

Uniform Act on Cooperatives



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UNIFORM ACT ON COOPERATIVES

The Council of Ministers of the Organization for the Harmonization of Business Law in Africa (OHADA),

- Considering the Treaty on the Harmonization of Business Law in Africa signed in Port Louis on October 17, 1993, as revised in Quebec on October 17, 2008, specifically, Articles 2, 5 and 10;
- Having regard to the report of the Permanent Secretariat and the comments of States Parties;
- Having regard to Opinion N° 02/2009/AU dated December 8, 2009 of the Common Court of Justice and Arbitration;
- After deliberations, has adopted this Uniform Act by unanimous voting of the representatives of States Parties present and voting.

Preliminary chapter: SCOPE

Article 1

Any cooperative, union or federation of cooperatives, whose registered office is located in the territory of one of the States Parties to the Treaty on the Harmonization of Business Law in Africa, hereinafter referred to as “States Parties”, shall be governed by the provisions of this Uniform Act.

Any confederation of cooperatives which opts for a cooperative form shall also be governed by the provisions of this Uniform Act.

Notwithstanding the provisions of Articles 1 and 6 of the Uniform Act on Commercial Companies and Economic Interest Grouping, cooperatives, which engage in commercial activities, shall be governed by the provisions of this Uniform Act.

Article 2

The provisions of this Uniform Act shall be public policy provisions except in cases where it expressly authorizes the members either to substitute the stipulations agreed to or the provisions of the national legislation of the States Parties to those of this Uniform Act or to supplement their provisions with the provisions of this Uniform Act.

Notwithstanding the provisions of this Uniform Act, cooperatives which carry out the business of a bank or conduct financial activities, shall remain subject to the provisions of domestic or community law relating to the exercise of such activities.

Article 3

Any individual, regardless of nationality, wishing to form a cooperative to carry on a business in the territory of one of the States Parties, shall, unless otherwise expressly provided by this Uniform Act, choose one of the forms of cooperatives that suits the business s among those laid down in this Uniform Act.

PART I: GENERAL PROVISIONS ON COOPERATIVES

Title I: Formation of a cooperative

Chapter 1: Definition of a cooperative and cooperative principles

Article 4

A cooperative is an autonomous group of individuals who willingly join together to fulfill their aspirations and meet their common economic, social, and cultural needs so as to form a corporate body whose ownership and management are collective and where power is exercised democratically and according to the cooperative basis.

The cooperative may, in addition to its members who are the main users thereof, provide services to non-cooperative users within the limits set by the Articles of Association.

Article 5

Cooperatives shall engage in all activities carried out by humans.

Article 6

The cooperative shall be formed and managed in accordance with the following universally recognized cooperative principles:

- voluntary membership and open to all;
- democratic member control;
- economic participation of members;
- autonomy and independence;
- education, training and information;
- cooperation between cooperative organizations;
- voluntary commitment to the community.

Discrimination based on sex, ethnicity, religion or political affiliation is prohibited.

Chapter 2: Becoming a shareholder

Section 1: General provisions

Article 7

Any natural person or legal entity may be a member in a cooperative when free from any legal incapacity pursuant to the provisions of the national law of each State Party.

Article 8

A cooperative shall be composed of members who, united by common bond on the basis of which the cooperative was created, shall take part in the activities of the cooperative and hold shares proportional to their contributions and pursuant to cooperative principles.

Within the meaning of this Uniform Act, the common bond shall refer to the element or objective criteria that members have in common and on the basis of which they gather.

It may, in particular, be related to a profession, an identity of a purpose, business or legal form.

Article 9

A membership register shall be kept at the registered office of the cooperative in which all members are entered in chronological order.

For each member, the register shall include the following:

- membership number;
- full names and identity card reference;
- address;
- occupation;
- number of subscribed membership shares;
- Number of paid up membership shares.

Section 2: Membership – Withdrawal – Termination

Sub-section 1: Membership to a cooperative

Article 10

Application for membership to the cooperative shall be sent to the administrative committee thereof. It shall be written, dated and signed by the applicant.

The management committee or the board of directors may make the admission of the member effective on the date of the application or on a later date, not exceeding three months from the

date of receipt of the application. Membership shall be approved by the general meeting.

The member status shall be recorded in an act from the administrative committee of the cooperative in which are stated the identity, address, signature or fingerprints of the member and a reference to the acceptance by the latter of legal, regulatory, and statutory provisions governing the cooperative.

Sub-section 2: Withdrawal of cooperative members– Right to reimbursement

Article 11

The member may withdraw from a cooperative only by sending a written notice thereto. The withdrawal shall take effect on the date stated in the notice or on the date on which the cooperative receives the notice.

The administrative committee of the cooperative shall record the withdrawal of the member in writing.

In the year following the effective date of a notice of withdrawal, the cooperative shall reimburse all membership shares held by the withdrawing member in accordance with the price of determined by the Articles of Association.

The cooperative shall also reimburse to the member all loans and other sums held to the member's credit, all amounts outstanding on loans made to the cooperative by the member together with any interest accrued on these amounts up to the date of the payment.

Where the management committee holds that reimbursement of membership shares or repayment of membership loans would adversely affect the financial well-being of the cooperative, the management committee or the board of directors may direct that the reimbursement or repayment shall take place after two years through a reasoned decision, which can be appealed before the competent court.

In case the member owes the cooperative, the outgoing member shall remain until the clearance of his debt. In this case, the management committee of the cooperative shall set terms and conditions of repayment of his debt to the cooperative at the time his withdrawal is being recorded.

The member shall be and remain jointly liable for the cooperative's debts contracted before his withdrawal under the conditions set forth in Articles 47, 48 and 50 herein as well as by the Articles of Association.

Sub-section 3: Termination of membership

Paragraph 1: General provisions

Article 12

Translation subject to further correction (December 2016)

Subject to the following provisions, the Articles of Association of the cooperative may prescribe other termination terms provided that they do not infringe the rights conferred to outgoing members by this Uniform Act.

Article 13

The cooperative may, after addressing a written notice to the member, terminate the membership of the latter when:

- a) the member is a legal entity who is the subject of assets liquidation proceedings;
- b) the member has not done any business with the cooperative for two consecutive years;
- c) The member, through acts and behavior, either inside or outside the cooperative, fails to fulfill his contractual obligations in accordance with the provisions of this Uniform Act and the Articles of Association, notably the obligations of trustworthiness and loyalty to the cooperative and thus causing prejudice to the interests thereof.

Article 14

Termination of membership shall be decided by a duly reasoned special resolution of the general meeting.

The termination may be also decided, as the case may be, by the management committee or the board of directors. In this case, the termination shall be final only when it is confirmed by a duly reasoned special resolution passed in the ordinary general meeting.

Within ten days from the date on which the special resolution of the general meeting deciding or confirming the termination is passed, the cooperative must give a written termination notice to the member and the reasons thereof. The effective date of the termination shall be the date specified in the written notice, but no later than thirty days from the receipt thereof.

Only a special resolution of members passed by the general meeting may reinstate the member back into the cooperative.

Paragraph 2: Right of the Member to Appeal

Article 15

The member whose membership has been terminated by the board of directors or the management committee's resolution may appeal to the general meeting for the annulment of such resolution.

The effect of the special decision of the board of directors or the management committee shall be suspended until a special resolution is passed by the general meeting.

The general meeting shall rule on the special resolution appeal either by cancelling or confirming the termination under the conditions set forth in the Articles of Association.

The termination decided by the general meeting shall, in all cases, be made without prejudice to the right of appeal of the common law available to the member against the termination decision.

Paragraph 3: Social rights of the terminated member and current undertakings

The cooperative shall reimburse the member all sums due under the same conditions as the member who withdraws.

However, the termination of a member does not relieve him of his debts or obligations to the cooperative or a running contract therewith. Furthermore, the cooperative shall not be obligated to pay to the member before the maturity of the balance of any fixed-term loan that has been consented and which is not due.

Article 16

When the address of the terminated member is unknown to the cooperative despite all reasonable efforts to find him, and two years have elapsed since the termination, the cooperative shall transfer all sums owed to him to a reserve fund. Such sums shall no longer bear interests beyond a period of two (2) years from their deposit into the reserve fund.

Amounts thus transferred shall be paid to any individual who shows evidence that he is entitled to that money within a period of five (05) years from the transfer. They shall be acquired on a precarious basis to the State after a five (05) year period.

Chapter 3: Articles of association and rules of procedure

Section 1: Articles of association

Sub-Section 1: Form of articles of association

Article 17

The Articles of Association constitute the partnership agreement. They must be established by a private or notarized deed.

They shall be established in as many originals as necessary for the purpose of filing a copy at the registered office and for the execution of various formalities. A copy of the Articles of Association shall be put at the disposal of shareholders at the registered office of the cooperative.

Sub-section 2: Content of the articles of association – Mandatory and non-mandatory statements

Article 18

The Articles of Association shall include:

- 1) the type of cooperative;
- 2) its trade name, where appropriate, its abbreviation;
- 3) the nature and the sector of activity that forms its corporate purpose;
- 4) its registered office and its duration;
- 5) the common bond that unites the members;
- 6) the full names and residence address of each founding member;
- 7) the specific number or the minimum or maximum numbers of its directors or members of the management committee and all provisions relating to the powers of directors or members of the management committee;
- 8) the specific number or the minimum or maximum numbers of the members of the supervisory board or the supervisory council and all provisions relating to the exercise of the mandates of these bodies;
- 9) the duration of the mandate of the management committee, the board of directors, the supervisory board and the supervisory council;
- 10) any restriction relating to the maximum percentage of share capital entitled for each holder;
- 11) a statement that the cooperative will be organized and operated and will carry on its business based on cooperative principles and the reminder of those principles;
- 12) the identity of cash contributors with, for each of them, the amount of their contributions, the number and value of the shares handed over in respect for each contribution;
- 13) the identity of in-kind contributors, the nature and assessment of contributions made by each of them, the number and value of shares handed over in respect for each contribution, the regime of goods or values provided when their value exceeds the required contributions;
- 14) the amount of share capital, related minimum and maximum restrictions, the par value of various categories of shares, specific conditions of their issuance or subscription;
- 15) provisions relating to the distribution of earnings and in particular, surpluses and reserves;
- 16) the type of business conducted by the cooperative;

17) the signature of the founding members or the affixing of their fingerprints;

18) the extent of transactions with non-cooperative users, while safeguarding the autonomy of the cooperative;

The Articles of Association may also contain:

1) Any provisions regarding:

- the maximum rate of yields that may be applied to member loans or membership shares;
- the maximum remuneration rate that can be applied to members' shares;

2) Any restriction on the commercial activities of the cooperative.

Sub-section 3: Trade name

Article 19

Any cooperative shall be designated by a name that is indicated in its articles.

The cooperative may not take the name of another company already registered in the Register of Commerce and Securities or the Register of Cooperatives.

The name must appear on all acts and documents from the cooperative and intended for third parties, including letters, invoices, notices and various publications. It must be preceded by a mention of the form of cooperative, the address of its registered office and its registration number in the Register of Cooperatives, all written in legible characters.

The name can be changed for each type of cooperative, under the conditions provided by this Uniform Act for the amendment of the Articles of Association.

Sub-Section 4: Corporate purpose of cooperatives

Article 20

Any cooperative shall have a purpose that consists of its business which must be defined and described in its articles.

The purpose of the cooperative must be lawful.

When the business carried out by the cooperative is regulated, it shall comply with the specific rules governing such business.

The corporate purpose may be changed for each form of cooperative under the conditions provided for by this Uniform Act for the amendment of the Articles of Association.

Article 21

The corporate purpose of the cooperative shall determine its civil or commercial nature.

Translation subject to further correction (December 2016)

Sub-Section 5: Registered office

Article 22

Any cooperative shall have a registered office which should be stated in its articles.

The registered office must be chosen by the members and established in the territory of one of the States Parties, either at the main center of the business of the cooperative or at its administrative and financial management center. It must have a physical address or a sufficiently specific geographical location.

Article 23

Individuals other than the cooperative shareholders can avail themselves of the registered office, but it shall not be enforceable by the cooperative if the actual registered office is located somewhere else.

Article 24

The registered office may be changed for each form of cooperative, under the conditions provided for by this Uniform Act for the amendment of the Articles of Association.

However, it may be transferred to another location in the same city by a decision of the management committee or the board of directors of the cooperative.

Any decision to relocate the registered office shall be recorded in the Register of Cooperatives and communicated to the regulatory authority by the management committee or the board of directors.

Sub-section 6: Duration - Extension

Paragraph 1: Duration

Article 25

The duration of any cooperative shall be stated in the Articles of Association.

Article 26

The duration of the cooperative shall become effective on the date of its registration in the Register of Cooperatives.

Article 27

The end of its life shall entail automatic dissolution of the cooperative, unless its extension is decided under conditions set forth in this Uniform Act.

Article 28

The duration of the cooperative may be modified, for each form of cooperative, under the conditions provided for in this Uniform Act for the amendment of the Articles of Association.

Translation subject to further correction (December 2016)

Paragraph 2: Extension

Article 29

The duration of the cooperative may be extended one or more times. The decision of extension shall state the duration.

The extension of the duration of the cooperative shall be determined, for each form of cooperative, under the conditions provided by this Uniform Act for the amendment of the articles.

One year at least before the expiry date of the duration of the cooperative, members must be consulted in order to decide whether it should be extended. Failing this, any member may petition the competent court that shall rule expeditiously within the jurisdiction in which is located the registered office for the appointment of an agent to be responsible for organizing the consultation provided for in this paragraph.

The extension of the duration of a cooperative shall not entail the creation of a new legal entity.

Sub-Section 7: Contributions

Paragraph 1: General Provisions

Article 30

Each member shall undertake to make a contribution to the cooperative.

Each member shall be liable to the cooperative for every contribution he has pledged to bring in either in cash, in-kind or through service.

Article 31

In exchange for their contributions and according to the form of cooperative, members shall be issued shares by the cooperative under conditions set forth in this Uniform Act.

Article 32

The provisions of this section shall apply to contributions made during the cooperative life and in respect with the increase of the minimum capital set by the articles.

Paragraph 2: Different types of contributions

Article 33

Each shareholder may contribute to the cooperative:

- cash or cash contribution;
- rights relating to in-kind goods, movable or immovable, tangible or intangible, or in-kind contributions;

- Service, through labor or know-how.

Paragraph 3: Cash contributions

Article 34

Cash contributions shall be effected by transferring ownership of the amount of money that the shareholder has pledged to contribute to the cooperative.

Cash contributions for the constitution of capital set for the formation of the cooperative shall be paid in full during the constitution of the cooperative unless otherwise provided for by this Uniform Act. The same shall apply to the admission of members during the cooperative life, except otherwise provided for in the Articles of Association. Only cash contributions deemed fully paid shall be sums over which the cooperative has acquired ownership and which have been fully and finally collected.

