

**RULES OF**  
**TRANBY ABORIGINAL**  
**CO-OPERATIVE LIMITED**

Registered under the Co-operatives (Adoption of National Law) Act 2012

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## DIVISION 1- INTRODUCTION

### 1 NAME OF THE COOPERATIVE

- 1.1 The name of the Co-operative is Tranby Aboriginal Co-operative Limited.
- 1.2 The Co-operative may, in accordance with section 224 of the Law, change its name by Special Resolution to a name approved by the Registrar.

### 2 REGISTERED OFFICE

- 2.1 The Registered Office of the Co-operative is located at:  
  
13 Mansfield Street, Glebe, NSW 2037  
  
or another place as the Board may determine from time to time.
- 2.2 The Board must ensure that the record is accurate by notifying the Registrar of any change of address within 28 days after the change, in the form approved by the Registrar.

### 3 NON-DISTRIBUTING CO-OPERATIVE

- 3.1 The Co-operative is a non-distributing co-operative within the meaning of section 19 of the Law.

### 4 INTERPRETATION

- 4.1 In these Rules, unless the context otherwise requires the following words will have the following meanings:
  - (a) "**Aboriginal People**" means Aboriginal people and Torres Strait Islanders.
  - (b) "**Active Member**" means a Member who is in active membership within the meaning of **Rule 11**.
  - (c) "**Alter**" or similar word or expression used in relation to a rule amendment, includes add to, substitute, and rescind.
  - (d) "**Auditor**" means auditor or auditors for the time being of the co-operative appointed in accordance with the Rules relating to audit.
  - (e) "**Annual General Meeting**" means the annual general meeting of the Co-operative under the provisions of the Rules and the Law and any adjournment of the annual general meeting.
  - (f) "**Ballot Paper**" means a ballot paper in paper or electronic form as required in **Schedule 3**.

- (g) "**Banking Account**" includes an account with a credit union or building society that is an Authorised Deposit Taking Institution under the *Banking Act 1959 (Cth)*;
- (h) "**Basic Minimum Financial Statements**" means the financial statements required of a small co-operative under the National Regulations.
- (i) "**Board**" means the whole or any number of the directors assembled at a meeting of the Directors or transacting business in accordance with **Rule 57**, being not less than a quorum or a majority, as the case maybe.
- (j) "**Business Day**" means a day other than a Saturday, Sunday or gazetted public holiday in New South Wales.
- (k) "**Co-operative**" means the above named Co-operative under **Rule 1.1**
- (l) "**Co-operative Policy**" means the policies passed by the Board from time to time.
- (m) "**Director**" includes:
  - i. a person who occupies or acts in the position of Director or member of the Board of the Co-operative, whether or not the person is called a Director and whether or not the person is validly appointed or duly authorised to act in the position; and
  - ii. the person in accordance with whose directions or instructions the Directors or Members of the Board of the Co-operative are accustomed to act.
- (n) "**Disputes**" means any dispute that may arise between any two or more Members or any Member and the Co-operative.
- (o) "**Financial Year**" means the financial year of the co-operative as specified in **Rule 71**.
- (p) "**General Meeting**" is a meeting of Members and means either the Annual General Meeting or a Special General Meeting as the case may be.
- (q) "**Jurisdiction**" means a State or Territory applying to the Law.
- (r) "**Law**" means the *Co-operatives (Adoption of National Law) Act 2012 (NSW)*.
- (s) "**may**" or a similar word or expression, used in relation to a power of the board indicates that the power may be exercised or not at the board's discretion.
- (t) "**Member**" means a Member of the Co-operative in accordance with Part 2.5 of the Law, and who is either an initial Member of the Co-operative, or who has been approved for Membership of the Co-operative in accordance with **Rule 9**.

- (u) "**Member Director**" has the meaning under **Rule 43.1(a)** and section **174** of the Law.
- (v) "**month**" means calendar month.
- (w) "**Non-member Director**" has the meaning under **Rule 43(b)**, **Rule 43(c)** and section 174 of the Law.
- (x) "**Office**" means the Registered Office from time to time of the Co-operative.
- (y) "**prescribed**" means prescribed by the Law or under the Law by Regulations.
- (z) "**provision**" in relation to the Law means words or other matter that form or forms part of the Law, and includes:
  - i. a chapter, part, division, subdivision, section, subsection, paragraph, subparagraph or schedule of or to the Law,
  - ii. a section, clause, subclause, item, table or form of or in a Schedule to the Law; and
  - iii. the long title and any preamble to the Law.
- (aa) "**Register of Members**" means the register of Members that is maintained by the Co-operative in accordance with Schedule 2 of the National Regulations.
- (bb) "**Registrar**" means the person for the time being holding office of Registrar of the Co-operatives under the Law.
- (cc) "**Regulations**" means any Regulation made under the Law, and any Regulation that applies to a co-operative by way of a transitional Regulation made under the Law and includes the National Regulations and the Local Regulations.
- (dd) "**Relevant Interest**" has the same meaning as given in Schedule 2 of the Law
- (ee) "**Remuneration**" means any money, consideration or benefit but does not include amounts in payment or reimbursement of out-of-pocket expenses incurred for the benefit of the Co-operative.
- (ff) "**Reserves**" means the reserves referred to in **Rule 79**.
- (gg) "**Rules**" mean these Rules as altered or added to from time to time. A reference to a Rule by number is a reference to the Rule of that number in these Rules, as altered or added to from time to time.
- (hh) "**Schedule**" means the Schedule to these Rules.
- (ii) "**Secretary**" means the secretary of the Co-operative appointed by the Board as a secretary of the Co-operative in accordance with section 190 of the Law.



- (jj) "**Special General Meeting**" means any General Meeting of the Co-operative other than the Annual General Meeting.
  - (kk) "**Special Resolution**" means a resolution which is passed in accordance with **Rule 41** and section 239 of the Law.
  - (ll) "**will**" or a similar word or expression, used in relation to a power of the board indicates that the power must be exercised, subject to the Law or the Rule granting the power.
  - (mm) "**writing**" includes printing, typing, lithography and other modes of representing or reproducing words in a visible form and "written" has a corresponding meaning.
  - (nn) Words importing one gender include the other genders.
  - (oo) Words referring to individuals refer also to a body corporate. Reference to "a person" or "persons" includes a body corporate or other incorporated or unincorporated association.
  - (pp) Words in the singular include the plural, and vice versa;
- 4.2 Except so far as the contrary intention appears in the Rules, an expression has, in a provision of these Rules that deals with a matter dealt with by a particular provision of the Law, the same meaning as in that provision of the Law.
- 4.3 A reference in these rules to "the Law" includes a reference to:
- i. the Law as originally enacted, and as amended from time to time since its original enactment; and
  - ii. if the Law has been repealed since the inclusion of the reference in these rules - the legislation enacted in substitution of the Law (whether legislation of the State or Federal Parliament) and as amended from time to time since its enactment;
- 4.4 A reference in these rules to a provision in "the Law" includes a reference to:
- i. the provision as originally enacted, and as amended from time to time since the original enactment;
  - ii. if the provision has been omitted and re-enacted (with or without modification) since the enactment of the reference - the provision as re-enacted and as amended from time to time since its re-enactment; and
  - iii. if the provision has been omitted and replaced with a new provision dealing with the same area of law or procedure - the new provision as enacted and as amended from time to time since its enactment.
- 4.5 In the interpretation of a rule, or paragraph of a rule, the interpretation that will best

achieve the purpose of the rule is to be preferred to any other interpretation. This provision applies whether or not the purpose is expressly stated in the rule or paragraph of the rule.

- 4.6 In these rules, unless the context indicates a contrary intention, headings are for convenience and do not affect interpretation.

## 5 THE RULES

- 5.1 The Rules of the Co-operative have the effect of a contract under seal:
- (a) between the Co-operative and each Member,
  - (b) between the Co-operative and each Director, chief executive officer and the Secretary of the Co-operative; and
  - (c) between each Member and each other Member.
- 5.2 Under the contract referred to in Rule 5.1, each of those persons agrees to observe, perform and abide by:
- (a) the provisions of the Rules applicable to that person; and
  - (b) the provisions of the Law and the Regulations,
- in force and amended from time to time.
- 5.3 Any Member is entitled to obtain from the Co-operative a copy of these Rules on payment of the amount set out in **Schedule 1**. Any person may inspect a copy of these Rules free of charge at the Office during all reasonable hours.

## 6 AMENDMENT OF THE RULES

- 6.1 These Rules may be altered by Special Resolution in accordance with section 61 of the Law or by a resolution in accordance with **Rule 6.2**.
- 6.2 In accordance with section 62 of the Law, the Rules of the Co-operative may be altered by a resolution passed by the Board if the amendment does no more than give effect to a requirement, direction, restriction or prohibition imposed or given under the authority of the Law.
- 6.3 If the Rules of the Co-operative are amended under section 62 of the Law, the Co-operative must cause the amendment to be notified in writing to its members as soon as possible after the amendment takes effect and in any event no later than the day when notice of the next Annual General Meeting of the Co-operative after the amendment takes effect is given to the Members.
- 6.4 The Board must refer to the Registrar for prior approval of the proposed amendments to the Rules that are a class of rule amendment specified in section 60 of the Law.

- 6.5 Special Resolutions for the alteration of the Rules must be lodged with the Registrar in accordance with section 63 of the Law.
- 6.6 An alteration of these Rules does not take effect unless and until it is registered by the Registrar under section 63 of the Law.

## 7 OBJECTS

- 7.1 The objects of the Co-operative will be:
- (a) To develop co-operative education and training of Aboriginal people and non-Aboriginal people who work with and support Indigenous people.
  - (b) To encourage the establishment of co-operative activity and organisations amongst Aboriginal people.
  - (c) To improve the general health, welfare, education and social life of Aboriginal people.
  - (d) To provide and maintain buildings and grounds for education, recreation or other community purposes and promote and assist clubs for any such purposes.
  - (e) To promote and carry out any charitable undertaking.
  - (f) To acquire by purchase or otherwise shares in any other society.
  - (g) To do all such other things as may be incidental or conducive to the attainment of the above objects and powers or any of them.
  - (h) To uphold the co-operative principles as outlined in section 10 of the Law.

## 8 POWERS

- 8.1 The Co-operative will have, both within and outside this Jurisdiction, the legal capacity of an individual and has all the powers allowed by or under the Law.
- 8.2 Without limiting the provisions of **Rule 8.1**, and subject to the provisions of the Law, the Co-operative has power,
- (a) to form or participate in the formation of a corporate or unit trust;
  - (b) to acquire interests in and sell or otherwise dispose of interests in corporations, unit trusts and joint ventures; and
  - (c) to form or enter into a partnership, joint venture or other association with other persons or bodies,
- in furtherance of the Co-operatives' primary activity.

