

# Georgia Cooperative Marketing Act

This research has been provided by Roland Hall, partner, Autry, Hanrahan, Hall & Cook, 3330 Cumberland Boulevard, Suite 325, Atlanta, GA 30339 (770)270-6974; 2100 East Exchange Place, Suite 210, Tucker, GA 30084 (770)270-6974; [hall@ahclaw.com](mailto:hall@ahclaw.com) . Roland is also on the Advisory Committee for the USDA State Cooperative Statute website publication.

This research is intended to provide detailed information on specific provisions of the Georgia Cooperative Marketing Act. The table of contents provides a list of provision topics addressed. The descriptions of the statute provisions include legal citations to the specific part of the statute where the topic is addressed so users can easily look at the statute language. A URL for the statute is also provided when it is available.

This research has been provided by a private individual and does not represent official policy of the U.S. Department of Agriculture or any other government agency. The research is presented only to provide summary information to persons interested in the state statutory treatment of Georgia cooperatives. Individuals considering organizing a cooperative are advised to seek professional advice from an expert on cooperative law who is familiar with the specifics of the individual’s situation.

## Table of Contents

<b>1. Cooperative Statute: Policy, Purposes, Powers .....</b>	<b>9</b>
<b>1.1. State and Statute Title. ....</b>	<b>9</b>
<b>1.2. Legal Citation and URL. ....</b>	<b>9</b>
<b>1.3. Application of General Law.....</b>	<b>10</b>
<b>1.4. Conflict of Laws. ....</b>	<b>10</b>
<b>1.5. Construction of Law. ....</b>	<b>10</b>
<b>1.6. Declaration of Statutory Policy.....</b>	<b>10</b>
<b>1.7. Statutory Qualification as a Cooperative. ....</b>	<b>10</b>
<b>1.8. Cooperative Operational Description.....</b>	<b>10</b>

1.9. "Nonprofit" Nature of Cooperative.....	10
1.10. Cooperative Purpose.....	11
1.11. Perpetual Duration and Succession.....	11
1.12. General Powers.....	11
1.13. Specific Powers.....	11
1.14. Inter-Association Agreements.....	12
1.15. Prohibited Powers.....	12
1.16. Prohibited Lines of Business.....	12
1.17. Emergency Powers.....	12
1.18. Ultra Vires.....	12
1.19. Quo Warranto Proceeding.....	12
1.20. Miscellaneous.....	12
<b>2. Cooperative Association Formation .....</b>	<b>13</b>
2.1. Specific Cooperative Forms.....	13
2.2. Number of Organizers.....	13
2.3. Requirements for Organizers.....	13
2.4. Promoter Activities, Expenses.....	13
2.5. State Filing Requirements.....	13
2.6. State Fees.....	14
2.7. Start of Legal Existence.....	14
2.8. Cooperative Name.....	14
2.9. Additional Name Requirements.....	14
2.10. Permitted Businesses.....	14
2.11. Nonstock Cooperatives.....	14
2.12. Stock Cooperatives.....	14
2.13. Prerequisites to Formation.....	15
2.14. Annual Renewal.....	15
2.15. Annual Report.....	15
2.16. Annual Report Content.....	15
2.17. Failure to File.....	15
2.18. State Assistance.....	15
2.19. Foreign Cooperatives.....	15
2.20. Domestic Cooperatives.....	16

2.21. Miscellaneous.....	16
<b>3. Cooperative Articles of Association.....</b>	<b>16</b>
3.1. Signatures and Acknowledgment.....	16
3.2. Cooperative Name.....	16
3.3. Cooperative Purpose.....	16
3.4. Place of Business.....	17
3.5. Term of Existence.....	17
3.6. Incorporators, Subscribers.....	17
3.7. Number of Directors.....	17
3.8. Director Term.....	17
3.9. Registered Agent.....	17
3.10. Limitations of Power.....	17
3.11. Limitations of Liability.....	18
3.12. Membership Definition.....	18
3.13. Member Classes.....	18
3.14. Member Property Rights.....	18
3.15. Member Voting Rights.....	18
3.16. Membership Certificates.....	18
3.17. Capital Stock.....	19
3.18. Amount of Capital Stock.....	19
3.19. Par Value.....	19
3.20. Authorized Classes of Stock.....	19
3.21. Par Value of Authorized Classes of Stock.....	19
3.22. Acquire or Recall Stock.....	19
3.23. Voting Rules.....	19
3.24. Distributions or Apportionments.....	20
3.25. Capital Accounts.....	20
3.26. Asset Distribution on Liquidation.....	20
3.27. Miscellaneous Provisions.....	20
3.28. Amendment Initiation.....	20
3.29. Notice of Amendment.....	20
3.30. When Amendments Occur.....	21
3.31. Quorum Requirements.....	21

3.32. Margin Required for Approval.....	21
3.33. Voting Members.....	21
3.34. Board Authority.....	21
3.35. Filing of Amendment.....	21
3.36. Restrictions on Amendment.....	22
3.37. Miscellaneous Rules.....	22
4. Cooperative Definitions .....	22
4.1. Cooperatives Defined in Statute.....	22
4.2. Agricultural Cooperative Definition. ....	22
4.3. Worker Cooperative Definition. ....	22
4.4. Other Cooperative Definitions.....	22
4.5. Agricultural Products Definitions. ....	22
4.6. Other Definitions.....	23
5. Cooperative Bylaws.....	23
5.1. Bylaw Requirement.....	23
5.2. Adoption Time Requirements.....	23
5.3. Adoption Approval.....	23
5.4. Who May Adopt Bylaws.....	23
5.5. Filing Bylaws. ....	24
5.6. Bylaw Purposes. ....	24
5.7. Bylaw Contents. ....	24
5.8. Member Admission. ....	24
5.9. Membership Rights. ....	24
5.10. Fees, Service Charges. ....	24
5.11. Membership Suspension or Cessation. ....	24
5.12. Membership Termination Interests. ....	25
5.13. Meeting Requirements. ....	25
5.14. Annual Meetings. ....	25
5.15. Special Meetings. ....	25
5.16. Meeting Location. ....	25
5.17. Quorum. ....	25
5.18. Mailing and Proxies.....	26
5.19. Videoconferences.....	26

5.20. District Elections.....	26
5.21. Director Qualifications.....	26
5.22. Special Interest Directors.....	26
5.23. Director Duties.....	27
5.24. Term of Office.....	27
5.25. Director's Quorum.....	27
5.26. Board Committees.....	27
5.27. Officer Qualifications, Duties.....	27
5.28. Service Charges.....	27
5.29. Marketing Contracts.....	27
5.30. Net Margin Distributions.....	28
5.31. Reserves.....	28
5.32. Stock Ownership Limits.....	28
5.33. Stock or Membership Restrictions.....	28
5.34. Stock Dividends.....	28
5.35. Membership Cessation.....	28
5.36. Membership Suspension.....	29
5.37. Interests at Termination.....	29
5.38. Bylaw Amendments.....	29
5.39. Bylaw Violations.....	29
5.40. Miscellaneous.....	29
6. Cooperative Members.....	29
6.1. Member Identified.....	29
6.2. Farmer Membership.....	30
6.3. Tenant Member.....	30
6.4. Worker Member.....	30
6.5. Non-Patron Members.....	30
6.6. Nonmember Interests.....	30
6.7. Other Membership Definitions.....	30
6.8. Fostering Membership.....	30
6.9. Membership Fee.....	31
6.10. New Members.....	31
6.11. Membership Limitations.....	31

