

ARTICLES OF COOPERATION
of
_____ **Electric Cooperative**

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned Filipino citizens, of legal age and residents of the Philippines, with a firm collective intent, have come together to organize voluntarily an Electric Cooperative to advance what we believe is our inherent right, under the laws of the Republic of the Philippines.

AND WE HEREBY CERTIFY:

Article I
Name of the Cooperative

That the name of this Cooperative shall be _____
_____ Electric Cooperative.

Article II
Purposes

That the purposes for which this Cooperative is organized are to engage in:

1. The distribution and supply of electricity within its franchise area;
2. Power generation utilizing new and renewable energy sources, including hybrid systems;
3. Operation and acquisition of sub-transmission of electricity;
4. Venturing into any other purpose or other related business endeavors allowed by law, rules, regulations, and its own By-laws as long as it is related to or may enhance the primary purpose/service and objective of the Cooperative.
5. The implementation of the Rural Electrification Program in its respective areas of coverage in consonance with the terms and conditions appurtenant to its Certificate of Franchise;
6. The exercise of the power of eminent domain in furtherance of the Rural Electrification Program, which shall not be diminished, subject to the requirements of the Constitution and existing relevant laws;
7. Promoting and advancing the economic and social status of the members;
8. Coordinating and facilitating the activities of cooperatives;
9. Advocating for the cause of the cooperative movements;
10. Ensuring the viability of cooperatives through the utilization of new technologies; and

11. Encouraging and promoting self-help or self-employment as an engine for economic growth and poverty alleviation;

Article III Goals

That the goals of this Cooperative are to help improve the quality of life of its members and thereby contribute to inclusive growth, enterprise development and employment. In furtherance thereto it shall aim:

1. To attain increased income, savings, investments, productivity, and purchasing power, and promote among themselves equitable distribution of net surplus through maximum utilization of economies of scale, cost-sharing and risk-sharing
2. To provide optimum social and economic benefits to its members;
3. To teach members efficient ways of doing things in a Cooperative manner;
4. To propagate Cooperative practices and innovative ideas in business undertakings and management;
5. To empower through provision of access, ownership, control and opportunities to the poor, vulnerable, lower income and less privileged groups to increase their ownership in the wealth of the nation;
6. To actively support the government, other Cooperatives and people oriented organizations, both local and foreign, in promoting cooperatives as a practical means towards sustainable socio-economic development under a truly just and democratic society;
7. To develop a dynamic savings mobilization and capital build-up schemes to sustain its developmental activities and long-term investments, thereby ensuring optimum economic benefits to the members, their families and the communities;
8. To adopt membership expansion mechanism/scheme, thereby ensuring growth of the Cooperative movement;
9. To implement policy guidelines that will ensure transparency, accountability and equitable access to its resources and services, and promote the interests of the members;
10. To adopt such other plans as may help foster the welfare of the members, their families and the community;
11. To advance the competitiveness and innovativeness of the industry;
12. To coordinate with other Cooperatives on learning exchanges, coop trade, and information exchanges in fostering sustainable development;
13. To advocate legal framework and enabling policies appropriate for the development of electric Cooperatives; and

14. To be the voice and the institution of the poor and the excluded in resisting the growth-centered development aggression and instead promote people centered development.

Article IV Powers and Capacities

That the powers, rights and capacities of this Cooperative are those prescribed under Article 9 of Republic Act 9520.

1. To the exclusive use of its registered name;
2. To sue and be sued;
3. Of succession;
4. To amend its articles of cooperation in accordance with the provisions of RA 9520;
5. To adopt by-laws not contrary to law, morals or public policy, and to amend and repeal the same in accordance with RA 9520;
6. To purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage, and otherwise deal with such real and personal property as the transaction of the lawful affairs of the Cooperative may reasonably and necessarily require, subject to the limitations prescribed by law and the Constitution;
7. To enter into division, merger, or consolidation, as provided under RA 9520;
8. To form subsidiary Cooperatives and join federations or unions, as provided in this Code;
9. To avail of loans, be entitled to credit and to accept and receive grants, donations and assistance from foreign and domestic sources subject to the conditions of said loans, credits, grants, donations or assistance that will not undermine the autonomy of the Cooperative. The Authority, upon written request, shall provide necessary assistance in the documentary requirements for the loans, credit, grants, donations and other financial support;
10. To avail preferential rights granted to cooperatives under RA 7160, otherwise known as the Local Government Code, and other laws, particularly those in the grant of franchises to establish, construct, operate and maintain ferries, wharves, markets or slaughters houses and to lease public utilities, including access to extension and on-site research services and facilities related to agriculture and fishery activities; and
11. To exercise such other powers granted under RA 9520 or necessary to carry out its purposes as stated in this Articles of Cooperation.

| Name |
|----------|
| <u>1</u> |
| <u>2</u> |
| <u>3</u> |
| <u>4</u> |
| <u>5</u> |

**Article X
Capitalization**

That the Authorized Share Capital of this Cooperative is _____ PESOS (Php _____),
divided into:

- a. _____ (_____) common shares with a par value of _____ (Php _____) per share; and
- b. _____ (_____) preferred shares with a par value of _____ (Php _____) per share.

**Article XI
Subscribed and Paid-up Share Capital**

That of the authorized share capital, the amount of _____ (Php _____) has been subscribed, and _____ (Php _____) of the total subscription has been paid by the following members-subscribers:

A. Common Share

| Names | No. of Subscribed Shares | Amount of Subscribed Shares | No. of Paid-up Shares | Amount of Paid-up Shares |
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| Sub Total | | | | |

B. Preferred Share

| Names | No. of Subscribed Shares | Amount of Subscribed Shares | No. of Paid-up Shares | Amount of Paid-up Shares |
|-------|--------------------------|-----------------------------|-----------------------|--------------------------|
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| Sub Total | | | | |
| Grand Total | | | | |

**Article XII
Arbitral Clause**

Any dispute, controversy or claim arising out of or relating to this Articles of Cooperation, By-laws, the Cooperative laws and related rules, administrative guidelines of the Cooperative Development Authority, including inter-cooperative, inter-federation disputes and related concerns shall be exclusively referred to and finally resolved by voluntary arbitration under the institutional rules promulgated by the Cooperative Development Authority, after compliance with the conciliation or mediation mechanisms embodied in the Bylaws and in such other pertinent laws and issuances.

BE IT KNOWN THAT:

_____ has been elected as Treasurer of this Cooperative to act as such until her/his successor shall have been duly appointed and qualified in accordance with the By-laws. As such Treasurer, he/she is authorized to receive payments and issue receipts for membership fees, share capital subscriptions and other revenues, and to pay obligations for and in the name of this Cooperative.

IN WITNESS WHEREOF, we have hereunto affixed our signatures opposite our names this _____ day of _____ in _____, Philippines.

| Name of Cooperators | Signature |
|----------------------------|------------------|
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| 2. | |
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| 11. | |
| 12. | |
| 13. | |
| 14 | |
| 15. | |

SIGNED IN THE PRESENCE OF:

Signature Over Printed Name

Signature Over Printed Name