Article 35

In the event of delay in payment, sums due to the cooperative shall automatically bear interest at the official rate from the day the payment was to be made without prejudice to any damages, where applicable.

Article 36

Unless otherwise stipulated in the articles, cash contributions made for a collective increase of capital of the cooperative may be achieved by offsetting a debt that is certain, of a fixed amount and due to the cooperative.

Paragraph 4: In-kind contribution

Article 37

In-kind contributions shall be made by transferring real or individual rights matching the assets contributed and by actually endowing the cooperative with assets to which those rights are attached.

In-kind contributions shall be fully paid during the cooperative formation or during its life by any member who undertakes to do so.

Article 38

Where the contribution is in the form of property, the contributor shall act as a guarantor for the cooperative as a vendor for the buyer.

Article 39

Where the contribution consists of the enjoyment of property, the contributor shall act as a guarantor for the cooperative, as a lessor for the lessee.

However, when the contribution consists of fungible goods or all other assets meant to be renewed during the life of the cooperative, the contract shall transfer ownership of the assets to the cooperative provided that it gives equal quantity, quality and value in return.

Article 40

The contribution of an asset or a right subject to publicity for its enforceability against third parties may be published before the registration of the cooperative. The retroactive effect to the date of its realization may only begin from the date of the cooperative registration.

Article 41

Members shall assess in-kind contributions and warrant their value.

Article 42

The articles shall contain the assessment of in-kind contributions made during the cooperative registration. Such assessment shall be recorded in a document annexed to the articles when contributions are made during the cooperative life.

Paragraph 5: Service contributions

Article 43

The service contribution scheme shall be set out by the Articles of Association.

Failure to set out such contribution in the articles, the contribution of the member who provided the service shall be equal to the share of the member who less contributed.

The member who obligated himself to make the contribution to the cooperative shall report all gains borne by the activity that is the subject of the contribution.

Sub-Section 8: Shares

Paragraph 1: Principle

Article 44

The cooperative shall issue and remit to members securities called membership shares representing their contributions.

Article 45

All shares issued by the cooperative shall be nominative. Their par value shall be the same for all the membership shares. It shall be set out in the articles.

Shares may not be issued at a price lower than their par value.

Paragraph 2: Rights and obligations attached to shares

Sub-paragraph 1: Rights

Article 46

Membership shares shall confer to their holder:

- a right to the surplus earnings generated by the cooperative when their distribution was decided pursuant to the statutory provisions;
- a right to all the advantages and benefits of the cooperative;
- the right to participate in the collective decisions of shareholders and to vote;
- The right, in any case, to exercise or benefit, within the limits of the provisions of this Uniform Act and the Articles of Association, from the rights attached to the status of a shareholder. Rights mentioned above must be exercised under the conditions laid down for each form of a cooperative. Such rights may be suspended or repealed pursuant to the express provisions of this Uniform Act.

Sub-paragraph 2: Obligations

Article 47

Each member of a cooperative is required to participate in the cooperative losses under the conditions set forth by this Uniform Act, the articles and the rules of procedure for each form of the cooperative.

The member shall also be required to transact with the cooperative in accordance with its corporate purpose.

Article 48

Unless otherwise agreed to in the articles and with regard to the distribution of earnings, the rights and obligations of all members referred to in Articles 46 and 47 above shall be equal regardless of the amount of their contributions.

Paragraph 3: Assignment – Non negotiability

Article 49

Membership shares shall be nominative, individual, non-negotiable, elusive and assignable in accordance with the conditions set forth in the articles.

They shall not be subject to pledge.

Article 50

The articles of association shall define the assignment and reimbursement conditions and shall determine the value of such rights, in all cases where there is provision for the assignment of a member's social rights or reimbursement thereof by the cooperative.

In the event of a dispute, the assignment or reimbursement value shall be determined by the parent institution to which the cooperative is a subsidiary and failing that, by an expert appointed by mutual agreement of the parties or appointed by the competent court ruling expeditiously.

Paragraph 4: Reduction of the number of members below the legal Threshold

Article 51

During the life of the cooperative, the reduction of the number of members below the number legally authorized for the form of the cooperative concerned shall not result in the automatic dissolution of the cooperative.

Any interested individual may petition for such dissolution to the competent court where the situation has not been rectified within a period of one year.

The competent court may grant the cooperative a maximum period of six months to rectify the situation; it cannot pronounce the dissolution if, on the day when it rules on the substance of the case, such rectification is done.

Sub-section 9: Resources of the Cooperative

Paragraph 1: Equity Capital

Sub-paragraph 1: Share Capital

Article 52

The capital of the cooperative shall be variable.

It may be increased or decreased under the conditions set forth in Articles 56, 57 and 58 below.

Article 53

The initial share capital shall be stated in the articles which set its amount.

Article 54

The initial share capital shall represent the amount of capital contributions made by the members to the cooperative during its formation.

Service contributions shall also apply to the constitution of the initial share capital and shall give right to the allocation of membership shares conferring the qualification of member.

Article 55

The share capital shall be divided in membership shares.

In exchange for contributions, the cooperative shall issue shares to the contributor for a value equal to the value of contributions made.

Article 56

Except in cases of variation of the initial capital due to withdrawals or admission of members, the amount of the initial capital may be increased or decreased by the general meeting for each form of cooperative under the conditions provided for by this Uniform Act for the amendment of the articles.

Article 57

The increase of capital by the general meeting may be realized by subscribing to a proportional number of shares in addition to those already held by each cooperative shareholder, by increasing the share par value or by incorporating reserves free of allocation.

Article 58

The reduction of capital by the general meeting may be realized by reducing the nominal amount of shares held by each member or by total or partial reimbursement of the contributions made.

Sub-paragraph 2: Other equity capital

Article 59

Cooperatives may receive grants, donations and bequests for the development of their activities.

Such grants, donations or bequests shall not be taken into account for the calculation of interest paid on membership shares.

Paragraph 2: Loan funds

Article 60

The cooperative may seek to borrow money under conditions legally admitted on the territory of the State of the registered office pursuant to the provisions specific to the various forms of cooperatives and the articles.

Sub-section 10: Amendment to the articles of association

Article 61

The Articles of Association may be amended. Such amendment may only be decided by the extraordinary general meeting and under the conditions set forth by this Uniform Act for each form of cooperative.

Article 62

Unless otherwise specifically motivated by the competent court seized for this purpose and ruling expeditiously, no increase in the commitments of the members toward the cooperative may be decided without their consent.

Sous-section 11: Non-compliance with formalities –Liability

Article 63

Where the articles do not contain all the stipulations required by this Uniform Act or where a formality prescribed thereby for the formation of the cooperative has been omitted or improperly completed, any interested party may petition the competent court or the competent administrative authority in the jurisdiction where the registered office is located for the correction of the formation. The public prosecutor may also act for the same purpose.

Article 64

The action for the purposes of regularization shall be prescribed for three years from the date of the registration of the cooperative or the publication of the instrument amending the articles.

Article 65

The founding members as well as the first members of the management or administration committees shall be jointly liable for the prejudice caused, either by the omission of a mandatory statement in the articles, or by the omission or improper completion of a formality required for the formation of a cooperative.

Similarly, members of the management or administration committee who are in office then shall incur the same liability under the above paragraph in the event of irregularity in the amendment of the articles.

Article 66

The suit for civil liability provided for in Article 65 above shall be prescribed for five years, as the case may be, beginning on the day of the registration of the cooperative or the publication of the instrument amending the articles.

Section 2: Rules of procedure

Sub-section 1: Form of rules of procedures

Article 67

The rules of procedures shall be established by a private or notarized deed.

Translation subject to further correction (December 2016)

As many originals as possible shall be established for the purposes of filing a copy at the registered office and the execution of various formalities. A copy of the rules of procedure shall be held at the disposal of any member at the registered office of the cooperative.

Sub-section 2: Content of the rules of procedure

Article 68

In addition to mandatory statements, the rules of procedures shall contain the following particulars:

- payment terms of allowances to members of the board of directors or the management committee, the supervisory board or council defined pursuant to the provisions of Article 225 and 305 below;
- subscription of complementary membership shares and their number by member;
- criteria and conditions of suspending members;
- the possibility of allocation of the right to plural vote in case of unions, federations and confederations;
- Any other recommendations deemed necessary for the realization of the corporate purpose of the cooperative and compliant with the cooperative basis as well as with the mandatory provisions of this Uniform Act.

Chapter 4: Register of cooperatives – Registration of legal entity

Section 1: Register of cooperatives

Sub-section 1: General provisions

Article 69

The purpose of the Register of Cooperatives is to:

- receive the registration of cooperatives and their parent institutions governed by this Uniform Act;
- Receive also the registrations and statements of changes brought, since their registration, to the legal status of cooperatives and parent institutions.

Sub-section 2: Organization of the register of cooperatives

Article 70

The Register of Cooperative shall be administered by the local authority in charge of keeping such Register.

In each State party, the administrative authority in charge of the Register of Cooperatives shall be the decentralized national authority of the territorial administration body or the competent authority to which the registered office of the cooperative is immediately attached.

The National Registry provided for by the Uniform Act on General Commercial Law shall centralize the information in each Register of Cooperatives.

The Regional Registry provided for by the Uniform Act on General Commercial Law shall centralize information consigned in each National Registry.

Information contained in the forms given to the administrative authority in charge of the Register of Cooperatives is destined to the public.

Article 71

The Register of Cooperatives shall include:

- 1) a register for incoming correspondence stating, in chronological order, the date and number of each accepted declaration, the full names or the corporate name of the registrant, and the purpose of the declaration;
- 2) The collection of individual files kept in alphabetical order, which include particulars of their names, legal form, nature of their business, address of the registered office, all declarations, acts and documents concerning the cooperatives and their parent company.

Article 72

All declarations shall be established in four copies on forms furnished by the administrative authority in charge of the Register of Cooperatives.

The declarations shall bear the signature or fingerprints of the registrant or his authorized agent who shall show proof of his identity and, unless he is a lawyer or notary, the power of attorney signed by the registrant or on which is affixed his fingerprints.

The first copy shall be kept by the administrative authority in charge of keeping the Register of Cooperatives.

The second copy stating the date and the name of formality carried out shall be given to the registrant.

Translation subject to further correction (December 2016)

The third and fourth copies shall be sent by the administrative authority in charge of the Register of Cooperatives to the National Registry for transmission of one of them to the Regional Registry.

Article 73

Furthermore, the Register of Cooperatives shall also contain automatically:

- 1) Decisions taken in individual bankruptcy proceedings or in collective bankruptcy proceedings;
- 2) decisions on sanctions against the officers;
- 3) Decisions on rehabilitation or amnesty measures eliminating disqualifications or prohibitions.

The particulars provided for in this Article shall be forwarded by the court which issued the decision, or failing that, by any interested individual to the administrative authority of the Register of Cooperatives within the jurisdictional territory and to the parent company of the cooperatives.

Section 2: Registration–Legal personality

Sub-section 1: Registration

Article 74

Any cooperative must be registered in the Register of Cooperatives established in each State Party.

Article 75

A cooperative needs to be registered, within the month of its formation, to the Register of Cooperatives.

Such application shall state:

- 1) the name;
- 2) where appropriate, the trade name, the abbreviation or the brand ;
- 3) the business carried out;
- 4) the type of cooperative;

- 5) the amount of the initial share capital with the amount of cash contributions and possibly, the assessment of in-kind or service contributions;
- 6) the address of the registered office and, where appropriate, the address of the main institution and that of each of the other institutions;
- 7) the duration of the cooperative as set out in the articles;
- 8) The full names, nationality, date and place of birth as well as domicile of officers who have the powers to commit the cooperative.

Article 76

To that application, the following supporting documents shall be attached:

- 1) two copies of the Articles of Association;
- 2) two copies of the list of members of the management committee or the board of directors of the cooperative;
- 3) Where appropriate, required prior authorizations where the business is regulated.

Article 77

No cooperative may be registered at several registers or at the same Register under several numbers.

As soon as the applicant's application is in order, the administrative authority in charge of the Register of Cooperatives shall assign a registration number and indicate it on the form given to the registrant; the authority shall then transmit a copy of the personal file and the other documents filed by the applicant to the National Registry.

Sub-Section 2: Legal personality

Article 78

Any cooperative shall enjoy legal personality from the day of its registration in the Register of Cooperatives.

However, the business shall be subject to rules governing such activity.

Sub-section 3: Situation in case of change of address of the registered office

Translation subject to further correction (December 2016)

Article 79

In the event the cooperative changes the address of the registered office within the territorial jurisdiction of another administrative authority in charge of the Register of Cooperatives, the latter shall seek:

- its removal from the Register of Cooperatives in the jurisdiction of its initial registration;
- A new registration at the Register of Cooperatives in the jurisdiction where it moves after the authority in the new jurisdiction has verified that the former registration has been deleted.

For this purpose, the cooperative must provide the information and documents referred to in Articles 75 and 76 above.

These formalities shall be carried out by the cooperative concerned within one month of the relocation.

Sub-section 4: Corrections, amendments or additional entries

Article 80

Where the cooperative undergoes subsequent changes that require the correction or supplement of the particulars entered in the Register of Cooperatives, it shall request an amendment of additional entries within thirty days of these changes.

Any changes concerning the Articles of Association of the cooperative shall be declared at the Register of Cooperatives.

Any request for entering an amendment, correction or additional entry shall be signed by the individual responsible for the declaration or who affixed his fingerprint, or by a proxy who must prove his identity and, if it is a lawyer, notary, trustee or other officer of the court duly authorized by law, he shall present a special power of attorney signed by the registrant or on which are affixed his fingerprints.

Sub-section 5: Publicity

Article 81

Any registration, as well as any entry or reference recording the changes that have occurred since the date of its registration in the State and its status as a cooperative shall, in addition, within one month of the registration of this formality, be subject to a notice to be inserted in a newspaper empowered to publish legal notices. Such notice shall contain the particulars provided for in Article 75 above.

Sub-section 6: Secondary entry in case of a secondary institution

Translation subject to further correction (December 2016)

Article 82

Each cooperative is required to request a second registration within a month from the day of the beginning of operations in the event it operates a secondary institution or subsidiaries within the jurisdiction of other administrative authorities in charge of the Register of Cooperatives.

Such declaration shall state, in addition to the reference to the main registration, the above required information for cooperatives in Article 75.

Article 83

The request for a secondary registration must be filed with the administrative authority in charge of the Register of Cooperatives in the jurisdiction in which is located the registered office of the secondary institution or subsidiary.

The administrative authority in charge of the Register of Cooperatives shall forward, within one month of the secondary registration, a copy of the declaration of the secondary registration to the administrative authority in charge of the Register of Cooperatives where the main registration took place.

Any registration of a secondary institution shall result in the assignment of a registration number and shall be published in a newspaper empowered to publish legal notices within one month of such registration.

Sub-section 7: Dissolution-Removal

Article 84

The dissolution of a cooperative, for whatever reason, must be declared to the administrative authority in charge of the Register within one month in order to have it recorded in the Register of Cooperatives in which it was registered.