6.12. Membership Transfers.....	31
6.13. Membership Contribution. ....	31
6.14. Member Distribution Rights. ....	31
6.15. Stock or Membership Certificates. ....	31
6.16. Certificate Information. ....	31
6.17. Member Property and or Equity Rights. ....	32
6.18. Non-Patron Equity.....	32
6.19. Voting. ....	32
6.20. Patronage Voting. ....	32
6.21. Director Elections. ....	32
6.22. Investor Members. ....	32
6.23. Patronage Dividends. ....	32
6.24. Retained Allocations. ....	33
6.25. Nonmember Rights. ....	33
6.26. Nonmember Limitations. ....	33
6.27. Allocations.....	33
6.28. Derivative Suit.....	33
6.29. Liability Limitation.....	33
6.30. Records Inspection. ....	33
6.31. Membership Suspension. ....	34
6.32. Membership Termination.....	34
6.33. Termination Procedure.....	34
6.34. Member Termination Rights.....	34
6.35. Membership Valuation. ....	34
6.36. Miscellaneous.....	34
7. Cooperative Association Control and Voting .....	35
7.1. Voting Definition. ....	35
7.2. Voting Rights. ....	35
7.3. Patronage Voting. ....	35
7.4. Patronage Voting Exceptions.....	35
7.5. Equity Voting.....	35
7.6. Membership Classes. ....	35
7.7. Class Voting.....	35

7.8. Entity Voting.....	36
7.9. Federated Voting.....	36
7.10. Federated Conflicts.....	36
7.11. Proxy Voting.....	36
7.12. Mailing Ballots.....	36
7.13. Electronic Voting.....	36
7.14. Liens.....	36
7.15. Subscriber Voting.....	37
7.16. Cumulative Voting.....	37
7.17. District Voting.....	37
7.18. Miscellaneous.....	37
7.19. Membership Meetings.....	37
7.20. First Meeting.....	37
7.21. Special Meetings.....	37
7.22. Attendance Rules.....	38
7.23. Notice Requirements.....	38
7.24. Notice Requirement Termination.....	38
7.25. Meeting Location.....	38
7.26. Teleconferences.....	38
7.27. District Meetings.....	38
7.28. Quorum Requirements.....	38
7.29. Referendum Requirements.....	38
7.30. Meetings Miscellaneous.....	39
7.31. Miscellaneous.....	39
8. Cooperative Directors.....	39
8.1. Director Number.....	39
8.2. Office Term.....	39
8.3. Director Qualifications.....	39
8.4. Special Directors.....	39
8.5. Director Voting Restrictions.....	40
8.6. Elector Qualifications.....	40
8.7. Election Rules.....	40
8.8. District Elections.....	40

8.9. Delegate Elections.....	40
8.10. Director Remuneration.....	40
8.11. Director Reimbursement.....	40
8.12. Director Insurance.....	41
8.13. Miscellaneous.....	41
8.14. Director Responsibilities.....	41
8.15. Director Powers.....	41
8.16. Special Committees.....	41
8.17. Committee Restrictions.....	41
8.18. Meeting Notice.....	41
8.19. Quorum Requirements.....	42
8.20. Director Voting.....	42
8.21. Videoconferencing.....	42
8.22. Special Director Action.....	42
8.23. Miscellaneous.....	42
8.24. Director Vacancy.....	42
8.25. Director Removal.....	42
8.26. Removal Procedure.....	43
8.27. Director Replacement.....	43
8.28. Director Removal Miscellaneous.....	43
8.29. Miscellaneous.....	43
9. Cooperative Officers.....	43
9.1. Offices.....	43
9.2. Officer Qualifications.....	44
9.3. Bank Treasurer.....	44
9.4. Bonding.....	44
9.5. Selection.....	44
9.6. Compensation.....	44
9.7. Responsibilities.....	44
9.8. Officer Removal.....	44
9.9. Removal Procedures.....	45
9.10. Miscellaneous.....	45
10. Fiduciary Duties of Cooperative Directors and Officers.....	45

10.1. Duty of Care.....	45
10.2. Professional Counsel.....	45
10.3. Cooperative Interests.....	45
10.4. Contracts.....	45
10.5. Director Compensation.....	46
10.6. Conflict of Interest.....	46
10.7. Duty of Obedience.....	46
10.8. Liability Limitations.....	46
10.9. Articles and Bylaws.....	46
10.10. Indemnification, Payments.....	46
10.11. Insurance Coverage.....	47
10.12. Derivative Actions.....	47
10.13. Miscellaneous.....	47

## 1. Cooperative Statute: Policy, Purposes, Powers

**1.1. State and Statute Title.** Provide a nickname for the cooperative law using the state abbreviation hyphenated with a brief statute descriptor (e.g., Virginia's general cooperative statute, "Cooperative Associations Generally," could be called "VA-Gen," and Virginia's agricultural cooperative statute, "Agricultural Cooperative Associations," could be called "VA-Ag." You will lead each answer with this nickname and the specific statute or article citation.

Georgia Cooperative Marketing Act; GA-Ag

**1.2. Legal Citation and URL.** Please provide a full legal citation to the statute and, if available, a uniform resource locator (URL) address where the statute may be accessed for free.

GA-Ag; O.C.G.A. §§ 2-10-80 through 2-10-111;  
<http://www.lexisnexis.com/hottopics/gacode/Default.asp> .

**1.3. Application of General Law.** Briefly describe whether general corporate law or general limited liability company law applies to cooperatives organized under the statute.

GA-Ag: O.C.G.A. 2-10-94. General nonprofit corporate law applies except where inconsistent with the express provisions of the statute.

**1.4. Conflict of Laws.** Briefly describe any provisions addressing any conflict between the cooperative statute and general corporate or general limited liability company law.

GA-Ag: O.C.G.A. 2-10-94. General nonprofit corporate law applies except where inconsistent with the express provisions of the statute.

**1.5. Construction of Law.** Briefly describe any reference to how the statute should be construed.

GA-Ag: O.C.G.A. 2-10-109. No provisions of law in conflict with the statute shall be construed as applying to the cooperative associations provided for in the statute.

**1.6. Declaration of Statutory Policy.** Briefly state any broad declaration of statutory policy (i.e., description of conditions in agriculture or in the economy prompting the enactment of the cooperative statute).

GA-Ag: NA.

**1.7. Statutory Qualification as a Cooperative.** Briefly describe any statement indicating that a cooperative is an entity that qualifies under this particular statute.

GA-Ag: NA.

**1.8. Cooperative Operational Description.** Briefly describe any provision that gives a general, operational description of a cooperative.

GA-Ag: NA.

**1.9. "Nonprofit" Nature of Cooperative.** Briefly describe any reference to the "nonprofit" nature of the cooperative inasmuch as it is organized to pass margins to users rather than to make profit for itself.

GA-Ag: O.C.G.A. 2-10-82. Cooperatives organized under the statute are deemed to be nonprofit as they are not organized to make profits for themselves. O.C.G.A. 2-10-106. Net income is distributed to members and nonmember patrons on a patronage basis.

**1.10. Cooperative Purpose.** List any specific purpose(s) of the cooperative.

GA-Ag O.C.G.A. 2-10-102. Cooperatives may engage in activities connected with producing agricultural products and providing farm business services to members.

**1.11. Perpetual Duration and Succession.** Does a cooperative have perpetual duration and succession?

GA-Ag: O.C.G.A. 2-10-95. Cooperatives organized under the statute have perpetual duration unless a limited period of duration is set forth in the articles of incorporation.

**1.12. General Powers.** State briefly any general power mentioned (e.g., the power to do all things necessary or convenient to carry out the cooperative's business).

GA-Ag: NA.

**1.13. Specific Powers.** list any specific powers mentioned (e.g. buy, sell, produce, process products, handle byproducts, make purchases for members, manufacture, enter contracts, act as agent, own property, sue and be sued, develop and own patents, trademarks, and copyrights, borrow and lend money, invest, etc.).

