

Model bye laws for a primary agricultural
cooperative in the Republic of Afghanistan
the bye laws of agricultural society of
limited liability. (1974) Abdallah
CHAPTER ONE

Name, Address, Area of Operations and Objects

ARTICLE ONE :

Name, Address and Area of Operations

1. The name of this Cooperative Society shall be :
.....
Agricultural Cooperative Society of Limited Liability
hereinafter referred to as "This Cooperative".
2. The registered office address of this Cooperative
shall be :
3. The area of operations of this Cooperative
shall be :

ARTICLE TWO :

Objects:

The objects of this Cooperative are to promote the mutual economic and social interests of its members in accordance with the Cooperative Legislation of Afghanistan and the principles and practices of cooperation. This Cooperative Society shall have the following main objects :-

1. To encourage improved farming methods and practices amongst its members and help them increase their incomes and raise their levels of living.
2. To supply its members with agricultural inputs and implements as well as with necessary domestic needs.
3. To extend necessary credit in cash or in kind to its members.
4. To help market and process the farm products of its members by providing suitable marketing services, as far as possible.
5. To encourage, support, organize, and facilitate literacy programmes and adult education amongst its members and in the community.
6. To raise capital by building up its internal funds or by borrowing funds from outside sources for the purpose of achieving its objects.

7. To acquire or hire buildings, farm machinery, agricultural tools and equipment, transport, irrigation and other facilities that are required and also to help its members acquire or hire such facilities themselves.
8. To promote and encourage thrift amongst its members and to accept their savings and deposits.
9. To help improve the housing conditions of its members.
10. To help in raising the social and cultural conditions of its members and the community.
11. To promote the spirit of cooperation amongst its members and to encourage cooperative education and cooperative development in the community.
12. To undertake such other activities as may be necessary for the attainment of these objects provided that they are approved by its General Meeting and endorsed by the Registrar.

ARTICLE THREE :

Membership in other Cooperative Organizations:

This Cooperative may join or withdraw from the membership of any other registered Cooperative as may be decided by its General Meeting and approved by the Registrar.

CHAPTER TWO

MEMBERSHIP

ARTICLE FOUR :

Qualification for Membership

The membership of this Cooperative shall consist of the individual farmers who signed the application for the registration of this Cooperative or were subsequently admitted to its membership in accordance with these Bye Laws. To qualify for membership of this Cooperative, every individual must be :

1. An Afghan national.
2. Attaining full civil rights and of good character.
3. A farmer who himself is farming land and residing within the area of operations of this Cooperative.
4. In possession of at least one share in this Cooperative and has paid the required membership fees.
5. Must not be a member of another Cooperative

functioning in the same area and having the same objects as this Cooperative.

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ARTICLE FIVE :

Application for Membership

Every applicant for membership of this Cooperative shall complete and sign the following declaration form:

I, the undersigned, _____ son of _____ hereby declare that I was born in _____ located in _____ Province in the year _____ and that I am a farmer farming land myself in _____ located in _____ Wolos Wali _____ Province, and that I am living in _____ in _____ Wolos Wali _____ Province. I am submitting this application to be admitted as a member in _____ Agricultural Cooperative Society.

On accepting me as a member of this Cooperative I undertake to obey and act in accordance with its Bye Laws, the resolutions and orders of its General Meeting and the decisions of its Managing Committee. I also undertake to accept all the records of this Cooperative concerning the amounts of money which may be due from me to this Cooperative or due to me from it.

Date :

Signature

of Applicant :

Witness 1:

Witness 2:

ARTICLE SIX :

Admission to Membership

1. Applications for membership of this Cooperative shall be submitted to its Managing Committee together with the required membership fees and the cash value of at least one share.
2. Applications shall be considered by the Managing Committee who may grant or refuse admission. In case admission is refused, the Committee's decision showing the reasons for refusal shall be communicated in writing to the applicant within (60) days of the date of his application. If admission is refused, the applicant shall recover his membership fee and the cash value of the shares he paid for.
3. An applicant whose admission is refused by the Managing Committee may appeal in writing to the next Ordinary General Meeting where a vote shall be taken

by secret or open ballot and if not less than simple majority of the members present vote in his favour, he shall be admitted to the membership of this Cooperative. The decision of the General Meeting shall be final.

ARTICLE SEVEN :

Termination of Membership:

Membership of this Cooperative may be terminated in accordance with the Cooperative Legislation for any of the following reasons and in the described manner :-

1. Death: In case of death, membership shall be considered terminated at the end of the Fiscal Year in which death occurred. The Managing Committee shall then provide, against receipt, a full written account to the heirs or legal representatives of the deceased member.
2. Resignation: A member may voluntarily withdraw his membership by giving six months written notice to this Cooperative before the end of the Fiscal Year. The withdrawal of the member shall not be effected until he has paid all his debts and other obligations to this Cooperative.
3. Total Mental Incapacity: If it is determined by a competent medical authority that the member of this Cooperative is not legally capable or responsible for conducting his affairs with this Cooperative due to total mental incapacity, the sick member shall be dealt with as in the case of the deceased member.
4. Expulsion: A member shall be expelled from this Cooperative if :-
 - (a) He ceases to possess any one of the membership qualifications as specified in Article Four of these Bye Laws.
 - (b) He commits an act prejudicial to the interest of this Cooperative.
 - (c) He intentionally fails to pay his debts and other obligations to this Cooperative without giving reasons acceptable to its Managing Committee.