The same shall apply for the nullity of the cooperative from the day the decision thereof was made.

The removal must be requested by the liquidator within a period of one month from the close of the liquidation operations.

Failing to request the removal within the prescribed period, the competent administrative authority in charge of the Register of Cooperatives shall proceed with the removal based on the decision of the competent court acting from a petition of the authority or any interested party.

Any removal shall be published in a newspaper empowered to publish legal notices.

Section 3: Cooperative being formed and cooperative formed but not registered

Sub-section 1: Definitions

Article 85

A cooperative shall be deemed to be under formation where it has not yet been incorporated.

Article 86

Any cooperative is formed from the day of the organizational meeting and signature of the articles by the members.

Before its registration in the Register of Cooperatives, the existence thereof shall not be enforceable to individuals other than the members. Nevertheless, they can use it.

Article 87

People who take the initiative to create a cooperative must have their residence in the territory of one of the State Parties.

The residence address may not consist only of a post office box. It must be a physical address or an adequate specific geographical location.

Article 88

From the signing of the Articles of Association, the officers shall override the founding members. They shall act on behalf of the cooperative formed and not yet registered.

Their powers and obligations shall be determined in accordance with provisions laid down in this Uniform Act and the articles.

Article 89

Between the date of the formation of the cooperative and its registration in the Register of Cooperatives, relations between the members shall be governed by the articles and general rules of the legislation applicable to their obligations in the State where the registered office is located.

Sub-section 2: Undertakings on behalf of the cooperative being formed before its formation

Article 90

Acts and commitments made by the founding members on behalf of the cooperative before its formation shall be reported to the cooperative shareholders at the constituent meeting.

Article 91

The resumption of acts and commitments undertaken on behalf of the cooperative being formed

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shall be subject to a special resolution of the constituent general meeting passed under the conditions laid down by this Uniform Act.

The meeting shall be fully informed on the nature and scope of each of the acts and commitments that have to be passed on. Individuals who have undertaken such acts and commitments shall not vote and their vote shall not be taken into account for the calculation of quorum and majority.

Article 92

Acts and commitments taken over by the cooperative regularly formed and registered shall be deemed having been undertaken from the outset.

Acts and commitments which have not been accepted by the cooperative under the conditions provided for by this Uniform Act shall not be enforceable thereto and individuals who have undertaken them shall be held jointly and indefinitely liable for their inherent obligations.

Sub-section 3: Undertakings on behalf of a cooperative formed before its registration

Article 93

Members may, in the Articles of Association, or in a separate document or, where applicable, during the general organizational meeting, grant powers to one or more officers, depending on the case, to make commitments on behalf of a formed cooperative, but not yet registered in the Register of Cooperatives. Provided that such commitments are defined and their scope specified in the terms of reference, the registration of the cooperative means that the cooperative is taking over such undertakings.

Acts exceeding the powers conferred to officers in their terms of reference, or unrelated to such terms, may be taken over by the cooperative provided that they have been approved by the ordinary general meeting under the conditions set forth in this Uniform Act for each form of cooperatives unless otherwise provided for in the Articles of Association.

Members who have undertaken such acts and commitments shall not vote and their votes shall not be taken into account in the calculation of quorum and majority.

Article 94

Notwithstanding the provisions of Article 93 above, the provisions of Article 92 of this Uniform Act shall govern acts and commitments taken over by the cooperative and those that are not taken over.

Title 2: Operations of a cooperative

Chapter 1: Powers of officers and general principles

Article 95

With regards to individuals of good faith other than the members, the management or administration committees may, within limits set by this Uniform Act for each form of cooperatives, have all the powers to commit the cooperative without being required to justify their actions with a special mandate. Any restriction to their legal powers by the articles shall not be enforceable to individuals other than the members.

Article 96

In dealing with individuals other than the members, the management or administrative committees shall commit the cooperative through acts matching the corporate purpose, unless otherwise provided for in this Uniform Act.

The cooperative shall be committed by the management or administrative acts which are not in line with the corporate purpose, unless it proves that individuals other than the members knew that the acts did not fall under the corporate purpose or in light of the circumstances they could not ignore them, unless the only publication of the articles is sufficient to constitute such evidence.

Article 97

With respect of relations between shareholders and subject to the legal provisions specific to each form of cooperatives, the articles may limit the powers of the management and administration committees.

Such restrictions shall be unenforceable to individuals other than members who are of good faith.

Article 98

The appointment, removal or resignation of officers shall be published in the Register of Cooperatives within one month.

Chapter 2: General meeting– General principles

Article 99

Unless otherwise stipulated in this Uniform Act, any member has the right to participate in the decisions of the general meeting. Any statutory clause to the contrary shall be deemed unenforceable.

Article 100

Participation in general meetings shall be in person.

However, members who are prevented from attending may vote by proxy unless otherwise stipulated in the articles. In this case, the articles of the cooperative shall determine the procedures for voting by proxy including the number of members and/or the votes of proxies.

Article 101

In the absence of contrary provisions in the articles, the co-owners of a share shall be represented by a sole proxy chosen among undivided co-owners. In case of disagreement, the proxy shall be appointed by the competent court in the jurisdiction in which the registered office is located at the request of the earliest undivided co-owner.

Article 102

Each member shall have one vote regardless of the significance of his interests in the capital of the cooperative.

Article 103

Collective decisions shall be ordinary or extraordinary. They shall be taken in the general meetings under the conditions of form and substance laid down for each form of cooperatives.

Article 104

Any deliberation of the members shall be recorded in minutes stating the date and venue of the meeting, full names of members present or represented, the agenda, the documents and reports submitted for discussion, a summary of discussions, the text of the resolutions voted on and the outcome of the votes.

The minutes shall be signed under the conditions set forth in this Uniform Act for each form of cooperatives.

Article 105

Minutes referred to in the foregoing article shall be established in a special registry kept at the registered office.

Copies or extracts of the minutes of the deliberations of the members shall be validly certified true and comply with the legal representative of the cooperative.

Article 106

When the number of members is greater than five hundred, the articles of the cooperative may provide that the general meeting be preceded by meetings of different sections deliberating separately on the same agenda.

Section meetings shall elect delegates who are convened to the general meeting. The Articles of

Association shall determine the distribution by section, the number of delegates per section and the implementing arrangements.

Chapter 3: Annual summary financial statements, allocation of earnings

Section 1: Annual summary financial statements

Sub-section 1: Principle

Article 107

At the close of each financial year, the management committee or the board of directors, as the case may be, shall prepare and adopt summary financial statements in accordance with the provisions of the Uniform Act and the Uniform Act on the Organization and Harmonization of Corporate Accounting.

The financial statements shall be signed by somebody who is duly authorized to commit the responsibility of the cooperative and shall be certified by an auditor if the cooperative has appointed one.

Sub-section 2: Approval of Annual summary financial statements

Article 108

The management committee or the board of directors, as the case may be, shall prepare a management report in which it describes the cooperative position during the ending financial year, its foreseeable trend and, in particular, an outlook on the cooperative performance, changes in net cash position and financing planning.

The management committee or the board of directors shall also explain the status of promotion of members in this report.

Article 109

The following shall be included in the summary financial statements:

- a statement of suretyships, endorsements and guarantees granted by the cooperative;
- A statement of secured debts consented by the cooperative.

Article 110

The annual summary financial statements and the management report shall be presented to the ordinary general meeting of the cooperative in charge of approving these documents, which must be held within six months of the close of the fiscal year.

These summary financial statements shall, where applicable, also be sent to the immediate parent institution to which the cooperative is a subsidiary within forty-five days prior to the date of the ordinary general meeting.

Article 111

Any change in the presentation of the summary financial statements or in the methods of evaluation, depreciation and provisions conform to the Uniform Act on the Organization and Harmonization of Corporate Accounting shall be indicated in the annual report.

Section 2: Rebates - Reserves

Sub-section 1: Rebates

Article 112

The articles may provide for the payment of rebates to members proportionally to operations carried out by them with the cooperative or the work done in favor thereof.

Sub-section 2: Reserves

Article 113

The general meeting shall decide on the allocation of earnings in compliance with legal and statutory provisions.

The meeting shall make the necessary allocations to legal and statutory reserves.

Article 114

The articles provide for the constitution of a general reserve by annual levies on the operating net surpluses before any other allocation.

The articles provide in the same conditions as in the paragraph above, the constitution of a reserve for training, education and awareness campaign to cooperative principles.

Insofar as each of these legal reserves does not reach the amount of capital determined by the articles, levies made in respect of each reserve may be less than twenty per cent of the net operating surpluses.

Article 115

The articles may provide for optional reserves powered by the allocation of a percentage of net operating surpluses. The total amount in respect of optional reserves shall not exceed twenty per

cent of the net surpluses.

Article 116

Resigning or terminated members shall not be entitled to funds allocated to the general reserve and to reserves for training, education and awareness campaign.

Similarly, optional reserves referred to in Article 115 above shall not be distributed among members.

Section 3: Disputes among members, or among one or more members and the cooperative

Article 117

Any dispute among members or among one or more members and the cooperative shall be referred to the competent court.

Such dispute may also be subject to mediation, conciliation or arbitration.

Article 118

Cooperatives, their unions, federations, confederations or networks subject to the provisions of this Uniform Act may create, within their institutions, organs of arbitration, conciliation and mediation in accordance with the provisions of the Uniform Act on Arbitration and the International Law on Arbitration, Conciliation and Mediation.

Chapter 4: Preventive auditing procedures

Section 1: Alert procedure

Article 119

The supervisory board or council, depending on the form of cooperative concerned, shall request in writing or verbally to the management committee or the board of directors which must reply within the time limits and conditions prescribed in the next paragraph of this Article, explanations on any fact which might jeopardize the performance of the cooperative that it noted during the performance of its duties.

The management committee or the board of directors shall reply in writing or verbally during a special meeting within the month following the request for explanations. In its reply, it shall provide a thorough analysis of the situation in question, and where appropriate, it shall state planned measures.

In the event of non-compliance with the provisions laid down in the preceding paragraph or if, despite the decisions taken, the supervisory board, or the supervisory council finds that the cooperative operations remain in jeopardy, its shall establish a special report to present to the next general meeting or, in case of emergency, to a meeting specially convened for that purpose.

This option is vested, under the same conditions, to the parent institution to which the cooperative is a subsidiary.

Section 2: Management expertise

Article 120

Members may, provided that their number reaches at least 25 per cent of memberships in the cooperative, ask the chairman of the competent court where the registered office is located to appoint one or more experts to report on one or more management operations by forming a group under a form they deem appropriate.

If the request is granted, the judge shall determine the scope of the duties and powers of the experts. The fees of the experts shall be borne by the members. The report shall be sent to the applicant and to the management or administrative board of the cooperative.

Section 3: Auditors

Article 121

Cooperatives with a board of directors are required to appoint at least one auditor when they meet the following conditions:

- the number of members exceeds one thousand;
- the turnover exceeds one hundred million;
- The total turnover exceeds five millions.

The auditor shall be appointed by the general meeting for three years.

He shall be selected from among the auditors approved in the State concerned.

The appointment of an auditor is optional for simplified cooperatives.

Title 3: Suit for civil liability against cooperative officers

Chapter 1: Individual suit

Article 122

Without prejudice to potential liability of the cooperative, every officer shall be individually liable to third parties for misconduct in the performance of his duties.

Where several cooperative officers are involved in collective misconduct, they shall be jointly liable to third parties. However, with respect to relations among the officers, the competent court shall determine the share to be borne by each of them in apportioning damages to be paid.

Article 123

Individual suits for damages due to losses suffered by a third party or a member shall lapse after three years from the day of the harmful event or, following its disclosure if it was concealed.

Article 124

An individual suit shall be a suit for damages due to losses suffered by a third party or a member, when the latter suffers losses distinct from those suffered by the cooperative as a result of individual or collective misconduct of officers in the performance of their duties.

Such lawsuit shall be filed by the individual who suffered the loss.

Article 125

The competent court handling such lawsuit shall be within the jurisdiction of the cooperative registered office.

Article 126

Individual lawsuits shall lapse after three years following the harmful event or, following its disclosure if it was concealed.

The individual lawsuit for crimes shall lapse after ten years.

Chapter 2: Derivative lawsuit

Article 127

Every officer shall be individually liable to third parties for misconduct in the performance of his duties.

Article 128

Where several cooperative officers are involved in collective misconduct, the competent court shall determine the share to be borne by each of them in apportioning damages to be paid under the conditions set forth in this Uniform Act for each form of cooperatives.

Article 129

One or several members may file derivative lawsuits after a formal notice of the competent bodies remains unanswered within a time limit of thirty days. Petitioners shall be entitled to pursue the suit for damages due to losses suffered by the cooperative. In the event of conviction, damages shall be awarded to the cooperative.

Article 130

Any clause of the Articles of Association subordinating the exercise of the derivative lawsuit to the prior notice or authorization of the general meeting, the administrative and management committee or which should waive in advance the right to file such a suit may be deemed unenforceable.

Moreover, no decision of the general meeting of the members, the management or administration board may have the effect of closing any tort action against managers for misconduct in the performance of their duties.

Article 131

The competent court, hearing such lawsuit, shall be within the jurisdiction of the cooperative registered office.

Individual lawsuits shall lapse after three years following the harmful event, or following its disclosure if it was concealed.

The individual lawsuit for crimes shall lapse after ten years.

Article 132

Filing a derivative lawsuit shall not preclude a shareholder from suing the cooperative for damages for a damage he might have personally suffered.

Title 4: Legal relations between cooperatives

Chapter 1: Unions – Federations – Confederations - Networks

Section 1: Unions of cooperatives

Article 133

At least two cooperatives with the same corporate purpose (s) may form a union of cooperatives for the management of their common interests.

Sub-section 1: Formation

Article 134

The union of cooperatives shall be formed by the adoption of its articles by the organizational general meeting comprising at least three delegates duly appointed by each of the cooperatives' founding members.

Article 135

The union shall be registered at the Register of Cooperatives pursuant to the provisions of this Uniform Act relating to the registration of cooperatives and shall then acquire a legal personality under the same conditions.

Sub-section 2: Mandate- Operations

Article 136

The union of cooperatives may engage in all economic activities. However, such economic activities shall be carried out in compliance with the principle of subsidiarity in connection with the activities of cooperative affiliates.

In coordination with its federation or confederation or in the absence of the latter, the union shall perform all or part of the duties assigned to a federation and confederation in respect with the cooperative affiliates.

Article 137

Each cooperative member shall be automatically represented at the general meeting of the union by its chairman or, failing that, by an individual chosen by the board of directors or management committee of the cooperative among its members and who can justify his mandate.

Article 138

The union of cooperatives may provide the possibility of plural votes for some of its members in its articles and rules of procedure and shall determine the criteria.