GA-Ag O.C.G.A. 2-10-94. (1) To engage in any activity connected with (a) marketing, selling, harvesting, processing and shipping of agricultural products produced or delivered to it by its members or manufacturing or marketing of byproducts; (b) manufacturing, selling and supplying to and purchasing or using by its members of supplies, machinery and equipment; (c) terracing of lands or prevention of soil erosion; (d) financing of any of such activities. (2) Handling agricultural products of nonmembers in an amount no more than the value handled by it for members; (3) Borrowing money and making advances to members; (4) Acting as agent for members or nonmembers in connection with such activities. (5) Purchasing rights of ownership in and sell shares or bonds of any business engaged in any related activity, in the handling or marketing of products handled by the cooperative or in the financing of the cooperative. (6) Establishing reserves and invest such funds as provided in the bylaws. (7) Purchasing real or personal property as necessary or convenient for conducting and operating the cooperative's business. (8) Applying for and owning patents, trademarks and copyrights. (9)

Doing everything necessary for accomplishing such purposes or expedient to the interest of the cooperative. (10) Exercising all powers necessary or incidental to the purposes for which the cooperative is organized or the activities in which it is engaged, together with any other rights and powers granted to ordinary corporations unless inconsistent with O.C.G.A. 2-10-94.

**1.14. Inter-Association Agreements.** Briefly describe any provision that permits activities between or among two or more cooperatives.

GA-Ag: O.C.G.A. 2-10-100 A cooperative may enter into agreements with other cooperatives in or outside of Georgia. Any two cooperatives may agree to use the same methods for conducting other businesses.

**1.15. Prohibited Powers.** State briefly (list) powers denied to the cooperative.

GA-Ag: NA.

**1.16. Prohibited Lines of Business.** State briefly (list) prohibited lines of business.

GA-Ag: NA.

**1.17. Emergency Powers.** State briefly any emergency powers.

GA-Ag: NA.

**1.18. Ultra Vires.** Briefly describe any provision addressing when a cooperative exceeds its legal purpose.

GA-Ag: NA.

**1.19. Quo Warranto Proceeding.** Describe briefly any provision addressing any inquiry into the legitimacy of an association's operation as a cooperative.

GA-Ag: NA.

**1.20. Miscellaneous.** Describe any other provision(s) that address cooperative powers or their limits.

GA-Ag: O.C.G.A. 2-10-103.1 Cooperatives have the powers to acquire debt or equity of entities engaged in agricultural or other businesses, to join with others to create or own such entities, and to control and manage such entities.

## **2. Cooperative Association Formation**

**2.1. Specific Cooperative Forms.** Name any specific cooperative forms mentioned by the statute (e.g., worker cooperative, agricultural cooperative, value-added producer cooperative, etc.).

GA-Ag: O.C.G.A. 2-10-102. Agricultural cooperative

**2.2. Number of Organizers.** Is a minimum number of organizers required?

GA-Ag: O.C.G.A. 2-10-83. At least five organizers are required.

**2.3. Requirements for Organizers.** Are there any other requirements for organizers (e.g. an organizer must be a "person," a "natural person," an "association," must be a state resident, must be a certain age, must produce agricultural products, etc.)?

GA-Ag: O.C.G.A. 2-10-83. Organizers must be engaged in the production of agricultural products, and can be individuals, corporations, partnerships, associations and firms.

**2.4. Promoter Activities, Expenses.** Briefly describe any provisions that address the activities and or expenses of individuals ("promoters") engaged in assisting in the organization of the cooperative.

GA-Ag: NA.

**2.5. State Filing Requirements.** Briefly state where and how to file the articles of incorporation or organization.

GA-Ag: O.C.G.A. 2-10-84. Articles of incorporation are filed with the Secretary of State. The articles must be verified by one of the incorporators before an officer authorized to attest deeds and conveyances.

**2.6. State Fees.** State the fee amount for starting a cooperative.

GA-Ag: O.G.C.A. 2-10-84(c). Normal nonprofit corporation filing fee of \$100 applies.

**2.7. Start of Legal Existence.** When does the cooperative's legal existence begin?

GA-Ag: O.G.C.A. 2-10-84(c). Under general nonprofit corporate law, the cooperative's legal existence begins when the articles of incorporation are filed.

**2.8. Cooperative Name.** Is "cooperative" or another term of art required as part of the association's name?

GA-Ag: O.C.G.A. 2-10-84. The statutory requirements for filing the articles of incorporation do not require the use of the term "cooperative" in the association's name.

**2.9. Additional Name Requirements.** Is the cooperative's name required to be unique?

GA-Ag: The statutory requirements for filing the articles of incorporation do not require the name to be unique, but the general corporate laws applicable to cooperatives organized under the statute require the name to be distinguishable from other entities organized with the Secretary of State.

**2.10. Permitted Businesses.** Are there restrictions on types of business entities that can be called a cooperative?

GA-Ag: O.C.G.A. 2-10-111. A cooperative association must be formed under the statute to use the word "cooperative" as part of its name.

**2.11. Nonstock Cooperatives.** Are nonstock cooperatives permitted?

GA-Ag: O.C.G.A. 2-10-84. Yes.

**2.12. Stock Cooperatives.** Are stock cooperatives permitted?

GA-Ag: O.C.G.A. 2-10-84. Yes.

**2.13. Prerequisites to Formation.** State briefly any special prerequisites to forming a cooperative (e.g. requirement of certain percentage of capital paid prior to organization or incorporation or requirement that a permit be obtained).

GA-Ag: O.C.G.A. 2-10-14. The articles of incorporation must be verified by an incorporator before an officer authorized to attest deeds and conveyances.

**2.14. Annual Renewal.** Is an annual renewal of the organization or incorporation required?

GA-Ag: O.C.G.A. 2-10-105. Yes.

**2.15. Annual Report.** Is an annual report required?

GA-Ag: O.C.G.A. 2-10-104. Yes.

**2.16. Annual Report Content.** Briefly describe any provisions stating the required content in the annual report.

GA-Ag: O.C.G.A. 2-10-104. The report must indicate the cooperative's name and principal place of business, a general statement of its business operations during the year, the total expenses of operation, the amount of indebtedness or liability, the balance sheets of the cooperative, and (1) if the cooperative is a stock cooperative, the amount of capital stock and number of stockholders and (2) if the cooperative is a nonstock cooperative, the number of members and amount of membership fees received.

**2.17. Failure to File.** Briefly describe any provision that addresses consequences for failure to file an annual report.

GA-Ag: NA.

**2.18. State Assistance.** Briefly describe any provision that allows for state assistance to individuals contemplating forming a cooperative.

GA-Ag: NA.

**2.19. Foreign Cooperatives.** Briefly describe any provisions on permission for an out-of-state cooperative to do business in the state.

GA-Ag: No restrictions in the statute on the ability of an out-of-state cooperative to do business in Georgia. Under O.C.G.A. 2-10-110, an out-of-state cooperative can be brought under the statute by adopting the restrictions set forth in the statute and filing articles of incorporation with the Secretary of State.

**2.20. Domestic Cooperatives.** Briefly describe any provision allowing a domestic cooperative to do business in another state.

GA-Ag: NA.

**2.21. Miscellaneous.** Briefly describe any other provision addressing the start of a cooperative that was not addressed by the previous questions.

GA-Ag: O.C.G.A. 2-10-84. This section sets forth the provisions required for the articles of incorporation.

O.C.G.A. 2-10-86. This section requires the cooperative to adopt bylaws.

### **3. Cooperative Articles of Association**

**3.1. Signatures and Acknowledgment.** Briefly describe any provision that requires that the articles be signed, subscribed, acknowledged, or notarized.

GA-Ag: O.C.G.A. The articles of incorporation must be subscribed by the incorporators and verified by an incorporator before an officer authorized to attest deeds and conveyances.

**3.2. Cooperative Name.** Do the organizing documents or articles of incorporation require the cooperative's name?

GA-Ag: O.C.G.A. 2-10-84. Yes.

**3.3. Cooperative Purpose.** Are the organizing documents or articles required to state a purpose for the cooperative?

GA-Ag: O.C.G.A. 2-10-84. Yes.

**3.4. Place of Business.** Is the place of business required?

GA-Ag: O.C.G.A. 2-10-84. Yes.

**3.5. Term of Existence.** Briefly describe any provision requiring that the term of existence of the organization be required in the articles.

