

Kingdom of Cambodia  
Nation Religion King



Ministry of Agriculture, Forestry and Fisheries

General Directorate of Agriculture

Department of Agricultural Cooperative Promotion

**Booklet**  
**on**  
**Rights and Obligations of Members and**  
**Officials of Agricultural Cooperative**

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

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**Booklet on Rights and Obligations of Members and Officials of Agricultural Cooperative**

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The Project for Establishing Business Oriented Agricultural Cooperative Models (BPAC)

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## **1. Reason to Compile the Booklet on Rights and Obligations of Members and Officials of Agricultural Cooperative**

Members of agricultural cooperative have important rights and duties to operate and develop agricultural cooperative as they are owner of their agricultural cooperative. Therefore, using proper rights and duties as a member are the factors to determine the success of agricultural cooperative. Nowadays, most of the agricultural cooperative members have not understood yet their rights and duties toward agricultural cooperative. This problem happens due to the fact that most agricultural cooperatives have not yet promoted, educated, and provided training on rights and obligations to their members.

Similarly, board of director carries out roles to enhance and develop business operation and the process of the agricultural cooperative. Supervisory committee; on the other hand, is tasked with monitoring the activities of board of director and executive director to ensure the accountability to the members of the agricultural cooperative. It is noted that presently, the majority of members of Board of Director and Supervisory Committee have not yet clearly understood their roles and duties stipulated in Law on Agricultural Cooperative because they have not studied the Law on Agricultural Cooperatives completely.

In spite of the aforementioned reasons, the project for Establishing Business-Oriented Agricultural Cooperative Models (BPAC), supported by Japanese government through JICA in Cambodia, prepares booklet on rights and obligations of members and officials of agricultural cooperative so as to distribute to the agricultural cooperatives to utilize as promoting, educating and training materials for their members and officials in the purpose of enhancing management and development of agricultural cooperatives in sustainable manner.

## **2. Rights of Agricultural Cooperative Members**

Pursuant to the Law on Agricultural Cooperative promulgated in June 06<sup>th</sup>, 2013, there is a clear determination of rights of agricultural cooperative members in participating in their agricultural cooperative development. According to Article 31 of the Law on Agricultural Cooperative, rights of agricultural cooperative members are set as follow:

- To elect and stand as candidate for election in the position of board of director or supervisory committee of the agricultural cooperative;
- To receive any information regarding the agricultural cooperative, board of director, or supervisory committee;
- To request board of director or supervisory committee for calling an Extraordinary General Meeting to discuss and solve any essential issues that have been seen as unusual in case that 1/3 of members of agricultural cooperative agree to request;
- To request, suggest, or ask board of director, supervisory committees, and executive about issues related to agricultural cooperative development, operation, and management, which are required to get response;
- To propose to include agendas into the agendas of the General Meeting;
- To receive share dividends in accordance with shares that each member holds and he/she gets patronage fund from agricultural cooperative if the agricultural cooperative earns profits and there is a division to member;
- To utilize service and agricultural production means and market of agricultural cooperative;
- To participate in all activities of the agricultural cooperative;
- To take part in doing business with the agricultural cooperative;
- To transfer some or all shares, rights, benefits, and roles as member to another member of agricultural cooperative following with the approval of General Meeting, except another person who is outside the agricultural cooperative;
- To request for resignation from the membership of the agricultural cooperative by having to submit a written notification to the board of director pursuant to statute determined by the agricultural cooperative;

- To receive the share(s) and interest when he/she resigns or is dismissed from the agricultural cooperative in case the agricultural cooperative earns profit.
- To get other benefits through the approval of General Meeting of agricultural cooperative.

### **3. Obligations of Agricultural Cooperative Members**

According to Article 30 and Article 31 of Law on Agricultural Cooperative, members of agricultural cooperative have the following duties:

- To attend the General Meeting and have equal voting rights regardless of the number of shares held in the agricultural cooperative;
- Shall pay their share capital bought in accordance with conditions as stipulated in the statute;
- Collaborate with other members to take part in strengthening capacity and developing agricultural cooperative;
- Shall collectively be liable for the debts incidents, damage, and property loss of agricultural cooperative pursuant to the statute of the agricultural cooperative;
- In case of damaging property of the agricultural cooperative, shall be responsible to pay for or repair the damage in accordance with the statute of the agricultural cooperative;
- When resigning or dismissed from membership, responsibility shall be taken for the loss of agricultural cooperative in proportion with share in accordance with statute in case that the agricultural cooperative makes loss in business;
- Join with business of the agricultural cooperative;
- To rent or use services and facilities which belong to the agricultural cooperative;
- Protect benefit of the agricultural cooperative;
- Implement through the approval of the General Meeting;
- Follow the statute, internal regulation, and the approval on Agricultural Cooperative as well as Law on Agricultural Cooperative.