## DIVISION 2 — MEMBERS

### 9 APPLICATION AND QUALIFICATIONS FOR BECOMING A MEMBER

- 9.1 A person is not entitled to qualify for membership of the Co-operative unless the person first proves to the reasonable satisfaction of the Board that the person will be an Active Member of the Co-operative under **Rule 11**.
- 9.2 The Board must consider every application. The Board may, at its discretion, refuse any application for membership. The Board need assign no reasons for its refusal, although the Board may choose to give reasons if the Board considers it appropriate to do so. Upon refusal, any monies accompanying the application for membership will be refunded without interest.
- 9.3 Applications for membership must be lodged:
- (a) at the Office; and
  - (b) in the form approved by the Board.
- 9.4 The Board of the Co-operative must give each person intending or applying to become a Member of the Co-operative:
- (a) a consolidated copy of the Rules of the Co-operative; and
  - (b) a copy of all Special Resolutions that would apply to the prospective member passed by the Members of the Co-operative, except Special Resolutions providing for an amendment of the Rules of the Co-operative; and
  - (c) a copy of the most recent financial information reported to Members under Part 3.3 of the Law.
- 9.5 The Board of the Co-operative will comply with **Rule 9.4** by:
- (a) giving the person notice that the documents referred to in **Rule 9.4** may be inspected by the person at the Office of the Co-operative and making the documents available for inspection in person; or
  - (b) if the person has elected to receive the documents as a electronic copy — by sending the person an electronic copy of the documents; or
  - (c) if the person did not make the election — by directly notifying, in writing, that the documents are accessible on the website and specify the direct address on the website where the documents may be accessed.
- 9.6 The Board must ensure that the name of a person admitted to membership, the date of admission and any other information is recorded in the Register of Members within 28 days after the person is admitted to membership. The Board must notify the applicant in writing of the entry in the Register of Members.

- 9.7 The Co-operative must give to any person intending or applying to become a Member written notice of entry fees or regular subscriptions payable by a Member to the Co-operative.
- 9.8 If a Member's membership is cancelled, the Member is expelled or the Member resigns, the Co-operative will not refund the Member any fees, subscriptions or contributions on the person's ceasing to be a Member.

## 10 QUALIFICATIONS FOR MEMBERSHIP

- 10.1 A person is not qualified to be admitted to membership of the Co-operative unless there are reasonable grounds for believing that the person will be an Active Member of the Co-operative under **Rule 11**.

## 11 ACTIVE MEMBERSHIP PROVISIONS

11.1 In accordance with Part 2.6 of the CNL:

- (a) The education and training of Aboriginal and Torres Strait Islander students is a primary activity of the co-operative; and
- (b) in order to establish and maintain active membership of the co-operative, a member must:
- (i) attend a minimum of 2 hours of educational sessions or classes of the Co-operative, in person or online, as at 31 March or for proposed new Members, as at the date of their application; or
  - (ii) complete one hour of volunteer work for the Co-operative between 1 April and 31 March each year and provide evidence the work was undertaken, subject to prior approval by the Board of the type of volunteer work being undertaken; or
  - (iii) pay an annual subscription of ten dollars (\$10.00) for an individual or twenty dollars (\$20.00) for an organisation. Annual subscriptions are due and payable on 31 March each year.

## 12 CANCELLATION OF MEMBERSHIP OF INACTIVE MEMBERS

12.1 It is a condition of being a Member of the Co-operative that the Member complies with the Active Member obligations under **Rule 11**.

12.2 In accordance with section 156 of the Law, the Board, after giving the Member no less than 28 days notice of its intention to cancel that Member's membership, unless **Rule 12.7** applies (notice needs to be given in accordance with section 161 of the Law), must declare the membership of that Member cancelled if:

- (a) the whereabouts of the Member is not presently known to the Co-operative and has not been known to the Co-operative for a continuous period of at least 2 years before that time; or
- (b) the Member is not presently an Active Member of the Co-operative and has not been an Active Member of the Co-operative at any time during the past 2 years immediately before that time.

12.3 A Member must be given an opportunity to make a submission to the Board in relation to a notice issued under **Rule 12.2**.

12.4 The Co-operative must keep a register of cancelled membership in accordance with clause 7 of Schedule 2 of the National Regulations.

12.5 The Board may by resolution defer cancellation of a Member's membership for up to 1 year

(a) if the Board has reasonable grounds to believe a Member has ceased to be an Active Member because of unusual circumstances that prevent the Member fulfilling his or her active membership obligations; or

(b) if:

i. the Board thinks that during the deferral period an active membership resolution, under Division 3 Part 2.6 of the Law, may be put to the Members of the Co-operative; and

ii. the effect of the resolution would be relevant to the question of whether the Member is an Active Member.

12.6 The Board of the Co-operative must review the resolution to defer within the deferral period to decide if a further resolution should be made under **Rule 12.5**.

12.7 The Board is not required to give notice under this Rule if:

(a) the Member's whereabouts are unknown to the Co-operative; and

(b) the amount required to be repaid to the Member in relation to the cancelled membership is not more than \$100 (or any other amount prescribed by the Regulations).

12.8 The Board may give notice by publication in a newspaper in the district in which the Office of the Co-operative is situated if:

(a) the Member's whereabouts are unknown to the Co-operative; and

(b) the amount required to be repaid to the Member in relation to the cancelled membership is more than \$100 (or any other amount prescribed by the Regulations).

## **13 RESIGNATION OF MEMBERS**

13.1 A Member may resign from the Co-operative by giving a minimum 28 days notice in writing addressed to the Secretary.

## **14 EXPULSION OF MEMBERS**

14.1 A Member may be expelled from the Co-operative if the Co-operative by Special Resolution determined that the Member should be expelled on the ground that:

(a) the Member has failed to discharge the Member's obligations to the Co-operative under a contract, the Law or these Rules; or

(b) the Member has acted in a manner that:

- i. has prevented or hindered the Co-operative in carrying out any of its primary activities;
- ii. has brought the Co-operative into disrepute;
- iii. is prejudicial or detrimental to the interests of the Co-operative; or
- iv. is contrary to any of the Co-operative's activities and in so acting caused the Co-operative harm; or
- v. the Member has ceased to be qualified as a Member as specified in Rule 10.

14.2 A written notice of the Special Resolution to expel a Member must be given to the Member not less than 28 days before the date of the meeting at which the Special Resolution is to be moved. The notice must state the date, time and place of the meeting and also state the nature of the relevant act or omission in question.

14.3 The procedure at a General Meeting to consider the proposed Special Resolution is as follows:

- (a) the Member must be given a reasonable opportunity to be heard at the meeting;
- (b) the Member is entitled to call witnesses and to cross examine witnesses called against the Member,
- (c) if the Member fails, without reasonable excuse, to attend the meeting at the time and place of which notice has been given, the Co-operative may consider the matter in the absence of the Member, and
- (d) after considering the matter, the Co-operative may by Special Resolution determine to expel the Member.

14.4 When the Member is expelled, the Co-operative must within 7 days after the meeting, provide the Member with written notice of the decision.

14.5 An expelled member must not be re-admitted as a Member unless re-admission is approved by Special Resolution of the Co-operative.

## 15 SUSPENSION OF MEMBERS

15.1 A Member may be suspended from membership of the Co-operative for a period not exceeding 1 year if the Co-operative by Special Resolution determines that the Member should be so suspended on the ground that:

- (a) the Member has contravened these Rules or any Co-operative Policy,
- (b) the Member has failed to discharge the Member's obligations to the Co-operative under these Rules or any contract; or

- (c) the Member has acted in a manner prejudicial or detrimental to the interests of the Co-operative.
- 15.2 Where the Board receives a complaint that a Member has committed any act referred to in **Rule 15.1**, the Board may meet within 21 days of the occurrence of the act to consider the complaint.
- 15.3 Where the Board is to meet pursuant to **Rule 15.2**, the following procedure will apply:
- (a) at least 7 days written notice stating the date, time and place of the Board meeting must be given to any Member against whom a complaint has been received. The written notice must also state the nature of the complaint;
  - (b) the Member must be given a reasonable opportunity to be heard at the meeting. If the Member is not able to attend, they may make a written statement for the consideration of the members of the Board;
  - (c) the Member is entitled to call witnesses and to cross examine witnesses called against the Member,
  - (d) if the Member fails, without reasonable cause, to attend at the time and place of which notice has been given, the Board may consider the matter in the absence of the Member, and
  - (e) after considering the matter, the Board may by resolution determine to suspend the Member.
- 15.4 If the Board resolves to suspend the Member, the Co-operative must, within 7 days after the meeting, cause written notice to be given to the Member of the decision, the Member's right to appeal and the period of suspension.
- 15.5 A Member who has been suspended by resolution of the Board may appeal to the Co-operative in a General Meeting within 7 days after notice of the decision is served on the Member, by lodging a notice of appeal with the Secretary.
- 15.6 On receipt of the notice of appeal, the Secretary must notify the Board, which is to convene a General Meeting of the Co-operative to be held within 28 days after the date on which the Secretary received the notice of appeal, to consider a Special Resolution to confirm the Board's decision to suspend the Member.
- 15.7 At the General Meeting of the Co-operative convened under **Rule 15.6**:
- (a) no business other than the question of appeal is to be transacted;
  - (b) the Board and the Member must be given the opportunity to state their respective cases orally or in writing, or both; and
  - (c) the Members present are to vote by secret ballot on the question of whether the Board's decision should be confirmed.



- 15.8 If the Special Resolution confirming the Board's decision to suspend the Member is passed, the Member's suspension will take effect from that time. If the Special Resolution confirming the Board's decision to suspend the Member is not passed, the Board resolution is revoked.
- 15.9 A Member who has been suspended is not entitled to the rights of membership and use of the Co-operative's facilities but remains liable for all their obligations as a Member under these Rules and the Law.

