

BYLAWS
OF
AGRICULTURE SERVICE CENTER of BOBONARO (*the Center*)

A. OFFICIAL NAME

The organization operating in accordance with the accompanying Articles of Association shall be named "AGRICULTURE SERVICE CENTER OF BOBONARO".

B. ORGANIZATIONAL FORM

The organization is established as a "for profit" enterprise, according to the principles generally applicable to an incorporated association with members.

C. ADDRESS OF THE CENTER

The Secretary,
Principal Office
Agriculture Service Center of Bobonaro,
Bobonaro, East Timor

D. ESTABLISHMENT AND OBJECTIVES OF THE CENTER

The Center is established for the benefit of the farmers of the geographical area known as Bobonaro, East Timor, which benefit will be advanced through the establishment of an Agriculture Service Center including construction of offices, shops and related facilities; provision of equipment that includes vehicles, tools, and related spare parts, and agricultural inputs.

The Center is established pursuant to Executive Order No. 2001/10 and in accordance with Paragraph 1 of Part C of Section 3 of the Trust Fund for East Timor Grant Agreement (AGRICULTURE Rehabilitation Project) dated 21 June 2000 as amended 3 August 2001.

The Center intends to engage in profit-making activities and has or will acquire and intends to acquire gifts of money and property and subscriptions to advance its purpose.

The General Objectives of *the Center* shall be to do any of the following acts or things namely:

- (a) To support any lawful activity that contributes directly or indirectly to income generation and poverty reduction for its members who shall be farmers of Bobonaro, East Timor.
- (b) With respect to any money and property received from the Trust Fund for East Timor (TFET), to invest these funds in the purchase of agricultural inputs and associated services and equipment, and, in due course, to grant, distribute or sell such investment to customers on any basis and terms determined by the Management Committee of *the Center* (as established under Part III of the accompanying Articles of Association).
- (c) To engage in business activities including the making available of agricultural production inputs and associated services, only to its members, on a commercial basis.
- (d) To support any lawful activity that relates directly or indirectly to the provision of agricultural services to its members.
- (e) To support any other lawful activity necessary or associated or ancillary to the above General Objectives, which may conveniently be undertaken, provided that these activities are approved by the Management Committee.
- (f) To provide the necessary framework to achieve the foregoing objectives, including engaging experts, managers and other employees as required under commercially reasonable arrangements.

None of the General Objectives referred to above shall be interpreted to be of primary or secondary importance. Each General Objective stands alone and is equal in importance to any other General Objective.

E. The Articles of Association of *the Center* are annexed hereto.

**ARTICLES OF ASSOCIATION
OF THE
AGRICULTURE SERVICE CENTER OF BOBONARO (the Center)**

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PART I - PRELIMINARY

1. Interpretation

In these Articles, unless a contrary intention appears-

"committee" means the Management Committee as set forth in Part III of these Articles;

"financial year" shall commence on the first (1st) day of January in any year and cease on the thirty-first (31st) day of December of the same year;

"member" means a member of *the Center*, as set forth in Part II of these Articles

"secretary" means the person holding office under these Articles as secretary of *the Center*;

PART II-MEMBERSHIP

2. Membership qualifications

A person is qualified to be a member of *the Center* if the person conducts farming activity within the geographical area known as Bobonaro (which area is delimited in the map at Schedule A annexed hereto), and the person has lodged an application with the secretary in the form provided, with the requisite fee, and the application has not been rejected by the secretary.

3. Application for membership

(1) The application of a person for membership of *the Center*-

- (a) shall be made by the applicant in writing in the form set out in Appendix 1 to these Articles; and
- (b) shall be lodged with the secretary of *the Center*; and
- (c) shall be accompanied by the application fee specified in Article 7(1).

(2) As soon as is practicable after receiving a nomination for membership, the secretary shall determine whether to approve or to reject the nomination on the basis of whether the applicant satisfies the membership qualifications set out in Article 2. If approved, the secretary shall include the applicant in the register of members.

4. Membership entitlements not transferable

A right or privilege which a person has by reason of being a member of *the Center*-

- (a) may not be sold or transferred to another person; and
- (b) terminates upon cessation of the person's membership.

5. Cessation of membership

A person ceases to be a member of *the Center* if the person-

- (a) dies;
- (b) resigns from membership of *the Center*;
- (c) is expelled from *the Center*; or
- (d) fails to renew membership of *the Center*.