GA-Ag: NA.

**3.6. Incorporators, Subscribers.** Briefly describe any provision that requires that the names and addresses of incorporators and or subscribers be identified in the articles.

GA-Ag: O.C.G.A. 2-10-84, which sets forth the requirements for filing the articles of incorporation, does not specifically require identification of the addresses of incorporators.

**3.7. Number of Directors.** Briefly describe any provision requiring a statement in the articles of the number and of directors.

GA-Ag: O.C.G.A. 2-10-84. The articles must list the names and addresses of at least five persons who will serve as initial directors.

**3.8. Director Term.** Briefly describe any provision requiring that the term of the directors be specified in the articles.

GA-Ag: NA.

**3.9. Registered Agent.** Is the name of a registered agent required?

GA-Ag: Although the section setting forth the requirements for the articles does not require the name of a registered agent, the general corporate laws applicable to such cooperatives under O.C.G.A. 2-10-84(c) requires that a registered agent be identified.

**3.10. Limitations of Power.** Briefly describe any required or permitted provisions in the organizing document limiting the powers of the cooperative, its board, and or its members.

GA-Ag: NA.

**3.11. Limitations of Liability.** Briefly describe any required or permitted organizing document provision(s) regarding limitation of liability with respect to the organizers or incorporators, officers, members, and or shareholders.

GA-Ag: NA.

**3.12. Membership Definition.** Briefly describe any statutory reference to defining membership in the organizing document.

GA-Ag: O.C.G.A. 2-10-84. The articles may contain provisions regarding membership.

**3.13. Member Classes.** Is a description of member classes required or permitted?

GA-Ag: O.C.G.A. 2-10-84. The articles may contain provisions relative to the way in which the cooperative shall operate with respect to its members as well as provisions addressing membership.

**3.14. Member Property Rights.** Is a description required or permitted regarding member property rights?

GA-Ag: O.C.G.A. 2-10-84. Yes.

**3.15. Member Voting Rights.** Is a description required or permitted regarding member voting rights?

GA-Ag: O.C.G.A. 2-10-84. The section providing the requirements for filing the articles of incorporation does not specifically address voting rights, other than to allow the establishment of voting districts and election of delegates for representational purposes.

**3.16. Membership Certificates.** Is a statement required or permitted on whether the cooperative is organized with membership certificates?

GA-Ag: O.C.G.A. 2-10-84. The section providing the requirements for filing the articles of incorporation does not specifically address membership certificates.

**3.17. Capital Stock.** Is a statement required or permitted that the cooperative is organized with capital stock?

GA-Ag: O.C.G.A. 2-10-84. Yes.

**3.18. Amount of Capital Stock.** Is a description of the amount of capital stock required or permitted?

GA-Ag: O.C.G.A. 2-10-84. Yes.

**3.19. Par Value.** Is a statement of par value required or permitted?

GA-Ag: O.C.G.A. 2-10-84. Yes.

**3.20. Authorized Classes of Stock.** Is a description of other authorized classes of stock required or permitted?

GA-Ag: O.C.G.A. 2-10-84. Yes.

**3.21. Par Value of Authorized Classes of Stock.** Is a statement of par value required or permitted for other authorized classes of stock?

GA-Ag: O.C.G.A. 2-10-84. Yes.

**3.22. Acquire or Recall Stock.** Is a statement of a reservation of right for the cooperative to acquire or recall stock required or permitted?

GA-Ag: O.C.G.A. 2-10-84. The section providing the requirements for the articles of incorporation generally allows the inclusion of provisions with respect to the issuance, retirement and transfer of stock.

**3.23. Voting Rules.** State briefly if a description of voting rules is required or permitted.

GA-Ag: The section containing the requirements for the articles, O.C.G.A. 2-10-84, does not specifically address voting rules.

**3.24. Distributions or Apportionments.** Is a description of distribution or apportionment of dividends, earnings, and losses required or permitted?

GA-Ag: The section containing the requirements for the articles, O.C.G.A. 2-10-84, does not specifically address distribution or apportionment of dividends, earnings and losses, but permits inclusion of provisions regarding financing and any provisions relative to the way in which the cooperative shall operate with respect to its members.

**3.25. Capital Accounts.** Is a description of a cooperative's capital account(s) required or permitted?

GA-Ag: The section containing the requirements for the articles, O.C.G.A. 2-10-84, does not specifically address distribution or apportionment of dividends, earnings and losses, but permits inclusion of provisions regarding financing and any provisions relative to the way in which the cooperative shall operate with respect to its members.

**3.26. Asset Distribution on Liquidation.** Is a statement on distribution of assets on liquidation required or permitted?

GA-Ag: The section containing the requirements for the articles, O.C.G.A. 2-10-84, does not specifically address distribution or apportionment of dividends, earnings and losses, but permits inclusion of any provisions relative to the way in which the cooperative shall operate with respect to its members.

**3.27. Miscellaneous Provisions.** Briefly describe any additional important provisions.

GA-Ag: NA.

**3.28. Amendment Initiation.** Briefly describe the initiation of an amendment to the organizing document.

GA-Ag: O.C.G.A. 2-10-85. Amendments must first be approved by the directors and then adopted by the members.

**3.29. Notice of Amendment.** Briefly describe notice requirements regarding an amendment to the organizing document.

GA-Ag: O.C.G.A. 2-10-85. Notice of amendments must be given to the members before action is taken at a regular or special meeting of the members.

**3.30. When Amendments Occur.** Briefly describe any requirement regarding when the amendments must be made (e.g. during the annual membership meeting).

GA-Ag: O.C.G.A. 2-10-85. Amounts must first be approved by two-thirds of the directors and can be authorized at any regular or special meeting of the members.

**3.31. Quorum Requirements.** Briefly describe any quorum requirements for an amendment.

GA-Ag: O.C.G.A. 2-10-85. The amendment must be approved at a meeting of the members at which a quorum is present.

**3.32. Margin Required for Approval.** State briefly whether a majority or supermajority is required for approval of an amendment and state amount (e.g., 51 percent, 2/3 majority, etc.).

GA-Ag: O.C.G.A. 2-10-85. A majority vote is required for approval.

**3.33. Voting Members.** List types of members who can vote on the amendment.

GA-Ag: NA.

**3.34. Board Authority.** Describe briefly any authority of the board of directors to make amendments.

GA-Ag: O.C.G.A. 2-10-85. The section authorizing amendments does not provide the board with any authority to make amendments, although the board is required to approve any amendments before adoption by the members.

**3.35. Filing of Amendment.** Describe briefly how an amendment is executed and filed.

GA-Ag: O.C.G.A. 2-10-85. An amendment is executed and filed in accordance with the general requirements applicable to regular corporations.

**3.36. Restrictions on Amendment.** Describe briefly any restrictions on changes to the articles of organization or incorporation other than supermajority requirements.

GA-Ag: O.C.G.A. 2-10-85. Any amendment must first be approved by two-thirds of the directors.

**3.37. Miscellaneous Rules.** Describe briefly any miscellaneous rules regarding amendments to the articles of organization.

GA-Ag: NA.

## **4. Cooperative Definitions**

**4.1. Cooperatives Defined in Statute.** Please list specific types of cooperatives defined in the statute (e.g., worker cooperative, consumer cooperative, producer cooperative).

GA-Ag: NA.

**4.2. Agricultural Cooperative Definition.** Please provide a brief summary of any definition of an agricultural cooperative.

GA-Ag: NA.

**4.3. Worker Cooperative Definition.** Please describe briefly any worker cooperative definition.

GA-Ag: NA.

**4.4. Other Cooperative Definitions.** Please describe briefly any other definitions of types of cooperatives.

GA-Ag: NA.

**4.5. Agricultural Products Definitions.** Please list any agricultural products defined.

GA-Ag: O.C.G.A. 2-10-81 Agricultural products means any horticultural, viticultural, forestry, dairy, livestock, poultry, bee and farm products, and any marine or aquatic animal species, including shrimp, crabs, oysters, finfish and clams.