ARTICLE EIGHT :

Expulsion of a member of this Cooperative shall be effected by the decision of the Managing Committee. Notice of decision, in writing, shall be given to the expelled member within thirty days from the date of

the decision.

A member so expelled may appeal to the next legally convened Ordinary General Meeting of this Cooperative. The General Meeting shall consider the appeal and the decision, by secret or open ballot of the majority of members present shall be final.

ARTICLE NINE :

This Cooperative shall pay to the terminated member, or to his legal representatives, the value of his paid up shares and any outstanding dues less any amounts due to this Cooperative by him. Payment of his full entitlements shall be made within two years after the termination of his membership.

ARTICLE TEN :

A terminated member shall remain responsible to the same extent as members for the liabilities of this Cooperative Society for a period of two years from the date of the termination of his membership, provided that such liabilities had occurred while he was a member.

ARTICLE ELEVEN :

Rights of Members

All members of this Cooperative shall have equal rights in this Cooperative so long as they meet their obligations as specified in the Cooperative Legislation and in these Bye Laws. Every member fulfilling his obligations shall have the following rights :-

1. To attend the General Meetings of this Cooperative, express his views and exercise his voting powers according to the rule "one member, one vote".
2. To participate in electing the Managing Committee, the Supervisory Committee and other bodies elected by the General Meeting.
3. To be elected to the membership of the Managing Committee and any other bodies elected by the General Meeting.
4. To benefit from the functional literacy and other services provided by this Cooperative to its members within the limits established by these Bye Laws.
5. To purchase the shares of this Cooperative within the established limits.
6. To withdraw from membership in accordance with these Bye Laws.
7. To exercise all other rights as specified by these Bye Laws.

ARTICLE TWELVE :

Obligations of Members:

A member of this Cooperative shall meet his obligations in order to exercise his membership.

1. To pay the appropriate membership fees.
2. To pay for the required amount of shares.
3. To pay all amounts due from him as and when required.
4. To support this Cooperative in running and controlling its business.
5. To meet his financial liability in the case of losses resulting from the liquidation of this Cooperative as specified in these Bye Laws.
6. To conform with the provisions of the Cooperative Legislation, these Bye Laws, the decisions of the General Meeting, the Managing Committee and other governing bodies of this Cooperative.

CHAPTER THREE

CAPITAL AND FINANCIAL MATTERS

ARTICLE THIRTEEN :

Membership Fees

Every member admitted to the membership of this Cooperative shall pay a membership fee of (_) Af.

ARTICLE FOURTEEN :

Share Capital

1. The share capital of this Cooperative shall be composed of an unlimited number of shares.
2. The issue value of one share is - Afs. which shall remain the same as long as this Cooperative is not dissolved. Shares shall be paid in cash.
3. Only the members of this Cooperative can own its shares.
4. Each member shall hold at least one share in this Cooperative. Payment of additional shares should be decided by the General Meeting provided that no member shall hold more than 10% of the paid-up share capital of this Cooperative.

5. Members shall be provided with Share Certificates for shares which they pay in full,
6. Shares shall not be negotiable, transferable, divisible or redeemable, except as specified in the Cooperative Legislation and these Bye Laws.
7. A maximum of 5% interest may be paid on shares in accordance with the Cooperative Legislation and these Bye Laws.

ARTICLE FIFTEEN :

The Reserve Fund

This Cooperative Society shall build up its Reserve Fund as provided for by the Cooperative Legislation and these Bye Laws. The Reserve Fund shall be composed of :-

1. At least twenty-five percent of the annual surplus of this Cooperative.
2. Any grants made, in cash or in kind, to this Cooperative to obtain fixed assets.
3. Surplus resulting from dealing with non-members.
4. Dividends or patronage refunds of the members of this Cooperative who may voluntarily decline to receive them within three years.
5. Any other allocations as may be decided by the General Meeting.

ARTICLE SIXTEEN :

No member shall have any personal rights in the Reserve Fund of this Cooperative.

ARTICLE SEVENTEEN :

In cases of losses resulting from the liquidation of this Cooperative, its Reserve Fund shall be used to cover such losses and other remaining debts.

ARTICLE EIGHTEEN :

The Reserve Fund may be utilised to improve and expand the activities of this Cooperative as may be decided by the General Meeting and approved by the Registrar.

ARTICLE NINETEEN : Other Reserves

This Cooperative may establish other reserves and utilise them as may be decided by the General Meeting and approved by the Registrar.

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ARTICLE TWENTY : Savings and Deposits

This Cooperative may accept savings and deposits from its member, non-members, or other Cooperative on terms and conditions established by the General Meeting. Interest may be paid for fixed-term deposits and savings but no interest shall be paid on current deposits.