Article 139

Unless otherwise provided by this Uniform Act, the union of more than two cooperatives shall not be dissolved by voluntary or forced withdrawal, the liquidation of property ruled by a court decision, by voluntary or forced dissolution of a cooperative member or by the withdrawal of the agreement of such cooperative. It shall automatically continue among other members.

Article 140

Translation subject to further correction (December 2016)

In all cases not expressly provided for by this section, the provisions of this Uniform Act and the principles that govern the cooperative with a board of directors shall apply to the union of cooperatives.

Section 2: Federation of cooperatives

Sub-section 1: Formation

Article 141

At least two unions, even if they have different corporate purposes, may form a federation together in order to manage their interests.

A federation may admit as affiliates, cooperatives which are unable to form or join a union.

Article 142

The federation of cooperatives shall be constituted by the adoption of its articles by the organizational general meeting bringing together at least three delegates duly appointed by each of the unions and cooperatives which are founding members.

Article 143

The federation of cooperatives shall be registered in the Register of Cooperatives in accordance with the provisions of this Uniform Act relating to the registration of cooperatives and shall acquire a legal personality under the same conditions.

Sub-section 2: Mandate – Operations

Article 144

The purpose of the federation is notably:

- to ensure the application of the cooperative basis within the cooperatives and unions which are subsidiaries thereof;
- to provide all necessary assistance for the formation, administration and management of subsidiary unions and cooperatives;
- to promote and develop the cooperative movement as well as cooperation between cooperative organizations;
- to protect and manage the interests of their members with public and private organizations;
- to provide subsidiaries with all necessary services, including educational, administrative,

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professional, financial and ongoing training of members and to contribute to the realization of their objectives;

- to study the interests of subsidiaries through statistics, and provide them with all information that can improve their operations;
- to offer its subsidiaries its offices in case of disputes;
- to assist its subsidiaries, subject to the specific duties of their bodies, in their monitoring assignments;
- to act as a supervisory authority of the unions and subsidiary cooperatives;
- to trigger the alert, for its subsidiaries, or inform the meeting of unions and subsidiary cooperatives of any observed irregularity;
- To establish a fund to finance audits or external controls of its subsidiaries. The fund shall be powered by annual dues in proportion to the subscribed shares.

Article 145

The federation may carry out economic activities in the interest of its subsidiaries. The exercise of such activities shall be subject to the compliance with the subsidiarity principle with respect to the unions and subsidiary cooperatives.

Article 146

Subject to compliance with the legal provisions, the federation shall prescribe administrative rules that shall govern the unions and subsidiary cooperatives.

Article 147

The federation of cooperatives may provide the possibility of plural votes for some of its members in its articles and rules of procedure and it shall set the criteria thereof.

Article 148

The federation may join regional or international organizations.

Article 149

Unless otherwise provided by this Uniform Act, the federation with over two unions shall not be dissolved by voluntary or forced removal, the liquidation of property by virtue of a court decision or by voluntary or forced dissolution of a union or subsidiary cooperative or by the withdrawal of the agreement thereof. It shall continue automatically among the other members.

Article 150

In all cases not expressly provided for in this section, the provisions of this Uniform Act and the principles governing the registration of the cooperative with a board of directors shall apply to the federation of cooperatives.

Section 3: Confederation

Sub-section 1: Formation

Article 151

The confederation may take one of the forms of groupings recognized by the national legislation of the State concerned.

In the case of an option for the cooperative form, the provisions of this Uniform Act shall apply.

Article 152

At least two federations, even if they have different corporate purposes, may form between them a confederation of cooperatives in order to manage their interests. A confederation can accept as members, unions and cooperatives which are unable to form or join a federation.

Article 153

The confederation of cooperatives shall be formed by the adoption of its articles by the organizational general meeting bringing together at least three delegates duly appointed by each of the unions and cooperatives which are founding members.

Article 154

The confederation of cooperatives shall be registered at the Register of Cooperatives in accordance with the provisions of this Uniform Act relating to the registration of cooperatives and shall acquire a legal personality under the same conditions.

Sub-section 2: Mandate – Operations

Article 155

In addition to the mandate stipulated in Articles 144 to 146 above, the mandate of the confederation is notably:

- to maintain a permanent and adequate awareness campaign of this Uniform Act and other standards to which it refers;

- to ensure a continuous monitoring of the evolution of the cooperative legislation;
- To defend the interests of its members at national and international levels.

Article 156

The confederation of cooperatives may provide the possibility of plural votes for some of its members in its articles and rules of procedure and it shall set the criteria thereof.

Article 157

The confederation may join regional or international organizations.

Article 158

Unless otherwise provided by this Uniform Act, the confederation with more than two unions shall not be dissolved by voluntary or forced removal, the liquidation of property by virtue of a court decision or by voluntary or forced dissolution of a union or subsidiary cooperative or by the withdrawal of the agreement thereof. It shall continue automatically among other members.

Article 159

In all cases not expressly provided for in this chapter, the provisions of this Uniform Act and the principles that govern cooperatives with a board of directors shall govern the confederation of cooperatives.

Section 4: Cooperative Networks of Means or Goals

Article 160

Cooperatives, their unions, federations and confederations, not having the same common bond, may form a group of cooperative networks of means or goals aimed exclusively at implementing, for a fixed term, all proper ways and means to facilitate or develop the businesses of their members, improve or increase the earnings of such business, or in order to reach the goals for the promotion of the cooperative basis.

Article 161

Cooperative networks of means or goals may be established between organizations not covered within the same territory, or between organizations not registered in the same State Party.

Article 162

The initiators of the network shall mutually agree on the registered office and place of registration of the latter.

Formation formalities shall be identical to those of a simplified cooperative.

Article 163

The administration, management, operation and dissolution of the cooperative network of means or goals, consistent with cooperative basis and provisions governing simplified cooperatives to the extent compatible, shall be set out in an agreement signed by the members.

Article 164

Control of the management and audit of the summary financial statements shall be exercised under the conditions laid down by the agreement referred to in the preceding article.

Article 165

The cooperative network of means or goals shall be dissolved:

- 1) at the end of the term;
- 2) by the realization or extinction of its purpose;
- 3) by the decision of its members under the conditions provided in the agreement;
- 4) by court decision;
- 5) By dissolution of one legal member of the network, unless otherwise provided for in the agreement.

Article 166

The dissolution of the cooperative network of means or goals shall entail its liquidation. The legal personality of the network shall remain valid for the purposes of liquidation.

The liquidation shall be carried out in accordance with the provisions of the agreement. Failing this, a liquidator shall be appointed by the general meeting of the members of the network or if the meeting is unable to proceed with such appointment, by the decision of the competent court.

After payment of debts, surplus assets shall be vested either to other networks of cooperatives or to cooperatives of one of the States Parties, or to one or several organizations that support and promote cooperatives.

Title 5: Conversion of a cooperative

Article 167

Translation subject to further correction (December 2016)

The conversion of a cooperative is the operation whereby a cooperative changes its legal form by a decision of the cooperative shareholders.

Regular conversion of a cooperative in another form of cooperative shall be governed by this Uniform Act and does not create a new legal entity. It only stems from the amendment of its articles and shall be subjected to the same conditions of form and time limit that are governed by the provisions of this Title.

Article 168

The provisions of Article 167 above shall not apply to the conversion of a cooperative in any other form of cooperative not governed by this Uniform Act.

Article 169

The conversion shall take effect on the day the decision recording it is taken. However, it shall become binding on individuals other than the members only after amending the registration in the Register of Cooperatives and after publication of such conversion and entry in official places of display of the registered office.

The conversion may not have retroactive effect.

Article 170

The conversion of the cooperative shall not result in the closing of accounts where it occurs during the financial year, unless the members decide otherwise.

The summary financial statements of the fiscal year during which the conversion occurred shall be closed and approved in accordance with the rules governing the new legal form of the cooperative.

Article 171

The decision to convert shall put an end to the powers of the administration or management committees of the transformed cooperative.

Article 172

A management report shall be prepared by the former and new management committees, each of these boards reporting on their management term.

Article 173

The rights and obligations contracted by the cooperative in its original form shall remain in the new form. The same shall apply to securities, except in case of a contrary clause in the constitution of these securities.

Title 6: Merger – Split-Off

Article 174

Merger and dissolution shall intervene only between cooperatives governed by this Uniform Act.

The merger and dissolution may be carried out for cooperatives whose registered offices are not located on the territory of a same State party to the Treaty on the Harmonization of Business Law in Africa. In this case, each cooperative concerned shall be subject to the provisions of this Uniform Act in the State where its registered office is located.

Article 175

The practical procedures for merger or dissolution shall be adopted by an agreement signed between the cooperatives concerned, under the control of the parent organizations to which they are subsidiaries.

However, if the proposed transaction has the effect of increasing the commitments of the members, or of one or several cooperatives in question, it may only be decided unanimously by such cooperative or cooperatives.

Article 176

The merger or dissolution shall take effect:

- 1) In case of creation of one or more new cooperatives, on the date of registration at the Register of Cooperatives of the new cooperative or of the last of them; each new cooperative shall be formed in accordance with the rules governing the adopted form of the cooperative;
- 2) In other cases, at the date of the last general meeting that approved the transaction unless the agreement referred to in the foregoing article provides that the transaction takes effect at another date, which shall not be later than the date of the close of the current financial year of the beneficiary cooperative (s) or prior to the closing date of the last ending financial year of the cooperative (s) that assign (s) its/their assets.

Title7:Dissolution - Liquidation of a cooperative

Chapter 1: Dissolution of a cooperative

Section 1: Causes of dissolution

Article 177

The cooperative shall be dissolved by:

- the expiry of the term for which it was registered;
- the realization or extinction of its purpose;
- the cancellation of the contract of the cooperative;
- the decision of the members under conditions laid down for the amendment of the articles;
- the early dissolution pronounced by the competent court, at the request of one or several members for just cause, particularly in the event of disagreement between shareholders preventing the normal operation of the cooperative;
- the effect of a judgment ordering the liquidation of the assets of the cooperative;
- For any other reasons stipulated in the articles.

Article 178

The competent court may also, on referral by the administrative authority responsible for cooperatives or any interested person, dissolve any cooperative if, as the case may be:

- a) the cooperative has not started its operations within two years from the registration thereof;
- b) it has not exercised its statutory activities for two consecutive years;
- c) it has not complied with the provisions of this Uniform Act by holding annual meetings for at least two consecutive years;
- d) it failed, for a period of one year, to send notices or documents required by this Uniform Act to the competent institutions or authorities;
- e) it is operating without management, administrative or supervisory board for at least three months;

- f) When the cooperative is not organized or has made no transactions in accordance with the cooperative basis.

Article 179

The dissolution referred to in the preceding article may not occur unless the administrative authority responsible for cooperatives or the competent court has taken the following measures:

- a) it has given to the dissolving cooperative, as well as its management or administrative boards a notice of one hundred twenty days, notifying them its intent, and the reversibility of the measure of dissolution in the event of regularization of the breach found;
- b) It has published a notice of its intent in a publication available to the public.

Section 2: Effects of dissolution

Article 180

The dissolution of the cooperative shall have no effect with respect to individuals other than the members only from its registration in the Register of Cooperatives. It shall automatically entail its liquidation. The legal personality of the cooperative shall remain valid for the purposes of liquidation and until the close thereof.

Article 181

After acts or minutes deciding or recording the dissolution and its entry in the Register of Cooperatives have been delivered to the authority in charge thereof, the dissolution shall be published, on the initiative of the abovementioned authority, in a newspaper empowered to publish legal notices where the registered office is located.

Chapter 2: Liquidation of cooperatives

Section 1: General provisions

Article 182

Members can organize a friendly liquidation of the cooperative when the provisions of the articles so authorize.

In such a case, the articles shall:

- prescribe the conditions for carrying out the liquidation, including the appointment of the liquidator (s), his/their remuneration, the scope of his/their mandate, control arrangements of his/their mandate by members.

- define provisions relating to the liquidation surplus, which may be allocated to other cooperatives governed by the provisions of this Uniform Act or institutions or organizations working for the promotion of the cooperative movement.
- Prescribe also procedures for settlement of disputes that may arise between the parties concerned in the liquidation.

Any clause stipulating that members waive their right to go to the competent court when problems cannot be dealt with according to the provisions laid down by the articles shall be deemed unenforceable.

Article 183

The cooperative shall be under liquidation for any reason whatsoever from the moment of its dissolution.

The words “cooperative under liquidation” as well as the name of the liquidator must appear on all acts and documents of the cooperative, including all letters, invoices, notices and various publications to be sent to individuals other than members.

Article 184

The legal personality of the cooperative shall remain valid for the purposes of liquidation until the publication of the closing thereof.

Article 185

When the liquidation is decided by the members, one or several liquidators shall be appointed under the conditions of quorum and majority provided for by the extraordinary general meetings for all forms of cooperatives.

Article 186

In the simplified cooperative, a notice shall be sent to the competent authority empowered by national law to register the cooperative within a period of eight days. Such notice shall contain the decision of liquidation and the implementation arrangements.

Article 187

The liquidator may be selected among the members or outside the cooperative. He may be a legal entity.

Article 188

Unless there is unanimous consent of the members, the assignment of all or part of the assets of the cooperative under liquidation to an individual who was once a member of the management

committee or the board of directors may take place only with the authorization of the competent court.

In all cases, such assignment may only intervene with the respect to commitments made by the cooperative for its shareholders.

Article 189

The assignment of all or part of the assets of the cooperative under liquidation to the liquidator, its employees or their spouses, ascendants or descendants, is prohibited.

Article 190

The overall assignment of the assets of the cooperative or contribution of assets to another cooperative, including through merger, shall be authorized by the majority required for the amendment of the articles.

Article 191

The completion of the liquidation must take place within a period of three years starting from the moment the cooperative is dissolved.

Failing this, the public prosecutor or any interested party may seize the competent court within the jurisdiction in which the registered office of the cooperative is located so as to proceed with the cooperative liquidation or, if under way, its completion.

Article 192

The final accounts drawn by the liquidator shall be delivered to the authority in charge of cooperatives. The following shall be attached thereto, either the decision of the meeting of the cooperating shareholders who ruled on the accounts of the liquidation, discharged the liquidators of their management and mandate, or, failing this, the court decision referred to in the preceding article.

Article 193

Upon justification of the formalities referred to in the preceding article, the liquidator shall request the removal of the cooperative from the Register of Cooperatives within a period of one month from the publication of the completion of the liquidation.

Article 194

The liquidator shall be liable to the cooperative and third parties for damaging consequences resulting from his misconduct during the performance of his duties.

Derivative or individual suit for civil liability against the liquidator shall lapse after three years,

from the date of the damaging fact or from the date of its disclosure in case it was concealed.

However, when the fact is deemed a felony, the lawsuit shall lapse after a period of ten years.

Article 195

Any lawsuit against members who are not liquidators or their surviving spouse, heirs or dependents, shall lapse after five years from the date of the publication of the dissolution of the cooperative in the Register of Cooperatives.

