

Malta Co-operative Federation

Statute

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1. Registered name and address

The name of the organisation is “**Malta Co-operative Federation**”

The registered address shall be 87, St. Ursula Street, Valletta VLT 1234, Malta or any other place that the Council may choose from time to time.

2. Interpretation

- a) ‘Act’ refers to Chapter 442 of the Laws of Malta that regulates Co-operative Societies, or any other Act that substitutes this Act.
- b) ‘Statute’ means the collection of Clauses that regulate the setting up and operations of the Malta Co-operative Federation.
- c) ‘Board’ refers to the Co-operatives Board set up under the Act.
- d) ‘Delegate’ refers to a member of a Member Society, who may be nominated to attend the General Meetings of the Malta Co-operative Federation.
- e) ‘Society’ means a Co-operative Society set up under the Act.
- f) ‘General Meeting’ refers to a General Meeting of the delegates that is held annually, or whenever the need arises by means of Extraordinary General Meetings.
- g) ‘Council’ means the Council of the Malta Co-operative Federation as elected by the Member Societies in the Annual General Meeting or at an Extraordinary General Meeting purposely convened to elect Council Members.
- h) ‘Movement’ refers to the Co-operative Movement regulated by the Act.
- i) ‘Suspended Membership’ refers to the period during which the Member Society will not be able to exercise any right given to it by virtue of this Statute.
- j) ‘Malta’ means the Republic of Malta.
- k) ‘Member Society’ refers to a Society that is admitted as Member of the Malta Co-operative Federation by the Council or by the Member Societies during a General Meeting.

3. Principal objectives

The Malta Co-operative Federation shall invite membership from all co-operative Societies registered in Malta under the Act.

The Malta Co-operative Federation pursues non-profit aims and its objectives are:-

- a) To obtain and retain APEX status in accordance with the Act;
- b) To embrace and promote the co-operative principles and values as promulgated by the International Co-operative Alliance;
- c) To encourage education about co-operatives, to provide training, to carry out research and to collect information for the purposes of the advancement of the Movement;

- d) To provide and supervise services related to management, marketing, accounting, auditing and consultancy to its Member Societies;
- e) To represent and be a united voice of the Malta Co-operative Movement locally and internationally in all economic sectors.

4. Powers of the Federation

In order to achieve its objectives the Malta Co-operative Federation shall:

- a) Provide advice and assistance to Member Societies in coordinating their activities;
- b) Organise conferences, seminars and training courses on co-operatives, management and related subjects, and also set up a training, support services and research centres for this purpose;
- c) Publish, distribute and sell information in all forms about the Movement, and set up a library with books and materials about co-operatives;
- d) Administer the funds of the Malta Co-operative Federation;
- e) Affiliate with international and/or local organisations of repute;
- f) Collaborate and coordinate its activities with international and local entities as the case may be;
- g) Nominate individuals from Member Societies to attend seminars, conferences, exchanges and study courses both locally and abroad;
- h) Organise and participate in social, cultural and recreational activities aimed at enhancing the interest in the Movement and to strengthen networking opportunities for Member Societies, as decided by the Council;
- i) Build and/or purchase, rent offices or other premises and furnish them in order to serve the needs of the Malta Co-operative Federation, and, for this purpose, collect the necessary funds from its Member Societies and/or other sources;
- j) In a general manner, do whatever is necessary to achieve the goals of the Malta Co-operative Federation, without the exclusion that this may also be performed through sub-committees purposely set up by the Council.

5. Members

- a) All those societies registered in Malta under the Act and which abide with the provisions of this Statute may become eligible Member Societies of the Malta Co-operative Federation.
- b) Eligible societies may become Member Societies of the Malta Co-operative Federation once they are accepted by the Council.
- c) An application for membership must be made on the prescribed form issued by the Council from time to time.
- d) Every Member Society shall provide Council with a written consent enabling Council to obtain whatever information it deems necessary to determine whether that Member Society has paid or has reached a repayment program with the Central Co-operative Fund for fulfilment of its obligations according to the Act. In the event that this consent is revoked by the Member Society to the Council or through instructions given to the Central Co-operative Fund, that revocation shall be considered as a Notice of Termination of membership of the Member Society in accordance with Clause 6(a) of this Statute.
- e) A society that joins anew after it has had its membership previously terminated will have to conform with all application procedures as if the society were a new applicant.

