

MAKANA GOAT FARMERS CO-OPERATIVE

LIMITED

1. This is the statute of an undertaking formed as a primary trading co-operative with limited liability in terms of the provisions of the Co-operatives Act, 1981 (Act 91 of 1981).

INTERPRETATION OF TERMS

2. In this statute, unless the context indicates otherwise, a word or expression to which a meaning is attached in the Co-operatives Act, 1981 (Act 91 of 1981) shall have a similar meaning and -
"the Act" means the Co-operatives Act, 1981 (Act 91 of 1981);

"co-operative" means **MAKANA GOAT FARMERS CO-OPERATIVE LIMITED** which is incorporated in terms of the Act;

"board" means the board of directors referred to in clause 22 of this statute;

"gender" a reference in this statute to the masculine gender shall also include the feminine gender and *vice versa*;

a reference in this statute to the singular shall also include the plural and *visa versa*; and

"patronage proportion" means the proportion in which the value of the production conducted by a member during any particular period with or through his co-operative bears to the value of the production conducted by all the members during the same period with or through the co-operative.

NAME

3. The name of the co-operative is **MAKANA GOAT FARMERS CO-OPERATIVE LIMITED**.

PLACES OF BUSINESS

4. The main place of business of the co-operative is situated at **Makana Goat Co-operative Village in the Makana Municipality** in the Province of **Eastern Cape**.

OBJECTS

5. The objects of the co-operative are, subject to clause 74 of this statute, to undertake the following types of business according to co-operative practice -
- [a] To breed goats for milk production
 - [b] To process the milk into cheese, and other milk products
 - [c] To sell the milk to companies like Clover and others

MEMBERSHIP

6. Any goat farmer may, on application to the board, become a member of the co-operative.

APPLICATION FOR MEMBERSHIP

7. [1] Application for membership shall be made on the form provided for that purpose and shall be accompanied by the membership fee or part thereof as determined by clause 9 of this statute.
- [2] The board shall consider every application for membership and has the right to accept or reject an application without assigning any reason for doing so.
- [3] The board shall, within three months after receipt of an application for membership, cause the applicant to be notified of its decision in writing and, in the event of an application for membership being rejected; any amount paid by the applicant to the co-operative shall be refunded to him.

COMMENCEMENT OF MEMBERSHIP

8. A person becomes a member of the co-operative when his application for membership is accepted by the board.

MEMBERSHIP AND SUBSCRIPTION FEE

9. [1] A membership fee of **R 300.00**, shall be paid on application for membership: Provided that an applicant who is unable to pay the full amount on application, make a down payment and pay off the remainder in monthly instalments within 6 [six] months from the date of application. Such fee shall not be refunded on termination of membership.

[2] A subscription fee of **R 100.00** shall be paid by 31st March annually by each member. Such fee shall be utilised to defray the running expenses of the co-operative and shall not be refunded on termination of membership. This should be paid within three months after the financial year.

REGISTER OF MEMBERS

10. A register of members of the co-operative shall be kept at the registered office of the co-operative and the following minimum particulars entered therein -
- [a] the full name and address and Identity number of each member;
 - [b] the amount paid in respect of membership fees by each member;
 - [c] the date on which a person became a member;
 - [d] the date on which a member ceased to be a member.

MEMBERSHIP CARDS

11. Membership cards shall be issued to members shall contain at least the member's name and identity number as well as the address of the co-operative. The form and content of such cards shall be determined by the board. Every card shall bear the signature of a director and of an officer empowered thereto by the board as well as the signature of the member concerned. The photo of the member shall be on the membership card. Also a member number shall appear on the card. All transactions shall have this number,

LIABILITY OF MEMBERS

12. The liability of a member by virtue of his membership shall be limited to the payment of any amount owing by him to the co-operative.

TRANSFER OF MEMBERSHIP

13. [1] There will be transfer of membership in the co-operative provided the applicant meets the Criteria Guidelines.

CANCELLATION OF MEMBERSHIP

Cancellation on death

14. The membership of the deceased shall be cancelled by resolution of the board and the amount paid in respect of the membership fees shall be credited to the general reserve of the co-operative.