Section 2: Special provisions for judicial liquidation

Article 196

Absent the statutory clauses relating to an amicable liquidation of the cooperative, its liquidation shall be carried out in accordance with the relevant provisions consistent with Articles 203 to 241 of the Uniform Act on Commercial Companies and Economic Interest Grouping.

Formalities that have to be carried out at the Register of Cooperatives shall be those provided for by the Register of Commerce and Securities and the provisions mentioned in paragraph 1 above.

The liquidation surplus shall be given to other cooperatives governed by the provisions of this Uniform Act or institutions or organizations working for the promotion of the cooperative movement.

Article 197

The provisions of Articles 182 to 196 above shall also govern unions, federations and confederations of cooperatives.

In the case of unions, federations and confederations, the dissolution and liquidation so pronounced shall not prejudice grassroots subsidiary organizations to which such errors are not attributable.

Title 8: Nullity of cooperatives and corporate acts

Article 198

A cooperative may not be nullified due a defective consent or inability of a member, unless it affects all members who registered the cooperative.

Article 199

The action for nullity shall be extinguished when the reason therefor has ceased to exist on the day where the court decides on the merits of the case in the first instance, except when such nullity is based on the unlawful nature of the corporate purpose.

Article 200

Even ex officio, the court hearing the case on nullity may set a time limit to carry out the nullity operation. The court cannot pronounce the nullity less than two months after the date of the introduction of the document instituting the proceedings.

If no decision is taken at the expiry of the period prescribed in the preceding paragraph, the court shall act at the request of the earliest petitioner.

Article 201

In case the nullity of the cooperative, its acts, decisions or deliberations based on a defect consent or incapacity of a shareholder and where the nullity may be regularized, any individual having an interest therein may give a formal notice to the incapacitated shareholder or the one whose consent is defect to regularize it, or to take action for nullity within a period of six months under penalty of foreclosure.

The formal notice shall be served by a bailiff or notified by any means that shall prove receipt by the addressee. Notice thereof shall be given to the cooperative.

Article 202

The action for nullity of the cooperative shall lapse after three years from the registration of the cooperative or the publication of the act amending the Articles of Association unless the nullity is based on the illegality of the corporate purpose and subject to foreclosure provided for in Article 201 above.

Actions for nullity of the acts, decisions or deliberations of the cooperative are prescribed by three years from the day the nullity occurred, unless the nullity is based on the illegality of the corporate purpose and subject to foreclosure under article 201 above.

Article 203

Where the nullity of the cooperative is pronounced, it shall put an end thereto with no retroactive effect. The cooperative shall, then, be dissolved and liquidated.

PART 2: SPECIAL PROVISIONS FOR DIFFERENT FORMS OF COOPERATIVES

Title 1: Simplified cooperative

Chapter 1: Formation

Section 1: General provisions

Article 204

The simplified cooperative shall be formed by at least five natural persons or legal entities.

The formation of the simplified cooperative shall be decided by an organizational general meeting.

Article 205

The cooperative shall be designated by a name which shall be immediately preceded or followed by the terms “simplified cooperative” and the acronym “SCOOPS” written in legible characters.

Section 2: Substantive conditions

Sub-section 1: Registration.

Article 206

The simplified cooperative is required to register at the Register of Cooperatives under the conditions prescribed in Articles 74 to 77 above.

Sub-section 2: Share capital

Article 207

The simplified cooperative shall be formed with an initial share capital for which the amount is stated in the articles. Shareholders unable to contribute cash towards the capital at the time of the formation may make a commitment to make installment payments within a period set by the articles.

Article 208

The share capital shall be divided into equal membership shares whose par value is set by the articles.

Article 209

The articles may provide for the return on capital. Where the articles of the cooperative provide for the return on capital, the interest granted thereto cannot be higher than the Central Bank discount rate of the State party and should be served only if there were surpluses during the fiscal year. The interest may be accrued only to the amount of paid-up shares.

The annual ordinary general meeting, on a proposal of the management committee and in light of the earnings of the year ended shall decide whether to award interest on membership shares and, where appropriate, shall set the rate in the limit laid down in paragraph 1 above.

Article 210

The contribution of members shall be at least equal to the amount of the cooperative subscribed shares. However, the articles may provide for a greater scope which may not exceed five times the amount of subscribed shares.

Sub-section 3: Assessment of in-kind contributions

Article 211

The articles of a simplified cooperative must necessarily contain the assessment of each in-kind contribution. Such assessment shall be made under the supervision of the parent cooperative if there is one.

Where necessary, any cooperative may seize the competent court, and failing that, the authority in charge of cooperatives so as to appoint an expert to assess in-kind contributions. The appointed expert shall prepare a report to be appended to the articles.

The remuneration of the expert shall be borne by the members unless the cooperative reimburses expenses already incurred.

Article 212

Members are indefinitely and jointly liable for the consequences of inaccurate or fraudulent assessment, or for failure to assess in-kind contributions.

Sub-section 4: Deposit of funds and availability

Article 213

Translation subject to further correction (December 2016)

Funds generated by the payment of shares shall be deposited immediately by the founding members or by one of them, duly authorized to that effect, at the bank, in a savings and credit union, a postal check office or in any other institution approved by the legislation of the State party to receive such deposits against a receipt in an account opened in the name of the cooperative being formed.

Article 214

Funds thus deposited shall not be available until the day of the registration of the cooperative at the Register of Cooperatives. From that day onwards, they shall be put at the disposal of the management committee appointed in the Articles of Association or in a subsequent instrument.

Where the cooperative may not be registered within the period of six months from the first day of the deposit of funds, contributors may, either individually, or through a proxy representing all of them, request the withdrawal of their contribution funds to the chairman of the competent court.

The contributors may also, individually or collectively, request the authorization for individual withdrawal of their contributions to the authority in charge of cooperatives.

Section 3: Formal requirements

Article 215

The draft articles must be submitted to the constituent general meeting for adoption. Members shall participate in person, prior to annulment to the organizational general meeting of the simplified cooperative.

Article 216

The founding members and the first officers to whom the nullity of the simplified cooperative is attributable shall be jointly liable towards the other members and individuals other than the latter for the damage caused by the cancellation.

The action shall lapse after three years from the day the decision to nullify becomes final.

Chapter 2: Operation of simplified cooperative

Section 1: Transactions pertaining to shares

Sub-section 1: Assignment of shares

Article 217

Membership shares assignment shall be carried out only among members who share a common bond justifying their union.

Paragraph 1: Transfer of shares inter vivos

Article 218

The transfer of shares inter vivos shall be recorded in a written document.

It shall be enforceable to the cooperative only after the filing of the original transfer deed at the registered office against receipt of the certificate of deposit by the management committee. The transfer shall be enforceable against other parties than the members only after completion of the above formalities and after filing the above mentioned transfer with the Register of Cooperatives.

Article 219

The Articles of Association shall freely set the procedures for the transfer of the membership shares between members. Failing this, the transfer of shares between members shall be free.

The Articles of Association shall also provide procedures for transmission of membership shares between spouses, ascendants and descendants provided that transferees share the common bond that unites members.

Article 220

Concerning third-party shares, the transfer shall only be possible with the consent of the majority of members who are not transferors.

The members shall be notified of the assignment project of the cooperative.

If the cooperative did not communicate its decision within three months of the notification referred to in the paragraph above, consent to the transfer is deemed granted.

Paragraph 2: Transfer due to death

Article 221

The articles may provide that in case of death of a member, the admission of one or several heirs or a successor of the latter to the cooperative, provided that they share the common bond. The articles shall prescribe the terms for admission.

Admission or refusal of admission shall be made within a period which may not exceed three months from the receipt of the request. Failing to respond within the time limit, the admission shall be deemed granted.

The decision of admission or rejection shall be notified to each heir or successor concerned in writing.

Sub-section 2: Unseizability and pledging of shares

Article 222

Shares are unseizable. They shall not be pledged.

Section 2: Management

Sub-section 1: Management Organization

Paragraph 1: Management committee

Article 223

The simplified cooperative shall be headed by a management committee consisting of three members at the most. When a cooperative has at least one hundred members or when such number is reached during its life, the number of members of the management committee may be changed from three to five in the articles.

The general meeting shall elect the members of the management committee from among its members, who are natural persons, by a simple majority unless a clause in the articles requires a stronger majority.

The management committee shall appoint a chairman among its members.

The articles shall organize the management of a simplified cooperative.

Paragraph 2: Term of office

Article 224

The articles shall organize the election of the members of the management committee and shall determine their term of office.

Paragraph 3: Reimbursement of expenses

Article 225

The chairman and other members of the management committee are not remunerated.

However, expenses incurred by the chairman and other members of the management committee in the performance of their duties may be reimbursed to them under the conditions laid down by the general meeting. They may also be granted an allowance for expenses to be incurred when the articles prescribe the terms of the allocation of such allowance.

Paragraph 4: Removal

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Article 226

The chairman and the other members of the management committee may be removed by a resolution of the members passed under the conditions of vote and quorum relating to the amendment of the articles. Any clause to the contrary shall be deemed unenforceable.

Furthermore, the chairman and the other members of the management committee shall be removed for legal grounds at the request of any member by the competent court in the jurisdiction where the registered office is located.

Paragraph 5: Resignation

Article 227

The chairman and the other members of the management committee may resign at their free will.

However, where the resignation is of malicious intent, the cooperative may sue for damages incurred.

Sub-section 2: Powers and liability of the chairman and other members of the management committee

Article 228

In relations between members and in the absence of a definition of their powers in the articles, the management committee may prescribe all acts of management in the interests of the simplified cooperative.

In dealing with people other than the members, the management committee shall undertake acts that are in line with the corporate purpose of the simplified cooperative.

Article 229

The chairman of the management committee shall chair the meetings thereof and those of the general meeting. If unable to attend, the general meeting shall be chaired by one of the members of the management committee.

Article 230

The chairman and the other members of the management committee shall be liable to the simplified cooperative or to individuals other than the members for, either violations of the legal or regulatory provisions governing simplified cooperatives, or for violations of the articles, or mismanagement.

Section 3: General meeting of cooperative shareholders

Sub-section 1: Organization of the general meeting

Paragraph 1: General principles

Article 231

Collective decisions shall be taken at general meeting.

Each member has the right to partake in decisions of the general meeting and has only one vote, regardless the number of shares he owns.

Paragraph 2: Convening of the general meeting

Article 232

Members shall be convened at the general meeting, by the chairman of the management committee and, if absent, by a member of the management committee.

Where members represent at least a quarter of the shareholders of the simplified cooperative, they may demand the convening of the general meeting. In their request, they shall state the business to include in the agenda of the forthcoming general meeting.

In addition, the competent authority or, failing that, the competent court, may in the case of emergency, or a member's petition, appoint a representative responsible for convening a meeting of the general meeting and setting the agenda.

Article 233

The members shall be convened at least fifteen days before the general meeting by hand-delivered letter against a receipt, display of posters, orally or by any other appropriate means of communication. Apart from sending notice by hand-delivered letter against a receipt, the chairman of the management committee shall be accountable for proving that convening notices were actually sent.

Under penalty of nullity, the convening notice shall state the agenda of the above mentioned meeting.

Where members are the ones requesting the holding of the general meeting, the chairman of the management committee shall state the agenda set by the members in the convening notice.

In the forms and time limits referred to in paragraph 1 above, the members must be put in a position to exercise their information rights provided for in Article 238 below.

Article 234

Any general meeting unduly called shall be cancelled. However, the cancellation shall not be admissible when all members were present.

Paragraph 3: Minutes

Article 235

The proceedings of the general meeting shall be recorded in minutes stating the date and venue of the meeting, the full names of members present, documents and reports submitted for discussion, a summary of discussions, the text of the resolutions put to vote and the outcome of the votes.

The minutes shall be signed by each of the members present, unless otherwise provided for by the Articles of Association.

Article 236

Copies or extracts of the minutes on the discussions of the members shall be certified true by the chairman of the management committee.

Sub-section 2: Rights of members

Paragraph 1: Principle

Members have a permanent right to information on the affairs of the cooperative. Prior to holding general meetings, they shall, in addition, have a right to information

Paragraph 2: Right to information

Article 238

The right to information shall be exercised with respect to documents which contain information on the administrative and financial management of the simplified cooperative and on proposed resolutions.

Such documents are put at the disposal of members at the registered office of the simplified cooperative.

Any clause contrary to the provisions of this Article shall be deemed unenforceable.

Paragraph 3: Right to distribution of available earnings

Article 239

The balance of surpluses available after allocation to the general reserve, on the one hand, to reserves intended for training, education and awareness campaign on the principles and techniques of cooperation, on the other hand, decreased by any sums out of patronage returns and

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increased by retained earnings shall constitute the distributable surpluses.

Article 240

The general meeting called to approve the accounts for the fiscal year is entitled to allocate the distributable surplus as defined in Article 239 above, in order and the proportion determined by the articles, and in particular:

- to retained earnings;
- to the allocation of all funds to legal and optional reserves;
- To a paid-up capital and equity and related funds, payment being made in cash or allocation of membership shares.

Article 241

The articles may also prohibit any distribution of the surplus for a period they fix.

Sub-section 3: Ordinary general meeting

Article 242

Ordinary collective decisions shall be taken by the ordinary general meeting. Their purpose is:

- 1) to approve the financial statements of the preceding fiscal year;
- 2) to allow the management to carry out transactions prescribed in the articles as per prior agreement of the members;
- 3) to appoint and replace members of the management committee;
- 4) to approve the agreements entered into by the simplified cooperative and members of the management committee or one of the members;
- 5) In general, to rule on issues which do not entail the amendment of articles.

Ordinary collective decisions shall be taken by the majority of members present or represented of the simplified cooperative.

Paragraph 1: Holding of the ordinary general meeting

Article 243

The annual ordinary general meeting shall be held within six months from the close of the financial year. The management committee may request an extension of this period to the

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competent authority or, failing that, to the competent court, which must respond within fifteen days from the receipt of the request.

Article 244

In ordinary general meetings, decisions shall be adopted by a majority of the votes cast by members representing more than half of the number of members of the simplified cooperative.

Where such quorum is not obtained, and unless otherwise provided in the Articles of Association, the members shall, depending on the case, call the meeting a second time and decisions shall be taken by a majority of the members present or represented.

However and in all cases, the removal of the chairman and the members of the management committee can only be decided by the majority of two-thirds of the members present or represented at the meeting.

Paragraph 2: Agreements between the simplified cooperative and one its officers or one of its members

Article 245

The ordinary general meeting shall decide on agreements entered into directly, or through an intermediary, between the simplified cooperative and one of its officers or one of its members.

To this effect, the chairman of the management committee present at the annual ordinary general meeting shall attach a report on the agreements entered into directly or through an intermediary between the cooperative and one of its officers or one of its members to documents entrusted to members.

Article 246

The chairman of the management committee shall notify the supervisory board and the auditor, if there is one, of agreements referred to in Article 245 above within a period of one month from their signature.