6. Resignation of membership

- (1) A member is not entitled to resign from membership of *the Center* except as provided in this Article.
- (2) A member who has paid all amounts payable by the member to *the Center* may resign from membership of *the Center* by first giving notice in writing to the secretary of the member's intention to resign and, upon the expiration of the period of notice, the member ceases to be a member. The period of notice shall be one (1) month, or such other period as may be determined by the committee.
- (3) Where a person ceases to be a member, the secretary shall make an appropriate entry in the register of members recording the date on which the member ceased to be a member.

7. Fees

- (1) There shall be no application fee for membership in the *Center* for persons applying for membership prior to 1 July 2002. Thereafter, the application fee for membership in the *Center* shall be one US dollar (\$US1) or such other amount as may be determined by the *committee*.
- (2) The annual membership fee of *the Center* is one US dollar (\$1) or such other amount as may be determined by the *committee*.
- (3) The annual membership fee is payable before 1 July each year, commencing on 1 July 2003.

8. Indemnification of committee members and officers

- (1) Officers and committee members of *the Center* shall be indemnified out of the assets of *the Center* against any liability, arising out of the performance of their duty, which is incurred in defending any proceedings whether civil or criminal, and in which judgement is given in favor of the officer or committee member in respect of any negligence, default, breach of duty or breach of trust.
- (2) Officers and committee members of *the Center* shall be indemnified by *the Center* from and against all losses and expenses properly incurred by them in or about the discharge of their respective duties.

PART III - OFFICERS AND MANAGEMENT COMMITTEE

9. Officers

- (1) The officers of *the Center* shall be-
 - (a) the secretary; and,
 - (b) the treasurer.
- (2) Officers shall be appointed and dismissed by the committee.

10. Secretary

- (1) The secretary shall keep minutes of-

- (a) all elections and appointments of committee members;
- (b) the names of members of the committee present at a committee meeting or a general meeting; and
- (c) all proceedings and actions of the committee meetings and of general meetings.

(2) Minutes of proceedings at a meeting shall be signed by the person presiding at the meeting or by the person presiding at the next succeeding meeting.

(3) The secretary shall establish and maintain a register of members which, in the case of each member, shall contain:

- name;
- date of initial membership;
- address for correspondence;
- location and description of farming activity;
- membership status; and,
- date of cessation of membership, if applicable.

11. Treasurer

(1) The treasurer shall-

- (a) collect and receive all moneys due to *the Center* and make all payments authorized by *the Center* or required by law;
- (b) keep correct accounts and books showing the financial affairs of *the Center*, with full details of all receipts and expenditure connected with the activities of *the Center*, and,
- (c) establish and maintain member accounts in respect of business transactions with *the Center*.

(2) The treasurer shall be responsible for the production of audited records as required under Article 19 (2) (d). Such records shall be available for inspection at the Principal Office of *the Center*.

12. Constitution and powers of the management committee

(1) The management committee shall consist of-

- (a) no more than twelve (12) and not less than five (5) persons elected pursuant to Article 13 or appointed in accordance with Article 14(2); and
- (b) a representative of the Government of East Timor, who shall be nominated by the Minister of Agriculture.

(2) The committee, subject to these Articles, and to any resolution passed by *the Center* in general meeting-

- (a) shall control and manage the affairs of *the Center*;
- (b) may exercise all such functions as may be exercised by *the Center* other than those functions that are required by these Articles to be exercised by *the Center* in general meeting; and
- (c) has power to perform all such acts and do all such things as appear to the committee to be necessary or desirable for the proper management of the affairs of *the Center*.

(3) Subject to the provisions in respect of the Initial Management Committee in Article 12A, each member of the management committee shall hold office until the conclusion of the *second* annual general meeting following the date of that member's election, but shall be eligible for re-election.

12A Initial Management Committee

(1) The initial management committee of *the Center* shall be constituted as specified in Schedule B annexed hereto.

(2) Apart from the representative of the Government of East Timor, one half of the membership shall hold office until the conclusion of the First Annual General Meeting held pursuant to Article 18 of these Articles.

(i) For the purposes of this Article, the “one half of the membership” referred to herein is constituted by those members listed in Schedule B and numbered “1”, “3”, “5”, “7”, “9”, and “11”.

(3) At the first annual general meeting, there shall be elections to fill the vacancies created by the retirement, as provided in sub-article (2), of one half of the membership of the initial management committee.

(4) A retiring member under sub-article (2) is eligible for re-election under sub-article (3). A retiring member shall remain in office until his or her successor has been elected and takes office.