- f) The Council shall consider any membership application that conforms to this Statute for approval within three months.
- g) Every society that joins the Malta Co-operative Federation shall bind itself to abide fully by this Statute.
- h) Every Member Society must provide the following documents to the Council on a regular basis, as the Council so determines:
 - i. a copy of the Member Society's abridged financial statements or in their absence the full set of financial statements, as presented to the Board, according to the Act;
 - ii. the date when the Member Society's Annual General Meeting was held;
 - iii. a detailed list of all the Member Society's members updated according to the form prescribed by Council;
 - iv. details of all the Member Society's Committee of Management members updated according to the form prescribed by Council.

6. Termination and/or suspension of membership

- a) A Member Society may withdraw its membership from the Malta Co-operative Federation by sending a Notice in writing to the Council. A society that withdraws its membership or is considered to have terminated its membership according to Clause 5(d) of this Statute is obliged to honour all outstanding dues that it would have bound itself to pay to the Malta Co-operative Federation up to the date of Notice or the date of membership termination, even if these dues are payable after the termination of membership.
- b) A Member Society that has been placed into liquidation, or has lost its autonomous status, or is no longer on the Board's register shall be considered to have withdrawn its membership from the Malta Co-operative Federation.
- c) A society that goes against this Statute and/or the co-operative principles and values of the International Co-operative Alliance and/or of the Malta Co-operative Federation and/or that defaults on its dues or has arrears which have to be paid, may have its membership suspended by the Council. The suspension will be withdrawn by Council when the Member Society regularises its position.
- d) The Council may also suspend a Member Society if it determines that:
 - (i) the Member Society's qualified/modified audited report on the Member Society's financial statements may cause embarrassment to the Malta Co-operative Federation, as may be determined by the Council.
 - (ii) The Council may also suspend a Member Society if it determines that that Member Society has no economic activity.

The suspension unless withdrawn by Council shall remain valid until the next General Meeting when the delegates at the General Meeting shall be asked to retain or withdraw the suspension or terminate membership of that Member Society that would have had its membership suspended by Council. The Council shall propose what steps would have to be taken in this regard in a motion presented to the General Meeting. The society in question shall have the right to present its case in writing before the General Meeting. In this instance, every representation shall reach the Council within the stipulated time determined by Council so as to allow for the distribution of the relevant material for discussion at the General Meeting. The decision of the General Meeting shall be final.

- e) A society that is a Member Society of the Malta Co-operative Federation cannot participate, be involved, be affiliated, or become a member, directly or indirectly, in any APEX organisation as established by the Act, organisation, movement, entity, company, constituted body, or association that is in direct competition with the Malta Co-operative Federation or

that tries to achieve objectives that are substantially similar to those of the Malta Co-operative Federation, irrespective of the fact that such organisation, movement, entity, company, constituted body, or association enjoys official recognition. Such a breach, if any, shall be determined by the Council. In the instance that any Member Society is in breach according to the Council of this condition, this will automatically signify a breach of its obligations of the Statute and the Council shall suspend that Member Society.

- f) The nominated Council Member of a suspended Member Society will not have the right to attend the Council Meetings, and delegates of a suspended Member Society will have the right to attend the General Meeting, although without the right to vote.

7. Funds

- a) The Malta Co-operative Federation's funds shall be generated from:-
- i. Annual contributions by Member Societies, where applicable;
 - ii. Income from the sale of relevant publications, stationery and other merchandise;
 - iii. Contributions, donations, grants or subsidies from local or foreign sources;
 - iv. Professional fees for services of audit, accounting, management, consultancy and other services requested by the Member Societies;
 - v. Other means according to the decisions of the Council.
- b) The funds thus generated shall be employed in the promotion of the aims and objectives of the Malta Co-operative Federation as listed in Clauses 3 and 4 of this Statute.
- c) The Member Societies will have no right to the accumulated surplus of the Malta Co-operative Federation. In the event of liquidation of the Malta Co-operative Federation a liquidator shall be employed, and after the creditors and the expenses of the liquidator have been paid, all assets will be transferred to the Central Co-operative Fund and shall be expended by the Central Co-operative Fund on a specific cause that would benefit the Co-operative Movement as a whole.

