thrift and savings mobilization among members;	Delete
2.To generate funds and extend credit to the members for productive and prudent purposes;	Delete
3. To provide goods and services and other requirements to the members;	Delete
4. To develop expertise and skills among its members;	Delete
5. To acquire lands and provide housing benefits to its members;	Delete
6. To insure against losses of its members;	Delete
7. To promote and advance the economic, social and educational status of the members;	Delete
8. To establish, own, lease or operate cooperative banks, cooperative wholesale and retail complexes, insurance and agricultural/industrial processing enterprises, and public markets;	Delete
9. To coordinate and facilitate the activities of Cooperative;	Delete
10. To advocate the cause of the cooperative movement;	Delete
11. To ensure the viability of cooperatives through the utilization of new technologies;	Delete
12. To encourage and promote self-help or self-employment as an engine for economic growth and poverty alleviation;and	Delete
13. To undertake any and all other activities for the effective and efficient implementation of the provision of this Code.	Delete

Article III Goals	Article III Goals
That the goals of this cooperative is to help improve the quality of life of its members and in furtherance thereto shall aim:	That the goals of this cooperative is to help improve the quality of life of its members and in furtherance thereto shall aim:
1.To attain increased income, savings, investments, productivity, and purchasing power, and promote among themselves equitable distribution of net surplus through maximum utilization of economies of scale, cost-sharing and risk-sharing;	1.To attain increased income, savings, investments, productivity, and purchasing power, and promote among themselves equitable distribution of net surplus through maximum utilization of economies of scale, cost-sharing and risk-sharing;
2.To provide optimum social and economic benefits to its members;	2.To provide optimum social and economic benefits to its members;
3.To teach members efficient ways of doing things in a cooperative manner;	3.To teach members efficient ways of doing things in a cooperative manner;
4.To propagate cooperative practices and new ideas in business and management;	4.To propagate cooperative practices and new ideas in business and management;
5.To allow the lower income and less privileged groups to increase their ownership in the wealth of the nation;	5.To allow the lower income and less privileged groups to increase their ownership in the wealth of the nation;
6.To actively support the government, other cooperatives and people oriented organizations, both local and foreign, in promoting cooperatives as a practical means towards sustainable socio-economic development under a truly just and democratic society;	6.To actively support the government, other cooperatives and people oriented organizations, both local and foreign, in promoting cooperatives as a practical means towards sustainable socio-economic development under a truly just and democratic society;
7.To institutionalize a dynamic savings mobilization and capital build-up schemes to sustain its developmental activities and long-term investments, thereby ensuring optimum economic benefits to the members, their families and the general public;	7.To institutionalize a dynamic savings mobilization and capital build-up schemes to sustain its developmental activities and long-term investments, thereby ensuring optimum economic benefits to the members, their families and the general public;
8.To implement policy guidelines that will ensure transparency, equitable access to its resources and services, and promote the interests of the members; and	8.To implement policy guidelines that will ensure transparency, equitable access to its resources and services, and promote the interests of the members; and
9.To adopt such other plans as may help foster the welfare of the members, their families and the community.	9.To adopt such other plans as may help foster the welfare of the members, their families and the community.
None	<u>10.To act as guardian cooperative and accept the responsibilities in the supervision of the laboratory cooperative.</u>
Article VI Common Bond and Field of Membership	Article VI Common Bond and Field of Membership
That the common bond of membership of this Cooperative is residential and, shall be open to all natural persons who are all Filipino citizen, of legal age, with the capacity to contract and possess all the	That the common bond of membership of this Cooperative is residential and, shall be open to all natural persons who are all Filipino citizen, of legal age, <u>residents</u>