**4.6. Other Definitions.** Please describe briefly any unique or unusual definitions unlikely to be addressed in other parts of the surveys.

GA-Ag: NA.

## 5. Cooperative Bylaws

**5.1. Bylaw Requirement.** Briefly describe any provisions addressing whether a cooperative is required to adopt bylaws

GA-Ag: O.C.G.A. 2-10-86(a): Any cooperative incorporated under the statute must adopt bylaws.

**5.2. Adoption Time Requirements.** Describe any time requirements regarding adoption of the bylaws.

GA-Ag: O.C.G.A. 2-10-86(a): The cooperative must adopt bylaws within 30 days after incorporation.

**5.3. Adoption Approval.** Briefly describe any provisions addressing the approval of the bylaws by vote or written assent including the margin of approval required.

GA-Ag: O.C.G.A. 2-10-86(a): The bylaws must be approved by a majority vote of a quorum of the members or stockholders attending a meeting.

**5.4. Who May Adopt Bylaws.** Briefly describe who may adopt the bylaws (e.g., members, stockholders, organizing members).

GA-Ag: O.C.G.A. 2-10-86(a). The bylaws may be adopted by the members or shareholders.

**5.5. Filing Bylaws.** Briefly describe any requirements regarding filing and or where bylaws must be kept.

GA-Ag: NA.

**5.6. Bylaw Purposes.** Briefly describe any statutory statements regarding the purpose of the bylaws.

GA-Ag: NA.

**5.7. Bylaw Contents.** Briefly describe any general statutory statement regarding the contents of the bylaws.

GA-Ag: O.C.G.A. 2-10-86(a): The bylaws cannot be inconsistent with the powers granted to the cooperative by the statute.

**5.8. Member Admission.** Briefly describe permitted or mandated bylaw provisions regarding conditions for member admission.

GA-Ag: O.C.G.A. 2-10-86(b)(9). The bylaws may provide for the qualification of members and the conditions precedent to membership.

**5.9. Membership Rights.** Briefly describe permitted or mandated bylaw provisions regarding a description of membership rights.

GA-Ag: NA.

**5.10. Fees, Service Charges.** Briefly describe permitted or mandated bylaw provisions regarding fees and service charges by the cooperative.

GA-Ag: O.C.G.A. 2-10-86(b)(7) The bylaws may provide for the amount of entrance, organization and membership fees and the methods of collection. O.C.G.A. 2-10-86(8) The bylaws may provide for the annual fees to be paid by members and charges for services rendered by the cooperative.

**5.11. Membership Suspension or Cessation.** Describe any provisions in the bylaws regarding suspension or cessation of membership.

GA-Ag: O.C.G.A. 2-10-86(b)(10). The bylaws may provide for the conditions and timing of cessation of membership, the suspension of member rights upon ineligibility for membership, and the method for expulsion of members.

**5.12. Membership Termination Interests.** Describe any bylaw requirements regarding membership interests at termination.

GA-Ag: O.C.G.A. 2-10-86(b)(12). The bylaws may provide for the manner of determining the value of a member's interest upon expulsion of a member, provided that the value may be determined by conclusive appraisal by the board of directors at the cooperative's option.

**5.13. Meeting Requirements.** Briefly describe whether the bylaws are required to state meeting requirements.

GA-Ag: O.C.G.A. 2-10-86(b)(1). The bylaws may provide for the time, place and manner of calling and conducting meetings.

**5.14. Annual Meetings.** Briefly describe whether the bylaws are required to provide for annual meetings.

GA-Ag: O.C.G.A. 2-10-92(a). The bylaws must provide for annual meetings.

**5.15. Special Meetings.** Briefly describe whether the bylaws are required to provide for special meetings.

GA-Ag: NA.

**5.16. Meeting Location.** Describe briefly whether a meeting location is required to be stated in the bylaws.

GA-Ag: O.C.G.A. 2-10-86(b)(1). The bylaws may, but are not required, to provide for the place of conducting meetings.

**5.17. Quorum.** Describe briefly bylaw provisions permitted or mandated regarding quorum requirements.

GA-Ag: O.C.G.A. 2-10-86(b)(2). The bylaws may provide for the number of members constituting a quorum.

**5.18. Mailing and Proxies.** Describe briefly bylaw provisions permitted or mandated regarding mailing and proxies, including any rules regarding electronic delivery of proxies.

GA-Ag: O.C.G.A. 2-10-86(b)(3). The bylaws may provide for the right of members to vote by proxy and the manner and form of such votes.

**5.19. Videoconferences.** Describe briefly bylaw provisions that permit or mandate electronic options for meetings (e.g., videoconferences).

GA-Ag: NA.

**5.20. District Elections.** Describe briefly bylaw provisions permitting or mandating director election by district.

GA-Ag: O.C.G.A. 2-10-87(b). The bylaws may provide for directors to be elected according to districts, in which case the bylaws must specify the number of directors to be elected by each district and the manner and method of reapportioning the directors and redistricting the territory covered by the cooperative.

**5.21. Director Qualifications.** Briefly list required or mandated bylaw provisions regarding directors' qualifications.

GA-Ag: 2-10-86(b)(5) The bylaws may provide for the qualifications of directors.

**5.22. Special Interest Directors.** Briefly describe permitted or mandatory bylaw provisions regarding the appointment of directors that represent special interests or expertise (e.g., the interests of the general public, "investor members," or a specific area of expertise).

GA-Ag 2-10-87(c) The bylaws may provide that one or more directors shall be appointed by the dean of the College of Agricultural and Environmental Sciences of the University of Georgia or by any other public official or commission.

**5.23. Director Duties.** Briefly list director duties required or permitted to be described in the bylaws.

GA-Ag 2-10-86(b)(5). The bylaws may provide for the duties of directors.

**5.24. Term of Office.** Briefly describe permitted or mandated bylaw provisions on a director's term of office.

GA-Ag 2-10-86(b)(5). The bylaws may provide for the term of office of directors.

**5.25. Director's Quorum.** Briefly describe permitted or mandated bylaw provisions on what constitutes a directors' quorum.

GA-Ag 2-10-86(b)(4). The bylaws may provide for the number of directors constituting a quorum.

**5.26. Board Committees.** Briefly describe permitted or mandated bylaw provisions regarding board committees.

GA-Ag: NA.

**5.27. Officer Qualifications, Duties.** Briefly describe permitted or mandated bylaw provisions related to the qualifications and duties of cooperative officers.

GA-Ag O.C.G.A. 2-10-86(b)(5) The bylaws may provide for the qualifications and duties of officers.

**5.28. Service Charges.** Briefly describe permitted or mandated bylaw provisions regarding service charges.

GA-Ag O.C.G.A. 2-10-86(b)(8) The bylaws may provide for the charge to be paid by each member for services rendered by the cooperative and for the timing of payment and manner of collection.

**5.29. Marketing Contracts.** Briefly describe permitted or mandated bylaw provisions regarding marketing contracts including provisions allowing liquidated damages for breach.

GA-Ag O.C.G.A. 2-10-86. The bylaws may provide for that members are required to sign a marketing contract with the cooperative. O.C.G.A. 2-10-101. The bylaws and the marketing contract may require payment of liquidated damages upon breach by the member.

**5.30. Net Margin Distributions.** Briefly describe permitted or mandated bylaw provisions regarding net margins distributions.

GA-Ag: NA.

**5.31. Reserves.** Briefly describe permitted or mandated bylaw provisions regarding investment of reserves.

GA-Ag: NA.

**5.32. Stock Ownership Limits.** Describe permitted or mandated bylaw provisions regarding stock ownership limits.

GA-Ag: O.C.G.A. 2-10-91(c). The bylaws may limit the amount of common stock one member may own to any amount less than 20 percent of all common stock.

**5.33. Stock or Membership Restrictions.** Describe permitted or mandated bylaw provisions regarding stock or membership restrictions.

GA-Ag: NA.