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ARTICLE TWENTY-ONE : Grants and Subsidies

1. This Cooperative may accept grants and subsidies in cash or kind from any source subject to the written approval of the Registrar.
2. Grants and subsidies provided to this Cooperative for operating expenses shall be credited to the Income Account of this Cooperative. Grants for fixed assets shall be credited to the Reserve Fund of this Cooperative.

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ARTICLE TWENTY-TWO: Financial Liability of Members

Every member of this Cooperative shall be liable for the debts of the Cooperative, in case of its liquidation, up to () times the value of his shares. The expenses of liquidation shall be considered as debts due from this Cooperative.

ARTICLE TWENTY-THREE: Collection of Debts

1. All monies due to this Cooperative can be collected in the same manner as Government debts.
2. This Cooperative may deduct from funds it owes to an individual member, any money owed to this Cooperative by that member.

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ARTICLE TWENTY-FOUR : Commission and Service Fees

This Cooperative may charge an individual member a commission or a service fee on produce, goods, loan or services, sold, bought, or provided by this Cooperative as may be determined by the Managing Committee within the limits established by the General Meeting. Such charges shall be considered

as debts due to this Cooperative from an individual member.

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ARTICLE TWENTY-FIVE :

Fiscal Year

The Fiscal Year of this Cooperative shall be the calendar year of the Republic of Afghanistan.

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ARTICLE TWENTY-SIX :

Books, Registers and Accounts

This Cooperative shall keep accounts, books and registers as required by the Cooperative Legislation, for proper administration of its business and in the manner laid down by the Registrar.

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ARTICLE TWENTY-SEVEN :

Final Accounts and Balance Sheet

1. The Managing Committee of this Cooperative shall inspect the assets of this Cooperative on the closing day of the Fiscal Year and immediately after this inspection shall draw up the Final Accounts including the Income and Expenditure Account and the Balance Sheet of this Cooperative.
2. The Income and Expenditure Account must allow adequate provisions for the commitments of this Cooperative such as bad debts and depreciation of its assets before the net surplus is arrived at.
3. All Accounts and Balance Sheet of this Cooperative with all supporting documents shall be presented for Audit.

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ARTICLE TWENTY-EIGHT :

Audit

1. Audit shall be undertaken once a year and shall be completed within ninety days after the end of the Fiscal Year.
2. Audit shall be conducted by an auditor appointed by the Registrar.
3. The auditor shall examine all the records, books, registers, documents and assets of this Cooperative to verify their correctness and the auditor shall have access to such documents or records as may be required. The auditor shall ensure that the assets of this Cooperative are not over-valued and that their book value is not higher than their market value or their actual cost whichever is the less.

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4. The auditor shall submit to the Ordinary General Meeting of this Cooperative and to the Registrar, a report indicating any irregularities discovered as well as his comments and recommendations.
5. The Managing Committee shall present the audited accounts and the Auditor's report to the Ordinary General Meeting as specified in these Bye Laws.
6. The audited Final Accounts, Balance Sheet and the Auditor's Report shall remain available in the office of this Cooperative, open for inspection by members, for a period of not less than one week before the date of the Ordinary General Meeting and until they are finally decided upon by the Meeting.

ARTICLE TWENTY-NINE :

Disposal of Surplus

The Surplus of this Cooperative in any Fiscal Year shall be disposed of in accordance with the Cooperative Legislation and these Bye Laws in the following manner :-

1. At least (25%) of the Surplus must be allocated to the Reserve Fund to compensate against possible losses.
2. Not more than (20%) of the Surplus shall be allowed as interest on the fully paid shares provided that interest of a share shall not exceed (5%) of its value.
3. Not less than 30% of the annual surplus shall be distributed as patronage returns to the members proportionate to the volume of their business done with this Cooperative during that Fiscal Year.
4. Not more than 10% of the annual surplus shall be allocated for Cooperative education, functional literacy and adult education programs.
5. The General Meeting may allocate the remaining balance to the Reserve Fund or for other purposes such as gratuities to the members of the Managing and other Committees, the employees of this Cooperative or for other social projects in the community. This decision of General Meeting shall be subject to the approval of the Registrar.

6. In the case of loss in any year, the Surplus of any following year shall first be used to cover this loss. No distribution of Surplus shall be made before all previous losses are completely covered.

ARTICLE THIRTY :

Investments

This Cooperative may invest or deposit its funds in :-

1. Shares of another Registered Cooperative.
2. Deposits with any other Registered Cooperative, with the Agricultural Development Bank, or any other Bank.
3. Any other investment or deposit allowed by these Bye Laws or as may be decided upon by the General Meeting and approved by the Registrar.

CHAPTER FOUR

SCOPE AND CONDUCT OF BUSINESS

ARTICLE THIRTY-ONE :

Dealing with Non-Members

1. This Cooperative may make loans only to its members. However, it can provide loans to another Registered Cooperative upon the decision of the General Meeting and with the approval of the Registrar.
2. This Cooperative can do business, other than credit, with non-members provided such business is in the interest of this Cooperative and its members.