Article 247

They shall not be examined by the ordinary general meeting when the agreements relate to current operations concluded under normal conditions. Current operations shall be those which are performed by the simplified cooperative, in a normal way, in the context of its business.

Normal conditions shall be those which are applicable, for similar agreements, to the simplified cooperative in question or, possibly, to cooperatives of the same sector.

Article 248

The report of the management committee shall list agreements submitted for approval to the general meeting and explain their terms.

Article 249

The ordinary general meeting shall decide on the agreements in accordance with the provisions of Article 245 above.

The concerned member shall not vote during the deliberations on the agreement and his vote shall not be taken into account for the calculation of quorum and majority.

Article 250

Agreements not approved by the meeting shall nevertheless produce their effects, the contracting member of the management committee or the contracting member shall be individually or jointly liable, as the case may be, for detrimental consequences of the agreement to the cooperative.

A suit for civil liability shall be instituted within a period of three years from the conclusion of the agreement, or its disclosure where it was concealed.

Article 251

Under penalty of nullity of the contract, it shall be forbidden to natural persons, managers or members to contract loans, under any form whatsoever, from the simplified cooperative, to obtain an overdraft on a checking account or otherwise, as well as to have the cooperative guarantee or endorse their commitments towards third parties.

Such measure shall also apply to spouses, ascendants and descendants of the individuals referred to in the first paragraph of this Article, as well as to any intermediary.

Sub-Section 4: Extraordinary general meeting

Article 252

The purpose of the extraordinary collective decisions purpose is to decide on the amendment of the Articles of Association.

Paragraph 1: General rules pertaining to the vote of cooperative members

Article 253

In extraordinary general meetings, decisions are taken by the majority of two-thirds of votes by members representing more than half of the number of members of the simplified cooperative at the first meeting.

Where such quorum is not obtained, and unless otherwise provided for in the Articles of Association, the members shall, depending on the case, call the meeting a second time and decisions shall be taken by a majority of the members present or represented.

Any clause to the contrary shall be deemed enforceable.

Article 254

Unanimity is required in the following cases:

- 1) increase in the members' commitments unless otherwise provided for in this Uniform Act;
- 2) Relocation of the registered office of the simplified cooperative to the territory of another State Party.

Paragraph 2: Conversion of the simplified cooperative

Article 255

The simplified cooperative may be converted into a cooperative with a board of directors or a cooperative not governed by this Uniform Act. Where appropriate, the provisions of Articles 167 to 173 above shall not apply.

The conversion of the simplified cooperative may only be realized where it has, at the time the conversion is planned, an equity in the amount at least equal to its share capital and it has drawn balance sheets of its two last financial years and submitted them for approval to the members.

Article 256

The conversion may only be carried out based on the report of an expert selected by the chairman. Such report may also be drawn by the parent cooperative if there is one.

Any conversion carried out contrary to these provisions shall be null and void.

Section 4: Means of control of the simplified cooperative

Sub-section 1: Supervisory board

Article 257

The supervisory board is the control body of the simplified cooperative. It acts in the sole interest of the members.

The supervisory board shall be created as soon as there are enough members.

Article 258

The supervisory board shall be composed of three to five individuals elected by the general meeting.

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May not be members of the supervisory board:

- 1) members of the administrative and management committee and individuals related to them;
- 2) Individuals receiving any kind of salary or remuneration from the simplified cooperative or the parent cooperative to which it is a subsidiary.

Article 259

For the purposes of the previous article, are considered to be individuals associated with a member of the administrative or management committee under the terms of this article:

- 1) the spouse, first-degree relatives or first degree relatives of the spouse;
- 2) the individual to whom the member is related or the cooperative of individuals to whom he is tied;
- 3) the legal entity which is controlled individually or collectively by the member, his spouse or first-degree relatives;
- 4) The legal entity holder of at least ten per cent of voting rights conferred by shares issued or at least ten per cent of such shares.

Article 260

The articles shall organize the election of the members of the supervisory board and determine their term of office.

Article 261

The supervisory board meets when necessary or at the request of two of its members.

The supervisory board decisions shall be taken by a simple majority of its members.

Article 262

The supervisory board may check or have the officers of the simplified cooperative management checked at any time.

It shall inform the cooperative parent institution of any irregularities, if any, that it finds, and where appropriate, convene a general meeting which shall decide on measures to be taken.

Article 263

The duties of the member of the management committee and supervisory board shall not be remunerated. The general meeting may however provide for reimbursement of expenses incurred in the performance of duties.

Chapter 3: Merger – Demerger

Article 264

When the merger is realized with contributions to a new simplified cooperative, this may be formed without any further contribution than that of the merging cooperatives.

When the dissolution is realized with contributions to new simplified cooperatives, these may be formed without any further contribution than that of the cooperative being dissolved.

In the cases provided for in the two preceding paragraphs, the members of cooperatives which disappear may automatically act as founding members of the new cooperatives.

Chapter 4: Dissolution of the simplified cooperative

Article 265

The simplified cooperative shall be dissolved for common reasons applicable to all cooperatives.

Article 266

Unions, federations and confederations shall be associated to the operation of liquidation of cooperatives that are affiliated to them, or their financial bodies.

Title 2: Cooperative with a board of directors

Chapter 1: Formation of a cooperative with a board of directors

Section 1: General provisions

Sub-Section 1: Definition

Article 267

The cooperative with a board of directors shall be made up of about fifteen natural persons or legal entities at least.

Article 268

Translation subject to further correction (December 2016)

The cooperative with a board of directors shall be designated by a name which is immediately preceded or followed by the terms “Cooperative with a board of directors” and the abbreviation “COOP-CA” written in legible characters.

Sub-section 2: Share capital

Article 269

The capital of the cooperative with a board of directors must be fully subscribed before the holding of the organizational meeting.

Article 270

The membership shares representing cash contributions shall be fully paid during the subscription of capital, at least a quarter of their par value.

The payment of surplus shall occur within a period which may not exceed three years from the registration of the cooperative in the Register of Cooperatives as defined by the articles and the rules of procedure.

Insofar as the capital is not fully paid, the cooperative may not increase its statutory minimum capital, except if such capital increase is realized through in-kind contributions or the arrival of new members.

Section 2: Formation

Sub-section 1: Establishment of subscription forms

Article 271

The subscription of shares representing cash contributions shall be recorded in a subscription form prepared by the founding members or by one of them and shall be dated and signed by the subscriber or the authorized representative, who shall write in full letters and numbers, the number of subscribed securities.

Article 272

The subscription form shall be prepared in two original copies, one for the cooperative being formed and one for the subscriber.

Article 273

The subscription form shall state:

- 1) the name of the cooperative to be formed, followed, where necessary, by its acronym;

- 2) the amount of the subscribed capital, specifying the portion of cash contributions and that of in-kind contributions;
- 3) the proposed address of the registered office;
- 4) the number of shares issued and their par value;
- 5) the name or business name and address of the subscriber as well as the number of shares subscribed and payments made;
- 6) a statement of the depositary in charge of keeping the funds until the registration of the cooperative at the Register of Cooperatives;
- 7) A statement of the delivery of a copy of the subscription form to the subscriber.

Sub-section 2: Deposit of subscription funds and payment

Article 274

Proceeds of the subscription of shares issued in cash shall be deposited by individuals who receive them on behalf of the cooperative being formed at a bank in a special account opened in the name of the cooperative or any other duly authorized institution by the legislation of the State Party where the registered office of the cooperative being formed is located.

Funds shall be deposited within a period of eight days from the date of receipt thereof.

The depositor shall provide the bank or any other duly authorized institution with a list comprising the identity of the subscribers and stating, for each of them, the amount of their deposits.

The depositary shall, until the funds are withdrawn, provide the list referred to in the foregoing paragraph, to any subscriber who, after showing proof of his subscription, so requests.

The applicant may examine the list and obtain, at his expense, the delivery of a copy thereof.

The depositary shall deliver to the applicant a certificate of deposit attesting the deposit of funds.

Sub-section 3: Drafting the articles of association and rules of procedures

Article 275

The articles shall be prepared in accordance with the provisions of Articles 17 and 18 above.

Article 276

The Articles of Association shall contain the particulars provided for in Article 17 and 18 above:

- 1) the full names, address, occupation and nationality of natural persons of the first board of directors of the cooperative with a board of directors or permanent representatives of legal entities, members of the board of directors;
- 2) the name, the amount of share capital and the form of legal entities, members of the board of directors;
- 3) the different classes of shares issued;
- 4) Provisions relating to the composition, operations and powers of the bodies of the cooperative with a board of directors;

Article 277

The rules of procedures shall be drafted pursuant to provisions of Articles 67 and 68 above.

Sub-section 4: Withdrawal of funds

Article 278

Proceeds of subscriptions in cash may be withdrawn only after the registration of the cooperative at the Register of Cooperatives.

The withdrawal shall be done by the chairman of the board of directors upon presentation to the depositary of the certificate of the authority in charge of cooperatives confirming the registration of the cooperative.

Any subscriber may, six months after paying for the subscription, petition the competent court to rule expeditiously in order to appoint an administrator in charge of withdrawing the funds to pay back subscribers, if, on that date, the cooperative is not yet registered.

Sub-section 5: In-kind contributions

Article 279

The assessment of in-kind contributions shall be conducted, under the supervision of the union or federation, by a contribution auditor appointed by the founding members of the cooperative.

Sub-section 6: Constituent general meeting

Article 280

The constituent general meeting is convened at the request of the founding members.

Translation subject to further correction (December 2016)

The convening notice shall be hand-delivered against a receipt or by any means leaving a written record with mention of the agenda, venue, date and time of the meeting.

The notice shall be sent to each subscriber at least fifteen days before the meeting date.

Article 281

The constituent general meeting shall be valid only where at least two-thirds of the founding members are present.

Article 282

The general meeting shall decide by a simple majority of the votes of shareholder founding members.

White ballots shall not be taken into account for the calculation of majority.

Article 283

The holding of the general meeting shall be governed by provisions not contrary to Article 342 et seq. below including for the constitution of its bureau and the rules of representation and participation in the meeting.

The Chairman and secretary shall be appointed at the meeting.

Article 284

Each in-kind contribution shall be subject to a special vote of the general meeting.

The general meeting shall approve or disapprove the report of the contributions auditor or of the parent cooperative on the assessment of in-kind contributions.

The in-kind contributor shall not participate in the vote.

Article 285

The meeting may reduce the value of in-kind contributions only at the unanimity of subscribers and with the express consent of the contributor.

The consent of the contributor shall be stated in the minutes when the value attributed to the assets contributed is different from the value determined by the contributions auditor or the parent cooperative.

Members and directors shall be jointly and severally liable to third parties for the value attributed to contributions for five years.

Translation subject to further correction (December 2016)

Article 286

The constituent general meeting shall:

- 1) record that the capital is fully subscribed;
- 2) adopt the articles of the cooperative with a board of directors;
- 3) appoint the first directors;
- 4) decide on acts undertaken on behalf of the cooperative being formed on the basis of a report prepared by the founding members;
- 5) Give, where appropriate, the mandate to one or several members of the board of directors to make commitments on behalf of the cooperative with a board of directors before its registration at the Register of Cooperatives under the conditions set forth in Article 97 of this Uniform Act.

Article 287

The articles shall be signed by all members of the board of directors and the supervisory board.

Furthermore, an attendance list signed by all members shall be appended to the articles.

Article 288

The minutes of the meeting shall state the date and venue of the meeting, the nature of the meeting, the mode of convocation, the agenda, quorum, resolutions submitted to votes and, where appropriate, the conditions of quorum and vote on each resolution and the outcome of the votes for each item.

The minutes shall be signed by the meeting chairman and secretary and shall be archived at the registered office along with the attendance sheet and annexes.

Article 289

Any improperly- convened constituent general meeting may be cancelled pursuant to conditions set forth in Article 201 of this Uniform Act.

However, the cancellation shall not be admissible when all members were present or represented and did not oppose it.

Article 290

The founding members of the cooperative with a board of directors to which the cancellation of

the organizational meeting is attributable and the directors in office at the time where the cancellation was pronounced may be declared jointly liable for the subsequent damage thereof of the cooperative to individuals other than the members.

Chapter 2: Administration and management of the cooperative with a board of directors

Article 291

The cooperative with a board of directors shall be managed by a board of directors.

Section 1: Board of directors

Sub-section 1: Composition of the board of directors

Paragraph 1: Number and appointment of directors

Article 292

The cooperative with a board of directors shall be managed by the board of directors composed of a minimum of three members and a maximum of twelve members.

Article 293

The number of directors of the cooperative with a board of directors may become temporarily higher in the event of a merger with one or several cooperatives up to a total maximum number of directors in office for more than six months in the merged companies, without exceeding twenty-four.

Deceased, removed or resigning directors shall not be replaced, similarly new directors may only be elected, save during a new merger, insofar as the number of directors in office has not been reduced to twelve.

Article 294

The first directors shall be elected by the general organizational meeting. During the life of the cooperative, directors shall be elected by the ordinary general meeting.

However, in the event of a merger, the extraordinary general meeting may elect new directors.

Any election made in violation of the provisions of this Article shall be null and void.

Paragraph 2: Directors' term of office

Article 295

Translation subject to further correction (December 2016)

The articles shall provide for the election of directors and their term in office.

Paragraph 3: Permanent representative of the legal entity member of the board of directors

Article 296

A legal entity may be appointed director. At its appointment, it must appoint a permanent representative by sending a hand-delivered letter against a receipt or by any means leaving a written record addressed to the cooperative for the duration of its mandate. Although this permanent representative is not a director in the cooperative, he shall be subject to the same conditions and obligations and shall incur the same civil and criminal liability as if he was a director in his own name, without prejudice to the joint liability of the legal entity that he represents.

Article 297

The permanent representative shall perform his duties for the term of office of the legal entity that he represents.

At each renewal of its mandate, the legal entity shall indicate whether it maintains the same natural person as permanent representative or failing that, it shall immediately appoint another one.

Article 298

When the legal entity removes its permanent representative, it shall notify the cooperative without delay of the termination as well as give the identity of its new permanent representative by hand-delivered letter against a receipt or by any means leaving a written record.

The same shall apply in the event of death or resignation of the permanent representative or for any other reason that prevents him from performing his duties.

Paragraph 4: Elections

Article 299

Members of the board of directors shall be elected by the general meeting in accordance with the procedures set out in the articles.

Article 300

A natural person, who is a director in his own name or a permanent representative of a legal entity that is a director, shall not serve simultaneously on more than one board of directors of

cooperatives with a board of directors having their registered office in the territory of the same State Party.

Any natural person who, upon taking up a new role, infringes the provisions of the first paragraph of the foregoing Article within three months of his appointment shall resign from one of the boards of directors.

At the expiry of such time limit, the natural person shall be deemed to have been removed from his new office without the validity of the proceedings in which he took part being called into question.

Article 301

Unless otherwise provided for in the Articles of Association, the functions of a director may be combined with a contract of employment if the contract corresponds to a real job.