(5) Where a place on the committee is vacated by a representative of any constituency other than the membership of *the Center* from a subdistrict, the group, body or organization previously represented by that retiring representative shall be invited to propose two (2) or more nominees to replace that retiree. Such nomination shall not be subject to the requirement of member endorsement in Article 13 (1) (a). If two (2) or more nominees are not presented, then the membership may elect any other candidate to fill that place on the committee, using the procedure set forth in Article 13, except that the provisions of Article 13(1)(b) shall not apply.

(6) As from the first annual general meeting, all vacancies on the committee, with the exception of that place occupied by the representative of the Government of East Timor, shall be filled by directly election by the membership.

13. Election of management committee members

(1) Committee members shall be elected at annual general meetings.

Nominations of candidates for election as committee members-

(a) shall be made in writing, signed by two (2) members of *the Center* and accompanied by the written consent of the candidate (which may be endorsed on the nomination form); and

(b) shall be delivered to the secretary of *the Center* not less than 7 days before the date fixed for the annual general meeting at which the election is to take place.

(2) The ballot for the election of committee members shall be conducted at the annual general meeting in such manner as the committee may direct.

(3) A person is not eligible to simultaneously hold more than one (1) position on the committee.

14. Vacancies

(1) For the purposes of these Articles, a vacancy in the office of a member of the committee occurs if the member-

- (a) dies;
- (b) resigns the office;
- (c) is removed from office pursuant to Article 15;
- (d) suffers from mental or physical incapacity;
- (e) is convicted, whether in or outside the jurisdiction, of an offence involving fraud or dishonesty punishable by imprisonment for a period of three months or more; or
- (f) is absent without the consent of the committee from all meetings of that committee held during a period of 6 months.

(2) In the event of a vacancy in the membership of the committee, the committee may appoint a member of *the Center* to fill the vacancy and the member so appointed shall hold office, subject to these Articles, until the conclusion of the annual general meeting next following the date of the appointment.

15. Removal of management committee members

The Center in general meeting may by resolution remove any member of the committee from the office of member of the committee before the expiration of the member's term of office. This provision shall not apply to the representative of the Government referred to in Article 12 (1) (b).

16. Management committee meetings and quorum

(1) The committee shall meet in Bobonaro at least 3 times in each calendar year at such place and time as the committee may determine.

(2) Oral or written notice of a meeting of the committee shall be given by the secretary to each member of the committee at least 15 days (or such other period as may be unanimously agreed upon by the members of the committee) before the time appointed for the holding of the meeting. Attendance at a meeting by a member of the committee constitutes waiver of any requirement for notice.

(3) Notice of a meeting given under sub-article (2) shall specify the general nature of the business to be transacted at the meeting and no business other than that business shall be transacted at the meeting, except business which the committee members present at the meeting unanimously agree to treat as urgent business.

(4) One half of the members of the committee constitutes a quorum for the transaction of the business of a meeting of the committee.

(5) No business shall be transacted by the committee at a meeting unless a quorum is present; and if within an hour after the time appointed for the meeting a quorum is not present the meeting stands adjourned to the same place and at the same hour of the same day in the following week.

(6) If at the adjourned meeting a quorum is not present within an hour after the time appointed for the meeting, the meeting shall be dissolved.

(7) The committee shall select a Chairperson who shall preside at meetings. If the Chairperson is absent, but a quorum is present, those present shall select a presiding member.

(8) Notwithstanding any other provision of this Article, it shall be permitted for the committee to take action as a committee without a meeting where all members of the committee agree to such action in writing. The written record of any such action shall be entered by the secretary into the record of the committee's proceedings.

17. Voting and decisions of the management committee

(1) Questions arising at a meeting of the committee shall be determined by a majority of the votes of members of the committee present and voting at the meeting.

(2) Each member present at a meeting of the committee (including the person presiding at the meeting) is entitled to one (1) vote but, in the event of an equality of votes on any question, the person presiding may exercise a second or casting vote.

(3) Any act done by the committee is valid and effectual notwithstanding any defect that may afterwards be discovered in the appointment or qualification of any member of the committee.

PART IV-GENERAL MEETINGS OF MEMBERS

18. Requirement for annual general meetings

(1) *The Center* shall hold its first annual general meeting within the period of twelve (12) months after the date of effectiveness of these Articles.

(2) With the exception of its first annual general meeting, *the Center* shall convene an annual general meeting of its members once in each calendar year. Such meeting shall take place during the months of August or September (or at such other time as may be unanimously agreed upon by the members of the committee).

19. Proceedings at annual general meetings

(1) The annual general meeting of *the Center* shall, subject to Article 18, be convened on such date and at such place and time as the committee determines.