ARTICLE THIRTY-TWO :

Borrowing

1. The Managing Committee may, within the limits determined by the General Meeting of this Cooperative, borrow from Government, quasi-Government, its members, or other sources, any amounts as may be deemed necessary for the operations of this Cooperative or for lending to its members. The Managing Committee can also accept savings and deposits as specified in these Bye Laws.
2. Interest paid on loans or deposits shall be decided by the Managing Committee within the limits laid down by the General Meeting.

3. The Managing Committee shall be empowered to pledge or mortgage the property of this Cooperative or other property mortgaged or pledged to it, in order to provide security for loans obtained from other sources.

ARTICLE THIRTY-THREE: Lending

1. This Cooperative may extend loans in cash, kind or as a service to its members. Such loans may be provided for production or other necessary purposes or as marketing advances to members against agricultural produce delivered to the warehouse of this Cooperative, or as directed by this Cooperative.
2. The Ordinary General Meeting shall, from time to time, fix the maximum sum which can be loaned or advanced to an individual member.
3. No loans or advances shall be made to a member before he executes a bond which indicates the amount and purpose of the loan, its duration, the loan-service fees, manner of repayment, the loan guarantee and other related matters.
4. The Managing Committee shall decide the manner of lending and ensure that loans are properly used for the purposes for which they are provided. The Managing Committee may recall immediately the entire amount of the loan or any remaining balance thereof in the event of any misuse of the loan by the borrower.
5. The Managing Committee shall decide the rate of loan service fees and commission chargeable to borrowing member, the required loan guarantee and any other matter relating to the provision of credit by this Cooperative within the limits determined by the General Meeting.

ARTICLE THIRTY-FOUR : Supply

1. This Cooperative may provide its members with agricultural supplies and implements which they may need. Supplies may be provided to members as loans in kind, or they may be sold for cash.
2. Agricultural supplies which are found to be surplus to members' requirements, may be sold to non-members for cash only.

3. This Cooperative may act as an agent for another Cooperative or Agency for the purpose of selling or distribution of agricultural supplies.

ARTICLE THIRTY-FIVE: Marketing and Processing

1. This Cooperative may provide agricultural processing and marketing services to its members to help them sell their produce for the best possible price at the least possible cost. Marketing of produce can be undertaken on national markets or on foreign markets.
2. This Cooperative may coordinate its processing and marketing activities with other marketing Cooperatives inside or outside the Republic of Afghanistan.
3. This Cooperative shall require each and every one of its members to sign an Agreement similar to the one attached to these Bye Laws whereby the member undertakes not to sell or otherwise dispose of any of his products marketable by this Cooperative, to any person, company or otherwise without the written consent of this Cooperative.
A member who fails to meet his undertakings shall be subject to any fines or penalties as provided by these Bye Laws and the Marketing Agreement.
4. This Cooperative may market the products of non-members provided that the interests of this Cooperative and its members are not impaired. In such a case, this Cooperative may charge non-members a higher commission than that charged to its members.
5. The Managing Committee shall establish rules and marketing procedures necessary to run the marketing business of this Cooperative.

ARTICLE THIRTY-SIX : Other Activities

1. This Cooperative may acquire or hire land, buildings, machinery plant, means of transport, irrigation or any other facilities found necessary for the conduct of its business.
2. This Cooperative shall encourage support and facilitate literacy and adult education programmes for its members in particular and for all the farmers in its area of operations in general.

CHAPTER FIVE

MANAGEMENT

ARTICLE THIRTY-SEVEN : The General Meeting

1. The General Meeting is the supreme authority of this Cooperative and shall be composed of all its members.
2. The General Meeting shall convene as an Ordinary General Meeting or as an Extraordinary General Meeting in accordance with the Cooperative Legislation and these Bye Laws.

ARTICLE THIRTY-EIGHT : The Ordinary General Meeting

The Ordinary General Meeting of this Cooperative shall convene once a year at the invitation of the Managing Committee within (120) days following the end of the Fiscal Year and shall discuss and decide upon the following matters :-

1. The Annual Reports of the Managing Committee, the Supervisory Committee and other reports.
2. The Balance Sheet, the Final Accounts and the Auditor's Report for the Fiscal Year.
3. Allocation of the Annual Surplus and the recovery of losses in accordance with these Bye Laws.
4. Election, dismissal or re-election of the members of the Managing and Supervisory Committees.
5. Election of the representatives of this Cooperative to a Secondary Cooperative to which this Cooperative may belong.
6. The work plan for the following year.
7. The maximum limits of borrowing, lending, loan service fees, commission, fines and other limits for the activities of this Cooperative.
8. Any other matters on the agenda of the Meeting as required by the Cooperative Legislation and these Bye Laws.

ARTICLE THIRTY-NINE : The Extraordinary General Meeting

1. The Managing Committee of this Cooperative may convene an Extraordinary General Meeting when necessary at its discretion. The Committee shall summon such a meeting within one month of receiving a written request from the auditor one-fifth of all the members, or from the Registrar to discuss such matters as :-
 - a) Amendment of these Bye Laws.
 - b) Dissolution of this Cooperative.
 - c) Amalgamation or merger involving this Cooperative.
 - d) Joining or withdrawing from the membership of a Secondary Cooperative.
 - e) Any other matters necessary for running the business of this Cooperative.
2. If the General Meeting is not convened by the Managing Committee as provided by the Cooperative Legislation or these Bye Laws, the Registrar may then convene the meeting and shall recover any expenses involved from this Cooperative.

