

Kingdom of Cambodia
Nation Religion King



Ministry of Agriculture, Forestry and Fisheries

General Directorate of Agriculture

Department of Agricultural Cooperative Promotion

**GUIDELINE ON HOW TO CONVENE ANNUAL
GENERAL MEETING OF AGRICULTURAL
COOPERATIVE**

Prepared by: Project for Establishing Business-Oriented Agricultural Cooperative Models (BPAC)

August, 2016

Guideline on How to Convene Annual General Meeting of Agricultural Cooperative

Printed in August 2016

Published by Department of Agricultural Cooperative Promotion of General Directorate of Agriculture (MAFF)
The Project for Establishing Business Oriented Agricultural Cooperative Models (BPAC)

Address: #54B/49F.St395-656,Sangkat Toeuk Laak 3 Khan Tuol Kok, Phnom penh ,Cambodia,

Phone: (023) 883 427, Fax : (023) 883 427

© The Project for Establishing Business-Oriented Agricultural Cooperative Models

Contents

Part I: General Meeting of Agricultural Cooperative.....	1
1. What is General Meeting of Agricultural Cooperative?	1
2. What is Annual General Meeting of Agricultural Cooperative?.....	1
3) When to Hold an Annual General Meeting	2
Part II: Procedure on Convening Annual General Meeting of Agricultural Cooperative	2
Step01: Convening Board's Meeting	2
Step02: Notification of the annual General Meeting	3
Step03: Seat Arrangement in Annual General Meeting	4
Step04: How to Convene the Annual General Meeting	5
Step05: Business after the general meeting.....	7
Attachment: Discussion and approval of agenda (model scenario)	8

Guideline on How to Convene Annual General Meeting of Agricultural Cooperative

Part I: General Meeting of Agricultural Cooperative

1. What is General Meeting of Agricultural Cooperative?

The general meeting is the highest body vested with the authority to adopt and pass resolution in the process of forming and functioning of the agricultural cooperative. There are four types of general meeting which are (1) founding general meeting, (2) annual general meeting, (3) general meeting of delegates, and (4) extraordinary general meeting. (Article 37 of Law on Agricultural Cooperative (the same hereinafter))

Pursuant to Law on Agricultural Cooperative, annual general meeting of agricultural cooperative shall be held every year. Therefore, the Project for Establishing Business-Oriented Agricultural Cooperative Models (BPAC) makes this document in order to present the procedures for convening annual general meeting of agricultural cooperative.

2. What is Annual General Meeting of Agricultural Cooperative?

The annual general meeting is a general meeting be held once a year to make decision and approval on following agendas:

- Business activity report, and financial report
- Monitoring report of supervisory committee
- Plan for appropriation of surplus including dividend
- Approval of new members and suspension and dismissal of members
- Approval of resignation of existing members
- Business activity plan and budget plan for the new FY

Furthermore, annual general meeting can also make decision and approval on amendment of statute and internal regulations, election of members of board of director and supervisory committee, and other tasks within the scope of functioning of agricultural cooperative if necessary.

Regarding annual general meeting, authorities can be invited to be deemed as guests of the meeting. Besides, non-members may attend the annual general meeting as observers if allowed by agricultural cooperative.

If an agricultural cooperative did not hold the annual general meeting, a written reprimand shall be sent to the cooperative by Provincial Department of Agriculture (PDA) (Article 108).

If an agricultural cooperative did not hold the annual general meeting for two consecutive years without reasonable justification, withdrawal of certificate of registration shall be imposed on the agricultural cooperative by (PDA) (Article 109).

3) When to Hold an Annual General Meeting

Annual general meeting must be held in between January 1st until March 31st.

After closing the account at December 31 (Ex. December 31, 2015), the end of fiscal year, the board of directors of agricultural cooperative shall prepare an annual report of the previous fiscal year (Ex. from January 1 to December 31, 2015) which consists of a business activity report and financial statements, and a plan for appropriation of surplus, and a business activity plan and a budget plan for this fiscal year (Ex. from January 1 to December 31, 2016).

After AC prepares the annual report, supervisory committee shall also conduct the “end-of-term (fiscal year)” monitoring and prepare the monitoring report to be submitted to the annual general meeting.

Therefore, an annual general meeting shall be held after the end-of-term monitoring until March 31st practically.

Part II: Procedure on Convening Annual General Meeting of Agricultural Cooperative

Step01: Convening Board’s Meeting

Board of director shall hold board’s meeting so as to:

- (1) Decide date, time, and place of annual general meeting,
- (2) Decide agendas of annual general meeting, and
- (3) Approve documents such as business activity report, financial statement, etc be submitted to annual general meeting.