**5.34. Stock Dividends.** Describe permitted or mandated bylaw provisions regarding stock dividends.

GA-Ag: NA.

**5.35. Membership Cessation.** Describe permitted or mandated bylaw provisions regarding cessation of membership.

GA-Ag: O.C.G.A. 2-10-86(b)(11). The bylaws may provide the conditions upon which and time of cessation of membership.

**5.36. Membership Suspension.** Describe permitted or mandated bylaw provisions regarding suspension of membership.

GA-Ag O.C.G.A. 2-10-86(b)(11). The bylaws may provide for the automatic suspension of a member's rights when the member ceases to be eligible for membership.

**5.37. Interests at Termination.** Describe permitted or mandated bylaw provisions regarding member interests at termination of the cooperative.

GA-Ag: NA.

**5.38. Bylaw Amendments.** Describe how the bylaws may be amended.

GA-Ag: If notice of a proposed amendment is given prior to a meeting of the members, the amendment can be approved by a majority vote of a quorum of the members attending the meeting.

**5.39. Bylaw Violations.** Describe mandated or permitted bylaw terms that address penalties for bylaw violations.

GA-Ag: O.C.G.A. 2-10-86((b)(6). The bylaws may provide penalties for violations of the bylaws.

**5.40. Miscellaneous.** Describe any other mandated or permitted bylaw terms.

GA-Ag: NA.

## **6. Cooperative Members**

**6.1. Member Identified.** List who may be a member (e.g., person, corporation, partnership, association, trust, executor, administrator, receiver, political subdivision, producer, tenant, etc.).

GA-Ag: O.C.G.A. 2-10-90. Members may be persons, associations or corporations.

**6.2. Farmer Membership.** Describe briefly any provisions defining members as agricultural producers.

GA-Ag: O.C.G.A. 2-10-90. Members must be engaged in the production of the agricultural products to be handled by or through the cooperative.

**6.3. Tenant Member.** Briefly describe any provisions defining a member as a tenant of land used for agricultural production.

GA-Ag: O.C.G.A. 2-10-90. Members may include tenants of land used for the production of products handled by the cooperative.

**6.4. Worker Member.** Briefly describe any provision defining a member as a worker.

GA-Ag: NA.

**6.5. Non-Patron Members.** Describe briefly any provisions allowing non-patron members (e.g., an "investor member," etc.).

GA-Ag: NA.

**6.6. Nonmember Interests.** Briefly describe any definition(s) of (a) nonmember(s) who may hold shares or proprietary interests in the cooperatives.

GA-Ag: NA.

**6.7. Other Membership Definitions.** Briefly describe any other membership definitions.

GA-Ag: O.C.G.A. 2-10-81(3). "Members" is defined to mean actual members of non-stock cooperatives and holders of common stock in stock cooperatives.

**6.8. Fostering Membership.** Describe any provision that allows the cooperative to foster membership by advertising, education, or other lawful means.

GA-Ag: NA.

**6.9. Membership Fee.** Briefly describe any provision that addresses the membership fees.

GA-Ag: O.C.G.A. 2-10-86(b)(7). The bylaws may provide for membership fees.

**6.10. New Members.** Briefly describe provisions on the admission of new members.

GA-Ag: O.C.G.A. 2-10-86(b)(9). The bylaws may provide for the qualifications of and conditions precedent to membership.

**6.11. Membership Limitations.** Briefly describe any limitation on the number of members.

GA-Ag: NA.

**6.12. Membership Transfers.** Briefly describe any restrictions on membership transfers.

GA-Ag: O.C.G.A. 2-10-86. The bylaws may provide for restrictions on transfer of membership.

**6.13. Membership Contribution.** Describe briefly any provision that addresses ongoing membership contributions.

GA-Ag: NA.

**6.14. Member Distribution Rights.** Briefly describe any provision addressing a member's distribution rights.

GA-Ag: O.C.G.A. 2-10-106. Any distributions must be made on the basis of patronage.

**6.15. Stock or Membership Certificates.** Briefly describe any provisions addressing how membership is evidenced (e.g., by stock or membership certificates).

GA-Ag: O.C.G.A. 2-10-91. Members in non-stock cooperatives receive certificates of membership. Members in stock cooperatives receive stock.

**6.16. Certificate Information.** Describe briefly if any provision that addresses whether any particular information is required to appear on the stock or membership certificates.

GA-Ag: O.C.G.A. 2-10-97. Common stock must have printed on its face the restrictions of transfer only to other such cooperatives and to individuals, firms, partnerships and other associations and corporations engaged in the production of agricultural products.

**6.17. Member Property and or Equity Rights.** Briefly describe any provisions addressing a member's property or equity rights in the cooperative.

GA-Ag: NA.

**6.18. Non-Patron Equity.** Briefly describe any provision addressing equity rights of a non-patron.

GA-Ag: NA.

**6.19. Voting.** Briefly describe any statutory reference to "one member, one vote."

GA-Ag: O.C.G.A. 2-10-91. No member is entitled to more than one vote, but this prohibition does not apply to cooperatives comprised of producers of any forestry products.

**6.20. Patronage Voting.** Briefly describe whether the cooperative statute permits or requires patronage voting.

GA-Ag: NA.

**6.21. Director Elections.** Briefly describe any statutory requirements regarding the election of directors by patron members.

GA-Ag: NA.

**6.22. Investor Members.** Briefly describe any limitations on voting by non-patron equity stakeholders or "investor members."

GA-Ag: NA.

**6.23. Patronage Dividends.** Briefly describe member rights to receive patronage dividends.

GA-Ag: O.C.G.A. 2-10-106. Net income of the cooperative may be distributed to members on the basis of patronage.

**6.24. Retained Allocations.** Briefly describe member rights to receive per-unit retained allocations.

GA-Ag: NA.

**6.25. Nonmember Rights.** Briefly describe a nonmember's right to receive patronage dividends and or per-unit retained allocations.

GA-Ag: O.C.G.A. 2-10-106. Net income of the cooperative may be distributed to non-member patrons on the basis of patronage.

**6.26. Nonmember Limitations.** Briefly describe any limitations on the cooperative's business with nonmembers (including how the limitations are measured).

GA-Ag: O.C.G.A. 2-10-103. During a fiscal year, the value of a cooperative's business with non-members cannot exceed the value of the cooperative's business with its members.

**6.27. Allocations.** Briefly describe any required rules regarding the allocation of profits and losses among patron and non-patron members.

GA-Ag: NA.

**6.28. Derivative Suit.** Briefly describe any provision addressing whether a member has the right to bring a derivative action.

GA-Ag: NA.

**6.29. Liability Limitation.** Briefly describe any limitation on a member's liability.

GA-Ag: NA.

**6.30. Records Inspection.** Briefly describe a member's right to inspect cooperative records and or audits.

GA-Ag: NA.

**6.31. Membership Suspension.** Briefly describe any provisions regarding membership suspension.

GA-Ag: O.C.G.A. 2-10-86. The bylaws may provide for suspension of membership rights upon cessation of eligibility for membership.

**6.32. Membership Termination.** Briefly describe any provisions regarding when membership terminates (e.g., expulsion, death, withdrawal).

GA-Ag: O.C.G.A. 2-10-86. The bylaws may set conditions for the termination of membership.

**6.33. Termination Procedure.** Briefly describe any procedural requirements regarding membership termination.

GA-Ag: NA.

**6.34. Member Termination Rights.** Briefly describe a former member's rights on termination.

GA-Ag: NA.

**6.35. Membership Valuation.** Briefly describe any provisions regarding membership valuation.

GA-Ag: The bylaws may provide the manner of determining the value of a member's interest upon death, withdrawal or expulsion, provided that at the option of the cooperative the value may be determined by appraisal of the board of directors.

**6.36. Miscellaneous.** Please address any issues related to this section that have not been addressed by the previous questions.

GA-Ag: NA.

## 7. Cooperative Association Control and Voting

**7.1. Voting Definition.** Briefly describe any provisions defining "voting."

GA-Ag: NA.