Article 302

The appointment of directors shall be published at the Register of Cooperatives.

The appointment of the permanent representative shall be subject to the same formalities of publicity as if he was a director appointed in his own name.

Article 303

Deliberations conducted improperly by a board of directors shall be null and void.

Paragraph 5: Vacancy on the board of directors

Article 304

Notwithstanding the provisions of Article 294 above, the board of directors may, in the event of vacancy of one or several director (s) between two meetings, co-opt new directors. They shall be appointed on an interim basis until the next general meeting.

Where the number of directors becomes lower than the statutory minimum, the board of directors shall co-opt new directors to complete the number of members within three months from the day the vacancy occurred. Board resolutions passed during such period shall remain valid.

When the number of directors becomes lower than the statutory minimum, the remaining directors shall immediately convene the ordinary general meeting in order to complete the number of directors of the board of directors.

Where the board of directors fails to appoint directors as required, or to convene the general meeting for that purpose, any interested party may petition the chairman of the competent court

for the appointment of an agent who will convene the ordinary general meeting for the purpose of appointing new directors or confirming them as provided for in this Article.

The vacancy and appointments of new directors shall take effect only at the end of the meeting of the board of directors held for this purpose.

The appointments by the board of new directors shall be confirmed by the very next ordinary general meeting.

Where the ordinary general meeting refuses to confirm the new appointments, the decisions taken by the board of directors shall be valid for the elapsed period and shall have their effect.

Paragraph 6: Reimbursement of expenses

Article 305

The duties of directors are free.

However, directors shall be entitled to get reimbursed for expenses incurred for travel and occasional expenses during assignments or the performance of duties mandated by the board of directors in the interest of the cooperative. Such expenses shall be justified.

Paragraph 7: End of the mandate of director

Article 306

The mandate of the director shall end due to:

- resignation;
- removal;
- death;
- loss of the member status;
- The end of the ordinary general meeting held during the year of the expiry of their mandate and having decided on the accounts of the preceding fiscal year.

Article 307

Directors may be removed at any time by the general meeting.

The resignation or removal of directors shall be published at the Register of Cooperatives.

Sub-section 2: Functions of the board of directors

Paragraph 1: Scope of powers

Article 308

The board of directors shall be vested with the broadest powers to act in all circumstances on behalf of the cooperative with a board of directors.

It shall exercise such powers within the limits of the corporate purpose and subject to powers expressly attributed by this Uniform Act to the meetings of the members.

The board of directors shall be in charge inter alia of:

- defining the objectives of the cooperative and the orientation to be given to its administration;
- approving the accounts of each members;
- ensuring compliance with the cooperative basis in the cooperative management and in the distribution of the earnings thereof;
- setting the training and education program for the members;
- Preparing the financial and moral report of the cooperative.

The clauses of the Articles of Association or the decisions of the general meeting limiting the powers of the board of directors shall not be enforceable to individuals other than the members who act in good faith.

Article 309

In its dealings with individuals other than the members, the cooperative with a board of directors shall be committed even by the acts of the board of directors which are not in line with the corporate object, unless it proves that they knew that the act exceeded such purpose or that they could not ignore it in light of the circumstances, being excluded that the mere act of publishing the articles is sufficient to constitute such evidence.

Article 310

The board of directors may confer to one or more of its members all special mandates for one or more specified purposes.

Paragraph 2: Regulated agreements

Article 311

Any agreement between a cooperative with a board of directors, and one of its directors or employee shall be submitted, beyond a threshold determined by the articles, to the approval of the general meeting under the conditions of quorum and majority set out by the articles.

Paragraph 3: Suretyships, endorsements and other guarantees

Article 312

Subject to legal or regulatory provisions specific to the business, suretyships, endorsements and guarantees subscribed by the cooperative with a board of directors for commitments made by third parties shall be subject to prior authorization of the board of directors.

When the cooperative with a board of directors carries on the business of a bank or financial institution, or operates mainly in the field of savings and credit, this restriction shall not apply to current operations concluded under normal conditions.

Paragraph 4: Prohibited agreements

Article 313

Under penalty of nullity of the agreement, directors and employees as well as their spouses, ascendants or descendants and other intermediaries, are prohibited from contracting any loans, in any form whatsoever, from the cooperative with a board of directors, to have the latter warrant an overdraft facility to the current account as well as have the cooperative provide guarantee or security for their commitments to third parties.

This prohibition shall not apply to legal entities which are members of the board of directors. However, their permanent representative, when acting in an individual capacity, shall also be governed by the provisions of paragraph 1 of this Article.

When the cooperative with a board of directors carries on the business of a bank or a financial institution, or operates mainly in the field of savings and credit, this restriction shall not apply to current operations concluded under normal conditions.

Paragraph 5: Other powers of the board of directors

Article 314

The board of directors may propose at the extraordinary general meeting that decides on the relocation of the registered office of the cooperative. The general meeting shall amend the articles accordingly.

When relocating the registered office, new publicity formalities must be carried out in order to inform individuals other than the members. The amendment shall be also published at the Register of Cooperatives.

The board of directors shall inform the national authority in charge of cooperatives of the

relocation of the registered office.

Sub-section 3: Operations of the board of directors

Paragraph 1: Convening and deliberations of the board of directors

Article 315

Subject to the provisions of this Uniform Act, the Articles of Association shall set out the rules governing the convening and proceedings of the board of directors' meetings.

The board of directors, convened by its chairman, shall meet as often as necessary and at least once quarterly.

However, directors constituting at least one third of the members of the board of directors may, by indicating the agenda of the meeting, convene the board of directors, if it has not met for more than two quarters.

The board of directors shall deliberate validly if all its members were called regularly.

In case of serious dysfunction of the board of directors and to remedy this, the supervisory board may submit this situation to the ordinary general meeting specially convened for that purpose.

Article 316

The board of directors shall deliberate validly only where at least half of its members are present. Any clause to the contrary shall be deemed unenforceable.

The decisions of the board of directors shall be taken by a simple majority of the members present or represented, unless the articles provide for a stronger majority. In the event of a tie, the chairman shall have the casting vote, unless otherwise provided for in the articles.

Any decision taken in violation of the provisions of this Article shall be null and void.

Article 317

Directors and any individual invited to participate in the board meetings shall be bound by secrecy with respect to confidential information and data presented as such by the meeting chair.

Article 318

Unless otherwise provided by the Articles of Association, a director may give, by letter, fax or any means leaving a written record, power of attorney to another director to represent him at a board meeting.

Each director shall have, during the same meeting, only one single power of attorney.

The provisions of this Article shall also govern permanent representatives of legal entities.

Article 319

The meetings of the board of directors shall be presided over by the chairman of the board of directors.

In the absence of the chairman of the board of directors, and where applicable, of the vice chair, the directors present shall elect a chair among them.

Paragraph 2: Minutes of the board Meeting

Article 320

The deliberations of the meetings of the board of directors shall be recorded in minutes drawn up in a special register held at the registered office. They shall be numbered and initialed by the judge of the competent court.

Any addition, deletion, substitution or inversion of sheets of paper shall be prohibited.

The minutes shall state the date and venue of the board meeting and state the name of the directors in attendance, represented or absent and not represented.

They shall also state the presence or absence of individuals invited to the meeting of the board of directors pursuant to a statutory provision, and the presence of any other individual who attended all or part of the meeting.

Article 321

The minutes of the meeting of the board of directors shall be certified true by the chairman and by at least one director.

Where the chairman of the meeting is not in attendance, minutes shall be signed by, at least, two directors.

Article 322

Copies or extracts of the minutes of the board of directors' meetings shall be duly certified by the chairman of the board.

During the liquidation of the cooperative with a board of directors, copies or extracts of the minutes shall be duly certified by the liquidator.

Article 323

Minutes of the meetings of the board of directors shall be considered prima facie evidence until proven otherwise.

Sub-section 4: Chairman of the board of directors in charge of management

Paragraph 1: Appointment and term of office of the chairman of the board of directors

Article 324

The general meeting shall elect among the members of the board of directors a chairman and, where appropriate, a vice-chairman who, in all cases, must be natural persons.

Article 325

The term of office of the chairman of the board of directors shall be set out in the articles.

Article 326

Nobody shall simultaneously exercise more than one mandate of chairman of the board of directors of cooperatives with a board of directors or chairman of the management committee of the simplified cooperative having its registered office on the territory of the same State party.

Similarly, nobody shall hold both the office of chairman of the board of directors of the cooperative with a board of directors and chairman of the management committee of the simplified cooperative having its registered office on the territory of a same State party.

The mandate of chairman of the board of directors may not be combined with the functions of a person in charge of the management of a cooperative.

The provisions of Article 300 of this Uniform Act with regards to holding multiple offices shall apply to the chairman of the board of directors.

Paragraph 2: Duties of the chairman of the board of directors

Article 327

The chairman of the board of directors chairs the meetings of the board and the general meetings.

He ensures that the board fulfills its obligations and responsibilities.

At any time during the year, the chairman of the board of directors shall conduct audits at will and may request all documents deemed useful for the performance of his duties.

Article 328

The chairman of the board of directors shall not enter into an employment contract with the cooperative with a board of directors.

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Paragraph 3: Appointment and term of office of the Officer in charge of management

Article 329

The board of directors may, after consultation with the supervisory board, recruit and appoint an external person as officer or a general manager who shall be a natural person.

Article 330

The board of directors shall set the term of office of the person in charge of management, in accordance with the labor laws of the State Party.

His term of office shall cease under the same conditions.

Paragraph 4: Duties and Remuneration of the Officer in charge of Management

Article 331

The board of directors shall set the scope of powers conferred to the officer in charge cooperative management in the employment contract between the latter and the cooperative.

The officer in charge of management may attend the board meetings but only in an advisory capacity.

Article 332

In his relations with third parties of good faith, the cooperative with a board of directors shall be committed, even by the acts undertaken by the officer in charge of management which are not in line with the corporate purpose.

The board of directors may authorize, under its responsibility, the officer in charge of management to commit the cooperative with a board of directors with respect to individuals other than the members. Such authorization shall be subject to publication at the Register of Cooperatives.

Article 333

The terms and amount of the remuneration of the officer in charge of management shall be set by the board of directors.

Where appropriate, in-kind benefits attributed to him shall be determined in the same way as the remuneration.

Section 2: Supervisory board

Article 334

The supervisory board is the control authority of the cooperative with a board of directors. It shall act in the interests of the members thereof.

Article 335

The supervisory board shall be composed of three to five individuals elected among the members by the general meeting.

May not be members of the supervisory board:

- 1) Members of the administration and management committees and individuals related to them;
- 2) Individuals who perceive some kind of salary or remuneration, in whatsoever form from the cooperative with a board of directors or its parent institutions.

Article 336

Within the meaning of this Article, the following individuals shall be considered relatives of a member of the administration and management committee:

- 1) the spouse, first-degree relatives or first degree relatives of the spouse;
- 2) the individual to whom the member is related or the cooperative of individuals with whom he has relations;
- 3) the legal entity which is controlled individually or collectively by the member, his spouse or first-degree relatives;
- 4) The legal entity holder of at least ten percent of the voting rights conferred by shares issued or at least ten percent of such shares.

Article 337

The articles shall organize the election of the members of the supervisory board and set their term of office.

Article 338

The supervisory board shall meet as necessary or at the request of at least two of its members.

Article 339

Decisions of the supervisory board shall be taken by the simple majority of its members.

Article 340

Translation subject to further correction (December 2016)

The supervisory board can check or have the management of the cooperative with a board of directors checked at any time.

He shall inform the parent institution, if one exists, of any irregularity he observed or convene a general meeting which shall decide on measures to be taken.

Article 341

The duties of the supervisory board members are not remunerated. The general meeting may however, provide for the reimbursement of expenses incurred during the performance of their duties.

CHAPTER 3: General meeting

Section 1: Common rules to all Members' meetings

Sub-section 1: Convening of meeting

Article 342

The members' meetings shall be convened by the board of directors. Failing this, it may be convened:

- by the supervisory board or by the parent institution after failure by the supervisory board to call the board of directors meeting, by hand-delivered letter against a receipt or any means leaving a written record, they shall set the agenda and may, for important reasons choose the meeting venue other than the one provided for in the articles. They shall explain the ground for convening the meeting in a report to be read at the meeting;
- in case of emergency, by the competent administrative authority at the request of a quarter of its members;
- By the liquidator.

Article 343

Unless otherwise provided by the articles, the general meeting shall be held at the registered office or at any other venue in the territory of the State party where the registered office is located.

Article 344

Subject to the provisions of this Article, the articles of the cooperative with a board of directors shall set the rules governing the convening of the members' meetings.

The convening of the meetings shall be made through a notice in a newspaper empowered to

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publish legal notices and posted at the registered office of the cooperative.

Notices provided for in the preceding paragraph may be replaced by a notice made at the expense of the cooperative by hand-delivered letter against a receipt or by any written process with reference to the agenda.

Article 345

The convening notice shall state the name of the cooperative, followed, where appropriate, by its abbreviation, the form of cooperative, the amount of the share capital, the address of the registered office, the registration number at the Register of Cooperatives, the date, time and venue of the meeting, as well as its nature, either ordinary or extraordinary, and its agenda.

Any meeting improperly convened may be cancelled. However, the cancellation shall not be admissible when all members were present.

Article 346

The agenda shall be set by the individual who writes the convening notice.

However, when the meeting is convened by a court agent, the agenda shall be set by the chairman of the competent court that appointed him.

Similarly, members forming a group shall be able to require the inclusion of a draft resolution in the agenda of the general meeting when they represent at least half of the number of members of the cooperative with a board of directors.

The request shall be accompanied by:

- the draft resolution with a brief explanatory statement;
- a document containing the full names, address and signature of the members author of the draft resolution;

When the draft resolution concerns the presentation of a candidate to the position of director, the information required in Article 349 below shall be submitted.

Article 347

The draft resolution shall be sent to the registered office by hand-delivered letter against a receipt, by telex or fax, or any means leaving a written record, ten days at least before the holding of the general meeting so as it can be put to vote at the meeting.

The deliberations of the general meetings shall be null and void where draft resolutions sent in accordance with the provisions of this Article are not put to the vote at the meeting.

Article 348

The general meeting cannot deliberate on an issue not included in the agenda.

However, it may remove and replace one or several members of the board of directors during the ordinary general meeting.

Article 349

When the agenda of the general meeting concerns the nomination of candidates to the position of director, their identity, professional references and activities during the past five years shall be stated.

Article 350

The agenda of the general meeting may be modified at the second notice.

Sub-section 2: Communication of documents

Article 351

With regard to the ordinary annual general meeting, any member has the right to examine, at the registered office:

- the inventory, the summary financial statements and the list of directors;
- reports of the auditors and the board of directors submitted to the meeting;
- where appropriate, the text of the explanatory memorandum, draft resolutions, as well as information concerning candidates to the board of directors;
- the list of members;
- The total amount of remunerations of ten or five officers and the best paid employees whether the staff of the cooperative with a board of directors exceeds or not two hundred employees.