Cancellation when a member is non-active

15. [1] Whenever a member does not actively participate in the activities of the co-operative for a period of three months or has neglected to notify the co-operative of any change in his address, whereby the co-operative is prevented from contacting him, his membership may, on recommendation of the board, be cancelled by resolution of members in general meeting: Provided that he has been given notice of the proposed cancellation and afforded an opportunity to state his case before the board and/or members in general meeting.

- [2] Upon such cancellation, the amount paid in respect of the membership fees of the member concerned shall be credited to the general reserve of the co-operative.

RESIGNATION

16. [1] The resignation of a member comes into operation at the first meeting of the board held after his resignation has been received by the co-operative: Provided that he shall first have fulfilled all his obligations to the co-operative.

- [2] The membership of a member, who has resigned, shall be cancelled by resolution of the board. The amount paid by the member concerned in respect of membership fees shall be credited to the general reserve.

Suspension and Expulsion

17. [1] A member who repeatedly contravenes a provision of this statute or who refuses to comply with such provision or to meet an obligation imposed on him by the co-operative under the Act or in terms of this statute or which he agreed to meet, may -

- [a] by resolution of the board, be suspended as a member for a period to be determined by the board but which shall not be longer than the date of the next annual general meeting;
- [b] by special resolution be suspended as a member for a period not longer than 12 [twelve] months from the date on which he is suspended;
- [c] by special resolution be expelled from the co-operative.

[2] The suspension of a member may be revoked by resolution of the board at any time.

18. [1] A member shall not, in terms of clause 17 of this statute, be suspended or expelled from the co-operative unless he has been given prior written notice of the board's intention to suspend him or to recommend to members that he be suspended or expelled.

[2] The notice to such member shall contain the following particulars -

- [a] the reasons for the proposed suspension or expulsion; and
- [b] a time when, and place where the member may appear in person, with or without witnesses, before the board or to which he may send a written statement signed by himself setting out his objections to the proposed suspension or expulsion.

[3] The board shall, if it is decided to suspend or expel a member, notify him in writing of -

- [a] the date on which his suspension or expulsion comes into effect;
- [b] the period of time during which the suspension will apply; and
- [c] the disciplinary measures which will be taken.

Disciplinary measures

19. [1] While under suspension a member forfeits his right to attend general meetings of this co-operative.

[2] The members by special resolution or the board may furthermore stipulate that certain or all production with a member shall be suspended for the period of his suspension.

- [3] The membership of an expelled member shall be cancelled by resolution of the board and upon such cancellation the member shall forfeit his membership fees and the amount paid in respect thereof shall be credited to the general reserve of the co-operative.

RIGHTS OF MEMBERS

20. The members of the co-operative have the following rights:
- [a] the right to attend all meetings of members of the co-operative except when the member concerned is under suspension [see clause 17[1][a] and [b] and of this statute];
 - [b] the right to vote at all meetings of members of the co-operative except when the member concerned is under suspension [see clauses 17[1][a] and [b] and 19[1] of this statute];
 - [c] the right to become a director, if the member concerned qualifies therefore and is elected to be a director [see clause 24 of this statute];
 - [d] the right to work in the co-operative.
 - [e] the right to the shared surplus/profit

RESPONSIBILITIES OR OBLIGATIONS OF MEMBERS

21. [1] The members of the co-operative have the following responsibilities or obligations towards the co-operative:
- [a] the responsibility to finance the co-operative adequately;
 - [b] the responsibility to work only with the co-operative;
 - [c] the responsibility to attend all meetings of members of the co-operative and thereby become acquainted with the affairs of the co-operative;
 - [d] the responsibility to vote at meetings of members of the co-operative;
 - [e] the responsibility to obey all the provisions of this statute; and
 - [f] the responsibility to elect persons of integrity and who are trustworthy to be directors of the co-operative.

[2] In the event of a member not complying with the responsibilities set out in sub-clause [1] of this clause, the board shall give him notice that it intends to impose a fine on him. The notice shall also state a time, a date and a place where a meeting of members will be held at which he will be given the opportunity to defend his actions. That meeting will, on the recommendation of the board, determine the amount of the fine which be equivalent to the damage sustained by the Co-operative.