8. Financial year

The financial year of the Malta Co-operative Federation shall end on the 31st December of each year.

9. Managing the affairs of the Federation

The highest authority of the Malta Co-operative Federation shall be vested in the General Meeting. However, between one General Meeting and another, the management of the Malta Co-operative Federation shall be vested by a Council as established in Clause 11.

- a) The Members of Council shall officially represent the Malta Co-operative Federation and all its Member Societies.
- b) The Members of the Council although nominated on Council by their society shall not represent their Member Society or the economic sector of their Member Society, but shall represent the interests of the Malta Co-operative Federation as a whole. The Council may authorise a Council Member to represent a particular economic sector or co-operative if and when the need arises.
- c) A Council Member may tender his/her resignation from office by Notice in writing to the Council and on its acceptance by the Council, but not until then, he/she shall cease to be a Member of the Council.

- d) A General Meeting may by a resolution passed by two-thirds ($\frac{2}{3}$) of the delegates present and by secret ballot remove any Council Member from office.
- e) The Council may deliberate and order the termination of any Council Member from his/her office as Council Member at a Council meeting held for the purpose, wherein that Council Member shall be present and heard during the deliberations, but his/her vote shall not be counted for the purpose of reaching a unanimous decision of those present at the meeting.
- f) A Council Member may have his/her office terminated by the Council for reasons of unethical behaviour, unjustified absenteeism from Council Meetings and activities, undeclared conflicts of interest, and embezzlement.
- g) Council on reaching a unanimous consent, shall request that Council Member to retire and resign. If this resignation is not forthcoming the Council will terminate the Council Member's appointment by giving due notice to the Member Societies.
- h) All Members of Council are expected to actively participate in the activities, initiatives and research held by the Malta Co-operative Federation.
 - i. The Executive Committee shall distribute to the individual Council Members various tasks and responsibilities, designating targets and deadlines for their execution. This may include, but shall not be limited, to the Chairing and organising specific economic sector sub-committees of the Council.
 - ii. Council Members are expected to be well prepared for all Council Meetings and expected to participate actively at Council Meetings and other meetings held by Council.

10. General meetings

- a) The Annual General Meeting of the Malta Co-operative Federation shall be convened by the Council and shall be held by not later than the 31st October of each year. In the event that for whatever unforeseen reason the Annual General Meeting is not held by the prescribed time as established in this Statute, the Council shall be converted to a *Caretaker* Council. During the caretaker period which should not exceed thirty (30) calendar days the *Caretaker* Council shall only handle ordinary administrative business for the Malta Co-operative Federation. Upon the expiration of the *Caretaker* period the Council shall be considered dissolved and an Annual General Meeting shall be convened by at least one in five (1/5) Member Societies registered with the Malta Co-operative Federation or five (5) Member Societies whichever is the lowest.
- b) An Extraordinary General Meeting shall be convened by the Council whenever it considers it necessary. The Council shall hold such a meeting within thirty (30) calendar days from the receipt of a request in writing signed by at least one in five (1/5) Member Societies registered with the Malta Co-operative Federation or ten (10) Member Societies whichever is the lowest and such request shall state the objects of the proposed General Meeting.
- c) The notice of a General Meeting shall be sent to all Member Societies of the Malta Co-operative Federation, at their official email address or in its absence at their postal address provided to the Council, at least twenty eight (28) calendar days before the date the Council sets for the General Meeting.

Provided that in cases of urgency a General Meeting, other than an Annual General Meeting or a General Meeting having on the agenda an amendment of the Statute, may be called by a notice of not less than three (3) working days.