qualifications and none of the disqualifications provided for in the By-laws and this Articles of Cooperation.	<u>nationwide working and/or residing with the capacity to contract and possess all the qualifications and none of the disqualifications provided for in the By-laws and this Articles of Cooperation.</u>
Article VII Area of Operation	Article VII Area of Operation
That the membership of this Cooperative shall come from Nationwide. Its principal office shall be located at (Mantawi Avenue, William Seno St., Poblacion Subangdaku Mandaue City 6014.)	That the membership of this Cooperative shall come from Nationwide. Its principal office shall be located at <u>254 SB Cabahug St., Barangay Ibabao-Estancia, Mandaue City, Cebu Province 6014.</u>
ARTICLE X Capitalization	ARTICLE X Capitalization
That the Authorized Share Capital of this Cooperative is Two Hundred Million Pesos (Php200,000,000.00), divided into :	<u>That as such, I hereby certify that the authorized share capital of this cooperative is Two Billion Three Hundred Ten Million Five Hundred Ninety Three Thousand Six Hundred Pesos (Php2,310,593,600.00).</u>
Four Million (4,000,000) shares with a par value of Fifty Pesos (Php50.00) per share.	a) <u>Thirty Four Million Six Hundred Fifty Eight Thousand Nine Hundred Four (34,658,904) common shares with a par value of Fifty Pesos (Php50.00) per share; and</u>
None	<u>b.) Eleven Million Five Hundred Fifty Two Thousand Nine Hundred Sixty Eight (11,552,968) preferred shares with a par value of Fifty Pesos (Php50.00) per share.</u>
ARTICLE XI Subscribed and Paid-up Share Capital	ARTICLE XI Subscribed and Paid-up Share Capital
That of the authorized share capital, the amount of One Hundred Fifty Million Pesos (Php150,000,000.00) has been subscribed; and	<u>That of the authorized share capital, the amount of Five Hundred Seventy Seven Million Six Hundred Forty Eight Thousand Four Hundred Pesos (Php577,648,400.00) has been subscribed, and</u>
Seventy Five Million Four Sixty One Thousand Two Hundred Sixty Nine Pesos and 07/100 Centavos (Php75,061,269.07) of the total subscription has been paid by the following members-subscribers:	<u>One Hundred Forty Four Million Four Hundred Twelve Thousand One Hundred Pesos (Php144,412,100.00) of the total subscription has been paid by the following members-subscribers:</u>
FROM	TO
Amended By Laws	Amended By Laws
Preamble	Preamble
(We, the undersigned Filipino citizens, all of legal age, and residents	<u>We, the undersigned Filipino citizens all of legal age, and residents of th</u>

of the Philippines, representing at least majority of the members Lipi Employees Multipurpose Cooperative of this primary multipurpose cooperative, do hereby adopt the following code of By-laws.)	Philippines, representing at least majority of the members of this primary multipurpose cooperative, do hereby adopt the following code of By-laws.
Article II Membership	Article II Membership
Section 1. Membership	Section 1. Membership
This Cooperative shall have regular and associate members.	This Cooperative shall have regular and associate members.
None	<u>Regular Members are those who have complied with all the membership requirements and are entitled to all the rights and privileges of membership.</u>
None	<u>Associate Members are those who have no right to vote nor be voted upon and are entitled only to limited rights, privileges and membership duration as provided in the By-laws of the Cooperative, the Philippine Cooperative Code of 2008, and its Implementing Rules and Regulation.</u>
None	<u>An associate member who meets the minimum requirements of regular membership and continues to patronize the Cooperative for two (2) years, and signifies his/her intention to remain a member shall be considered a regular member.</u>
Section 2. Qualification for Membership	Section 2. Qualification for Membership
The membership of this Cooperative is open to all natural persons, Filipino citizen, of legal age, with capacity to contract and, within the common bond and field of membership described as follows:	The membership of this Cooperative is open to all natural persons, Filipino citizen, of legal age, with capacity to contract and, within the common bond and field of membership described as follows:
(Members) residing and/or working in the area of operation as provided in Article VII of the Articles of Cooperation thereof.	<u>Nationwide</u> residing and/or working in the area of operation as provided in Article VII of the Articles of Cooperation thereof.
Section 6. Minimum Share Capital Requirement	Section 6. Minimum Share Capital Requirement.
(An applicant for membership shall subscribe at least twenty (20) shares equivalent to one thousand pesos (P1,000.00) common shares and pay the value of at least five (5) shares upon approval of his/her membership)	<u>An applicant for membership shall subscribe at least twenty (20) shares and pay the value of at least Two Hundred Fifty Pesos (Php250.00) corresponding to five (5) shares upon approval of his/her membership</u>
However, no member shall own or hold more than ten percent (10%) of the total subscribed share capital of the Cooperative.	However, no member shall own or hold more than ten percent (10%) of the total subscribed share capital of the Cooperative.
ARTICLE III Administration	ARTICLE III Administration
Section 3. Meetings of the general assembly, board of directors and committees may be regular or special. All proceedings and business(es) undertaken at any meeting of the general assembly or	Section 3. Meetings of the general assembly, board of directors and committees may be regular or special. <u>Meetings may be conducted through physical attendance, videoconferencing or combination of</u>