## 16 CEASING MEMBERSHIP

- 16.1 A person ceases to be a Member of the Co-operative under sections 117 of the Law, in each of the following circumstances:
- (a) if the Member's membership is cancelled under **Rule 12** (Inactive Members);
  - (b) if the Member is expelled in accordance with **Rule 14** (Expulsion of Members);
  - (c) if:
    - (i) the individual member becomes bankrupt or the corporate member becomes insolvent; or
    - (ii) the Member's property becomes subject to control under the law relating to bankruptcy,
  - (d) on the death of the Member,
  - (e) if the contract of Membership is rescinded on the ground of misrepresentation or mistake;
  - (f) for a Member that is a corporation - if the corporation is deregistered;
  - (g) on notice in writing given by the Member to the Secretary, of the Member's resignation from membership;
  - (h) if the Member does not qualify as a Member under **Rule 10**.
- 16.2 On the death of a Member, the Member's estate remains liable as the Member until the Member's personal representative or some other person is registered in the Member's place.

## 17 ONE MEMBER ONE VOTE

- 17.1 Members have the right to vote as specified in Part 3.2 of the Law.
- 17.2 An Active Member of the Co-operative has only one vote in respect of any question or motion arising at a General Meeting of the Co-operative.
- 17.3 A Member of the Co-operative is not entitled to vote at a meeting of the Co-operative:

- (a) if the person is not an Active Member of the Co-operative or a delegate for a body corporate that is an Active Member, or
- (b) the person is excluded from voting under the Law or the Rules.

17.4 In the case of joint membership, the joint members will have 1 vote only between them and that vote may only be exercised (subject to the grant of any proxy or power of attorney) by the joint member whose name appears first in the Register of Members.

17.5 On a show of hands, or on a poll, every representative of a corporation appointed in accordance with section 115 of the Law, will have one vote.

## **18 RIGHTS AND LIABILITIES OF MEMBERS TO THE CO-OPERATIVE**

18.1 A Member, in accordance with sections 121, 124 and 126 of the Law, is liable to the Co-operative for any charges or penalties, including entry and periodic fees, payable by the Member to the Co-operative as required by these Rules.

18.2 A Member of the Co-operative is not, as a Member, under any personal liability to the Co-operative, except as provided by this Rule.

18.3 This Rule does not affect a liability that a Member of the Co-operative may have to the Co-operative in respect of:

- (a) any trade or other business conducted by the Member with the Co-operative; or
- (b) any fines imposed on the Member by the Co-operative.

18.4 On the death of a Member, the Member's estate is subject to the same liability as the Member would have been liable until the Member's executor or administrator or some other person is registered in the Member's place. The Board must follow the provisions in Division 8 Part 2.4 of the Law and **Rule 21** in dealing with a deceased Member's estate.

## **19 DEALINGS OF MEMBERS WITH CO-OPERATIVES**

19.1 The Co-operative may, in accordance with section 125 of the Law, make a contract with a member requiring the member to have specified dealings with the Co-operative for a fixed period.

19.2 The provisions of the contract may require a member

- (a) to sell products through or to the Co-operative; or
- (b) to obtain supplies or services through or from the Co-operative; or
- (c) to pay to the Co-operative specified sums as liquidated damages for any failure to comply with a requirement authorised by this Rule.

- 19.3 Any amount required to be paid to the Co-operative as liquidated damages is, for the purpose of section 127 of the Law, a debt payable by the Member to the Co-operative and is accordingly subject to that section.

## 20 LOANS BY MEMBERS TO THE CO-OPERATIVE

- 20.1 The Co-operative may by levy, in accordance with section 343 of the Law, require its Members to lend money to the Co-operative, with or without security, in accordance with a proposal by the Members by Special Resolution passed by a special postal ballot. Any such proposal must be accompanied by a disclosure statement approved by the Registrar.
- 20.2 The term of the loan must not be for more than 7 years or a shorter period prescribed by the Regulations.
- 20.3 The approved proposal will be binding on all Members, when registered with the Registrar, other than a Member who has given notice of resignation under section 343 (3)(c) of the Law and on all persons who become Members of the Co-operative after that date and before the total amount of the loan to be raised has been raised.

## 21 DEATH OF A MEMBER

- 21.1 On the death of a Member of the Co-operative, the Board must transfer the deceased Member's interest (as defined in section 102 of the Law) in the Co-operative to:
- (a) the personal representative of the deceased Member, or
  - (b) one or more persons that the deceased's personal representative specifies in an application for transfer made to the Co-operative within 3 months after the death of the Member.
- 21.2 On the death of the Member of the Co-operative, the Member's interest in the Co-operative cannot be transferred to a person other than the personal representative of the deceased member except with the consent of the Board of the Co-operative.
- 21.3 The Board:
- (a) in the case of an application under **Rule 21.1(b)** — must give its consent under **Rule 21.2** to the transfer of the deceased Member's interest in the Co-operative, unless the Board reasonably believes the only transferee or each transferee will not be an Active Member of the Co-operative; or
  - (b) in any other case — may give its consent under **Rule 21.2** only if the Board reasonably believes the only transferee or each transferee will be an Active Member of the Co-operative.
- 21.4 In accordance with section 104 of the Law, if the total value of a deceased Member's interest in the Co-operative is less than \$10,000 (or a higher amount prescribed by the Regulations), the Board may, on the basis of evidence that it considers sufficient, transfer the interest under whichever of the following sub-rules are appropriate:

- (a) if the Member dies testate - to the person who appears to the Board to be entitled to the interest under the will of the deceased Member,
- (b) if the Member dies intestate - to any person who appears to the Board to be entitled to obtain a grant of administration of the estate of the deceased, and that person must then hold the interest on the same trusts as if he or she had obtained the grant.

21.5 A transfer must not be made under **Rule 21.4** after evidence has been produced to the Co-operative of the grant of letters of administration of the estate, or probate of the will, of the deceased Member.

21.6 For the purposes of section 105 of the Law the value of any other interest of a deceased Member will be determined by the instrument creating the interest.

## **22 FINES PAYABLE BY MEMBERS**

22.1 The Board may impose on a Member a maximum fine of \$1,000 for any infringement of the Rules or Co-operative Policy.

22.2 A fine pursuant to **Rule 22.1** must not be imposed on a Member unless:

- (a) written notice of intention to impose the fine and the reason for it has been given to the Member; and
- (b) the Member has been given a reasonable opportunity to appear before the Board in person (with or without witnesses) or to send to the Board a written statement for the purpose of showing cause why the fine should not be imposed.

22.3 Notwithstanding **Rule 22.1** above, the Board may impose on a Member the equivalent of any fine imposed upon the Co-operative by a Government or statutory authority as a result of a legal obligation of the Co-operative arising from the action or inaction of a Member.

## DIVISION 3 — GENERAL MEETINGS

### 23 ANNUAL GENERAL MEETING

- 23.1 The Co-operative must hold an Annual General Meeting at least once in each calendar year after its initial Annual General Meeting and within 5 months after the end of its Financial Year.
- 23.2 The Board may determine the date, time and place of the Annual General Meeting.
- 23.3 All other meetings of the Co-operative will be called Special General Meetings.
- 23.4 If any Annual General Meeting is not held in accordance with **Rules 23.1**, the Members may requisition the meeting. This requisition must be in accordance with section 257 of the Law and **Rule 25**.
- 23.5 In accordance with section 293 of the Law, the Co-operative must lodge an annual return with the Registrar within 5 months after the end of the Financial Year.

### 24 SPECIAL GENERAL MEETING

- 24.1 A Special General Meeting of the Co-operative may be convened by the Board when it thinks fit.

### 25 REQUISITION OF GENERAL MEETING

- 25.1 In accordance with section 257 of the Law, the Board must call a General Meeting of the Co-operative on the written requisition of any Active Members who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the Co-operative.
- 25.2 A Member is not entitled to be a requisitioning Member unless the Member is an Active Member.
- 25.3 The written requisition referred to in **Rule 25.1** must:
- (a) state the objects of the meeting;
  - (b) be signed by the requisitioning Members (and may consist of several documents in like form each signed by one or more of the requisitioning Members); and
  - (c) be served on the Co-operative by being lodged at the Office.
- 25.4 A meeting requisitioned by Members under this Rule must be called and held as soon as practicable and in any case must be held within 63 days after the requisition is served.
- 25.5 If the Board does not call the meeting within 21 days after the requisition is served, the following provisions apply:

- (a) the requisitioning Members (or any of them representing at least half their total voting rights) may call the meeting in the same manner as nearly as possible as meetings are called by the Board;
- (b) for that purpose they may request the Co-operative to supply a written statement setting out the names and addresses of the persons entitled to receive notice of General Meetings of the Co-operative, when the requisition was served;
- (c) the Board must send the requested statement to the requisitioning Members within 7 days after the request for the statement is made;
- (d) the meeting called by the requisitioning Members must be held within 91 days after the requisition is served;
- (e) any reasonable expenses incurred by the requisitioning Members because of the Board's failure to call the meeting must be paid by the Co-operative;
- (f) any amount required to be paid by the Co-operative under paragraph (e) must be retained by the Co-operative out of any money due from the Co-operative by way of fees or other remuneration for their services to the Directors in default.

## 26 NOTICE OF GENERAL MEETINGS

26.1 Subject to **Rule 26.2**, the Board must give **14 days'** notice (not including the day on which the notice is served or deemed to be served, but including the day for which notice is given) of any General Meeting specifying the place, day and hour of the business to all Members in the manner provided in these Rules, and to all other persons as may be entitled to receive the notice from the Co-operative.

26.2 The Board must give 21 days' notice (not including the day on which the notice is served or deemed to be served, but including the day for which notice is given) to all Members of a General Meeting at which a Special Resolution is to be considered and the notice must specify:

- (a) the intention to propose the Special Resolution;
- (b) the reasons for making of the Special Resolution;
- (c) the effect of the Special Resolution being passed; and
- (d) the place, day and hour of the business;

and be in the manner provided in these Rules, and be provided to all other persons as may be entitled to receive the notice from the Co-operative.

26.3 Notice of every General Meeting must be given to:

- (a) Members of the Co-operative, by the method specified in **Rule 84**;

(b) Any person required to be notified under **Rule 21**.

(c) Auditor or Auditors of the Co-operative (if any).

26.4 The non-receipt of a notice by, or the accidental omission to give a notice to, any of the Members of the General Meeting will not invalidate any resolution passed at the meeting.

26.5 Any Member who has a resolution to submit to a General Meeting must give written notice of the terms of the resolution to the Co-operative not less than 28 days prior to the date of the meeting.

26.6 The Board must insert in any notice convening a General Meeting any proper business that a Member has notified the intention to move and for which notification has been given in accordance with **Rule 26.5**.