(2) In addition to any other business that may be transacted at an annual general meeting, the business of an annual general meeting shall be-

- (a) to confirm the minutes of the last preceding annual general meeting and of any general meeting held since that meeting;
- (b) to receive from the committee reports on the activities of *the Center* during the last preceding financial year;
- (c) to elect members of the committee; and,
- (d) to receive and consider the following statements of accounts and reports:
 - (i) the audited statement of *the Center's* accounts in respect of the most recently ended financial year of the *Center*, and,
 - (ii) a copy of the auditor's report to *the Center* in relation to *the Center's* accounts for that financial year

20. Other general meetings

(1) The committee may, by resolution, convene a general meeting of *the Center*.

(2) The committee shall, on the written requirement of not less than ten (10) per cent of the total number of members of *the Center*, convene a general meeting of *the Center*, within one month of the lodgement of the request.

(3) A request of members for a general meeting shall-

- (a) state the purpose or purposes of the meeting;
- (b) be signed by the members making the request; and
- (c) be lodged with the secretary.

21. Notice of general meeting

(1) The secretary shall, at least 15 days before the date fixed for the holding of the general meeting, cause to be posted at the Principal Office of *the Center*, a notice specifying the place, date and time of the meeting and the nature of the business proposed to be transacted at the meeting. The secretary shall take other reasonable measures to provide actual notice of the meeting to all members of *the Center*.

(2) No business other than that specified in the notice convening a general meeting shall be transacted at the meeting.

(3) A member desiring to bring any business before a general meeting may give notice in writing of that business to the secretary who shall include that business in the next notice calling a general meeting given after receipt of the notice from the member.

22. General meetings - procedure and quorum

(1) No item of business shall be transacted at a general meeting unless a quorum of members entitled to vote is present in person or by proxy during the time the meeting is considering that item. A member is entitled to vote, in person or by proxy, only if the member has no outstanding unpaid fees pursuant Article 7.

(2) Fifty (50) members present in person or by proxy and entitled to vote constitute a quorum for the transaction of the business of a general meeting.

(3) If within an hour after the appointed time for the commencement of a general meeting a quorum is not present, the meeting shall stand adjourned to the same day in the following week at the same time and at the same place.

(4) If at the adjourned meeting a quorum is not present within an hour after the time appointed for the commencement of the meeting, the members present shall constitute a quorum.

23. Presiding member

The members present at a general meeting shall elect a member to preside at the meeting. The secretary shall preside over this election.

24. Votes and decisions at general meetings

(1) Unless a poll is demanded, a question arising at a general meeting of *the Center* shall be determined on a show of hands and a declaration of the result by

the person presiding. An entry to that effect in the minute book of *the Center* is evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against that resolution.

(2) On any question at a general meeting of *the Center*, a poll may be demanded by the person presiding or by not less than 3 members present in person or by proxy at the meeting.

(3) Where the poll is demanded at a general meeting, the poll shall be taken-

(a) immediately in the case of a poll which relates to the election of the person to preside at the meeting or to the question of an adjournment; or

(b) in any other case, in such manner and at such time before the close of the meeting as the person presiding directs, and the resolution of the poll on the matter shall be deemed to be the resolution of the meeting on that matter.

25. Number of votes

(1) Subject to sub-article (3), upon any question arising at a general meeting of *the Center* a member has one (1) vote only.

(2) All votes shall be given personally or by proxy.

(3) In the case of an equality of votes on a question at a general meeting, the person presiding is entitled to exercise a second or casting vote.

26. Appointment of proxies

(1) Each member shall be entitled to appoint another member as proxy by notice given to the secretary at the time of the meeting in respect of which the proxy is appointed.

(2) The notice appointing the proxy shall be in the form set out in Appendix 2 to these Articles.

PART V-MISCELLANEOUS

27. Funds - source

(1) The funds of *the Center* shall be derived from the business activities of *the Center*, subscriptions of members, donations and, subject to any resolution passed by *the Center* in general meeting, such other sources as the committee determines.

(2) All money received by *the Center* shall be deposited as soon as practicable and without deduction to the credit of *the Center's* bank account.

(3) *The Center* shall, as soon as practicable after receiving any money, issue an appropriate receipt.

28. Funds - management

(1) Funds of *the Center* shall be prudently managed under the direction of the committee in furtherance of the objectives of the Center.

(2) Funds of *the Center* may be invested and re-invested in pursuance of the objects of *the Center* in such manner as the committee determines.