<p>Board of Directors, if within the powers or authority of the Cooperative, there being a quorum, shall be valid.</p>	<p><u>both.</u> All proceedings and business(es) undertaken at any meeting of the general assembly or Board of Directors, if within the powers or authority of the Cooperative, there being a quorum, shall be valid.</p>
<p>Section 4. Regular General Assembly Meeting. The General Assembly shall hold its annual regular meeting every last Sunday of March at the principal office of the Cooperative or at any places in the Philippines with in ninety (90) days after the close of its fiscal year (January –December).</p>	<p>Section 4. Regular General Assembly Meeting. The General Assembly shall hold its annual regular meeting every last Sunday of March at the principal office of the Cooperative or at any places in the Philippines <u>through any digital channel, in case of video-conference</u> with in ninety (90) days after the close of its fiscal year (January – December).</p>
<p>Section 5. Special General Assembly Meeting. The Board of Directors may, by a majority vote of all its members, call a special general assembly meeting at any time or to consider urgent matters requiring immediate membership decision. The Board of Directors must likewise call a special general assembly meeting within one (1) month from receipt of a written request from:</p>	<p>Section 5. Special General Assembly Meeting. The Board of Directors may, by a majority vote of all its members, call a special general assembly meeting at any time or <u>through any digital channel, in case of video conference</u> to consider urgent matters requiring immediate membership decision. The Board of Directors must likewise call a special general assembly meeting within one (1) month from receipt of a written request from:</p>
<p><i>Section 9. Voting System.</i> Only members entitled to vote shall be qualified to participate and vote in any general assembly meeting. A member is entitled to one vote only regardless of the number of shares he/she owns.</p>	<p><i>Section 9. Voting System.</i> Only members entitled to vote shall be qualified to participate and vote in any general assembly meeting. A member is entitled to one vote only regardless of the number of shares he/she owns.</p>
<p>Election or removal of Directors and Committee members shall be by (secret ballot). Action on all matters shall be in any manner that will truly and correctly reflect the will of the membership. No proxy and/or cumulative voting shall be allowed</p>	<p>Election or removal of Directors and Committee members shall be by <u>electronic voting.</u> Action on all matters shall be in any manner that will truly and correctly reflect the will of the membership. No proxy and/or cumulative voting shall be allowed.</p>

ARTICLE IV Board of Directors	ARTICLE IV Board of Directors
<i>Section 5. Election of Directors</i>	<i>Section 5. Election of Directors</i>
<p>The members of the Board of Directors shall be elected by (secret ballot) by members entitled to vote during the annual regular general assembly meeting or special general assembly meeting called for the purpose. Unless earlier removed for cause, or have resigned or become incapacitated, they shall hold office for a term of two (2) years or until their successors shall have been elected and qualified; Provided, that majority of the elected directors obtaining the highest number of votes during the first election after registration shall serve for two (2) years, and the remaining directors for one (1) year. Thereafter, all directors shall serve for a term of two (2) years. The term of the cooperating directors shall expire upon the election of their successors in the first regular general assembly after registration</p>	<p>The members of the Board of Directors shall be elected by <u>electronic voting</u> by members entitled to vote during the annual regular general assembly meeting or special general assembly meeting called for the purpose. Unless earlier removed for cause, or have resigned or become incapacitated, they shall hold office for a term of two (2) years or until their successors shall have been elected and qualified; Provided, that majority of the elected directors obtaining the highest number of votes during the first election after registration shall serve for two (2) years, and the remaining directors for one (1) year. Thereafter, all directors shall serve for a term of two (2) years. The term of the cooperating directors shall expire upon the election of their successors in the first regular general assembly after registration.</p>
<i>Section 6. Election of Officer within the Board.</i>	<i>Section 6. Election of Officer within the Board.</i>
<p>The Board of Directors shall convene within ten (10) days after the general assembly meeting to elect by (secret ballot) from among themselves the <i>Chairperson</i> and the <i>Vice-Chairperson</i>, and to elect or appoint the <i>Secretary</i> and <i>Treasurer</i> from outside of the Board.</p>	<p>The Board of Directors shall convene within ten (10) days after the general assembly meeting to elect by <u>electronic voting</u> from among themselves the <i>Chairperson</i> and the <i>Vice-Chairperson</i>, and to elect or appoint the <i>Secretary</i> and <i>Treasurer</i> from outside of the Board.</p>
<p>For committees elected by the General Assembly and/or appointed by the BOD, procedural process of electing the Chairperson, Vice-Chairperson or other positions among themselves should be in accordance with the process of the mentioned above.</p>	<p>For committees elected by the General Assembly and/or appointed by the BOD, procedural process of electing the Chairperson, Vice-Chairperson or other positions among themselves should be in accordance with the process of the mentioned above.</p>
ARTICLE V Committees	ARTICLE V Committees
<i>Section 1. Audit Committee</i>	<i>Section 1. Audit Committee</i>
<p>An Audit Committee is hereby created and shall be composed of three (3) members to be elected during a general assembly meeting and shall hold office for a term of (one (1) year) or until their successors shall have been elected and qualified. Within ten (10) days after their election, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the Cooperative during his/her term of office. The Committee shall provide internal audit service, maintain a complete record of its examination and inventory, and submit an audit</p>	<p>An Audit Committee is hereby created and shall be composed of three (3) members to be elected during a general assembly meeting and shall hold office for a term of <u>two (2) years</u> or until their successors shall have been elected and qualified. Within ten (10) days after their election, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the Cooperative during his/her term of office. The Committee shall provide internal audit service, maintain a complete record of its examination and inventory, and submit an audit</p>