## 27 BUSINESS AT GENERAL MEETINGS

27.1 The ordinary business of an Annual General Meeting other than the statutory meeting will be all (or any) of the following:

- (a) to receive from the Board, Auditors or any other officers of the Co-operative reports upon the transactions of the Co-operative during the Financial Year, including balance sheet, trading account, profit and loss account, statement of source and application of funds and the state of affairs at the end of that Financial Year,
- (b) to confirm minutes of the last preceding General Meeting (whether annual or special);
- (c) the report of the Board and Auditors;
- (c) to elect Directors and other officers in the place of those retiring;
- (e) to appoint (if necessary) an Auditor;
- (f) to fix remuneration of the Board and the Auditors;
- (g) to transact any other business which under these Rules ought to be transacted at an ordinary general meeting;
- (h) for Members to have a reasonable opportunity to ask questions about, or provide comments on, the management of the Co-operative and to ask the Auditor questions relevant to the conduct of the audit and the preparation and content of the auditor's report and the accounting policies adopted by the Co-operative in relation to the financial statements.

27.2 All other business transacted at an Annual General Meeting and all business transacted at a Special General Meeting will be deemed special.

## 28 QUORUM AT GENERAL MEETING

- 28.1 An item of business must not be transacted at a meeting of a Co-operative unless a quorum of Members entitled to vote is present at the time when the meeting is considering that item.
- 28.2 Except where these Rules state otherwise, one more Active Member than the total number of Directors (8) present in person and entitled to vote constitute a quorum.
- 28.3 If a quorum is not present within 30 minutes after the appointed time for the meeting, the meeting, if convened upon the requisition of Members under **Rule 25**, will be dissolved. In any other case it will be adjourned to the same day in the next week at the same time and place.
- 28.4 If at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting the Members present will constitute a quorum.

## 29 CHAIRPERSON AT GENERAL MEETINGS

- 29.1 The chairperson of the Board will be entitled to take the chair at every General Meeting.
- 29.2 If there is no chairperson, or at any General Meeting the chairperson is not present within 15 minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Members may elect one member of the Board to take the chair or if all the Board members are not present or decline to take the chair, the Members present will choose one of their numbers to be the chairperson (until such time as the chairperson attends and is willing to act).

## 30 ADJOURNMENT OF MEETINGS

- 30.1 The chairperson of General Meeting may, pursuant to an ordinary resolution passed by the Members, adjourn the General Meeting from time to time and from place to place. However, no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 30.2 If any General Meeting is adjourned for more than 21 days, a notice of adjournment must be given to all the Members in the same manner as notice was (or ought to) have been given as set out in **Rule 26**.

## 31 STANDING ORDERS AT GENERAL MEETINGS

- 31.1 The following standing orders will be observed at the Co-operative's meetings, subject to any suspension of, or amendment of, or addition to, these orders adopted for the purposes of that meeting by the Members present at the meeting:
- (a) the mover of a proposition will not speak for more than 10 minutes. Subsequent speakers will be allowed 5 minutes, and the mover of the proposition 5 minutes to reply. The meeting may however by simple majority extend in a particular instance the time permitted by this rule;



- (b) whenever an amendment to an original proposition is proposed, no second amendment will be considered until the first amendment is disposed of;
- (c) if the amendment is carried, the proposition as so amended will displace the original proposition and may itself be amended;
- (d) if the amendment is defeated, then a further amendment may be moved to the original proposition. However, only one amendment will be submitted to the meeting for discussion at one time;
- (e) the mover of every original proposition, but not of an amendment, will have the right to reply. Immediately after this the question will be put from the chair. No other Member will speak more than once on the same question, unless permission is given for an explanation, or where the attention of the chairperson is called to a point of order,
- (f) propositions and amendments will be submitted in writing, if requested by the chairperson;
- (g) any discussion may be closed by ordinary resolution "that the question be now put" being moved seconded and carried. Such resolution will be put to the meeting without debate.
- (h) any Member, or visitor invited to attend the meeting by the Board, may speak on any issue at a meeting with the permission of the chairperson provided that the permission may be conditional;
- (i) standing orders may be suspended for any period by ordinary resolution.

## **32 ATTENDANCE AND VOTING AT GENERAL MEETINGS**

- 32.1 A Member whose membership is required to be cancelled under **Rule 12** is not entitled to attend any meeting of the Co-operative.
- 32.2 A Member cannot vote at a meeting of the Co-operative if:
- (a) the person is not an Active Member of the Co-operative;
  - (b) the person is excluded from voting under the Law or these Rules.
- 32.3 A question for decision at a General Meeting of the Co-operative is to be decided by a show of hands, unless a poll is required.
- 32.4 The question is to be decided by a poll if a poll is required by the chairperson of the meeting or by any 5 Members present at the meeting or represented at the meeting by proxy.
- 32.5 Subject to **Rule 17**:

- (a) on a show of hands every Member present in person, by proxy or under power of attorney and entitled to vote will have one vote; and
  - (b) upon a poll every Member present in person or by proxy or under power of attorney and entitled to vote will have one vote.
- 32.6 The Board must at least 28 days prior to the calling of a General Meeting close the Register of Members for the purposes of establishing voting entitlements and no changes to voting entitlements between that date and the close of the General Meeting will be acknowledged without a resolution of the Board to that effect.
- 32.7 Subject to these Rules, votes may be exercised personally, by proxy or by attorney.
- 32.8 Any Member who is (or intends to be) absent or resident abroad may deposit in the Office an instrument duly stamped (if necessary) appointing a proxy valid for all meetings during the absence or residence and until revocation.
- 32.9 The chairperson may declare that a resolution has been passed or lost having regard to the majority required on a show of hands or a count of votes (unless a poll be demanded by the chairperson or by at least 5 Members present personally or by proxy). An entry to the effect in the book to be kept of the proceedings of the Co-operative signed by the chairperson at that or the next succeeding meeting, is conclusive evidence of the fact. No proof is needed of the number or proportion of the votes recorded in favour of, or against, the resolution.

### **33 POLL AT GENERAL MEETINGS**

- 33.1 If a poll is demanded by at least 5 Members present at the meeting or represented at the meeting by proxy or by the chairperson, it will be taken in the manner, time and place that the chairperson of the meeting directs, and either at once, after an interval or adjournment or otherwise. The result of the poll is deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn. In the case of any Dispute as to the admission or rejection of a vote the chairperson will determine the Dispute. A determination made in good faith is final and conclusive.
- 33.2 The demand for a poll will not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- 33.3 A poll demanded on or any question of adjournment or the election of the chairperson will be undertaken at the meeting and without adjournment.

### **34 PROXY VOTES**

- 34.1 Voting may be by proxy at a General Meeting of the Co-operative.
- 34.2 The instrument appointing a proxy must be in writing under the hand of the appointer or of the appointer's attorney who has been duly authorised in writing and be in the form given in **Schedule 2 of the Rules** or any other form which the Board approves.

- 34.3 An instrument appointing a proxy will be deemed to confer authority to demand or join in the demanding of a poll.
- 34.4 An instrument appointing a proxy may specify the manner in which the proxy is to vote on a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
- 34.5 No person can act as a proxy unless the person is an Active Member of the Co-operative.
- 34.6 A corporation or company (being a Member and entitled to vote), may, by resolution of its board or other governing body or by an instrument of proxy, authorise any person (whether a Member of the Co-operative or not) to act as its nominated representative at General Meetings. The representative is entitled to exercise the same powers on behalf of the corporation that the corporation could exercise if it were an individual Member of the Co-operative.
- 34.7 No person must act as proxy for more than 5 persons.

## **35 FORM AND VALIDITY OF PROXY**

35.1 An instrument appointing a proxy is not valid unless:

- (a) the instrument is in the form approved by the Board (including **Schedule 2**); and
- (b) if the instrument was signed under a power of attorney or other authority, that power or authority (or a copy of that power or authority certified by a notary)

is/are deposited:

- (c) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (d) in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll;

at the Office, or at another place specified in the notice convening the meeting.

35.2 A vote given in accordance with the terms of an instrument of proxy, or of a power of attorney, is valid notwithstanding the previous death or unsoundness of mind of the Active Member executing the proxy or power of attorney, the revocation of the instrument (or of the authority under which the instrument was executed) or the power, if no intimation in writing of the death, unsoundness of mind or revocation has been received by the Co-operative at the Office before the commencement of the meeting or adjourned meeting at which the instrument is used or the power is exercised.

35.3 The chairperson must determine if a vote recorded in a form of proxy is to be counted in relation to a proposed resolution.

35.4 Forms of proxy must be kept for at least 3 Months after the meeting to which they relate. After this time they may be destroyed.

### **36 POWER OF ATTORNEY**

36.1 Any Member may, by power of attorney duly executed, appoint an attorney (who must be a Member of the Co-operative) to act on the Member's behalf at all meetings of the Co-operative. Before the attorney is entitled to act, the power of attorney (or its proof to the satisfaction of the Board) must be produced for inspection at the Office, together with such evidence of the due execution of the attorney as the Board may require. The attorney may be authorised to appoint a proxy for the Member granting the power of attorney.

### **37 RESTRICTIONS ON VOTING ENTITLEMENT UNDER POWER OF ATTORNEY**

37.1 A person is not entitled to exercise a Member's right to vote under a power of attorney if that person has a power of attorney to vote in respect of another Member of the Co-operative under another power of attorney.

### **38 POSTAL BALLOT - FORM AND MANNER**

38.1 A postal ballot must be conducted in accordance with Regulation 3.9 of the National Regulations and in a form and manner as determined by this Rule.

38.2 The Co-operative may hold a postal ballot to determine any issue or proposal by the Members in the following manner:

- (a) the Board will cause the details of the proposal upon which the ballot is to be held to be set in a statement and fix the dates for the forwarding of ballots to Members and the closing of the ballot.
- (b) every ballot will be conducted by the returning officer who will be appointed by the Board. In default of such appointment being made in sufficient time to allow the procedure set forth in this rule to be followed, the Secretary, or in absence of the Secretary the person acting in the capacity of Secretary, will be the returning officer.
- (c) any person, with the exception of a Director, officer, or employee of the Co-operative, may be appointed by the Board to act as returning officer.
- (d) the returning officer may be assisted in the performance of any duties or powers under this rule by any person (who would be eligible to be returning officers) appointed by the returning officer.
- (e) the returning officer will prepare a roll of the full names and addresses of the Members of the Co-operative as disclosed by the register of Members together with particulars of the number of votes each Member would be entitled to exercise upon a poll.