ARTICLE FORTY : Notice for General Meeting

Invitations to the General Meeting shall be in writing indicating the day, the date, the time and the place of the meeting, and supported by the meeting agenda. The invitations shall be sent at least ten days before the date of the meeting and delivered to members by the best possible manner.

ARTICLE FORTY-ONE : Quorum

1. The quorum for the Ordinary General Meeting shall be at least fifty-one percent of all the members. If no such quorum is present a second meeting shall be duly convened within thirty days without making any changes to the original agenda, and the presence of at least ten members other than the members of the Managing Committee shall then constitute a quorum.

2. The quorum for an Extraordinary General Meeting shall be at least 75% of all the members. If a quorum is not present, a Second Extraordinary General Meeting shall be convened within one month and the presence of two-thirds of the members shall then constitute a quorum. If a quorum is not then present, the subject to be considered shall be deferred for three months for the consideration of another Extraordinary General Meeting to be summoned for the purpose. If the Extraordinary General Meeting fails to constitute a quorum for the third time, the matter shall be referred to the Registrar to order an inquiry in accordance with Article Forty-one and taking legal action in accordance with Article Four of the Cooperative Law.

ARTICLE FORTY-TWO : Decisions of the General Meeting

1. The Chairman of the Managing Committee, or, in his absence, the Vice-chairman, shall preside at the General Meeting unless members present decide otherwise.
2. Only matters on the agenda of the General Meeting shall be discussed and decided upon by the Meeting. Decisions are taken by vote and one member shall have only one vote regardless of the number of paid up shares he holds. Votes are taken either by raising hands or by secret ballot as specified in these Bye Laws. The Chairman of the Meeting shall have a casting vote in case of equal votes.
3. Decisions of the Ordinary General Meeting shall be taken by a simple majority vote of members present except in cases where a higher majority is required by the Cooperative Legislation and these Bye Laws.
4. Decisions of an Extraordinary General Meeting considering amendments of these Bye Laws, merger or amalgamation involving this Cooperative shall be made by two-thirds majority of the members present at the meeting. Decisions relating to other matters are made by a simple majority of the members present.
5. All decisions of the General Meeting shall be binding to all members of this Cooperative so long as such decisions are made in accordance with the Cooperative Legislation and these Bye Laws. The right to refute the decisions and actions of the General Meeting on the grounds of failure to observe procedural routing, shall lapse after thirty days following the meeting.

ARTICLE FORTY-THREE : The Minutes

1. The proceedings and decisions of the General Meeting shall be recorded in the Register of Minutes and signed by the Chairman of the meeting, the Secretary of the Meeting and at least three other members present. The minutes shall indicate the names of members present, decisions taken and the number of votes for or against each decision.
2. A copy of the minutes shall be sent by hand or by registered post to the Cooperative Development Department within thirty days after the meeting.

ARTICLE FORTY-FOUR : The Managing Committee

Membership of the Managing Committee

1. The Ordinary General Meeting of this Cooperative shall elect from amongst its members, a Managing Committee composed of not less than five members for a term of three years. One-third of these members shall be replaced or re-elected by the Annual General Meeting every year.
2. Members of the Managing Committee may be re-elected for one more term and shall remain as such until they are dismissed or replaced by the General Meeting.
3. The General Meeting can dismiss all or any of the members of the Managing Committee by decision taken at a duly convened General Meeting.
4. No person shall be elected to the membership of the Managing Committee if he holds any salaried post in this Cooperative or if he is engaged in a business competitive to that of this Cooperative.

ARTICLE FORTY-FIVE : Termination of Membership of the Managing Committee

The Managing Committee shall terminate any of its members by its own decision if :-

1. The member becomes a salaried employee of this Cooperative.
2. His membership in this Cooperative is terminated in accordance with these Bye Laws.
3. He absents himself from three consecutive meetings of the Managing Committee without sufficient reason acceptable to the Committee.

4. He resigns from the membership of the Managing Committee.

ARTICLE FORTY-SIX : Filling a Vacancy in the Membership of the Managing Committee

If a vacancy occurs in the membership of the Managing Committee during the course of its term, the vacancy shall be filled following a decision of the Managing Committee, by one of the following methods :-

1. "Inviting the member who obtained the next largest number of votes in the previous elections of the Managing Committee, or
2. By convening an Extraordinary General Meeting for this purpose, or
3. Leaving the post vacant until the next ordinary General Meeting is convened.

ARTICLE FORTY-SEVEN : Supercession of the Managing Committee

1. If an inquiry conducted at the order of the Registrar finds the Managing Committee or any of its members culpable, the Registrar may dismiss the responsible members and appoint, from amongst the members of this Cooperative or the staff of the Department, a Committee to manage the affairs of this Cooperative until a new Managing Committee is duly elected.
2. Any person who is found responsible of an offence or a crime, may be referred to the court.
3. A new Managing Committee must be elected by the General Meeting within two years, otherwise the Registrar shall issue an order to dissolve this Cooperative in accordance with the Cooperative legislation.