BOARD OF DIRECTORS

Management of co-operative

22. [1] The affairs of the co-operative shall, be managed and controlled by a board consisting of a minimum of 3 [three] and a maximum of 7 [six] directors including the non- member directors mentioned in sub-clause [3] of this clause, who shall, subject to the provisions of the Act and this statute, exercise the powers and duties of the co-operative.

[2] The number of directors shall subject to the approval of members at the next general meeting, be determined by the board from time to time. If, however, the members do not approve the decision of the board and a vacancy arises as a result thereof, such vacancy shall be regarded as a casual vacancy to be filled in terms of clause 31 of this statute.

23. Without prejudice to the provisions of clauses 31 and 33 of this statute, directors shall be elected at the annual general meeting.

24. Retiring directors are eligible for re-election.

Persons not qualified to be director

25. Without prejudice to the provisions of section 108 of the Act, no person shall hold the office of director if he –

[a] ,subject to the provisions of clause 22[3] of this statute, is not a member of this co-operative;

or

[b] is of an unsound mind; or

[c] has a criminal record; or

[d] is a minor [under the age of 18 [eighteen]].

Term of office

26. [1] The term of office of the member directors of the co-operative shall be 3 [three] years. One third or the nearest whole figure of the directors shall retire each year.
- [2] The directors to retire each year shall be those who have been longest in office since their last election at the annual general meeting but as between members who became directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by ballot.

Nomination of member directors

27. [1] Candidates for the position of member director shall, subject to the provisions of clause 22[3] of this statute, be nominated openly at the annual general meeting held for the purpose electing one or more directors: Provided that each nomination shall be seconded by at least 3 (three) other members of the co-operative.
- [2] Without prejudice to the provisions of clauses 31 and 33 of this statute a member, including a retiring director, qualifies for election as member director only if he is nominated in terms of sub-clause [1] of this clause.
- [3] [a] If the number of candidates nominated does not exceed the number of vacancies on the board to be filled such candidate or candidates shall be declared elected at the annual general meeting.
- [b] If the number of candidates nominated exceeds the number of vacancies on the board, as many member directors as there are vacancies shall be elected from the nominees at the annual general meeting.
- [c] If insufficient or no candidates are nominated to fill the vacancies on the board, such vacancies shall be regarded as casual vacancies to be filled in accordance with clause 31 of this statute.
28. Subject to the provisions of this statute and the Act the method to be followed in electing directors shall be as determined by the chairman of the meeting.

Voting of members for directors

29. At the election of directors a member shall vote for as many candidates as there are vacancies to be filled on the board and those candidates receiving the highest number of votes shall be declared elected.

Register of directors

30. A register of directors shall be kept at the registered office of the co-operative in which the following particulars in respect of each director shall be entered -

- [a] his full name, identity copy and address ;
- [b] the date of his election;
- [c] the term of office; and
- [d] the name and address of each co-operative or company of which he is director.

Casual vacancy on the board

31. Any casual vacancy occurring on the board during the year may be filled until the next annual general meeting by a member appointed, by the remaining directors, subject to the provisions of clauses 25 of this statute. At the said annual general meeting a member shall, subject to the provisions of this statute, be elected to fill the casual vacancy. Any director elected at such annual general meeting shall not hold office for a period longer than the unexpired portion of the period of office of the director whose office became vacant.

Vacation of office

32. A director shall vacate his office -

- [a] if he becomes incompetent in terms of clause 25 of this statute to hold the office of director;
or
- [b] if he absents himself from more than 3 [three] consecutive ordinary meetings of the board without its leave [and such leave shall not be granted for a period covering more than 6 [six] consecutive ordinary meetings, unless the absence be on the business of the co-operative];
or

- [c] upon the expiry of 30 [thirty] days, or such shorter period as may be approved by the board, after he has resigned as a director of the co-operative; or
- [d] if he is relieved of his office in terms of clause 33 of this statute.

Director may be relieved of office

33. [1] A director may, after due notice, be relieved of his office by resolution of a general meeting before the expiry of his term of office and another qualified person may be elected in his place at that meeting. Nominations for the election of such a director shall be made at the meeting. If that meeting does not fill the vacancy it shall be regarded as a casual vacancy. A director so appointed or elected shall not hold office for a period longer than the unexpired portion of the period of office of the vacating director.