- (f) a person whose name is on the roll, will be entitled to vote in a postal ballot, and no person will otherwise be so eligible or so entitled.
- (g) The returning officer will cause Ballot Papers to be prepared in a form similar to **Schedule 3**.
- (h) Each ballot paper will be initialled by the returning officer. The returning officer will, at least 21 days prior to the date fixed for the closing of the ballot, transmit by post or otherwise deliver to every member entitled to vote in a ballot, one set of the following material:
  - i. one ballot paper;
  - ii. an unsealed envelope (in this rule referred to as the outer envelope) addressed to the returning officer;
  - iii. a smaller envelope (in this rule referred to as the middle envelope) into which the voter will enclose the envelope containing the Ballot Paper. The reverse side of which will be printed words as required in **Schedule 3**;
  - iv. a small envelope (in this rule referred to as the inner envelope) into which the Ballot Paper is enclosed.
  - v. a copy of the statement (prepared by the Board) setting out the details of the proposal upon which the decision of the members is to be sought.
- (i) If electronic facilities for the postal ballot are to be used:
  - i. Members who have limited or no access to electronic facilities must not be prejudiced in their ability to be advised of the postal ballot and to consider, record and return their vote; and
  - ii. Accordingly, facilities must be reasonably available for Members to be advised of the postal ballot, and to consider, record and return their vote, otherwise than by the use of electronic facilities.
- (j) Every Member desiring to vote in the ballot should complete the details on the reverse side of the middle envelope and after marking their vote on the ballot paper according to the instructions on the ballot paper, seal the ballot paper in the inner envelope provided. The inner envelope containing the ballot paper should then be placed in the middle envelope and the middle envelope placed in the outer envelope addressed to the returning officer. The outer envelope should then be posted, or personally delivered to the returning officer not later than noon on the date fixed for the closing of the ballot.
- (k) The returning officer will provide a ballot box.

- (l) The ballot box will be locked immediately before the Ballot Papers are delivered in accordance with **Rule 38.2(h)** and **Rule 38.2(i)** and remain locked until the close of the ballot.
- (m) The returning officer will place the outer envelopes containing the Ballot Papers in the ballot box not later than noon on the date fixed for the closing of the ballot.
- (n) Upon a Member making and transmitting to the returning officer a declaration that the Member has not received the Ballot Paper, or that the Ballot Papers received by the Member have been lost, spoilt or destroyed, and that the Member has not already voted, the returning officer may issue a duplicate set of the material required under **Rule 38.2(h)** having endorsed any duplicate outer envelope with the word "duplicate". Any Member who makes a declaration under this Rule, which is false, in any particular material, will be guilty of a breach of these Rules.
- (o) Ballot Papers received after noon on the date fixed for the closing of the ballot will not be taken into account at the ballot.
- (p) As soon as practicable after noon on that date, the returning officer in the presence of such scrutineers as may be appointed by the Board will open the ballot box and deal with the contents in accordance with **Rule 38.2(q)** and **Rule 38.2(r)**.
- (q) The returning officer will:
  - i. remove the middle envelope from the outer envelope;
  - ii. where a duplicate outer envelope has been issued and the original outer envelope is received, reject the original envelope and mark it "rejected";
  - iii. according to the information on the middle envelope, mark for each set of voting papers returned, the voter's name on the roll by drawing a line through the name;
  - iv. where a Member's name has already been crossed out on the roll, reject the postal vote and mark it "rejected";
  - v. if the middle envelope has not been signed, or if the details shown on the envelope are not sufficient to disclose by whom the vote is being exercised, reject the envelope and mark it "rejected";
  - vi. extract or cause to be extracted the inner envelopes containing the Ballot Papers from all unrejected middle envelopes, separating the contents from the middle envelopes in such a way that no inner envelope could subsequently be identified with any particular voter, and

- vii. when all the middle envelopes have been dealt with, in the above manner, cause all the inner envelopes not rejected to be opened and the Ballot Papers to be taken from them.
- (r) The Ballot Papers will be scrutinised under the returning officer who should supervise and reject as informal any Ballot Paper that:
  - i. is not duly initialled by the returning officer,
  - ii. is so imperfectly marked that the intention of the voter cannot be ascertained by the returning officer,
  - iii. has any mark or writing not authorised by this rule which, in the opinion of the returning officer will enable any persons to identify the voter, or
  - iv. has not been marked as prescribed on the Ballot Paper itself.
- (s) the decision of the returning officer as to the formality of any Ballot Paper will be final and there will be no appeal from the decision.
- (t) the returning officer will count votes cast and make out and sign a statement of:
  - i. the number of formal votes cast in favour of the proposal;
  - ii. the number of formal votes cast against the proposal;
  - iii. the number of informal votes cast;
- (u) On the declaration of the returning officer of the result of the postal ballot the Secretary of the Co-operative is to make an entry in the minute book showing the particulars referred to in **Rule 38.2(t)**.
- (v) The returning officer will forward the statement to the chairperson of the Co-operative who will announce the result of the ballot at the next General Meeting.
- (w) The proposal which received the required majority of votes will have been passed.
- (x) The returning officer will retain all Ballot Papers (whether formal or otherwise) and rejected outer envelopes and rolls used in connection with the conduct of the ballot, locked in the ballot box until the returning officer has been directed by the Board, in writing that they may be destroyed.
- (y) Notification of the result of the ballot (other than a ballot conducted to alter these rules) will be displayed on the notice board at the Office.
- (z) In case of a postal ballot altering the rules, the Co-operative must cause the alteration to be notified in writing to its Members as soon as practicable after the alteration takes effect and, in any event, not later than the date on which notice

is given to the Members of the next Annual General Meeting of the Co-operative, following the taking effect of the alteration.

### 39 REQUISITION OF A POSTAL BALLOT

39.1 The Board must conduct a postal ballot (including a special postal ballot) for the passing of a Special Resolution on the written requisition of the number of members who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the Co-operative.

39.2 A Member cannot be a requisitioning Member unless the Member is an Active Member.

39.3 The following rule applies to a requisition for a postal ballot:

- (a) it must state:
  - i. the proposed Special Resolution to be voted on; and
  - ii. the reasons for the making of the Special Resolution; and
  - iii. the effect of the Special Resolution being passed;
- (b) it must be signed by the requisitioning Members;
- (c) it must be served on the Co-operative by being filed at the Office of the Co-operative.
- (d) the requisition must specify whether the postal ballot is to be a secret postal ballot.

39.4 The postal ballot must be conducted as soon as practicable and in any case must be conducted within 2 months after the requisition is served on the Co-operative.

39.5 If the Special Resolution for which the requisitioned postal ballot is conducted is not passed, the Co-operative may recover the expenses of the postal ballot from the Members who requisitioned the postal ballot as a debt payable to the Co-operative.

39.6 A postal ballot requisitioned under **Rule 39.1** is to be conducted in accordance with section 250 of the Law, Regulation 3.9 of the National Regulations and in the form and manner as determined by this **Rule 38** and **Rule 39**.

### 40 SPECIAL POSTAL BALLOTS

40.1 The Board must send a draft disclosure statement to the Registrar for approval at least 28 days before the notice of the special postal ballot is to be given to Members.

40.2 Ballot papers (in such form as required by **Rule 38**) must be sent to all voting Members so that they arrive (assuming standard postal times) at least 28 days before the closing date of the special postal ballot.



40.3 A special postal ballot must be held where there is a proposed resolution dealing with one of the matters listed in section 249 of the Law.

## 41 RESOLUTIONS

41.1 A Special Resolution is a resolution which is passed in accordance with sections 239 and 240 of the Law:

- (a) by a two-thirds majority at a General Meeting of Members;
- (b) by a two-thirds majority in a postal ballot (other than a special postal ballot) of Members; or
- (c) by a three-quarters majority in a special ballot of Members.

41.2 A resolution must not be considered to be passed as a Special Resolution unless the notice requirements under **Rule 26.2** have been given to Members.

41.3 A Special Resolution has effect from the date it is passed, other than a Special Resolution required under the Law or Rules to be passed by special postal ballot (other than a special postal ballot in favour of a voluntary winding up) in which case it has effect from the time it is registered by the Registrar.

41.4 A Special Resolution amending these Rules does not take effect until they have been registered by the Registrar in accordance with section 63 of the Law.

41.5 The Co-operative must lodge 2 copies of each Special Resolution passed by the Co-operative with the Registrar. The copies must:

- (a) be lodged within 28 days after the passing of a Special Resolution or a further period as the Registrar allows;
- (b) be signed by a Director and the Secretary of the Co-operative; and
- (c) be accompanied by the lodgement fee prescribed by the Regulations.

41.6 Except as otherwise provided in the Law or by the Rules, every question for decision by the Co-operative must be determined by ordinary resolution.

41.7 In accordance with section 238 of the Law, an ordinary resolution is a resolution of the Co-operative that is passed by a simple majority at a General Meeting of the Co-operative or by a postal ballot of Members.

## DIVISION 4 - DIRECTORS

### 42 BOARD OF DIRECTORS

42.1 There will be a board of at least 8 Directors, all of whom will be:

- (a) a natural persons, whether as a Member of the Co-operative, a nominated representative of a body corporate Member, or otherwise; and
- (b) at least 18 years old.

42.2 At least 2 of the Directors must be ordinarily resident in Australia.

42.3 Subject to the Law and these Rules, the business of the Co-operative is to be managed by the Board. The Board may exercise all the powers of the Co-operative that are not, by the Law or the Rules, required to be exercised by the Co-operative in a General Meeting.

42.4 The acts of a Director are valid despite any defect that may afterwards be discovered in his or her appointment or qualification.

### 43 QUALIFICATIONS OF DIRECTORS

43.1 A person is not eligible to be elected as a Director of the Co-operative unless the person:

- (a) is an Active Member of the Co-operative or a representative of a body corporate which is an Active Member of the Co-operative (**Member Director**);
- (b) is an employee of the Co-operative (**Non-Member Director**); or
- (c) is qualified and nominated by the Board (**Non-Member Director**).

43.2 An employee of a Co-operative is not precluded from being a Director if he or she is otherwise qualified.

43.3 The majority of Directors must be Member Directors.

43.4 A person must not act as a Director if the person is disqualified under section 181 of the Law.

43.5 A partner, employer, or employee of an Auditor of the Co-operative must not be appointed as a Director or alternate Director of the Co-operative.

43.6 All Directors must within 12 Months of becoming elected attend a training course on directors' duties and regularly attend courses for the purposes of attaining or maintaining skills appropriate to directors of a co-operative which provides education and training of Aboriginal and Torres Strait Island students.

43.7 A person is not eligible to be elected as a Non-Member Director unless he or she has a professional qualification in teaching, law, finance, governance or other professional skills relevant to and commensurate with their role as a Director of the Co-operative.