report quarterly or as may be required by the Board and the general assembly.	report quarterly or as may be required by the Board and the general assembly.
The audit committee shall be directly accountable and responsible to the General Assembly. It shall have the power and duty to continuously monitor the adequacy and effectiveness of the cooperative's management control system and audit the performance of the cooperative and its various responsibility centers.	The audit committee shall be directly accountable and responsible to the General Assembly. It shall have the power and duty to continuously monitor the adequacy and effectiveness of the cooperative's management control system and audit the performance of the cooperative and its various responsibility centers.
Section 3. Election Committee	Section 3. Election Committee
An Election Committee is hereby created and shall be composed of three (3) members to be elected during a general assembly meeting and shall hold office for a term of (one (1) year) or until their successors shall have been elected and qualified. Within ten (10) days after their election they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold	An Election Committee is hereby created and shall be composed of three (3) members to be elected during a general assembly meeting and shall hold office for a term of <u>two (2) years</u> or until their successors shall have been elected and qualified. Within ten (10) days after their election they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold
any other position within the Cooperative during his/her term of office.	any other position within the Cooperative during his/her term of office.
Section 5. Education and Training Committee.	Section 5. Education and Training Committee.
An Education and Training Committee is hereby created and shall be composed of three (3)	An Education and Training Committee is hereby created and shall be composed of three (3)
members to be appointed by the Board of Directors and shall serve for a term of (one (1) year), without prejudice to their reappointment. Within ten (10) days after their appointment, they shall elect from among themselves a Vice-Chairperson and a Secretary. The Vice-Chairperson of the Board of Directors shall act as the Chairperson of the Committee.	members to be appointed by the Board of Directors and shall serve for a term of <u>two (2) years</u> , without prejudice to their reappointment. Within ten (10) days after their appointment, they shall elect from among themselves a Vice-Chairperson and a Secretary. The Vice-Chairperson of the Board of Directors shall act as the Chairperson of the Committee.
Section 7. Mediation and Conciliation Committee.	Section 7. Mediation and Conciliation Committee.
A Mediation and Conciliation Committee is hereby created and shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of (one (1) year) or until successors shall have been appointed and qualified. No member of the Committee shall hold any other	A Mediation and Conciliation Committee is hereby created and shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of <u>two (2) years</u> or until successors shall have been appointed and qualified. No member of the Committee shall hold any other

position in the Cooperative during his/her term of office.	position in the Cooperative during his/her term of office.
<i>Section 9. Ethics Committee</i>	<i>Section 9. Ethics Committee</i>
An Ethics Committee is hereby created and shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of (one (1) year) or until successors shall have been appointed and qualified. No member of the Committee shall hold any other position in the Cooperative during his/her term of office.	An Ethics Committee is hereby created and shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of <u>two (2) years</u> or until successors shall have been appointed and qualified. No member of the Committee shall hold any other position in the Cooperative during his/her term of office.
ARTICLE V Committees	ARTICLE V Committees
None	<u><i>Section 11. Credit Committee</i></u>
None	<u>The Credit Committee shall be composed of three (3) members appointed by the Board of Directors for a term of one (1) year. They shall elect from among themselves a</u> <u>Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the cooperative during his/her term of office. The Committee shall assist the board of directors in the formulation of sound lending policies, systems and procedure. They shall be responsible for the credit management of the cooperative. In the performance of its functions, it shall process, evaluate and act upon loan application and withdrawal of deposits, except when the applicant is a member of the committee or related to any of them within the third civil degree of consanguinity and affinity, in which case, the applicant shall be acted upon by the Board of Directors; and exercise general supervision including collection over all loans to members.</u>
None	<u>Section 12. Gender and Development (GAD) Committee</u>
None	<u>- A Gender and Development (GAD) Committee shall be composed of three (3) members to be appointed by the Board of Directors provided that at least one member shall come from the Board. The Committee shall elect from among themselves a Chairperson. The Committee members shall hold office for a term of two (2) years until replaced by the Board.</u>