(3) As determined by the committee, funds of the Center may be disbursed:

(a) for the reasonable compensation of employees and officers of *the Center* as well as for the nominal compensation of committee members;
and,

(b) as dividends to members in proportion to each member's paid up customer activity during the dividend period.

(4) All cheques, drafts, bills of exchange, promissory notes and other negotiable instruments shall be signed by the treasurer and any two (2) members of the committee or employees of *the Center*, authorized to do so by the committee.

29. Amendment of objectives and articles

These Articles may be amended by a two-thirds vote of the committee; provided however, that any amendment whose effect would be to dissolve *the Center*, merge it into another legal entity, to modify *the Center's* objectives as set for the in section D of the Bylaws, or to amend this Article, must be approved by both a two-thirds vote of the committee and by a majority vote at an annual or other general meeting of the members of *the Center*.

30. Common seal

(1) *The Center* shall have a common seal which shall be kept in the custody of the secretary.

(2) The common seal shall not be affixed to any instrument except by the authority of the committee and the affixing of the common seal shall be attested by the signatures either of two (2) members of the committee or of one (1) member of the committee and of the secretary.

31. Service of notices

(1) For the purpose of these Articles, a notice may be served by or on behalf of *the Center* upon any member either personally or by sending it by post to the member at the member's address shown in the register of members.

(2) Where a document is sent to a person by properly addressing, prepaying and posting to the person a letter containing the document, the document shall, unless the contrary is proved, be deemed for the purposes of these Articles to have been served on the person at the time at which the letter would have been delivered in the ordinary course of post.

32. Surplus property upon winding up of *the Center*

(1) For the purposes of this Article, “surplus property” means any property or interest in property that remains after the satisfaction of any debts or liabilities of *the Center* and any costs, charges or expenses incurred in the winding up of *the Center*.

(2) In the event of the winding up of *the Center*, any surplus property shall be disposed of as follows:

- (a) by giving or transferring it to a successor organization or another organization which has objectives substantially the same as *the Center*, or to a fund, authority or institution of the Government of East Timor;
- (b) by equitable distribution among its members; or,
- (c) by any such other method as may be determined by resolution of the committee, provided that such resolution is approved by two-thirds of the committee and by a majority vote at an annual or other general meeting of the members of *the Center*.

APPENDIX 1
(Sub-article 3 (1))
APPLICATION FOR MEMBERSHIP OF THE
AGRICULTURE SERVICE CENTER of BOBONARO (the Center)

I,
.....
(full name of applicant)

of
.....
(address)

hereby apply to become a member of *the Center*.

I hereby certify that I am a farmer in the geographical area known as Bobonaro.
My farming activity is located at
and involves.....
.....
(brief description of farming activity)

In the event of my admission as a member, I agree to be bound by the Articles of the Association for the time being in force.

My address for correspondence is
.....

.....
(Signature of applicant)

Date

APPENDIX 2
(Sub-article 26 (2))
AGRICULTURE SERVICE CENTER of BOBONARO (the Center)

FORM OF APPOINTMENT OF PROXY

I,.....

(full name)

of

(address)

being a member of the Agriculture Service Center of Bobonaro (the Center)

hereby appoint

(full name of proxy)

of

(address)

being a member of *the Center*, as my proxy to vote for me on my behalf at the general meeting of *the Center* (annual general meeting or other general meeting, as the case may be) to be held on

the.....day of..... 20....

and at any adjournment of that meeting.

*My proxy is authorized to vote in favor of/against (delete as appropriate)

the resolution (insert details).

(Signature of member appointing proxy)

Date.....

*To be inserted if desired

NOTE: A proxy vote may not be given to a person who is not a member of *the Center*.

**SCHEDULE A
(Article 2)**

MAP OF BOBONARO

SCHEDULE B
(Article 12A)

INITIAL MANAGEMENT COMMITTEE

The members of the Initial Management Committee are:

	Name	
1.	Abel Soares	Maliana Sub-district
2.	Domingos Soares	Cailaco Sub-district
3.	Felisberto Gusmao	Atabae Sub-district
4.	Romeo Moises Caiero	Balibo Sub-district
5.	Marcos Noronha	Bobonaro Sub-district
6.	Mario Laku Duli	Lolotoe Sub-district
7.	Alexandrino Barreto	Council of Elders representative
8.	Josefa da Costa	Women's representative
9.	Constantino Barros	Council of Youth representative
10.	Antonio Jeronimo	Local NGO rep. (Yayasan Hak)
11.	Francisco Pedro	Business representative
12.	Sr Margaretha S. Sps	Church representative
13.	Eugenio Borges	Government representative