#### **44 FIRST AND SUBSEQUENT DIRECTORS**

44.1 At the Annual General Meeting in each subsequent year, following the first Annual General Meeting, the Directors will retire in rotations of 4 and 4.

#### **45 RETIREMENT OF DIRECTORS**

45.1 The Directors to retire in any year must be (subject to the provision as to filling casual vacancies) those who have been longest in office since their last election and as between persons who became Directors on the same day, the Directors to retire must be determined by lot (unless they otherwise agree among themselves). In such a case, the order for retirement will be the order in which the names are withdrawn.

45.2 A retiring Director remains in office until the close of the Annual General Meeting.

#### **46 RE-ELECTION OF RETIRING DIRECTORS**

46.1 A retiring Director is eligible for re-election subject to the person holding the qualifications specified in **Rule 43**.

46.2 A retiring Director who is eligible for re-election must be nominated.

#### **47 FILLING OF CASUAL VACANCIES**

47.1 The Board may, subject to **Rule 43**, appoint a person to fill a casual vacancy in the office of Directors (including a vacancy created under **Rule 50**). Any Director appointed under this Rule will hold office only until the next Annual General Meeting, but may then be eligible for re-election upon nomination.

47. In the event that the Board does not make an appointment under **Rule 47.1**, a casual vacancy is to be filled by election by the Members held:

- (a) at a meeting of the Co-operative; or
- (b) by a means of a postal ballot; or
- (c) in a manner specified in **Rule 48**; or
- (d) in such other manner as the Registrar may approve in a particular case.

47.3 The person chosen under **Rule 47.2** will retire at the same time as the Director who vacated the office would have done if that Director had not vacated it.

47.4 For the purposes of this Rule, a casual vacancy will arise where the office of a Director is vacated in accordance with **Rule 50**.

## 48 FILLING A VACATED OFFICE

48.1 At an Annual General Meeting at which a Director retires or a casual vacancy occurs the vacated office may be filled by electing a person to it in a manner specified in this Rule.

48.2 At least 6 weeks before the Annual General Meeting, the Board must:

- (a) notify all Members of the Directors retiring at the Annual General Meeting; and
- (b) advise the Members of:
  - i. their eligibility to nominate as a Director,
  - ii. the duties and responsibilities of a Director,
  - iii. the anticipated remuneration (if any); and
  - iv. the nomination and election procedures.

48.3 Not less than 28 days before the Annual General Meeting, a notice must be displayed at the Office inviting nominations of candidates for election as Directors.

48.4 A nomination must:

- (a) be signed by 2 or more Members;
- (b) provide details of the qualifications and experience of the person nominated; and
- (c) be accompanied by a notice in writing signed by the candidate agreeing to his or her nomination.

48.5 The nomination and the notice referred to in the **Rule 48.4** must be lodged at the Office at least 30 days before the Annual General Meeting.

48.6 Details of each person who has been nominated must be given to Members with the notice of the Annual General Meeting by the Secretary or an Officer nominated by the Board. Details to be provided to Members must include the nominee's name, qualifications and experience and length of previous service as a Director of the Co-operative or with any other co-operative.

48.7 The Members must by resolution confirm or reject the nominee's election as a Director.

48.8 If there are insufficient nominees to fill all vacancies, the nominees must be elected at the meeting or have their appointment confirmed by ordinary resolution and nominations for people to fill the remaining vacancies will be called from the floor and a ballot held if required.

48.9 Where the number of nominees exceeds the number of vacancies, the election of Directors must be conducted by postal ballot in accordance with **Rule 38** and the results of the election must be announced at the Annual General Meeting.

48.10 If any vacancies remain at the end of the meeting, such vacancies will be casual vacancies and will be filled in accordance **Rule 47**.

## **49 REMOVAL FROM OFFICE OF DIRECTOR**

49.1 The Co-operative may at a General Meeting by ordinary resolution passed by a simple majority remove any Director before the expiration of the Director's period of office and by ordinary resolution appoint another person in place of that Director.

49.2 Notice of intention to move the resolution must be given to the Co-operative at least 2 months before the meeting is to be held. However, subject to **Rule 49.3**, if the Co-operative calls a meeting after the notice of intention is given under this Rule, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

49.3 At least 21 days notice must be given of a meeting of the Members of the Co-operative at which a resolution will be moved:

- (a) to remove a Director from office; or
- (b) to appoint a Director in place of a Director removed from office.

49.4 The Co-operative must give the Director a copy of the notice as soon as practicable after it is received.

49.5 The Director is entitled to put his or her case to Members by:

- (a) giving the Co-operative a written statement for circulation to members; and
- (b) speaking to the motion at the meeting.

49.6 The written statement is to be circulated by the Co-operative to members by

- (a) sending a copy to everyone to whom notice of the meeting is sent if there is time to do so; or
- (b) If there is no time to comply with **Rule 49.6(a)** — having the statement distributed to Members attending the meeting and read out at the meeting before the resolution is voted on.

49.7 The Director's statement does not have to be circulated to Members if it is more than 1,000 words long or defamatory.

49.8 The person appointed under **Rule 49.1** must retire at the same time as the removed Director would have retired if not removed.

## 50 VACATION OF OFFICE OF DIRECTOR

50.1 The office of a Director will be vacated:

- (a) if the Director is disqualified from being a Director as provided by section 181 of the Law,
- (b) if the Director absents himself or herself from 3 consecutive ordinary meetings of the Board without its leave;
- (c) on the expiration of 1 month's notice in writing of the Director's intention to resign office, given by the Director to the Board;
- (cl) if the Director is removed from office by ordinary resolution of the Co-operative in accordance with **Rule 49**;
- (e) if the person ceases to hold the qualification by which the person was qualified to be a Director,
- (o) if an administrator of the Co-operative's affairs is appointed under Division 6 of Part 4.1 of the Law,
- (g) if the Director becomes bankrupt, suspends payment, liquidates by arrangement, compounds with or assigns that Director's estate for the benefit of creditors;
- (h) if the Director becomes mentally incapacitated or unsound of mind.

## 51 DIRECTORS EXPENSES

51.1 A Director of the Co-operative must not receive remuneration for services as a Director other than:

- (a) fees, concessions and other benefits approved at a General Meeting of the Co-operative; and
- (b) reimbursement or payment of Director's travelling and other expenses that the Director properly incurs:
  - (i) in attending meetings of the Board of Directors of the Co-operative or any other meetings of committees of Directors of the Co-operative; and
  - (ii) in attending any General Meeting of the Co-operative.

## 52 PERSONAL INTERESTS IN CONTRACTS

52.1 A Director who is in any way (whether directly or indirectly) interested personally in a contract (or proposed contract) with the Co-operative, must declare the nature and extent of the interest to the Board and the Board must record it in the Board minutes.

52.2 In the case of a proposed contract, the declaration must be made:

- (a) at the meeting of the Board at which the question of entering into the contract is first considered; or
- (b) if the Director was not at that time interest in the proposed contract - at the next meeting of the Board held after the Director becomes interested in the proposed contract.

52.3 If a Director becomes interested in a contract with the Co-operative after it is made, the declaration must be made at the next meeting of the Board held after the Director becomes interested in the contract.

52.4 A Director who holds office or has an interest in property whereby, whether directly or indirectly, duties or interests might be created that could conflict with the Director's duties or interests as a Director must declare at a meeting of the Board the fact and the nature, character and extent of the conflict. The declaration must be recorded in the Board minutes.

52.5 A declaration required under **Rule 52.4** in relation to holding office or having an interest in property must be made by a person:

- (a) if the person holds the office or has the interest in the property when he or she becomes a Director of the Co-operative - at the first meeting of the Board held after whichever is the later of the following:
  - i. the person becomes a Director,
  - ii. the relevant facts as to holding the office or having the interest in the property come to the person's knowledge; or
- (b) if the person starts to hold the office or acquires the interest in the property after the person becomes a Director of the Co-operative - at the first meeting of the Board held after the relevant facts as to holding office or having the interest in the property come to the person's knowledge.

52.6 If a Director has made a declaration under this Rule, then unless the Board determines otherwise, the Director cannot:

- (a) be present during any deliberation of the Board in relation to the matter, or
- (b) take part in any decision of the Board in relation to the matter.

52.7 For the purposes of the making of a determination of the Board, the Director cannot:

- (a) be present during any deliberation of the Board for the purpose of making the determination; or
- (b) take part in the making by the Board of the determination.

52.8 A Director is not required to declare his or her interest in a contract or proposed contract if he or she has an interest in any contract listed in section 211 of the Law.

## 53 DUTIES AND LIABILITIES OF DIRECTORS, OFFICERS AND EMPLOYEES

53.1 A Director or other Officer of the Co-operative must exercise their power and discharge their duties with the degree of care and diligence that a reasonable person would exercise if they:

- (a) were a Director or Officer of a co-operative in the Co-operative's circumstances; and
- (b) occupied the office held by, and had the same responsibilities within the Co-operative as, the Director or Officer.

53.2 A Director or other Officer of the Co-operative who makes a business judgment, as defined by s 192(3) of the Law, is taken to meet the requirements in **Rule 53.1**, and their equivalent duties at common law and in equity in respect of the judgment, if they

- (a) make the judgment in good faith for a proper purpose (taking into account the Co-operative's principles where relevant and other relevant matters); and
- (b) do not have a material personal interest in the subject matter of the judgment; and
- (c) inform themselves about the subject matter of the judgment to the extent they reasonably believe to be appropriate; and
- (d) rationally believe that the judgment is in the best interest of the Co-operative.

The Director's or Officer's belief that the judgment is in the best interest of the Co-operative is a rational one unless the belief is one that no reasonable person in their position would hold.

53.3 A Director or other Officer of the Co-operative must exercise their powers and discharge their duties:

- (a) in good faith in the best interests of the Co-operative; and
- (b) for a proper purpose.

53.4 A Director, Secretary, other Officer or employee of the Co-operative must not improperly use their position to:

- (a) gain an advantage for themselves or someone else; or
- (b) cause detriment to the Co-operative.

53.5 A person who obtains information because they are, or have been, a Director or other Officer or employee of the Co-operative must not improperly use the information to:



- (a) gain an advantage for themselves or someone else; or
- (b) cause detriment to the Co-operative.