None	<u>Section 13. Functions and Responsibilities.</u>
None	<u>The Gender and Development (GAD) Committee shall:</u>
None	<u>a. Conduct gender analysis;</u>
None	<u>b. Develop and recommend Gender and Development (GAD) and Gender Equality (GE) policies and programs/activities/projects to the Board;</u>
None	<u>c. Monitor and assess progress in the implementation of Gender and Development (GAD) programs/activities/projects towards achieving Gender Equality (GE);</u>
None	<u>d. Submit report to the Board; and</u>
None	<u>e. Provide directional guidance.</u>
None	<u>Section 14. GAD Focal Person</u>
None	<u>A GAD Focal Person (GFP) shall be designated by the Board upon recommendation of the management. He or she must be an employee of the cooperative and shall perform GFP roles as additional function.</u>
None	<u>Section 15. Functions and Responsibilities of GAD Focal Person (GFP).</u>
None	<u>a. Coordinates and reviews implementation of GAD programs/activities/projects based on approved plans and budget;</u>
None	<u>b. Prepares performance reports and recommends policy improvements to the GAD Committee;</u>
None	<u>c. Gathers and analyzes gender-related information and other data; and</u>
None	<u>d. Provides administrative services to the GAD Committee.</u>
None	<u>Section 16. GAD Education and Training Program.</u>
None	<u>The Cooperative shall identify GAD and GE-related education and training programs. These shall be included in the annual education and training plan.</u>
None	<u>Section 17. GAD Support Systems and Services.</u>
None	<u>The Cooperative shall implement other services that address GAD and GE issues and concerns. It shall also develop and establish necessary support systems that will enhance implementation of the GAD and GE services of the Cooperative.</u>
<u>Section 12. Other Committees</u>	<u>Section 18. Other Committees</u>
By a majority vote of all its members, the Board of Directors may form such other committees as may be deemed necessary for the operation of the Cooperative.	By a majority vote of all its members, the Board of Directors may form such other committees as may be deemed necessary for the operation of the Cooperative.

None	<u>Section 19. Qualification and Disqualification of Committee Members.</u>
None	<u>The qualification and disqualification of the Board of Directors shall also apply to all the members of the committees.</u>
ARTICLE VIII Operations	ARTICLE VIII Operations
Section 1.	<u>Section 1. Primary Consideration</u>
Service over and above profit shall be the overriding consideration of the cooperative in the pursuit of its goals and in the operation of its business.	<u>Adhering to the principle of service over and above profit, the Cooperative shall endeavor to:</u>
None	<u>a.Engage in:</u>
None	<u>i. <u>Credit</u></u>
None	<u>ii. <u>Consumers</u></u>
None	<u>iii. <u>Insurance Agent</u></u>
None	<u>iv. <u>Transportation</u></u>
None	<u>v. <u>Housing</u></u>
None	<u>b. <u>Formulate and implement program strategies that will provide its members and the communities within its area of operation needed goods/services;</u></u>
None	<u>c. <u>Adopt and implement plans and programs which ensure the continued build-up of the cooperative's capital structure with the end view of establishing other needed services for the members and the public;</u></u>
None	<u>d. <u>Formulate and implement studies and/or programs that will address the needs of members.</u></u>
Section 2. The co-operative shall adopt and implement plans and program which insure the continued build-up of the co-operative's capital structure with the end view improving the delivery of services to the members.	<u>Delete</u>
Section 3. In the determination of the amount of the loans to be granted, the applicant's character, capacity to pay, collateral or securities offered to insure the payment of the loans shall be considered.	<u>Delete</u>
Section 4. Conditions on Loans – The Board of Directors shall prescribe the following:	<u>Delete</u>
a) Terms and conditions for the granting of loans;	<u>Delete</u>
b) Maximum amount that may be granted a member;	<u>Delete</u>
b) Rate of interest;	<u>Delete</u>
c) Fines for payment in default; and	<u>Delete</u>
d) Maximum period of repayment.	<u>Delete</u>
The Board shall consider all other factors as well to facilitate the loaning operation and safeguard the interest of the members and the borrowers.	<u>Delete</u>