Step02: Notification of the annual General Meeting

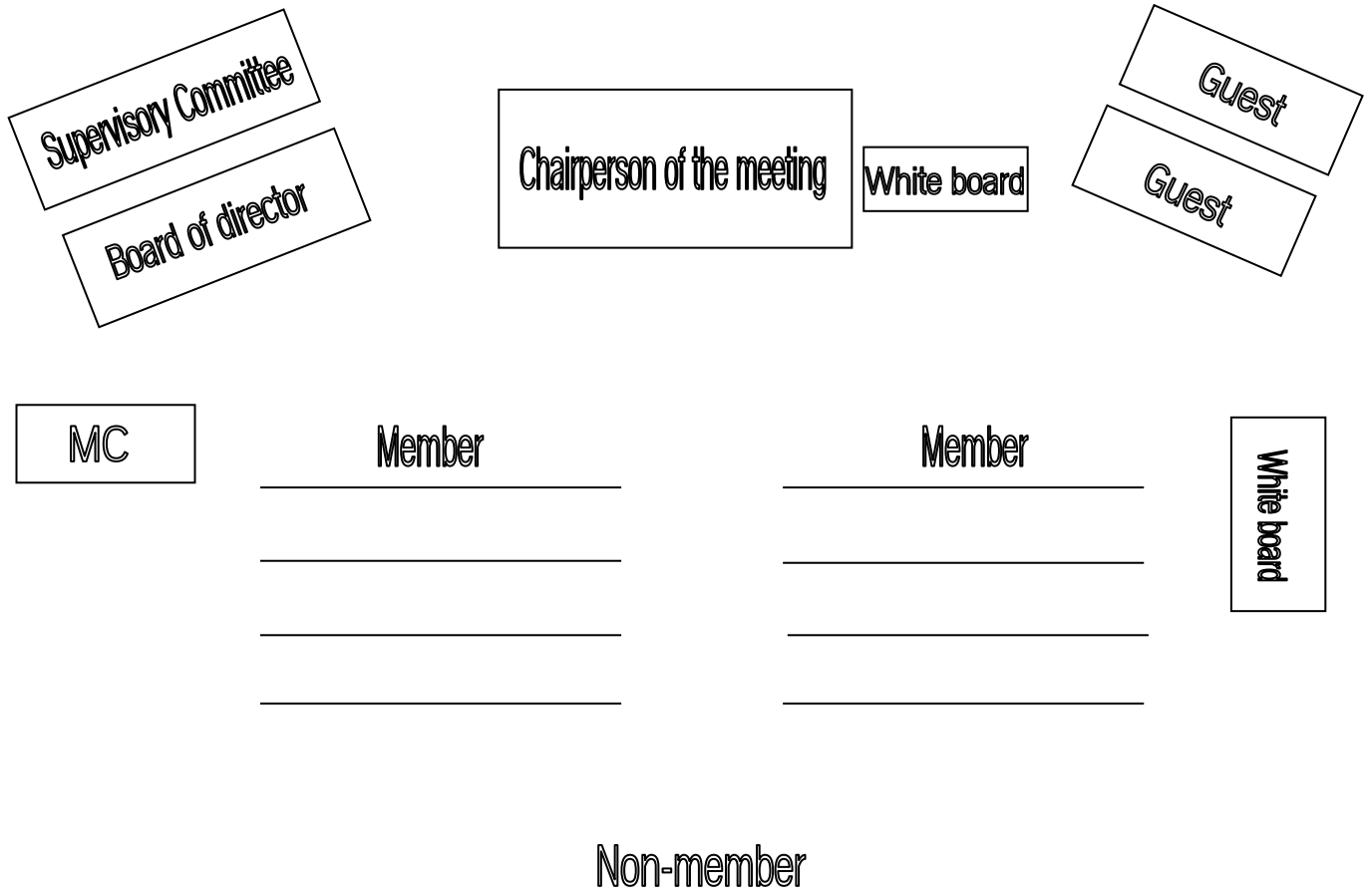
Board of director shall offer the detailed notification on the arrangement of annual general meeting to members and others concerned at least 10 days before annual general meeting through the information board or other means.