The notice of the General Meeting shall inform the Member Societies of the agenda, the date, venue and time of the meeting. For the purposes of this Clause the number of delegates who have the right to attend and vote at any General Meeting shall be one (1)

- delegate and the number of observers admissible at the General Meeting on behalf of the Member Society shall not be more than two (2), provided that only one (1) of the observers may be an external consultant nominated by the Member Society.
- d) In order to be considered admissible, fourteen (14) calendar days prior to a General Meeting, the Council must have received from its Member Societies any of the following on the prescribed *bona fide* forms. The Council shall indicate the latest time and date when these forms are to be returned duly completed and are to be signed on behalf of the Member Society's Committee of Management to be considered admissible at the General Meeting:
- i. the motion/s the Member Society would like to put forward at the General Meeting, which motion/s may also be to propose changes to the Statute of the Malta Co-operative Federation;
 - ii. when the case may be, the name of one person to be nominated for Council elections, by a Member Society which person must be a Member of the Member Society;
 - iii. the name and I.D. number of the delegate authorised by the Member Society to attend and vote during the General Meeting, which delegate may be replaced by another Member Society authorised delegate no later than the notified time of the commencement of the General Meeting.
- e) Seven (7) calendar days prior to a General Meeting, the Council shall send, to all Member Societies of the Malta Co-operative Federation at their official email address or in its absence at their postal address provided to the Council, the following where applicable:
- i. All regularly received Motions to be brought before the General Meeting,
 - ii. All regularly received proposed changes to the Statute,
 - iii. A list of persons seeking election to the Council,
 - iv. Minutes of the previous General Meeting necessitating approval,
 - v. Audited Financial Statements of the Malta Co-operative Federation, signed and approved by the outgoing Council, and
 - vi. Any other document or information the Council deems necessary for the purpose of fulfilling the obligations of this Statute.
- f) Every Member Society shall follow the Co-operative principles, both in this Statute and the Act.
- i. Those Member Societies who fail to hold their Annual General Meeting of the preceding calendar year within the time stipulated according to the Act and/or do not adhere to Clause 5(h) of this Statute will not be able to participate with the vote of their delegate in the General Meeting of the Malta Co-operative Federation, they will not be able to nominate any Member for elections for the Council of the Malta Co-operative Federation and they will neither be able to benefit from the services that the Malta Co-operative Federation offers its Member Societies, unless their position is regularised by not later than the notified time of the commencement of the General Meeting.
 - ii. Those Member Societies that are not in conformity with their obligations towards the Central Co-operative Fund as stipulated in the Act or as established in Clause 5(d) of this statute will not be able to participate with the vote of their delegate in the General Meeting of the Malta Co-operative Federation and they will not be able to nominate any Member for elections for the Council of the Malta Co-operative Federation unless their position is regularised by not later than the notified time of the commencement of the General Meeting.
 - iii. Those Member Societies that have not regularised their position by not later than the notified time of the commencement of the General Meeting of the Malta Co-operative Federation according to Clauses 10(f)(i) and 10(f)(ii) of this Statute may have their Membership in the Malta Co-operative Federation suspended according to Clause 6(c)

- of this Statute, and the Council may publish on the request of the majority of delegates present at the General Meeting a list of those Member Societies that by not later than the notified time of the commencement of the General Meeting would not have regularised their position according to Clauses 10(f)(i) and 10(f)(ii) of this Statute.
- g) The President of the Council shall Chair the General Meeting or in his/her absence, this shall be chaired by the Vice-President. In the absence of both of them, a delegate from those present at the meeting shall be elected to preside.
- h) An Annual General Meeting of the Malta Co-operative Federation shall deal with the following business:-
- i. Adoption of the minutes of the previous Annual General Meeting, or of any other previous General Meeting the minutes of which will not have yet been approved;
 - ii. Presentation of a Council report on the activities carried out the previous year together with an action plan and estimates for the coming year;
 - iii. Adoption of the Audited Financial Statements and Auditor/s' Report;
 - iv. Appointment of auditor/s;
 - v. Adoption of motions and/or amendments to the Statute of the Malta Co-operative Federation;
 - vi. Deliberation and decision on Member Society suspensions under Clause 6 of this Statute, and/or on a refusal of an application for membership under Clause 5 of this Statute;
 - vii. Any other matter which the Council may designate to be transacted at the Meeting, including the establishment, if any, of the Annual Contribution payable to the Malta Co-operative Federation;
 - viii. Election of Council Members.
- i) The quorum required at a General Meeting shall be one-fourth ($\frac{1}{4}$) of the number of delegates entitled to vote which the Member Societies would have submitted to the Council prior to the General Meeting. If, within thirty minutes from the established time, the number of the delegates is not sufficient to form a quorum, the meeting, when this has been called by the Member Societies, shall be declared dissolved. In all other cases, the meeting shall be adjourned for the same day of the following week at the same time and at a venue chosen by the Council. Notice to this effect shall be sent to the Member Societies by the Council within forty eight (48) hours from the adjournment at the Member Societies' official email address or in its absence at their postal address provided to the Council. If, in the adjourned meeting there will still not be a quorum up to thirty (30) minutes from the established time for the meeting, the delegates present shall form the quorum. However, a General Meeting with a reduced quorum shall not have the right to amend the Statute.
- j) Delegates who are nominated by more than one (1) Member Society to attend and vote at General Meetings shall have a number of votes equivalent to the number of nominations held.
- k) Unless otherwise provided for in the Statute, every question put before the delegates shall be decided by a majority vote of those delegates present and entitled to vote. The President shall not have a casting vote.
- l) Observers and guests of the Council, and nominees for Council who are not as well delegates, may attend the General Meetings, without the right to vote.