## 54 ALTERNATE DIRECTORS

- 54.1 A Director may from time to time apply, in writing, for any Active Member (other than the auditor or a partner or employer or employee of the auditor) to be appointed by the Board as an alternate Director to sit in the Director's place on the Board.
- 54.2 An alternate Director appointed by the Board is entitled to notice of meetings of the Directors and, in the absence of the nominating Director, to attend and vote at those meetings and to sign resolutions and to exercise such powers, authorities and discretions as are vested in or would otherwise be exercisable by the nominating Director.
- 54.3 An alternate Director must vacate office if the nominating Director ceases to be a Director or on a majority of the other Directors removing him or her from office.
- 54.4 An appointment or removal under this Rule must be in writing and must be served on the alternate Director. The appointment or removal takes effect from service of the notice of appointment or removal, as the case may be. Service of any such notice may be affected in accordance with **Rule 84**.
- 54.5 An alternate Director whilst acting in the absence of the nominating Director must not be an agent of the nominating Director and the nominating Director is not liable for the actions of the deputy Director.
- 54.6 The remuneration of any alternate Director is payable out of the remuneration payable to the nominating Director and consists of a portion of the last mentioned remuneration as agreed between the alternate Director and the nominating Director.
- 54.7 The attendance of the alternate Director at any meeting of the Board will be deemed to be attendance by the nominating Director.
- 54.8 For purposes of this Rule a meeting of the Directors includes a meeting conducted pursuant to **Rule 58**.

## 55 NOTICE OF APPOINTMENT AND CESSATION OF DIRECTORS AND OFFICERS

- 55.1 In accordance with section 216 of the Law, the Co-operative must give notice to the Registrar of the appointment of a person as Director, chief executive officer, or Secretary of the Co-operative, and of the cessation of any such appointment.
- 55.2 The notice must:
- (a) be in the form approved by the Registrar,
  - (b) be given within 28 days after the appointment or cessation of appointment; and

55.3 specify the particulars prescribed by Regulation 3.5 in the National Regulations of the appointment or cessation of appointment.

## **DIVISION 5 — THE BOARD**

### **56 POWERS OF THE BOARD**

56.1 Subject to the Law and the Rules, the Board may exercise all the powers conferred on the Co-operative by the Law for the control of the affairs of the Co-operative.

56.2 Subject to these Rules, the Board may execute and exercise all contracts, powers, acts, matters, transfers, assurances, deeds and things required and necessary to give effect to the above powers and authorities, and to all or any sale or sales or disposition provided that the Co-operative complies with section 359 of the Law.

56.3 In accordance with section 207 of the Law, the Board may, subject to approval by Special Resolution of the Members, enter into a management contract with an external third party for the day-to-day management of the Co-operative but the responsibility for the corporate governance of the Co-operative remains with the Board.

### **57 PROCEEDINGS OF THE BOARD**

57.1 The Board will meet at least once every 3 months in accordance with section 175 and may be held as often as may be necessary.

57.2 Questions arising at a Board meeting must be decided by a majority of votes of Directors present and voting, and any decision is for all purposes deemed to be a decision of the Board.

57.3 In case of an equality of votes, the chairperson of the meeting will have a second or casting vote.

57.4 A Director may at any time convene a meeting of the Board by giving notice individually to every other Director.

57.5 Except in special circumstances determined by the chairperson, at least 48 hours notice must be given to the Directors of all board meetings.

57.6 A meeting of the Board may be called or held using any technology consented to by the Board. The consent may be a standing one.

57.7 Subject to **Rule 52** a Director must not vote in respect of any contract or proposed contract with the Co-operative in which the Director is in any way interested or in respect of any matter arising out of such a contract or proposed contract.

## **58 TRANSACTION OF BUSINESS OUTSIDE BOARD MEETINGS**

- 58.1 The Board of the Co-operative may, if it thinks fit, transact any of its business by the circulation of papers among all of the Directors of the Board.
- 58.2 A resolution in writing approved in writing by a majority of the Directors of the Board is to be taken to be a decision of the Board.
- 58.3 Separate copies of a resolution may be distributed for signing by the Directors if the wording of the resolution and approval is identical in each copy.
- 58.4 For the purpose of approving a resolution under this Rule, the chairperson of the Board and each Director of the Board have the same voting rights as they have at an ordinary meeting of the Board.
- 58.5 The resolution is approved when the last Director required for the majority signs.
- 58.6 A resolution approved under this Rule must be recorded in the minutes of the meetings of the Board within 28 days after the resolution is approved and when possible, recorded as a resolution in the minutes of the next Board meeting.
- 58.7 The Secretary may circulate papers among Directors of the Board for the purposes of this Rule by facsimile, email or other transmission of the information in the papers concerned.
- 58.8 The Board of the Co-operative may, if it thinks fit, transact any of its business at a meeting at which Directors (or some Directors) participate by telephone, closed circuit television or other means, but only if any Director who speaks on a matter can be heard by the other Directors.

## **59 QUORUM FOR BOARD MEETINGS**

- 59.1 The quorum for a meeting of the Board will be 5 Directors.
- 59.2 For a quorum, the Member Directors must outnumber the Non-Member Directors by at least one.
- 59.3 If at any time the number of Directors is the same or less than the number of Directors required to constitute a quorum of the Board:
- (a) the Board may appoint sufficient Directors, to fill the casual vacancies, so that the number of Directors is one more than a quorum; and
  - (b) for the purposes only of enabling the Board to make such an appointment, the number of Directors required to constitute a quorum is the number of Directors at that time.

## **60 CHAIRPERSON OF THE BOARD**

60.1 The Board must elect one of their number to act as chairperson of the Board.

60.2 If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present may choose one of their number to be chairperson of the meeting until such time as the chairperson attends and is willing to act in that capacity.

60.3 The chairperson of the Board must be an Active Member.

60.4 The Board may by ordinary resolution of the Board remove the chairperson from office. The former chairperson remains a Director after their removal as chairperson.

## **61 BOARD DELEGATION AND BOARD COMMITTEES**

61.1 The Board may, in accordance with section 178 of the Law, by resolution delegate the exercise of any of the Board's functions (other than this power of delegation) stated in the resolution to:

- (a) a Director, or
- (b) a committee of 2 or more Directors; or
- (c) a committee of Members of the Co-operative; or
- (d) to a committee of Members and other persons if the Members comprise the majority of persons on the committee.

61.2 The Co-operative or the Board may by resolution revoke wholly or in part any delegation.

61.3 A function, the exercise of which has been delegated under this Rule, may be exercised from time to time in accordance with the terms of the delegation while the delegation remains unrevoked.

61.4 A delegation under this Rule may be made subject to conditions or limitations as to the exercise of any of the functions delegated, or as to time or circumstance.

61.5 Despite any delegation under this Rule, the Board may continue to exercise all or any of the functions delegated.

61.6 A committee may elect a chairperson of their meetings. If no chairperson is elected or, if at any meeting the chairperson is not present within 5 minutes after the time appointed for holding the meeting, then the committee members present may choose one of the committee members to be chairperson of the meeting.

61.7 A committee may meet, and adjourn, as it thinks fit. Questions arising at any meeting must be determined by a majority of votes of the members of the committee present and voting. In case of an equality of votes, the chairperson of the meeting has a second or casting vote.

- 61.8 Any decision or action of a committee appointed by the Board is subject to review by the Board. Any decision or action of a committee not previously approved by the Board may be overturned by the Board.
- 61.9 Where a function is exercised by a Director (either alone or with other Directors) and the exercise of the function is evidenced in writing, signed by the Director in the name of the Board or his or her name on behalf of the Board, then the function will be deemed to have been exercised by the Board. This is so whether or not a resolution delegating the exercise of the function to the Director was in force when the function was exercised, and whether or not any conditions or limitations referred to in **Rule 61.4** were observed by the Director exercising the functions.
- 61.10 An instrument purporting to be signed by a Director will be in all courts and before all persons acting judicially be received in evidence as if it were an instrument executed by the Co-operative under seal. Furthermore, until the contrary is proved, it will be deemed to be an instrument signed by a delegate of the Board under section 178 of the Law.

## 62 OTHER COMMITTEES

- 62.1 The Board may by resolution appoint committees comprised of Members or other persons, or both, to act in an advisory role to the Board and to any committees of Directors.
- 62.2 The provisions of **Rule 61** apply to committees appointed under this Rule subject to any variations approved of by the Board.
- 62.3 The quorum for any meeting of the committee is one half (or where one half is not a whole number the whole number next higher than one half) of the number of Members in the committee.

## 63 VALIDITY OF ACTS

- 63.1 All acts done by any meeting of the Board or of a committee of Directors or by any person acting as a Director is (notwithstanding that it be afterwards discovered that there was some defect in the appointment of the Director or person or that they or any of them were disqualified) as valid as if the person had been duly appointed and was qualified to be a Director.

## 64 MINUTES

- 64.1 The Board must enter minutes of meetings into books provided for this purpose. In particular, minutes must record:
- (a) all appointments of officers and employees made by the Directors;
  - (b) the names of the Directors present at each meeting of the Board and of any committee of the Board;
  - (c) all resolutions and proceedings at all meetings of the Co-operative and of Directors and of committees of Directors;
  - (d) the appointments of Directors and Secretaries;
  - (e) the details of personal interests of Directors in contracts entered into by the Co-operative;
  - (f) all Co-operative Policies made by the Board; and

(g) the General Meetings of the Co-operative.

64.2 Minutes of each General Meeting, board meeting and committee meeting must be recorded in the minute book within 28 days after the meeting to which they relate.

64.3 The minutes must be confirmed by the Board and signed by the chairperson of the meeting at the next succeeding meeting of the Co-operative, Board or committee to which the minutes relate. If it is impracticable for the minutes to be confirmed at that meeting, the minutes must be confirmed at the next succeeding meeting.

64.4 Directors present at any meeting must sign their name in a book to be kept for that purpose.

64.5 The minutes are to be kept in the English language.

64.6 The minutes of each General Meeting must be available for inspection by Members.

64.7 The minutes of Board meetings and subcommittee meetings are not to be made available for inspection by Members or the public.

## 65 OFFICERS

65.1 Without prejudice to the general powers conferred on the Board, by the Law and the Rules, the Board has power to appoint and, at its discretion, remove or suspend officers, employees, agents and contractors, and to fix their powers, duties and remuneration. These powers are subject to any terms and conditions of employment and termination in Co-operative's employment agreements.

65.2 The Board may delegate any of its powers under **Rule 65.1** to an officer or employee of the Co-operative, subject to any conditions or limitations which the Board sees fit to impose.

65.3 The Board may, at any time, revoke or vary a delegation made under **Rule 65.2**.

65.4 Despite any delegation under this Rule, the Board may continue to exercise all or any of the powers under **Rule 65.1**.