**7.2. Voting Rights.** Briefly describe any statutory requirements regarding individual member voting rights including whether there is one vote per member or equal voting required.

GA-Ag: O.C.G.A. 2-10-91(d). No member is entitled to more than one vote, provided that this restriction does not apply to cooperatives made up of producers of forestry products.

**7.3. Patronage Voting.** Briefly describe provisions regarding voting based on member patronage.

GA-Ag: NA.

**7.4. Patronage Voting Exceptions.** If there is voting based on the amount of a member's patronage, describe any exceptions or limitations.

GA-Ag: NA.

**7.5. Equity Voting.** Is voting permitted based on the amount of a member's equity?

GA-Ag: O.C.G.A. 2-10-91(c). Such voting might be allowed for cooperatives made up of producers of forestry products.

**7.6. Membership Classes.** Briefly describe any provisions listing more than one membership class.

GA-Ag: NA.

**7.7. Class Voting.** If there is more than one class of members, briefly describe the voting rights of each class.

GA-Ag: NA.

**7.8. Entity Voting.** Briefly describe whether the statute allows for voting by "non-natural" persons (e.g., partnerships, limited liability companies, corporations, other cooperative associations including federated cooperatives).

GA-Ag: O.C.G.A. 2-10-90. Members may be associations, or corporations. O.C.G.A. 2-10-91. All members receive voting rights.

**7.9. Federated Voting.** Briefly describe statutory provisions on voting by federated cooperatives.

GA-Ag: NA.

**7.10. Federated Conflicts.** Briefly describe any provisions that address conflicts of interest with respect to federated cooperatives.

GA-Ag: NA.

**7.11. Proxy Voting.** Briefly describe provisions allowing for proxy voting.

GA-Ag: O.C.G.A. 2-10-86. The bylaws may provide for voting by proxy.

**7.12. Mailing Ballots.** Briefly describe provisions permitting voting by mail.

GA-Ag: O.C.G.A. 2-10-86. The bylaws may provide for voting by mail.

**7.13. Electronic Voting.** Briefly describe any telecommunications permitted in the voting process including electronic transmission of votes.

GA-Ag: NA.

**7.14. Liens.** Briefly describe any provisions that address voting when there is a lien on a member's stock.

GA-Ag: O.C.G.A. 2-10-91(a). Although the cooperative may hold a member's stock as security for a member's payment for stock, such retention as security does not affect the member's right to vote.

**7.15. Subscriber Voting.** Describe briefly if voting is permitted by subscribers who have committed to buying stock but have not purchased it yet.

GA-Ag: O.C.G.A. 2-10-91. Such voting is permitted.

**7.16. Cumulative Voting.** Briefly describe any cumulative voting permitted.

GA-Ag: NA.

**7.17. District Voting.** Briefly describe any rules regarding voting by district or region.

GA-Ag: 2-10-87(b). The bylaws may provide for voting by district, in which case (1) the bylaws must specify the number of directors to be elected by each district and the manner and method of reapportioning the directors and redistricting the cooperative's territory and (2) the bylaws may provide the primary elections will be held in each district.

**7.18. Miscellaneous.** Briefly describe any other rules regarding voting.

GA-Ag: NA.

**7.19. Membership Meetings.** Briefly describe any requirements that the cooperative have membership meetings.

GA-Ag: O.C.G.A. 2-10-92. A cooperative must have annual meetings.

**7.20. First Meeting.** Briefly describe any statutory requirements regarding the first meeting.

GA-Ag: NA.

**7.21. Special Meetings.** Briefly describe any provisions on special meetings.

GA-Ag: O.C.G.A. 2-10-92. Special meetings may be called by (1) the board of directors at any time or (2) ten percent of the members upon filing a petition stating the business to be brought before the cooperative, with such meeting called by the directors.

**7.22. Attendance Rules.** Briefly describe meeting attendance rules for different classes of membership.

GA-Ag: NA.

**7.23. Notice Requirements.** Briefly describe any meeting notice requirements.

GA-Ag: O.C.G.A. 2-10-92. Notice of any member meeting, with a statement of the meeting's purpose, must be mailed to each member at least 10 days before the meeting, although the bylaws may specify that such notice may be published in the newspaper published in the location of the cooperative's principal place of business.

**7.24. Notice Requirement Termination.** Briefly describe any rules addressing when notice is no longer required (e.g., after several delivery failures).

GA-Ag: NA.

**7.25. Meeting Location.** Briefly describe provisions that mandate a particular location for meetings.

GA-Ag: NA.

**7.26. Teleconferences.** Can meetings occur by electronic transmission (teleconferencing)?

GA-Ag: The statute does not provide by meetings by electronic means.

**7.27. District Meetings.** Are meetings permitted by geographic district?

GA-Ag: The statute does not provide for member meetings by geographic district.

**7.28. Quorum Requirements.** Briefly describe quorum requirements for meetings.

GA-Ag: O.C.G.A. 2-10-86(b)(2). The bylaws may provide the number of members constituting a quorum.

**7.29. Referendum Requirements.** Briefly describe requirements regarding any referendum.

GA-Ag: O.C.G.A. 2-10-93. Upon request by one-third of the board of directors, any matter approved by the board must be referred to the membership for decision at the next special or regular meeting of the members.

**7.30. Meetings Miscellaneous.** Describe any other provision regarding meetings.

GA-Ag: NA.

**7.31. Miscellaneous.** Please describe any other provision that relates to this section that has not been addressed by the previous questions.

GA-Ag: NA.

## **8. Cooperative Directors**

**8.1. Director Number.** Briefly describe whether a particular number of directors is required.

GA-Ag: O.C.G.A. 2-10-87(a). The board must include at least five directors.

**8.2. Office Term.** Briefly describe any requirements regarding a director's term of office.

GA-Ag: O.C.G.A. 2-10-86(5). The bylaws may provide for the term of office for directors.

**8.3. Director Qualifications.** Briefly describe any qualification requirements for directors (e.g., must be a member of the cooperative, must be a natural person).

GA-Ag: O.C.G.A. 2-10-87(a). The directors must be members of the cooperative, except for directors appointed by public officials or commissions pursuant to O.C.G.A. 2-10-87(c).

**8.4. Special Directors.** Are any special categories of directors permitted (e.g., nonmember initial directors, "investor-members," members who represent community interests, or who have special expertise).

GA-Ag: O.C.G.A. 2-10-87(c). The bylaws can provide for directors appointed by the dean of the College of Agricultural and Environmental Science of the University of Georgia or any other public official or commission.

**8.5. Director Voting Restrictions.** Are there any restrictions with respect to voting imposed on any category of director?

GA-Ag: No.

**8.6. Elector Qualifications.** Briefly describe any qualification requirements for a person electing any director(s).

GA-Ag: NA.

**8.7. Election Rules.** Briefly describe any rules on how elections occur.

GA-Ag: NA.

**8.8. District Elections.** Briefly describe if elections may be conducted by district and whether the director must come from that district.

GA-Ag: O.C.G.A. 2-10-87(b). Elections may be conducted by district, and directors must come from such district.

**8.9. Delegate Elections.** Briefly describe if delegates may be elected to choose directors.

GA-Ag: The statute does not provide for selection of directors by delegates.

**8.10. Director Remuneration.** Briefly describe any provisions addressing whether a director is entitled to remuneration for services.

GA-Ag: O.C.G.A. 2-10-87(d). A cooperative may provide a fair remuneration to its directors for their services to the cooperative.

**8.11. Director Reimbursement.** Briefly describe any provisions that address whether directors may be reimbursed for expenses.

GA-Ag: The statute does not specifically address reimbursement of directors.

**8.12. Director Insurance.** Briefly describe any provisions addressing reimbursement for director insurance.

GA-Ag: The statute does not specifically address reimbursement for director insurance.