A model form of the notifications is as follows:

Notification on the arrangement of annual general meeting of Agricultural Cooperative

1. Subject: XXth annual general meeting
 2. Annual general meeting will be convened on (DD)..... (MMM)..... (YYYY).....
 3. Time:
 4. Venue:
 5. Agendas of annual general meeting:
 - (1) Business activity report, and financial report of the last FY
 - (2) Monitoring report of the last FY of supervisory committee
 - (3) Plan for appropriation of surplus of the last FY
 - (4) Approval of new members and suspension and dismissal of members
 - (5) Approval of resignation of existing members
 - (6) Business activity plan and budget plan for the new FY
 - (7)
- * All members of agricultural cooperative have to attend the annual general meeting.
- * Non-members who are interested in annual general meeting may attend this meeting as observers.

Step03: Seat Arrangement in Annual General Meeting



Step04: How to Convene the Annual General Meeting

(1) Appointment of Master of Ceremony (MC)

Chairman of board of director shall appoint Master of ceremony (MC) among board of director except the chairman or a general manager. Remarkably, non-members of BOD must not be MC.

(2) Confirmation of Quorum

MC shall count the number of participants and inform to the general meeting that the total number of membership of this agricultural cooperative is XX persons and XX members are participating, then he/she announce whether the annual general meeting comes into effect or doesn't come into effect.

***Note:**

The annual general meeting can be convened only if there are at least 2/3 of the total members attending the meeting. (Article 42)

For example, in the case the total membership is 100, the quorum is 67 members. A proxy or a family member shall not be counted.

If the quorum is not present, the chairman of the board shall call another general meeting with the same agenda within 10 days from the date of the first call. The second call of general meeting shall not require the quorum. (Article 42)

(3) Announcement of the Opening

MC shall announce the opening of annual general meeting.

(4) Election of chair

MC shall usually announce as "According to the agricultural cooperative law, the general meeting shall be chaired by the chairman of BOD or by a person elected from amongst the members present at the meeting (Article 42)."

Then, in the case the majority of members are not against with chairman of BOD to lead annual general meeting, MC shall announce as "the chairman of BOD shall chair the meeting," and the chairman of BOD shall become the chairman of the meeting and move to the chairman's seat to conduct the session.

In case that the majority of members are against with chairman of BOD to lead annual general meeting, the general meeting shall elect the chair for the meeting through majority of vote.

(5) Appointment of the secretary

The chair calls the name of secretary and ask approval from members. Secretary's duty is to take minutes highlighting the decisions made by the general meeting by attaching the attendance list to the minutes. The secretary and chair of the meeting shall sign the minutes of the general meeting. (Article 42)

(6) National anthem

MC shall invite all participants to stand up for national anthem.

(7) Opening remarks by chair of the annual general meeting

Regarding opening remarks, the chair is requested to finish within a few minutes. Then chair shall conduct annual general meeting.

(8) Introduction of agenda of annual general meeting

Chair of the meeting shall introduce agendas that have been already notified to the annual general meeting and start discussing and approving. Model agendas are as follows:

- 1) Business activity report, and financial report of the last FY
- 2) Monitoring report of the last FY of supervisory committee
- 3) Plan for appropriation of surplus of the last FY
- 4) Approval of new members and suspension and dismissal of members
- 5) Approval of resignation of existing members
- 6) Business activity plan and budget plan for the new FY
- 7)

In case member proposes new agenda which is agreed by the meeting, that agenda shall be included.

After the introduction, chair of the meeting shall start discussing and approve the content of each agenda. For each agenda, annual general meeting shall follow the following procedures:

- Chair of the meeting shall invite concerning AC officials or staffs to explain his/her content of agenda

- Chair of the meeting shall keep appropriate time for the meeting to ask questions or get opinions from members
- Chair of the meeting shall request members for approving the content of each agenda

(For the model scenario, Please refer to the attachment)

(9) Closing of annual general meeting

a) Remarks and recommendation by guests

The chair shall request remarks and recommendation from guests if any.

b) Confirmation of the result and issue closing remarks by chair of annual general meeting

Chair of annual general meeting shall confirm the result and issue closing remarks and announce the closing of the meeting.

Step05: Business after the general meeting

(1) Preparation of the minute

The secretary shall prepare the minute of the general meeting and the chairman of the meeting and the secretary shall sign the minute (Article 42). The minute along with attendant list is attached with annual report and submitted to PDA.

(2) Keeping the documents

An agricultural cooperative shall keep the documents approved by the general meeting and the minute at its central office (Article 36).

Attachment: Discussion and approval of agenda (model scenario)

1st agenda: Business activity report and financial statements of the last fiscal year

(Chairman): We start discussion of agenda of Annual General Meeting right now.

(Chairman): 1st agenda is Business activity report and financial statements of the last fiscal year.

(When the chairman of BOD becomes the chair of the meeting) As the chairman of BOD, I would like to explain the 1st agenda.