ARTICLE FORTY-EIGHT : Duties and Powers of the Managing Committee

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The Managing Committee shall be responsible to the General Meeting in administering the affairs of this Cooperative and exercising its powers as prescribed by the Cooperative Legislation and these Bye Laws. It shall have the following specific duties and powers.

1. Act as the legal representative on behalf of this Cooperative.
2. Preparing the Balance Sheet, the Income and Expenditure Account and any other Annual Final Accounts of this Cooperative.

3. Preparing and submitting the Annual Report of the Fiscal Year to the General Meeting.
4. Executing the decisions of the General Meeting.
5. Organizing and maintaining the documents and books of this Cooperative.
6. Convening Ordinary and Extraordinary General Meetings.
7. Establishing rules and procedures for the conduct of the business of this Cooperative.
8. Approving all the expenses of this Cooperative.
9. Admitting and dismissing members in accordance with these Bye Laws.
10. Hiring or ensuring accommodation required for conducting its business and other activities including functional literacy.
11. Hiring the employees of this Cooperative, fixing their terms of appointment, supervising and controlling their work and dismissing them when necessary.
12. Electing its Chairman, Vice-chairman, Secretary, Treasurer and authorized members.
13. Exercising all other duties and powers not specifically empowered to the General Meeting.
14. Be jointly and severally responsible for any losses or expenses affecting this Cooperative as a result of non-compliance with the Cooperative Legislation of these Bye Laws or the decisions of the General Meeting.

ARTICLE FORTY-NINE : Meetings and Decisions

1. The Managing Committee shall meet at least once a month, or as often as necessary at the request of the Chairman, or at the request of a simple majority of its members. The notice of a meeting shall indicate the date, the time, the place and the agenda of the meeting. Such notice should reach the member not less than 3 days before the meeting.
2. A simple majority of the Committee shall constitute a quorum for the meeting. The meeting shall be presided over by the Chairman, or, in his absence, by the Vice-chairman, or by any other member

elected by the Committee in case of the absence of the Chairman and Vice-chairman.

3. Decisions of the Committee shall be made by a simple majority of all its members. The Chairman of the meeting shall have a casting vote in case of equal votes.
4. Decisions of the Managing Committee shall be binding on this Cooperative so long as such decisions are made in accordance with the Cooperative Legislation, these Bye Laws and the decisions of the General Meeting.
5. The proceedings and decisions of the Managing Committee shall be recorded in the Register of Minutes and signed by the Chairman, the Secretary and all members present at the meeting.

ARTICLE FIFTY :

The Chairman

The Chairman shall have the following duties and powers :-

1. To preside over General Meetings unless otherwise decided by the Meeting, the meetings of the Managing Committee and all other Sub-committees in which he is a member. He shall exercise his powers as prescribed in these Bye Laws.
2. To certify, with the Secretary, all extracts and copies of the documents taken from the records of this Cooperative.
3. To represent this Cooperative as may be authorized by the Managing Committee.
4. To sign the invitations for General Meetings and the meetings of the Managing Committee.
5. To sign all cheques issued or endorsed by this Cooperative.

ARTICLE FIFTY-ONE :

The Vice-chairman

The Vice-chairman shall exercise the powers and responsibilities of the Chairman in the absence of the Chairman and shall do any other business as may be requested by the Chairman.

ARTICLE FIFTY-TWO : The Secretary

The Secretary shall have the following duties and responsibilities :-

1. To sign all correspondence addressed by the Managing Committee to the Manager of this Cooperative and to others as may be requested by the Managing Committee.
2. To prepare, in consultation with the Chairman, the agenda for the General Meetings and the Managing Committee meetings.
3. To certify, with the Chairman, all extracts and copies of the documents taken from the books and records of this Cooperative.
4. To record or cause to record the minutes of the General Meetings and the meetings of the Managing Committee in the Register of Minutes, and to ensure that such Minutes are recorded properly.
5. To sign the minutes of the meetings and to ensure that required copies are sent to those concerned.
6. To sign cheques issued by the Cooperative as specified by these Bye Laws.
7. To do any other business as may be requested or authorized by the Managing Committee.

ARTICLE FIFTY-THREE : The Treasurer

The Treasurer shall have the following duties and responsibilities :-

1. To collect and receive all monies payable to this Cooperative against receipts issued from the official receipt books of the Society.
2. To pay all monies owed by this Cooperative as decided upon by the Managing Committee against receipts obtained from recipients concerned.
3. To keep custody of and maintain in a proper manner all financial books, accounts and documents of this Cooperative.