Except with respect to inventory, the right of the members to examine documents shall include the right to make copies at their own expense. The right to examine documents shall be exercised for thirty days preceding the holding of the general meeting.

With regards to meetings other than the annual ordinary general meeting, the right to examine documents concerns the draft resolutions, the report of the board of directors and, where appropriate, the report of the supervisory board, the report of the auditor or of the parent institution.

Article 352

Furthermore, any member may, at any time and at his expense, examine and make copies of:

- the cooperative documents referred to in the foregoing Article on the last three financial years;
- the minutes and attendance sheets for the last three financial years;
- All other documents if the articles so provide.

Article 353

Where the cooperative refuses to communicate all or part of the documents referred to in Articles 351 and 352 above, it is held on this refusal, at the request of the shareholder, by the chairman of the competent court ruling expeditiously.

The chairman of the competent court may order the cooperative with a board of directors, under penalty, pursuant to conditions laid down in Articles 351 and 352 of this Uniform Act, to communicate the documents to the shareholder.

Sub-section 3: Holding of general meeting

Article 354

The general meeting shall be presided over by the chairman of the board of directors. If and unless otherwise provided by the articles, the meeting shall elect the meeting chair among the present members of the board of directors.

Article 355

Two cooperative shareholders shall be elected as examiners by the meeting by a simple majority of the members present.

Article 356

A secretary in charge of establishing the minutes of the proceedings shall be appointed by the meeting. He can be chosen among the salaried staff of the cooperative with a board of directors.

Article 357

At each meeting, an attendance sheet stating the full names and address of each member shall be kept.

Article 358

The attendance sheet shall be signed by the members who are present when they enter the meeting.

Article 359

The attendance sheet shall be certified true under the responsibility of the examiners.

Article 360

The minutes of the proceedings of the meeting shall state the meeting date and venue, the nature of the meeting, the mode of convocation, the agenda, the composition of the meeting bureau, the quorum, the draft resolutions submitted for a vote to the meeting and the outcome of the votes for each resolution, the documents and reports submitted to the meeting and a summary of discussions.

The minutes shall be signed by the members of the meeting bureau and archived at the registered office with the attendance sheet and its annexes.

Article 361

Copies or extracts of the minutes of the meetings shall be validly certified by the chairman of the board of directors or any individual duly mandated for that purpose.

In case of liquidation, they shall be certified by the sole liquidator.

Article 362

May attend the general meetings:

- Members, under the conditions prescribed by this Uniform Act and the articles;
- Any individual duly authorized for that purpose by a legal provision or by any stipulation of the articles of the cooperative.

The same shall apply to individuals foreign to the cooperative with a board of directors when they are authorized either by the chairman of the competent court, or by a decision of the meeting bureau, or by the meeting itself.

Section 2: Ordinary general meeting

Sub-section 1: Duties

Article 363

The ordinary general meeting shall take all decisions other than those expressly stipulated in Article 366 herein for extraordinary general meetings.

It shall be competent to:

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- decide on the summary financial statements;
- decide on the distribution of earnings;
- appoint members of the board of directors and possibly auditors;
- approve or reject agreements entered into between officers and the cooperative with a board of directors;
- authorize issuance of shares when the articles so provide;
- Appoint members of the supervisory board.

Sub-section 2: Meeting, quorum and majority

Article 364

The ordinary general meeting shall meet at least once a year, within six months of the close of the fiscal year, subject to the extension of this period by a court decision.

The ordinary general meeting shall validly deliberate on first convening, if half of the members of the cooperative with a board of directors are present; on the second call, the presence of at least a quarter of these shareholders is sufficient. By derogation from the provisions of the preceding paragraph, the articles of cooperatives with more than a thousand shareholders may provide for a lesser quorum.

Article 365

The ordinary general meeting shall act by a majority of the votes cast. When there is an election, white ballots shall not be taken into account.

Section 3: Extraordinary general meeting

Sub-section 1: Duties

Article 366

The extraordinary general meeting shall only be empowered to amend all the provisions of the articles. Any clause to the contrary shall be deemed unenforceable.

The extraordinary general meeting shall also be competent to:

- authorize mergers, dissolutions, conversions and partial contributions of assets;

- relocate the registered office to any other city of the State Party where it is located, or to the territory of another State Party;
- Premature winding up of the cooperative with a board of directors or extend its life.

Sub-section 2: Meeting, quorum and majority

Article 367

The extraordinary general meeting shall deliberate validly where two-thirds of the members of the cooperative with a board of directors are present or represented.

When a quorum is not reached, the meeting may be convened again within a period which may not exceed two months from the date fixed by the first convocation; in this case, it may validly deliberate with at least half of the members present or represented.

Article 368

The general meeting shall decide by the majority of two-thirds of votes cast. During the vote, white ballots shall not be taken into account.

In the event of relocation of a registered office to the territory of another State, the decision shall be taken unanimously by members present or represented.

Chapter 4: Dissolution of cooperatives with a board of directors

Article 369

Subject to the specific provisions of the Uniform Act on Collective Bankruptcy Proceedings, a cooperative with a board of directors shall be dissolved for causes common to all cooperatives under the conditions and effects provided for in Articles 177 to 179 above.

Article 370

Members may pronounce the early dissolution of the cooperative with a board of directors.

The decision shall be taken at the extraordinary general meeting.

Chapter 5: Liability

Section 1: Liability of members

Article 371

The liability of members shall be at least equal to the amount of the shares subscribed. However, the articles may provide for a greater scope which may not exceed five times the amount of the shares subscribed.

Section 2: Liability of the founding members

Article 372

The founding members of the cooperative with a board of directors presumably responsible for the dissolution as well as directors in office at that time shall be jointly and indefinitely liable for the subsequent damage to the members or third parties due to the nullity of the cooperative with a board of directors.

The same joint liability may be upheld in respect of members whose contributions have not been audited and approved.

Article 373

The suit for damages based on the nullity of the cooperative with a board of directors shall lapse after three years from the occurrence of the harmful event or, if it has been concealed, from its disclosure. However, when the fact qualifies as a crime, the action shall lapse after ten years.

Section 3: Liability of directors

Article 374

Directors shall be liable individually or jointly, where appropriate, to the cooperative or third parties for infringing legal or regulatory provisions governing cooperatives with a board of directors, for violating the provisions of the articles and for mismanagement.

Where several directors are jointly liable for the same offenses, the competent court shall determine the share of each one for the repair of the damage.

Article 375

In addition to the suit for damages for losses suffered personally, the members may, individually or as a group, initiate a suit for civil liability against the directors.

If they represent at least half of the members of the cooperative with a board of directors, the members, acting for their common interests, may retain one or several members among them to represent them as either plaintiff or defendant in the suit for civil liability.

The withdrawal of one or several shareholders during the trial shall have no effect on the continuation of the said suit for liability.

The plaintiffs shall be entitled to pursue the suit for damages for the overall damage suffered by

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the cooperative to which damages shall be awarded as the case may be.

Chapter 6: Provisions relating to shares

Section 1: Different forms of shares

Article 376

The membership shares shall take the form of nominative securities whether they are issued in exchange for in-kind or cash contributions.

Article 377

Shares issued for cash are those of which the amount is paid in cash or by offset of debts of a fixed, certain and due amount to the cooperative, those that are issued as a result of the incorporation to the capital of free reserves for allocation whose amount comes partly from an incorporation of reserves, free allocation and partly from paid-up cash. These must be fully paid upon subscription.

The shares that represent in-kind contributions shall be those issued in exchange of in-kind contributions.

The issuance of the beneficiary shares or founding members' shares shall be prohibited.

Section 2: Rights attached to shares

Article 378

Each member is entitled to one vote, regardless of the number of his shares.

Article 379

Shares are not negotiable. They are elusive and cannot be subject to a pledge.

Article 380

Assignment of shares shall be possible only under the following conditions:

- the articles may provide for the assignment of shares to a third party foreign to the cooperative with a board of directors, either free of charge, or against payment, provided that this third party shares the common bond on the basis of which the members are together. Such assignment shall be submitted to approval of the ordinary general meeting of the members;
- Assignment of shares cannot be carried out in the event of succession, liquidation of community property between spouses, or assignment either to a spouse, an ascendant or a descendant, when the

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beneficiary of the shares has the common bond on the basis of which the members are united. Otherwise, the shares shall be reimbursed to the persons concerned, in proportion to their par value.

Article 381

When the general meeting deliberates on an approval, the assignor shall not take part in the vote and his vote shall not be tallied in the calculation of quorum and majority.

Article 382

The assignor shall state the full names, title and address of the proposed transferee and the number of shares to be assigned in his request for approval addressed to the cooperative with a board of directors by hand-delivered letter against a receipt, by any means leaving a written record, by telex or by fax.

Article 383

If approved, a notification shall be sent; absent a reply within a period of three months from the time of the request entails rejection.

Section 3: Failure to pay up shares – Effects

Article 384

The amount of the membership shares must be fully paid upon subscription.

However, the articles of a cooperative may authorize the payment of a quarter at subscription, the balance being payable insofar according to the needs of the cooperative in the proportions and deadlines set by the board of directors.

Such time limits may not exceed three years from the date on which the subscription became final.

The ordinary general meeting shall have the option to stop pursuing the collection of amounts due for the payment of a member's shares. In this case, the defaulting member shall be excluded automatically after a formal notice sent by any means leaving a written record and failure to pay within three months from the date of receipt of the said letter.

Only members who are current in their payments shall be entitled to vote in general meetings and may be part of the board of directors.

Section 4: Reimbursement of shares

Article 385

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The amortization of the shares by random drawing is prohibited.

PART 3: CRIMINAL PROVISIONS

Article 386

Anyone shall incur a criminal sanction when, without being duly authorized pursuant to legal and regulatory provisions governing this type of groupings, he improperly uses the expressions of the cooperatives, unions of cooperatives, federation or confederation of cooperatives, accompanied by any qualifier, as well as all names such as to suggest that it is one of the groupings mentioned in this Article.

Article 387

Subject to the specific provisions of Article 386 above, the provisions not contrary to Articles 886 to 905 of the Uniform Act on Commercial Companies and Economic Interest Grouping shall be applicable to cooperatives as well as their unions, federations and confederations.

PART 4: MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

Article 388

The CFA Franc shall, within the meaning of this Uniform act, be the base currency. States Parties whose monetary unit is not the CFA, the equivalent in national currency initially shall be the one determined by the application of the parity in force between the CFA Franc and the national currency for those States Parties on the day of the adoption of this Uniform Act. Such conversion value shall be rounded to the next higher unit where the conversion shows a decimal number.

The Council of Ministers of the States Parties to the Treaty on the Harmonization of Business Law in Africa, at the proposal of the Finance Ministers of the States parties, shall, as and when required, examine and, where necessary, revise the amounts stated in this Uniform Act expressed in CFA Francs, in light of the economic and monetary developments in States Parties. The conversion value in national currency shall, where appropriate, be determined by the application of the parity in force between the CFA Franc and the national currency of those States Parties on the day of the adoption of the revised amounts in this Uniform Act.

Article 389

This Uniform Act shall govern cooperatives, unions of cooperatives, federations of cooperatives, confederations of cooperatives and their networks that will be formed on the territory of one of the States Parties effective on the date of its entry into force in the State party concerned. However, the constituent formalities completed previously shall not be renewed.

Article 390

Cooperatives, unions of cooperatives, federations of cooperatives, confederations of cooperatives and their constituted networks prior to the entry into force of this Uniform Act shall, unless otherwise provided for, be governed by these provisions. They are required to harmonize their Articles of Association with the provisions of this Uniform Act within a period of two years from its entry into force.

Article 391

The purpose of harmonization shall be to repeal, amend and replace, where necessary, the statutory clauses contrary to the mandatory provisions of this Uniform Act and provide them with supplements warranted by this Uniform Act.

Article 392

Harmonization may be realized by amending the old Articles of Association or by adopting redrafted Articles of Association.

Harmonization may be decided by the meeting of the members ruling under the conditions of validity of ordinary decisions notwithstanding any contrary legal or statutory provisions provided that only the substance of inconsistent clauses with this Uniform Act may be amended.

Article 393

Where, for any reason whatsoever, the meeting of the members failed to reach a valid decision, the proposed harmonization of the Articles of Association shall be submitted to the approval of the competent court ruling further to a motion of the cooperative legal representatives.

Article 394

Where harmonization is not required, it shall be recorded in the meeting of member shareholders whose deliberation shall be subjected to the same publicity formalities as the decision amending the Articles of Association.

Article 395

Failing to harmonize the Articles of Association with the provisions of this Uniform Act within a period of two years from the date of its entry into force, statutory clauses contrary to these provisions shall be deemed unenforceable.

Article 396

All legal provisions contrary to the provisions of this Uniform Act are hereby abrogated, subject to their transitional application for a period of two years from the date of entry into force of this Uniform Act, to cooperatives, their unions, federations, confederations and networks which failed to harmonize their Articles of Association with the provisions of this Uniform Act.

Article 397

This Uniform Act shall be published in the Official Journal of OHADA within a period of sixty days from the date of its adoption. It shall also be published in the Official Journal of the States Parties, or by any appropriate means. It shall enter into force ninety days from the date of its publication in the OHADA Official Journal pursuant to Article 9 of the Treaty on the Harmonization of Business Law in Africa signed in Port Louis on 17 October 1993, as revised in Quebec City on October 17, 2008.

Done in Lomé on 15 December 2010

For the Republic of BENIN

Mr. AKOFODJI Grégoire
Minister of Justice

For BURKINA FASO

Mr. DA MWINZE Eric
Representative of the Keeper of Seals,
Minister of Justice

For the Republic of CAMEROON

Mr. KAMTO Maurice
Minister Delegate of Justice

**For the CENTRAL AFRICAN
REPUBLIC**

Mr. NGON BABA Laurent
Minister of Justice

For the COMOROS

Mr. MOUSSA Abderemane
Minister of Industry, Labor and Employment

For the Republic of CONGO

Mr. MABIALA Pierre
Minister of Land Affairs and Public Domain

For the Republic of GABON

Mrs. NANDA OVIGA Anicette
Minister of Justice

For the Republic of GUINEE BISSAU

Mr. JALO PIRES, MAMADU SALIU
Minister of Justice

**For the Republic of EQUATORIAL
GUINEA**

Mr. Martin NDONG NSUE
Minister of Justice

For the Republic of MALI

Mr. Maharada TRAORE
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For the REPUBLIC OF NIGER

Mr. DJIBO Abdoulaye
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Mr. Abdoulaye DIANKO
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and Finance

For the Republic of CHAD

Mr. Mbailaou NAIMBAYE LOSSIMIAN
Keeper of Seals Minister of Justice

For the Republic of TOGO

M. TOZOUN Kokou Biossey
Keeper of Seals
Minister of Justice and Relations with
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