Chairman and vice-chairman of board

34. [1] At the first meeting of the board held after the formation meeting and thereafter at the first meeting of the board held after every annual general meeting of members or when the necessity arises, the board shall elect from among themselves a chairman and vice-chairman.
- [2] The vice-chairman shall act as chairman whenever last-named is absent or unable to act as chairman, and if both the chairman and vice-chairman are absent or unable to carry out the functions of the chairman, the board shall elect another director to act as chairman during such absence or incapacity.

Vacation of office by chairman and vice-chairman

35. [1] The chairman of the board of the co-operative shall vacate the office of chairman if he -
- [a] ceases to be a director of the co-operative; or
 - [b] resigns as chairman; or
 - [c] is relieved of the office of chairman by the board.

[2] The provisions of sub-clause [1] of this statute shall be applicable *mutatis mutandis* to the vice-chairman of the board.

Board meeting

36. [1] A meeting of the board shall be convened by the board or the chairman of the board or any 2 [two] directors of the co-operative.

[2] The majority of directors shall constitute a quorum of a meeting of the board.

[3] Questions arising at a meeting of the board shall be determined by a majority of the directors present at the meeting and in the case of an equality of votes, the chairman of the board or the person acting as chairman shall have a casting vote in addition to his deliberative vote.

Interests in contracts

37. A director of a co-operative who in a capacity other than that of director, member, affiliated member or duly authorised agent of the co-operative is interested in a proposed contract which the co-operative considers entering into or becomes interested in a contract after it has been entered into by the co-operative, shall disclose to the co-operative full particulars relating to the nature and extent of his interest in accordance with the provisions of section 117(2) or (3) of the Act, and may not vote in respect of such contract or proposed contract with the co-operative or any matter resulting there from, and if he does so vote, his vote shall not be counted.

Register of interests in contracts

38. The co-operative shall keep at its registered office, a register of interests of directors of the co-operative in contracts and shall cause to be entered therein particulars of every disclosure of interests in terms of clause 37 of this statute.

Minutes of meetings

39. [1] The board shall, subject to the provisions of section 113 of the Act, cause to be kept minutes of all proceedings of meetings of the board or a committee thereof and, within 2 [two] months of the date of such meeting cause the said minutes to be entered in one or more books kept for that purpose at the registered office of the co-operative.

- [2] Minutes of a meeting of the board drawn up in accordance with sub-clause [1] shall be submitted at a board meeting as soon as possible, but not later than at the first board meeting held after the expiry of 2 [two] months, reckoned from the date on which the meeting to which the minutes refer, was held.

Attendance register

40. Every director present at a meeting of the board or committee thereof shall sign his name under the date of the meeting in a register, with permanently bound pages, which shall be kept for that purpose. Such register shall be kept at the registered office of the co-operative.

Remuneration

41. All necessary and actual out-of-pocket expenses incurred by directors by reason of their attending meetings of the board or being engaged on the business of the co-operative may be refunded to them.

POWERS of BOARD of DIRECTORS

42. [1] The board shall, subject to the provisions of the Act and this statute, exercise, for and on behalf of the co-operative, the following powers set out in section 49(1) of the Act subject to the qualifications mentioned hereafter-
- [a] employ persons to perform work for the co-operative on such conditions it may determine;
 - [b] acquire or hire and to let, sell movable or immovable property: Provided that such transactions will not be carried out unless they have been approved by special resolution of members;
 - [c] open accounts and invest money with financial institutions registered under the Banks Act: Provided that such account(s) shall only be opened with the financial institution approved by members in general meeting.
 - [d] raise loans or overdraw a banking account: Provided that a special resolution of members has been obtained in terms of clause 60 of this statute;

- [e] make or accept donations: Provided that the donations made during any financial year shall not be more than an amount approved by members in general meeting;
 - [f] become a member of another co-operative, or of any association or organisation which promotes any matter in which the co-operative has an interest: Provided that membership shall only be acquired after members in general meeting have given their approval thereto;
 - [g] in terms of clause 11 of this statute to approve the form and content of membership cards; and
 - [h] give information and guidance to its members.
- [2] Apart from the powers mentioned in sub-clause [1] of this clause, but subject to the provisions of the Act and of this statute, the co-operative has unlimited powers to do anything which is not repugnant to the carrying out of its objects and to which the Registrar and/or Minister has given his prior approval in writing: Provided that the prior approval of members in general meeting has been obtained for the action concerned.