4. To have custody of all cash belonging to this Cooperative in a safe or cash box. He shall not keep cash in excess of the limits laid down by the Managing Committee. Cash in excess of such limits must be deposited in the Bank Account of this Cooperative without delay.
5. To present for inspection or audit any cash on hand, books and any other documents in his custody.
6. To sign all cheques issued or endorsed by this Cooperative.
7. To sign, with other authorized members of the Managing Committee, all financial contracts, deeds and other financial transactions in which this Cooperative is party.
8. To perform such other financial duties as may be required by these Bye Laws or by the Managing Committee.

ARTICLE FIFTY-FOUR : The Manager

1. The Managing Committee may appoint a Manager for running the business of this Cooperative and determine his terms of appointment.
2. The Manager shall provide the Managing Committee with a financial bond or guarantee, the terms and conditions of which are acceptable to the Managing Committee.
3. The Appointment of the Manager, termination of his services and the financial bond or guarantee which he shall provide to this Cooperative shall be subject to the approval of the Registrar.
4. The Manager shall run the business of this Cooperative in accordance with these Bye Laws, the decisions of the General Meeting and those of the Managing Committee. He shall have the following specific duties and powers :-
 - a) He shall undertake the duties and responsibilities of the Treasurer detailed in Article 53. However, if a Manager is appointed the Treasurer shall ensure that the Manager continues to undertake these financial responsibilities properly.

- b) He shall sign all the cheques issued or endorsed by this Cooperative together with the Treasurer.
- c) He shall keep in safe custody all books, registers, deeds, loan securities, cheque books, the seal, files and other documents and property of this Cooperative.
- d) He shall help the Secretary of this Cooperative to undertake his responsibilities.
- e) He shall help in preparing the agendas for General Meetings and meetings of the Managing Committee, attend these meetings to express his views and explain matters - without having any voting rights.
- f) He shall be responsible for the work of all those who are employed by this Cooperative.
- g) He shall submit to the Managing Committee monthly, periodical, annual and other reports about the activities, the business and the different affairs of this Cooperative including the preparation of the Annual Balance Sheet and other Final Accounts.
- h) He shall undertake any other business as may be required by the Managing Committee "

ARTICLE FIFTY-FIVE : Other Staff

The Managing Committee may hire other staff members, employees and daily workers to undertake specific duties under the direct supervision and control of the Manager. The Managing Committee shall determine the salaries, wages and other terms and conditions of employment of each one of those who may be employed by this Cooperative.

ARTICLE FIFTY-SIX : The Authorized Signatories

1. All cheques issued or endorsed by this Cooperative shall be signed by both the Treasurer, the Chairman and the Manager. In case no Manager is employed, the Secretary shall be empowered to sign cheques, in addition to the Treasurer and Chairman.

2. Contracts, deeds, settlements and all other documents involving this Cooperative, other than cheques, shall be signed by the Chairman, the Treasurer and the Secretary and in addition by any other member of the Managing Committee who may be authorized by the Managing Committee to co-sign such documents.
3. The signatures of Authorized Signatories shall be binding on this Cooperative so long as they comply with these Bye Laws and the decisions of the General Meeting and the Managing Committee.

ARTICLE FIFTY-SEVEN : Sub-Committees

The Managing Committee may form such Sub-committees as may be found necessary to conduct the business and activities of this Cooperative under the following conditions :

1. The membership of a Sub-committee shall include at least one member of the Managing Committee. Other members of the Sub-committee shall be coopted from members of this Cooperative.
2. The Sub-committee shall be chaired by a member of the Managing Committee who is responsible for reporting to the Managing Committee concernin the work and activities of the Sub-committee.
3. A Sub-committee performs its duties under the authority of the Managing Committee and those of the General Meeting and the provisions of these Bye Laws.

ARTICLE FIFTY-EIGHT : The Supervisory Committee

1. The Ordinary General Meeting shall elect a Superv Committee consisting of at least three members for a term of two years. The members of the Supervisory Committee shall remain in their posts until they are replaced or re-elected.
2. The Supervisory Committee shall attend all General Meetings and present to the Ordinary General Meeting a report of its activities and findings relating to the financial and other business of this Cooperative.

3. No member of the Supervisory Committee can concurrently be a member of the Managing Committee, or a salaried employee of this Cooperative.
4. The Supervisory Committee shall report and be responsible to the General Meeting for the performance of the following duties :-
 - a) Check the Annual Balance Sheet which shows the financial position of this Cooperative.
 - b) Check the management affairs, office work and the books of this Cooperative at least once every six months.
 - c) Inspect without prior notice the Treasury of this Cooperative at least once every three months.
 - d) Investigate all valuable documents of this Cooperative such as mortgages, loans, securities, deeds, at least once every six months.
 - e) Supervise, at any time, the activities of the Managing Committee to ensure that the Committee is observing the Cooperative Legislation, applicable Laws, these Bye Laws and the decisions of the General Meeting.
 - f) Investigate all complaints and objections referred to it by the members of this Cooperative or by the Department of Cooperative Development.
 - g) Request the Registrar to convene the General Meeting, if the Managing Committee fails to convene this meeting, in the manner prescribed in these Bye Laws .

ARTICLE FIFTY-NINE : The Seal

This Cooperative shall have an official seal bearing its registered name and address together with its registration number. No contract or agreement drawn up by this Cooperative shall be considered as valid unless it bears the seal of this Cooperative. The seal shall be kept and used as prescribed by these Bye Laws and as directed by the Managing Committee.

