ANNEXURE II
CO-OPERATIVE PRINCIPLES

1. Membership of a Co-operative Society should be voluntary and available without artificial restriction or any social, political or religious discrimination to all persons who can make use of its services and are willing to accept the responsibilities of membership.

2. Co-operative Societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decision affecting their societies. In other than primary societies, the administration should be conducted on a democratic basis in a suitable form.

3. Share capital should only receive a strictly limited rate of interest, if any.

4. The economic results, arising out of the operations of a society belong to the members of that society and shall be distributed in such manner as would avoid one member gaining at the expense of others. This may be done by a decision of the members as follows:
   (a) by provision for development of the business of the co-operative;
   (b) by provision of common services; or
   (c) by distribution among the members in proportion to their transactions with the Society.

5. All Co-operative Societies should make provision for the education of their members, officers, employees, and of the general public, in the principles and techniques of co-operation, both economic and democratic.

6. All Co-operative organisations in order best to serve the interests of their members and their communities, shall actively co-operate in every practical way with other co-operatives at local, national and international levels, having as their aim the achievement of unity of action by co-operators throughout the world.