(When some member becomes the chair of the meeting) Mr. /Ms. XX, the chairman of BOD, please explain the 1st agenda.

(Explanation of Business activity report and financial statements)

(Chairman): If members want to ask questions or give opinions, please.

(Members): (Ask questions or give opinions if any)

(Chairman): (After listening) We would like to request the approval the content of 1st agenda.
If approve, please raise a hand.

(MC): Count hands.

(Chairman): (When the majority raise hands) Thanks. This agenda was approved.

(When the majority doesn't raise hands, the chairman ask members the reason and suggest BOD to improve the report and statements and ask the approval.)

***Note:**

One member shall have only one vote. Decisions on usual subjects shall be made by a majority of votes of the members present and on special subjects relating to statute, internal regulations, division, amalgamation, or dismissal of members shall be made by 2/3 majority of votes of the members present (Article 43).

2nd agenda: Supervisory Committee report on the last fiscal year

(Chairman): 2nd agenda is Supervisory committee report on the last fiscal year. Mr./Ms. XX, a chairman of supervisory committee, please explain the 2nd agenda.

(Chairman of Supervisory Committee): (He/she explains the supervisory committee report and read out the monitoring report in case of no fraud or of fraud.

(Chairman): If members want to ask questions or give opinions, please.

(Members): (Ask questions or give opinions if any)

(Chairman): (After listening) we would like to request the approval the content of 2nd agenda.
If approve, please raise a hand.

(MC): Count hands.

(Chairman): (When the majority raise hands) Thanks. This agenda was approved.

(When the majority doesn't raise hands, the chairman asks members the reason and improve the report and ask the approval.)

3rd agenda: Plan for appropriation of surplus of the last fiscal year

(Chairman) 3rd agenda is Plan for appropriation of surplus of the last fiscal year

Mr./Ms. XX, the accountant of BOD , please explain the 3rd agenda.

(Mr./Ms. XX, the accountant of BOD) : Surplus (net profit) of this AC in last year was XX riel. We have to 20% for the reserve fund and 3% for education fund following with AC Law. Then we would like to appropriate the remains (77% of surplus) as follows:

(1) Facility development fund (office, storage, etc.)

XX riel (YY% of the surplus). Our AC needs an office (ex.) so that we would like to set up this facility development fund to accumulate necessary funds as the office can be built within 5 years.

(2) Patronage refund to members

XX riel (YY% of the surplus). We would like to pay back 1,000 riel (ex.) per KG of fertilizer to members who purchased fertilizers in last fiscal year.

(3) Share dividend to members

XX riel (YY% of the surplus). According to the ICA Cooperative Principle, share dividend should be limited. We are strongly requested by the government to reduce the share dividend as less than 15% of share value. Share value of our AC is 10 USD (ex.) so that share dividend per share should be less than 1.5 USD (ex.) we would like to propose XX USD per share. The amount of share dividend shall

be less than last year but balance shall be accumulated as facility development fund and carried forward. Your understanding is appreciated.

(4) Allowance for members of the board of directors and supervisory committee

XX riel (YY% of the surplus). Considering our activities and standards of similar organizations, we would like to propose this amount.

(5) Carry forward to the next fiscal year

XX riel (YY% of the surplus). We are planning to increase the amount of loan for members and hire one staff so that we would like to propose this amount for carry forward.

(Chairman): If members want to ask questions or give opinions, please.

(Members): (Ask questions or give opinions if any)

(Chairman): (After listening) we would like to request the approval the content of 3rd agenda.
If approve, please raise a hand.

(MC): Count hands.

(Chairman): (When the majority raise hands) Thanks. This agenda was approved.

(When the majority doesn't raise hands, the chairman ask members the reason and improve the report and ask the approval.)

4th agenda: Business activity plan and budget plan for this fiscal year

(Same as 1st agenda)

5th agenda: Election for new members of the board of directors and supervisory committee

(Same as 1st agenda)

6th agenda: Admission of new members and suspension and dismissal of members

(Same as 1st agenda)

7th agenda: Others (if necessary)

.....

Guideline on How to Convene Annual General Meeting of Agricultural Cooperative

Printed in August 2016

Published by Department of Agricultural Cooperative Promotion of General Directorate of Agriculture (MAFF)
The Project for Establishing Business Oriented Agricultural Cooperative Models (BPAC)

Address: #54B/49F.St395-656,Sangkat Toeuk Laak 3 Khan Tuol Kok, Phnom penh ,Cambodia,

Phone: (023) 883 427, Fax : (023) 883 427

© The Project for Establishing Business-Oriented Agricultural Cooperative Models