DUTIES of DIRECTORS

43. The following are the more important duties of the directors:

- [a] to act with integrity and honesty when dealing with the affairs of the co-operative;
- [b] to act in the best interests of the co-operative and the majority of members at all times even if such interests are in conflict with their own;
- [c] to ensure that proper precautions are taken to safeguard the assets, including cash, of the co-operative;
- [d] to ensure that the measures taken to safeguard the assets of the co-operative are carried out;
- [e] to ensure that proper books of account are written up regularly;
- [f] to organise and control the affairs of the co-operative to the benefit of the co-operative; and
- [g] to have the financial statements of the co-operative drawn up and audited timeously.

By-laws

44. Without prejudice to the powers conferred by clause 22 of this statute, it is hereby expressly declared that the board shall have power to make by-laws provided they are not repugnant to the Act or to this statute.

Delegation of powers to a committee

45. [1] The board may delegate one or more of its powers to a director or to a committee, the members of which are directors of the co-operative or empower such director or committee to perform a duty of the co-operative or to act as its representative or agent.
- [2] Any director or committee of directors so appointed shall in the exercise of the powers so delegated, abide by such rules as may be made and follow such instructions as may be issued, in regard thereto, by the board.
- [3] The provisions of clause 39 of this statute shall *mutatis mutandis* apply to such a committee.

Insurance

46. The board shall provide for insurance of the assets of the co-operative, including cash, against loss or damage, and in respect of liability of the co-operative in regard to ordinary business risks and shall also provide for such insurance in respect of products and other goods whilst under the care and control of the co-operative.

MEETINGS OF MEMBERS

47. An annual general meeting of members shall be held within 120 (one hundred and twenty) days after the end of each financial year of the co-operative for the purpose of
- [a] considering the financial state of affairs of the co-operative and dealing with the annual financial statements relating to the preceding financial year;
 - [b] electing directors and if necessary appointing an auditor;
 - [c] disposing of other matters which in terms of the Act or this statute can or should be disposed of at that meeting; and
 - [d] dealing with any general business, including any complaints that may be made by members.
48. Subject to the provisions of section 123(1) of the Act, the co-operative may from time to time in addition to its annual general meeting hold extraordinary general meetings of its members to dispose of any matter relating to its affairs specifically set out in the notice convening the meeting.
49. [1] An annual general meeting shall be convened on authority of the board.
- [2] An extraordinary general meeting shall be convened -

[a] by the board; or

[b] by at least 2 [two] directors of the co-operative; or

[c] by 5 [five] or more members of the co-operative constituting in number at least 10% [ten percent] of all the members of the co-operative: Provided that such members shall not be entitled to convene an extraordinary general meeting unless they have beforehand in writing petitioned the directors to convene such a meeting and the meeting is not convened within 21 (twenty one) days reckoned from the date the petition was lodged, or unless for any reason there are no directors to whom such a petition can be addressed.

[3] Any meeting convened in terms of sub-clause [2][c] of this statute by the requisitionists shall, as far as possible, be convened and held in the same manner as is prescribed for meetings convened and held by the board and any reasonable expense incurred by the requisitionists in securing the names and addresses of members, in sending notices of the meeting to them and hiring accommodation for the holding of the meeting, if so resolved by such meeting, be refunded to the requisitionists by the co-operative.

Notice of general meeting

50. [1] A general meeting shall be convened by at least 5 [five] calendar days notice in writing to each member of the co-operative. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given.

[2] The notice convening the meeting shall in addition to the time and place of the meeting state the purpose for which it is convened.

[3] A notice may be delivered personally or be forwarded by post to the member at his registered address.

[4] A notice forwarded by post shall be deemed to be delivered at the time when the letter containing the notice is posted and proof that the letter containing the notice has been correctly addressed and posted shall be sufficient proof that the notice has been delivered by post.

[5] Non-receipt by a member of a notice of a general meeting of the co-operative does not render such meeting invalid.

[6] If a notice of a meeting is returned to the co-operative because the member to whom it was sent is no longer resident at the registered address, the co-operative shall be relieved of its obligation to send further notices of meetings to the member concerned unless the member makes an appearance and requests that such notices be sent to his new address.