11. The Council and the Executive Committee

- a) The Council of the Malta Co-operative Federation shall consist of not more than seven (7) members and not less than three (3) members.

- b) Elections by secret ballot shall be held annually at the Annual General Meeting unless an Extraordinary General Meeting is convened for the purpose of filling any vacancies. The Council Members shall retain office from one General Meeting when their elections for Council are held to the next or until a new Council is announced.
- c) At each Annual General Meeting four (4) Council Members shall retire and may offer themselves for re-election. The retiring members at each Annual General Meeting shall be those who have been longest in office since the date of their last election and in the event that a complement of four (4) retiring members is not achieved with this rule, and in order to obtain a complement of four (4), the retiring members would be chosen from those who have also obtained the lowest number of votes in their respective elections. Provided that in the event that the Malta Co-operative Federation holds APEX status according to the ACT the duration a Council Member may retain office on the Council will be that as established by the Act, if this rule clashes with the provisions of the Act.
- d) When the term of the elected member on the Council elapses, every member shall be eligible to be elected anew.
- e) Member Society delegates shall be requested to vote for the maximum number of vacant posts by marking the ballot vote in the box adjacent to their preferred candidates. Elections by ballot shall be held regardless of whether a post on Council is being contested. The Member Societies shall be informed by Council of the results of the elections, the names and the number of votes obtained by each nominated candidate.
- f) The nominated candidates who would have obtained the highest number of votes shall fill the vacant seats on Council.
- g) In the event that a number of candidates have obtained the same number of votes and it is unable to determine which of the candidates are eligible to fill the vacant posts on the Council the Secretary General shall organise a second secret ballot on such candidates at the time, place and modality to be decided by the Secretary General after consultation with the candidates.
- h) Whenever a vacancy in the Council occurs for whatever reason the following rules apply:
 - i. In the case that the number of Council Members is reduced to less than three (3), these one (1) or two (2) Council Members shall take office as a *Caretaker Council*. *Caretaker Council* shall be entrusted with communicating with Member Societies to organise an Extraordinary General Meeting for the purpose of Council Elections. Council Members elected during an Extraordinary General Meeting shall serve until the next General Meeting when elections for Council are held.
 - ii. In the event that the Council is reduced to less than seven (7) members the runners-up, if any, shall automatically become Council Members subject to their acceptance and will occupy this post until the next General Meeting when elections for Council are held.
- i) Members of the Council may be removed or suspended only by a simple majority of the delegates present for the General Meeting or unless the Council so decide after having considered the conditions established by Clause 9 of this Statute.
- j) The Council shall have a President, Vice-President, Secretary General and Treasurer from the elected Council Members. In the event that the Council members are three (3) in number the functions of the Treasurer shall be taken up by the Secretary General. These Council Members shall be known as the Executive Committee.
- k) The Malta Co-operative Federation shall have a Chief Executive Officer (CEO). When the Council appoints a Chief Executive Officer (CEO) from the elected Members of the Council, or if the Council employs a CEO, in both cases the duties, terms and conditions of the CEO shall be established by the Council.