In determining the rate of interest, the Board shall be guided by the overriding principle of service above profit.	<u>Delete</u>
Section 5. Renewal of Loans	<u>Delete</u>
Regular loans, providential or productive, maybe renewed provided a certain percent thereof has already been paid. The Board shall determine the percentage of payment from time to time as changes in the total maximum loans allowed to all members occur and as the need arises.	
Section 6. Application for Loans	<u>Delete</u>
A loan application shall state specifically the purpose or purposes for which the money to be used. Any false representation or statement made in the application shall be a ground for the cancellation of the loans or if the money has been used for a purpose other than those for which it is granted, the loan shall at once become due and demandable.	
Section 7. Restrictions on Officers, Directors and Committee Members	<u>Delete</u>
No director or committee member shall vote on a loan requested by a member of his/her family, natural or by affinity to the third degree; or on a loan requested by a person who owns a debt to him/her or to any member of his/her family; neither can he/she become a co-maker, surety nor endorser on any loan contracted with the co-operative. The application for a loan by a member of the Credit Committee shall be subject to the approval of the Board of Directors.	<u>Delete</u>
Section 8. Appeal	<u>Delete</u>
An appeal from the decision of the Credit Committee for abuse of discretion or violation of any existing policy of the Board of Directors may be made to the joint meeting of the Board of Directors and the Audit Committee, whose decision on the matter shall be final.	<u>Delete</u>
Section 9. The cooperative shall procure the goods and other requirements of its members and the community in bulk from the best sources possible and shall make these goods available regularly at the right quantity and quality of reasonable prices.	<u>Delete</u>
ARTICLE IX Allocation and Distribution of Net Surplus	ARTICLE IX Allocation and Distribution of Net Surplus
<i>Section 1. Allocation</i>	<i>Section 1. Allocation</i>

At the end of its fiscal year, the Cooperative shall allocate and distribute its net surplus as follows	At the end of its fiscal year, the Cooperative shall allocate and distribute its net surplus as follows
a. Reserve Fund	a. Reserve Fund
(Five percent (5%) shall be set aside for Reserve Fund.)	<u>Ten percent (10%) shall be set aside for Reserve Fund.</u>
i. The reserve fund shall be used for the stability of the Cooperative and to meet net losses in its operations. The general assembly may decrease the amount allocated to the reserve fund when it has already exceeded the authorized share capital. Any sum recovered on items previously charged to the reserve fund shall be credited to such fund.	i. The reserve fund shall be used for the stability of the Cooperative and to meet net losses in its operations. The general assembly may decrease the amount allocated to the reserve fund when it has already exceeded the authorized share capital. Any sum recovered on items previously charged to the reserve fund shall be credited to such fund.
ii. The reserve fund shall not be utilized for investment, other than those allowed in the Cooperative Code. Such sum of the reserve fund in excess of the authorized share capital may be used at any time for any project that would expand the operations of the cooperative upon the resolution of the general assembly.	ii. The reserve fund shall not be utilized for investment, other than those allowed in the Cooperative Code. Such sum of the reserve fund in excess of the authorized share capital may be used at any time for any project that would expand the operations of the cooperative upon the resolution of the general assembly.
iii. Upon the dissolution of the cooperative, the reserve fund shall not be distributed among the members. However, the general assembly may resolve:	iii. Upon the dissolution of the cooperative, the reserve fund shall not be distributed among the members. However, the general assembly may resolve:
a. To establish usufructuary fund for the benefit of any federation or union to which the cooperative is affiliated; or	a. To establish usufructuary fund for the benefit of any federation or union to which the cooperative is affiliated; or
b. To donate, contribute or otherwise dispose of the amount for the benefit of the community where the cooperative operates. If the member could not decide on the disposition of the reserve fund, the same shall be given to the federation or union to which the cooperative is affiliated.	b. To donate, contribute or otherwise dispose of the amount for the benefit of the community where the cooperative operates. If the member could not decide on the disposition of the reserve fund, the same shall be given to the federation or union to which the cooperative is affiliated.