Quorum

51. [1] A quorum for a general meeting shall be constituted by at least 50% (fifty percent) of the members of the co-operative.

[2] Notwithstanding the provisions of sub-clause [1] of this clause, a quorum at a general meeting shall under no circumstances be constituted by less than 7 [seven] members, who are present in person.

52. No item of business shall be transacted at any general meeting unless a quorum of members is present during the time when the meeting is considering that item.

53. [1] If within 1 [one] hour from the time appointed for the meeting a quorum is not present, the meeting -

[a] if convened by members or in consequence of a petition of members, shall be deemed to be cancelled;

[b] if otherwise convened, shall be adjourned to the same day in the next week at the same time and place, or if that day is a public holiday, to the next day following which is not a public holiday.

[2] If the same hall or building is not available for an adjourned meeting it may be held at another venue within convenient distance if members are advised of the change of venue either by notice posted at the original venue or by some other means.

[3] If a quorum is not present within one hour after the time fixed for an adjourned meeting, the members present, provided they are not less than seven in number, shall be deemed to constitute a quorum: Provided that a special resolution may not be passed by such a meeting.

Chairman of general meetings

54. [1] The chairman of the board or in his absence the vice-chairman or in the absence of both, another director elected by the meeting shall act as chairman of an annual general meeting or an extraordinary general meeting with the exception of a meeting convened in terms of sub-clause [2] hereof.

[2] A person elected by the meeting shall act as the chairman of an extraordinary general meeting convened by petition of members.

Voting by members

55. Each member shall have 1 [one] vote.

56. [1] Any matter for decision by a general meeting shall be decided by means of a vote on a show of hands or by ballot.

[2] A vote by ballot shall not be held unless it is demanded by at least 7 [seven] members present at the meeting.

[3] A vote by ballot shall be held in such manner as the chairman stipulates. Scrutineers shall be nominated to determine the result of the vote by ballot that shall be declared by the chairman of the meeting as the resolution of the meeting at which the vote was demanded.

[4] A declaration by the chairman that a resolution has, on a show of hands or by ballot, been carried, or carried unanimously or by a particular majority, or lost, and an entry to that effect in the minutes of the proceedings of the meeting, shall be conclusive proof thereof, without evidence as to the number or proportion of votes recorded for or against such resolution.

57. If no objection is raised in terms of the provisions of this statute against the validity of any vote cast at the meeting, whether on a show of hands or by ballot, every vote cast at the meeting that has not been disallowed shall for all purposes whatsoever be deemed to be valid.

58. In the case of an equality of votes, whether on a show of hands or in a vote by ballot, the chairman of the meeting shall have a casting vote in addition to his deliberative vote.

59. Every matter submitted to a general meeting for decision, except for a matter requiring a special resolution, in terms of this statute and/or the Act shall be determined by a majority of votes recorded at the meeting.

Special resolution

60. A resolution by a general meeting of the co-operative shall, in terms of the provisions of section 130(1) of the Act, constitute a special resolution if -

[a] the notice by which the general meeting was convened specified particulars of the proposed resolution and stated the intention to propose same as a special resolution; and

[b] the resolution has been passed -

[i] in the case of a vote on a show of hands, by not less than two-thirds of the persons present at the meeting and entitled to vote in a vote on a show of hands; or

[ii] in the case of a vote by ballot, by not less than two-thirds of the votes of the persons present at the meeting and entitled to vote in a vote by ballot;

[c] the resolution relates to -

[i] the conversion of a co-operative into a company or a close corporation; or

[ii] the winding-up of the co-operative and was passed by at least 75% [seventy five percent] of the votes of all the members of the co-operative, both in a vote on the show of hands and a vote by ballot.

Minutes of general meetings

61. Subject to the provisions of section 131 of the Act, the co-operative shall cause minutes to be kept of the proceedings at general meetings and shall cause same to be entered within two months after the meeting in one or more books kept for that purpose at the registered office of the co-operative.

BORROWING POWERS

62. In terms of the provisions of section 53 of the Act, the co-operative shall not borrow or raise money or overdraw a banking account except on authority of a special resolution: Provided that the co-operative may borrow or raise money or overdraw a banking account without the said authority up to an amount not exceeding one half of the aggregate of its share capital and general reserve.