**8.13. Miscellaneous.** Briefly describe any other provision addressing director compensation.

GA-Ag: O.C.G.A. 2-10-86(b)(5). The bylaws may provide for compensation of directors.

**8.14. Director Responsibilities.** Briefly describe any provisions that address a director's responsibilities.

GA-Ag: O.C.G.A. 2-10-86(b)(5). The bylaws may provide the specific duties of directors.

**8.15. Director Powers.** Briefly describe any provisions addressing director powers.

GA-Ag: O.C.G.A. 2-10-87(a). The board of directors has the general authority to manage the cooperative's affairs.

**8.16. Special Committees.** Briefly describe whether directors may create special purpose committees.

GA-Ag: NA.

**8.17. Committee Restrictions.** Briefly describe any restrictions on special committee membership (e.g., to individuals who are directors, etc.).

GA-Ag: NA.

**8.18. Meeting Notice.** Briefly describe any provisions addressing notice requirements for director meetings.

GA-Ag: NA.

**8.19. Quorum Requirements.** Briefly describe any provisions addressing quorum requirements for director meetings.

GA-Ag: O.C.G.A. 2-10-86(b)(4). The bylaws may specify the number of directors constituting a quorum.

**8.20. Director Voting.** Briefly describe any provisions addressing director voting.

GA-Ag: NA.

**8.21. Videoconferencing.** Briefly describe any provisions that address electronic meetings (videoconferencing).

GA-Ag: NA.

**8.22. Special Director Action.** Briefly describe any provisions that address director action without a meeting.

GA-Ag: NA.

**8.23. Miscellaneous.** Describe briefly any meeting provision not addressed in the prior questions.

GA-Ag: NA.

**8.24. Director Vacancy.** Briefly describe any provisions that address filling a director vacancy.

GA-Ag: O.C.G.A. 2-10-87(f). If a vacancy occurs on the board of directors other than by expiration of a director's term, the remaining directors must fill the vacancy by majority vote; provided that if directors are elected by district, then the person filling the vacancy must live in the district for which the vacancy occurred.

**8.25. Director Removal.** Briefly describe any provision that addresses the removal of a director.

GA-Ag: O.C.G.A. 2-10-89. A member may bring charges against a director, and if the specified number of members bring a petition seeking removal, the members vote upon removal.

**8.26. Removal Procedure.** Briefly describe any procedural requirements regarding the removal of a director (e.g., the requirement of a hearing, the requirement that a vote occur at a meeting).

GA-Ag: O.C.G.A. 2-10-89. The director against whom charges are brought must be given an opportunity to be heard at the meeting at which removal is being considered, and both the director and the members bringing charges may present witnesses.

**8.27. Director Replacement.** Briefly describe any provisions that address replacing the removed director.

GA-Ag: O.C.G.A. 2-10-89. At the meeting at which removal is considered, a majority of the members may remove the director and fill the resulting vacancy.

**8.28. Director Removal Miscellaneous.** Briefly describe any other provision addressing director removal that has not been addressed by the prior questions.

GA-Ag: O.C.G.A. 2-10-89. If the cooperative has elections by district, the petition for removal must be signed by the members in the district in which the director resides, and the board must call a special meeting of the members in such district to consider the director's removal.

**8.29. Miscellaneous.** describe any provisions not addressed by the previous questions.

GA-Ag: NA.

## **9. Cooperative Officers**

**9.1. Offices.** List any offices statutorily required to be filled (including if one person can hold more than one office or if more than one office can be combined).

GA-Ag: O.C.G.A. 2-10-88. A cooperative must have a president, a vice-president, secretary and treasurer. The officers of secretary and treasurer can be combined.

**9.2. Officer Qualifications.** Briefly describe any qualifications required to be an officer.

GA-Ag: O.C.G.A. 2-10-88. Unless otherwise specified in the articles of association, the president and vice president must be directors.

**9.3. Bank Treasurer.** May a bank be the treasurer or other officer?

GA-Ag: O.C.G.A. 2-10-88. A bank may be the treasurer of the cooperative; however, in such event the treasurer position is not considered an office, but as a function of the board of directors.

**9.4. Bonding.** Briefly describe any bonding requirements for officers.

GA-Ag: NA.

**9.5. Selection.** Briefly describe any provisions stating how officers are selected.

GA-Ag: O.C.G.A. 2-10-88. Unless otherwise specified in the articles of incorporation, the board of directors elects the officers of the cooperative. If the articles of incorporation so provide, the members elect the officers of the cooperative.

**9.6. Compensation.** Briefly describe any requirements regarding compensation.

GA-Ag: O.C.G.A. 2-10-86(b)(5). The bylaws may provide for compensation of officers.

**9.7. Responsibilities.** Briefly describe any requirements regarding responsibilities.

GA-Ag: O.C.G.A. 2-10-88. If a financial institution serves as treasurer of the cooperative, then the secretary performs the usual accounting duties of the treasurer.

**9.8. Officer Removal.** Briefly describe any provisions that address officer removal.

GA-Ag: O.C.G.A. 2-10-89(a). A member may bring charges against an officer, and if the required number of members submit a petition requesting removal, the members vote upon removal.

**9.9. Removal Procedures.** Briefly describe any procedural requirements regarding officer removal.

GA-Ag: O.C.G.A. 2-10-89(a). Prior to the meeting at which removal is considered, the director must be informed of the charges, and is given the opportunity at the meeting to be heard and to present witnesses. The members bringing charges may also present witnesses.

**9.10. Miscellaneous.** Please describe any other provisions regarding officers that have not been addressed by prior questions.

GA-Ag: NA.

## **10. Fiduciary Duties of Cooperative Directors and Officers**

**10.1. Duty of Care.** Briefly describe any provisions that address duty of care requirements that apply for directors and officers.

GA-Ag: NA.

**10.2. Professional Counsel.** List professionals that directors and officers can rely upon (e.g. a board committee, legal counsel, public accountants, and individuals the director or officer reasonably believes to be acting within their professional competence).

GA-Ag: NA.

**10.3. Cooperative Interests.** Briefly describe any guidance or factors statutorily provided to help directors and officers to make decisions in the cooperative's best interest (e.g., full disclosure, fairness to the cooperative, or a provision stating that the officers and directors may consider the interests of the members, employees, suppliers, creditors, the economy, the long- and short-term interests of the cooperative, etc.).

GA-Ag: NA.

**10.4. Contracts.** List the circumstances when a cooperative and a director may enter a contract (e.g., when there is disclosure, when a "fair and reasonable" standard is followed,

when the contract is ratified in good faith by the board, when the director recuses him- or herself). GA-Ag: O.C.G.A. 2-10-87(e). A director may not enter into a marketing or purchasing contract with the cooperative if the provisions of the contract differ from contracts executed with regular members of the cooperative in the same trade area.

**10.5. Director Compensation.** Briefly describe any rules regarding director approval of their own compensation.

GA-Ag: NA.

**10.6. Conflict of Interest.** Briefly describe any provisions that address conflict of interest situations when a director has a material financial interest.

GA-Ag: NA.

**10.7. Duty of Obedience.** Briefly describe any provisions that address the duty of obedience.

GA-Ag: NA.

**10.8. Liability Limitations.** Briefly describe any provisions that address limitations on civil liability for officers and directors.

GA-Ag: NA.

**10.9. Articles and Bylaws.** Briefly describe any provisions that allow liability limitations to be included in the articles or bylaws.

GA-Ag: NA.

**10.10. Indemnification, Payments.** Briefly describe any provisions that indemnify directors and or officers and or allow payment by the cooperative of litigation, judgment, settlement, or other costs on their behalf.

GA-Ag: NA.

**10.11. Insurance Coverage.** Briefly describe any provisions that address insurance coverage for director and or officer liability.

GA-Ag: NA.

**10.12. Derivative Actions.** Describe any provisions regarding derivative actions including any statute of limitations.

GA-Ag: NA.

**10.13. Miscellaneous.** Describe any other provisions that address fiduciary issues related to directors and officers.

GA-Ag: NA.