- l) All Council meetings shall be minuted and will be chaired by the President of the Council or in his/her absence, by the Vice-President or in their absence as the Council duly agrees.
- m) A Council member cannot serve as President for more than six consecutive years.
- n) The Council shall manage all the affairs of the Malta Co-operative Federation, and may lawfully exercise all the powers of the Malta Co-operative Federation except as to such matters as are by the Statute directed to be transacted by or at a General Meeting of the Member Societies. Without compromising in any way whatever is decided at a General Meeting, the Council may exercise all necessary powers so as to ensure the proper administration and management of all the work and property of the Malta Co-operative Federation. The President and the Secretary General shall jointly hold the legal representation of the Malta Co-operative Federation. The Council may however delegate to one or more of its Council Members every one of its powers or functions under this Statute or under the Act.
- o) The quorum during Council meetings shall be the majority of Council Members entitled to attend Council Meetings, and decisions are passed by simple majority of those present and entitled to vote. In the case of a tie, the motion is considered not to have been passed. No Council Member shall have a casting vote.
- p) When a member of the Council has or may have a conflict of interest regarding a particular matter, he/she has an obligation to inform the Council of such conflict of interest, at the beginning of the Council meeting, after the reading of the minutes. The member shall withdraw from the meeting and the Council shall decide whether this Council Member is to attend for that part of the meeting/s covering this matter. In the case that the Council Member concerned may be allowed to attend or because his/her absence might create quorum issues his/her vote shall not be counted.
- q) A member of the Council who is directly or indirectly interested, otherwise than as a Member of the Council, in any contract or agreement made or proposed to be made by the Council, he/she or any enterprise/organisation he/she is related with shall not in any way be disqualified from; offering a quote, tendering, and/or entering into any contract or agreement with the Malta Co-operative Federation if all the Council's policies are adhered to.
- r) The Council Members shall be indemnified by the Malta Co-operative Federation from all losses and expenses incurred by them in or about the discharge of their duties, except such as may happen from their own wilful default. No Council Members shall be liable for any misdemeanour of any other Council Member or for any loss or expense happening to the Malta Co-operative Federation unless the same happens from his/her own wilful default.
- s) The first Council Members of the Malta Co-operative Federation shall be those as established by the Founder Members and shall all serve on the Council up to the date of the first Annual General Meeting, when they may offer themselves for re-election.

12. Powers and obligations of the Executive Committee

The Council shall manage its own affairs. The Executive Committee Members shall be appointed by the Council Members into their respective roles.

- a) Duties, responsibilities, powers and obligations of the Executive Committee shall be established by Council.
- b) All powers which under the provisions of the Statute may be exercised by the Council shall be exercised by it in accordance with and subject to the provisions of the Statute. The Council may however from time to time make such regulations as it thinks fit for the purpose of putting into effect any provisions of this statute or otherwise for regulating the

affairs of the Malta Co-operative Federation and may rescind or vary or add to any such regulations provided always that no such regulations shall be in any way inconsistent with the provisions of this Statute.

13. Dispute resolution

Every dispute between the Malta Co-operative Federation and its Member Societies shall be resolved in a manner congruent with the Co-operative principles. In the event that an agreement is not reached, the parties may agree on the appointment of a person or entity that will act as an arbiter and the decision thus taken shall be final.

14. Dissolution

The Malta Co-operative Federation may be dissolved by a two-thirds ($\frac{2}{3}$) majority vote of the delegates present at a General Meeting convened specifically for this purpose. In the case that the resolution passed will approve the dissolution of Malta Co-operative Federation, the Council shall convene another General Meeting as quickly as possible to confirm this resolution, and this notwithstanding that the resolution will have already been passed and been approved during the previous General Meeting. Such a confirmation requires a two-thirds ($\frac{2}{3}$) majority of the delegates present and this decision will be final.

15. Statute interpretation

This Statute is drawn up and approved in English. For purposes of interpretation the English version of this Statute will prevail.

16. Changes in the Statute

Every amendment to this Statute shall be approved by a majority vote of two-thirds ($\frac{2}{3}$) of the valid votes during a General Meeting.