CHAPTER SIX

MISCELLANEOUS

ARTICLE SIXTY : Amalgamation and Merger

1. This Cooperative may amalgamate with another Registered Cooperative to form a new Cooperative, or merge with other Registered Cooperatives taking the name of one of these Cooperatives in accordance with the Cooperative Legislation, these Bye Laws and the instructions and procedures laid down by the Registrar. RT

ARTICLE SIXTY-ONE : Settlement of Disputes

All disputes arising from the business of this Cooperative, or the interpretation of the Cooperative Legislation of Afghanistan or these Bye Laws involving this Cooperative, its present, past, deceased members or their representatives, or any other Registered Cooperative shall be referred to the Registrar who may give judgement or refer it to Arbitrators in accordance with the Cooperative Legislation. The decree of the Arbitrator, taken in the presence of the parties involved, shall be considered final if it is not challenged within thirty days from the date on which it is issued and reported to the parties concerned.

ARTICLE SIXTY-TWO : Dissolution and Liquidation

1. If this Cooperative suffers losses equivalent to 80% or more of its Share Capital and Reserve Fund with no hope of revival.
2. If 75% of all the members of this Cooperative sign an application to the Registrar for the dissolution of this Cooperative.
3. If the number of the members of this Cooperative is reduced to less than eleven members.
4. If the General Meeting fails to elect a Managing Committee as required by Article Forty-seven of these Bye Laws.
5. If the Extraordinary General Meeting fails to constitute a quorum for the third time as specified in Article Forty-one of these Bye Laws and a legal action is taken by the Registrar to dissolve this Cooperative.

SIXTY-THREE : On the liquidation of this Cooperative, no member shall be entitled to receive back any sums exceeding his savings, deposits, the issue value of his paid-up shares and any other net amounts due to him personally from this Cooperative. The remaining balance shall be disposed of in accordance with Article 47 of the Cooperative Law.

SIXTY-FOUR : Amendment of these Bye Laws

1. No alteration, amendment, revision, addition or abrogation of these Bye Laws shall be effected unless it is approved by two-thirds majority vote of members present or at an Extraordinary General Meeting duly convened in accordance with the Cooperative Legislation and these Bye Laws.
2. These Bye Laws and their amendments shall become effective on the date of their registration.
3. These Bye Laws are written in (64) Articles.

AGREEMENT

BETWEEN THE AGRICULTURAL COOPERATIVE AND ITS MEMBER

The First Party of this Agreement is : _____
Agricultural Cooperative of Limited Liability referred to hereinafter
as the Cooperative.

The Second Party of this Agreement is Mr. _____
referred to hereinafter as the Member. The term "Member" shall
also mean the heirs of the member or his legal representative.

The Cooperative and the Member have, on the date shown below, agreed
upon the following :-

1. The Cooperative shall provide the Member with the Loans, Supplies, Advances and other services as may be requested by the Member and sanctioned by the Cooperative.
2. The Member undertakes to deliver to the Cooperative or whatever place as may be directed by the Cooperative, all his produce marketable by the Cooperative.
3. The Cooperative shall market or cause to market the produce delivered by the Member.
4. The Member undertakes not to borrow any loans from any source other than from the Cooperative without the prior written approval of the Cooperative.
5. The Member undertakes to obtain all his needs, supplies and other services only from the Cooperative so long as such needs, supplies and services can be provided to him by the Cooperative.
6. The Member undertakes to make no verbal or written marketing arrangements with any person which may conflict with his undertakings made under this Agreement.
7. The Member undertakes to pay to the Cooperative any amounts due from him to the Cooperative on their maturity dates, or to accept any settlement made by the Cooperative in this connection.
8. The Cooperative undertakes to pay to the Member any balances due to him from the Cooperative within reasonable time from the date of their maturity provided that the cash solvency of the Cooperative shall not be impaired.

- 9. The Member undertakes to pay immediately to the Cooperative any fines or penalties levied on him by the Managing Committee of the Cooperative due to his non-compliance with this Agreement.
- 10. The Member on signing this Agreement declares that he has put all his movable and immovable property as a guarantee against any amounts which may become overdue by him to the Cooperative. The member empowers the Cooperative to take necessary legal action to have all or any part of his properties sold in settlement of amounts overdue by him to the Cooperative.
- 11. This Agreement is prepared in duplicate, both copies being properly signed by the two parties, witnessed and sealed with the Seal of the Cooperative.
- 12. This Agreement shall become effective from the date of its signature on this day (_____) the (_____) of _____ (month) _____ (year).

It shall continue to be good so long as the Member retains his membership of the Cooperative and the Cooperative is not dissolved, or if the two parties agree to cancel or change its contents.

SIGNATURES :

First Party
 _____ Agricultural
 Cooperative of Limited Liability

Second Party
 (Member)

- 1. _____
- 2. _____
- 3. _____

Witness

Witness

REGISTERED SEAL OF THE AGRICULTURAL COOPERATIVE