ACCEPTANCE AS LOANS OF AMOUNTS OWING TO MEMBERS

63. Notwithstanding the restrictions imposed by the preceding clause, the co-operative may, upon the written request of any member, hold on his behalf, at or without interest, any moneys which have *bona fide* become payable by the co-operative as bonus on business done with the co-operative on condition that such member gives his agreement in writing that such moneys shall be repayable exclusively at the discretion of the board.

BANKING ACCOUNT

64. [1] The co-operative shall open a banking account in the name of the co-operative in which all moneys received shall be deposited as soon as possible after receipt thereof.

[2] Cheques drawn on the banking account shall be signed by two of the directors or a director and the manager or another senior officer of the co-operative authorised thereto by the board and shall be countersigned by the secretary or other senior officer authorised thereto by the board: Provided that a cheque shall not be signed and countersigned by the same person and that adequate security shall be furnished for all officers who are authorised to sign or countersign cheques.

FINANCIAL YEAR

65. The financial year of the co-operative shall end on the last day of February of each year.

FINANCIAL RECORDS

66. [1] The co-operative shall cause to be kept, such accounting records as are necessary fairly to reflect the state of affairs and business of the co-operative and to explain the transactions and financial position of the business of the co-operative including at least the records, registers and statements of account stipulated in section 134 of the Act.

[2] The accounting records shall be kept at the registered office of the co-operative and shall be available at all times for examination by the directors.

Annual financial statements

67. [1] The co-operative shall, in terms of the provisions of section 135 of the Act, in respect of each financial year of the co-operative cause annual financial statements to be drawn up.

[2] The provisions of sections 135 to 142 of the Act are applicable to the annual financial statements of the co-operative.

AUDIT

68. An auditor shall be appointed, his duties regulated and his remuneration fixed in accordance with the provisions of sections 143 to 156 of the Act.

SURPLUS

69. The surplus resulting from the operations of the co-operative during any financial year shall be applied by resolution of the annual general meeting for that year: Provided that -

[a] the amount which is set aside out of the surplus as a reserve shall not be less than the amount determined by the board;

[b] the amount which is available out of the surplus for distribution to members shall be applied to pay bonuses to members in accordance with the provisions of clause 70 of this statute.

PAYMENT OF BONUS

70. The amount mentioned in clause 69[b] of this statute shall, subject to the provisions of sections 80 and 84 of the Act, be allocated to members according to the patronage proportion and the amount allocated to a member shall, by resolution of members at the annual general meeting mentioned in clause 69 of this statute, be applied by paying it out in cash.

NON-MEMBER BUSINESS

74. The value of non-member business undertaken by the co-operative in any financial year shall not exceed the value of member business conducted by the co-operative during that financial year: Provided that such non-member business may only be undertaken if there is a price differential between the price to be paid by members and that paid by non-members.

AMENDMENT OF STATUTE

75. The statute of the co-operative may be amended by special resolution only.

APPOINTMENT OF COMMITTEE BY MEMBERS

76. [1] By resolution of a general meeting of members or of a meeting of the board, a committee may be appointed to carry out any special task that may be deemed desirable.

[2] A committee so appointed shall, in carrying out the special task with which it has been charged, abide by the rules made and follow the instructions issued by the members and/or the board.

COPY OF CERTIFICATE OF INCORPORATION AND OF STATUTE

77. At the registered office of the co-operative shall be kept the certificate of incorporation and a true copy of this statute.

GENERAL

78. The co-operative shall sue and be sued in the name of the co-operative and all powers of attorney and documents in connection therewith shall be signed by the chairman of the board, or any director lawfully acting in that capacity, and by the secretary.
79. Any immovable property acquired and held by the co-operative shall be registered in the name of the co-operative.

LIQUIDATION

80. In case of liquidation the patronage proportion mentioned in section 224(4) and (5) of the Act, shall be determined for either the 5 [five] years which preceded the commencement of the winding-up of the co-operative or the period for which the co-operative has existed, whichever period is the shorter.

APPLICANTS FOR MEMBERSHIP

(Signature of each applicant)

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11.

WITNESS(ES)

(Signature(s))

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