



COPE

Training Module 3
Cooperative governance

DO WE HAVE COMMON VALUES?

First of all, we have to be familiar with our values and purpose. Which of the 7 cooperative principles are the most important for our team? Which one of them help us to direct our business?

In Module 1, we have discovered the cooperative model, the values behind it and the needs that lead us to start our business.

The key is to clarify the point of view of everyone.



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STATUTES OR BYLAWS

The members, after defining the social purposes, the rules and the name, give life to the cooperative through a public deed that must be drawn up by a notary, which takes the name of the Constitutive Act.

The bylaws have to include the following rules:

- the purpose of the cooperative
- the name of the cooperative
- the main office

The bylaws should additionally include rules about:

- how to become a member
- cessation of membership
- membership duties, e.g. if membership fees have to be paid
- the composition of the board of directors
- how and when the members come together for a general meeting
- elections and voting procedures
- specifics about proposals and voting on resolutions

In general, cooperatives can develop their bylaws as they wish, as may be provided for in legislation. Often bylaws are written according to guidelines provided to cooperatives.

Optional sections in the bylaws are often included to meet the requirements of the cooperative's individual purpose. As mentioned above, certain points have to be included in the bylaws so that the cooperative runs smoothly and there is no dissimilarity between members and the executive.

In certain cases, it is necessary to amend the bylaws to keep up with new developments in society.

INTERNAL REGULATION

The relations between the cooperative and the members may be governed by regulations that determine the criteria and rules inherent in the performance of the mutual activity between each other. The regulations, if not an integral part of the Constitutive Act, must be approved by the Assembly.



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DO WE HAVE COMMON GOALS?

GAME

“RISE A COOPERATIVE!”





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HOW DO WE MAKE DECISIONS?

Democratic participation is embodied in the important principle of the "capitary vote", understood in the sense that each cooperating member has the right to one vote whatever the value of the share of participation in the capital.

DEMOCRATIC PARTICIPATION: ONE HEAD ONE VOTE

CORPORATE BODIES



The shareholding structure of cooperatives must be made up of at least 3 members.

The requirements of the candidate members are indicated directly in the deed of incorporation, in which the relative admission procedure is determined in compliance with the "open door" principle.

When founding a cooperative, certain criteria need to be fulfilled.

1. A first meeting of the charter members/incorporators
2. File articles of incorporation
3. Creating and approving bylaws for the cooperative
4. Appointing or electing a board of directors
5. Writing down the results of the first meeting
6. Obtain relevant (business) licenses and permits
7. If necessary: hiring employees

Generally, all cooperatives have a general meeting open to all members and a board of directors who run the cooperative on behalf of the members. More committees can be constituted in the bylaws.



CORPORATE BODIES: ASSEMBLY

It represents the most important body of the cooperative, because it gathers all the members, decides on particularly important elements such as the amendment of the articles of association, the appointment of the corporate offices, the remuneration to directors and control body, the adoption of regulations, the approval of the financial statements.

The assembly is the body that gathers all the members who, by voting democratically, expresses the social will.

The shareholders' meeting meets in ordinary or extraordinary session. The ordinary assembly is competent to:

- the approval of the financial statements and the distribution of profits, within the limits and to the extent established by the articles of association and by law;
- the appointment and revocation of members of the board of directors and the determination of their remuneration;
- the appointment and revocation of the board of statutory auditors, if provided, as well as of the body responsible for the legal control of the accounts;
- the modification of the deed of incorporation.

Annual meetings

At least one every year to approve the annual budget, and one every 3 years (but it depends on the statute) to renew corporate offices.

CORPORATE BODIES: BOARD OF DIRECTORS

The board of directors, appointed by the shareholders' meeting, is the body that deals with the management of the cooperative and exercises its governance.

The majority must be chosen from among the cooperating members or from the persons indicated by the cooperating members legal entities. In any event, holders of securities may not be granted the right to elect more than one third of the directors.

The Management Board may hold office for a maximum of three financial years.



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CORPORATE BODIES: SUPERVISORY BODY

The control body must supervise compliance with the law and the articles of association, compliance with the principles of proper administration, the adequacy of the organizational structure, the administrative and accounting system and the general performance of the company's activities.

In addition to these controls of an external nature, the current discipline provides that the cooperative is equipped with an organizational, administrative and accounting structure appropriate to the nature and size of the company, which can promptly detect the crisis situation and the loss of business continuity. This element is of particular importance also with reference to the responsibility of the directors.



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HOW DO WE RESOLVE CONFLICTS?

GAME

“CHANCE AND COMMUNITY CHEST”





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THANKS FOR YOUR ATTENTION!

Francesco