#### **4. Duties and Obligations of Board of Director**

In accordance with the Article 42, Article 47, Article 48, and Article 49 of the Law on Agricultural Cooperative, board of director has the following duties and obligations:

- To be responsible for administration work and management process of the agricultural cooperative by approving organization structure of agricultural cooperative and guaranteeing the implementation of statute, internal regulation, and approval of the General Meeting of the agricultural cooperative;
- To operate and implement mission, business policies, strategies, action plan, financial plan, and other duties approved by the General Meeting as stated in the statute of the agricultural cooperative and other concerned laws;
- To keep documents or important lists in the office of the agricultural cooperative or another place decided by the agricultural cooperative such as statute and internal regulation of the agricultural cooperative, member list, share list of members, annual report of the agricultural cooperative, minutes of meeting and every report;
- Enhance work efficiency and capacity of board members, strengthening members' capacity to increase trust toward the agricultural cooperative;
- To be a representative of agricultural cooperative's property;
- To convene monthly board meeting;
- To call for General Meeting of the agricultural cooperative;
- To participate in their monthly board meeting;
- To be responsible for financial management in accordance with the accounting principles for agricultural cooperatives;
- To prepare and submit an annual report and balance sheet certified by the Supervisory Committee to the General Meeting to check and adopt;
- To prepare and submit the action plan and financial plan for the next fiscal year to the General Meeting to check and adopt;
- To prepare necessary documents for auditing as required by the Law and report to the General Meeting;
- To convene an Extraordinary General Meeting as required;
- To send to the registration unit the annual report and balance sheet;
- May appoint an executive manager on a contract, who may be a member or non-member of the agricultural cooperative, but not a member of board of director or not a member of supervisory committee who is tasked with the business operation;

- Follow up and evaluate duty completion of executive based on the result of the implementation of action plan, financial plan, and economical efficiency of the agricultural cooperative;
- May recruit staffs on a contract as needed in order to assist with business operation of the agricultural cooperatives in accordance with the Law on Labor;
- Check membership requesting application and membership resigning application of the agricultural cooperative before submitting to the General Meeting;
- Be responsible both individually and collectively for any wrongdoing committed in the course of fulfilling their duties;
- To fulfill other duties as determined by the General Meeting.

## **5. Rights and Obligations of Supervisory Committee**

According to Article 52 of Law on Agricultural Cooperative, Supervisory committee has the following rights and obligations:

- To monitor the implementation of statute, internal regulation, and other approvals of the General Meeting of the agricultural cooperative;
- Monitor the tasks of Chairman of board of director, executive, and members of board of director so as to ensure that all tasks are consistent with statute, internal regulation, Law on Agricultural Cooperative, and other concerned laws;
- To request person involved in the agricultural cooperative to give and copy documents for monitoring;
- To check or order the checking of the agricultural cooperative's accounting books, inventory list, balance sheet, and other financial documents that record business situation and financial operative of the agricultural cooperative;
- To convene the meeting as required;
- To inform board of directors of its notice and findings and incorporate them into the annual report to be submitted to the general meeting;
- Accept complaints regarding with business implementation of the agricultural cooperative to find solutions or put a proposal to authorities to solve those complaints following statute and Law;
- Request the chairman of the board of directors to call an extraordinary general meeting in order to settle the urgent issue of the agricultural cooperative;

- Prepare agendas and call for an Extraordinary General Meeting when occurring problems in the agricultural cooperative in order to solve in following cases:
  - The existence of activities that are violating Law on Agricultural Cooperative, statute, and internal regulations of the agricultural cooperative or the approvals of the General Meeting that board of director fails to take action toward this violation;
  - In case that board of director fails to call for the Extraordinary General Meeting to cope with this problems in accordance with this statute.
- Make monitoring report on business performance and general management of the agricultural cooperative and report to the General Meeting at the end of fiscal year.



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