## 66 APPOINTMENT OF A SECRETARY

66.1 The Board must appoint a Secretary who will perform all of the functions and duties required by the Law, the Regulations, the Rules and the law to be performed or undertaken by the Secretary of the Co-operative.

66.2 A Secretary will:

- (a) be appointed to the office on such terms and conditions as the Board may determine; and
- (b) hold office until death or removal by the Board, or resignation from office.

- 66.3 The Board may appoint a person to act as the Secretary during the absence or incapacity of the Secretary.
- 66.4 The Board must give notice of the appointment or cessation of appointment of the Secretary in accordance with **Rule 55**.

## **67 APPOINTMENT OF A PUBLIC OFFICER AND CHIEF EXECUTIVE OFFICER**

- 67.1 In accordance with the *Income Tax Assessment Act 1936* (Cth), the Board must appoint a Public Officer of the Co-operative within 3 Months from the date of registration of the Co-operative.
- 67.2 The Public Officer must:
- (a) be a natural person aged 18 or over,
  - (b) ordinarily reside in Australia; and
  - (c) be a Member of the Co-operative.
- 67.3 Upon appointing the Public Officer, the Board must:
- (a) record the appointment on the Co-operative's register; and
  - (b) provide to the Australian Taxation Office:
    - (i) a notice of appointment of Public Officer, and
    - (ii) a copy of the letter of consent to act as Public Officer signed by the Public Officer.
- 67.4 The Board may, if it considers appropriate, appoint a person to be responsible for the day to day management of the Co-operative. The person may be a Director or the Secretary or a Member of the Co-operative or some other person.
- 67.5 The appointed person is the chief executive officer of the Co-operative, and may be called the chief executive officer or (if a Director of the Board) the managing Director.
- 67.6 The conditions and the period of appointment including termination must be decided by the Board.
- 67.7 The chief executive officer is not entitled to be present or to vote at a meeting of the Directors on a motion concerning the conditions of his or her own appointment, conditions of service or termination of service.
- 67.8 The chief executive officer cannot be required to be an Active Member of the Co-operative.

67.9 In the event of any conflict between the terms of the appointment of a person as the chief executive officer and that person's obligations or privileges under the Law, the terms of the Law prevail over the terms of appointment.

## **68 INDEMNITY OF OFFICERS, THE CO-OPERATIVE AND INSURANCE**

68.1 The Co-operative may indemnify its officers and agents out of the funds of the Co-operative against all costs, charges, losses, damages and expenses which they respectively incur, or be put to, in the execution of their respective offices, or by reason on account of any contract, act, deed or matter or thing which is made done, permitted, entered into or executed by them respectively on behalf of, or bona fide in the interests of, or with the view to benefiting, the Co-operative, notwithstanding that these may be ultra vires in point of law.

68.2 Directors, trustees or other officers will be chargeable only for so much money as they actually receive. They respectively are not answerable for

- (a) the acts, receipts or defaults of each other, but each of them for their own acts, receipts, defaults or neglects only,
- (b) any solicitor, banker, broker, collector or other person appointed by the Board or trustees with whom or into whose hands any property or money of the Co-operative may be deposited or come;
- (c) the insufficiency of any title to the estate or property which may from time to time be purchased by order of the Board on behalf of the Co-operative;
- (ci) the insufficiency of any security upon which any of the moneys of the Co-operative are invested by order of the Board or trustees; and
- (e) for any loss or damage which may happen in the execution of their respective duties, unless this occurs or arises through their own respective wilful neglect or fault.

68.3 However, nothing in these Rules will exempt any Director, manager or officer of the Co-operative or any person (whether an officer of this Co-operative or not), employed by this Co-operative as auditors, from, or indemnify the person against, any liability which by virtue of any rule or law would otherwise attach to the person in respect of any negligence, default, breach of duty or breach of trust of which the person may be guilty in relation to the Co-operative..

68.4 The Co-operative will take out indemnity insurance cover as may be resolved by the Board upon from time to time in order to protect and indemnify Directors and Officers in respect of all actions taken by them in good faith in their capacity as Directors and Officers of the Co-operative.

68.5 The Board will effect, and maintain, a policy of insurance for the indemnity of the Co-operative against the pecuniary loss to the Co-operative resulting from any act of fraud or dishonesty committed:



- (a) by any officer of, or other person employed by, the Co-operative in connection with his or her duties; or
- (b) where a person contracts to provide a secretarial or administrative service to the Co-operative - by that person or any of his or her employees in connection with the provision of any such service.

68.6 The Board will arrange insurance against loss, damage to or liability of the Co-operative by reason of fire, accident or otherwise.

## **DIVISION 6 — DEFAULT AND WARRANTY**

### **69 DEFAULT**

69.1 The Member must:

- (a) comply at all times with the provisions of these Rules and at all times observe the provisions of the relevant laws;
- (b) not do anything (or allow anything to be done) the doing or omission of which may result in a breach by the Co-operative of the Law, the Regulations or any laws;
- (c) not do anything (or allow anything to be done) that is contrary to the interests of the Co-operative;
- (d) not cause damage to the assets of the Co-operative;
- (e) pay the amount, if any, unpaid on the Shares held by that Member,

and the Member will be in default of these Rules if the Member contravenes any of these obligations.

69.2 Subject to Rule 69.3 where a Member is in default the Co-operative may by written demand require the default to be remedied. If the default by the Member continues for 30 days after the written demand the Co-operative is entitled to take any action necessary to remedy the default on behalf of the Member.

69.3 If the Member is in default because of his or her contravention of Rule 69.1 and as a consequence of that contravention, the Co-operative remedies the default; the Member will be liable for all costs and expenses incurred by the Co-operative in remedying the default.

69.4 If:

- (a) the Member repeatedly defaults; or
- (b) if any default of the Member is so severe or prolonged that the Co-operative forms the view (on reasonable grounds) that the default may cause or substantially contribute to a breach of the Law, the Regulations, the law or any legal right or entitlement of a third party,

the Co-operative may suspend all or part of the Member's benefits pending remedy of the default and without any obligation to make up any shortfall in providing any benefit to the Member once the default is remedied.

69.5 The Co-operative's rights under this Rule are in addition to any other rights the Co-operative may have at law or in equity.

## **70 WARRANTY AND LIMITATION OF LIABILITY**

70.1 The Co-operative warrants that it will use all reasonable endeavours to operate its business in an efficient and cost-effective manner and to comply with its obligations under the Law.

70.2 Nothing done or omitted to be done by the Co-operative or any persons acting under the authority of the Co-operative will render the Co-operative or that person liable for any loss, damage, sum of money, costs, cause of action, liability, claim or demand of any type by the Member. Without limitation, no matter or thing done by the Co-operative, or by any person acting under the authority of the Co-operative, will, if that matter or thing was done bona fide, subject the Co-operative or any such person to any action, liability, claim or demand whatsoever.

70.3 A Member does not have any right or claim to relief of any kind whatever in any legal or other proceeding against the Co-operative or officer or employee of the Co-operative in respect of any nuisance connected with or in any way arising out of:

- (a) the design, construction, alteration, maintenance, non-maintenance, operation, repair, disrepair or non-repair of an asset owned or controlled by the Co-operative;
- (b) the destruction or damage, or partial destruction or partial damage, caused by an asset owned or controlled by the Co-operative; or
- (c) the exercise, in respect of an asset owned or controlled by the Co-operative, by the Co-operative of any function conferred or imposed on the Co-operative under these Rules, the Law or any other Act.

70.4 The Co-operative will not incur any liability in respect of:

- (a) any advice furnished in good faith by the Co-operative; or
- (b) any other thing done or omitted to be done in the exercise of the Co-operative's functions under any law.

70.5 To the extent permissible by law, any and all implied warranties or representations by the Co-operative are negated.

70.6 Notwithstanding any other provision of these Rules, the Co-operative will not be liable for any failure or delay in the Co-operative's performance of its obligations under these Rules if such failure or delay is caused or contributed to by any event or circumstance beyond the control of the Co-operative.

## DIVISION 7 — ACCOUNTING AND FINANCIAL MATTERS

### 71 FINANCIAL YEAR

71.1 The Financial Year of the Co-operative will end on the 31 December.

### 72 FINANCIAL REPORTING REQUIREMENTS

72.1 The Co-operative must prepare the Basic Minimum Financial Statements in accordance with the Law, the Regulations and these Rules.

72.2 The Co-operative is required to appoint an Auditor or Auditors in accordance with the Law, Regulations and these Rules.

72.3 The Co-operative is required to have its Basic Minimum Financial Statements audited in accordance with Division 3 of Part 2M3 of the *Corporations Act 2001* (Cth) as applying under section 283 of the Law.

72.4 The Co-operative is not required to prepare a directors report or financial report in accordance with Part 3.3 of the Law unless directed by its Members or the Registrar under **Rules 72.7** and **72.12**.

72.5 If the Co-operative has not received a direction from its Members or the Registrar under **Rules 72.7** and **72.12**, it must prepare the following Basic Minimum Financial Statements for a Financial Year

- (a) an income and expenditure statement that sets out the appropriately classified individual sources of income and individual expenses incurred in the operation of the Co-operative and the assets and liabilities of the Co-operative;
- (b) balance sheet (including appropriately classified individual assets and liabilities of the Co-operative);
- (c) statement of changes in equity (if any);
- (d) cash flow statements. A cash flow statement is not required if:
  - i. the consolidated revenue of the Co-operative and the entities it controls (if any) is less than \$750,000; and
  - ii. the value of the consolidated gross assets and entities it controls (if any) is less than \$250,000.

72.6 The Basic Minimum Financial Statements required under **Rule 72.5** must:

- (a) include comparative figures from the previous Financial Year,
- (b) include a statement of significant accounting policies; and

- (c) present a true and fair view of the Co-operative's financial position, performance and cash flows.

72.7 In accordance with section 271 of the Law, Members with at least 5% of the votes in the Co-operative may give the Co-operative a direction to:

- (a) prepare a financial report or director's report or both for a Financial Year in accordance with all or with specified requirements of Part 3.3 of the Law; and
- (b) send them to all Members.

72.8 A direction given by the Members under **Rule 72.7** must be:

- (a) signed by the Members giving the direction; and
- (b) made no later than 12 months after the end of the Financial Year concerned.

72.9 A direction given by the Members under **Rule 72.7** may specify all or any of the following matters:

- (a) that the financial report does not have to comply with some or all of the accounting standards under section 314 of the Law; and/or
- (b) that a director's report or a part of that report need not be prepared in accordance with Part 3.3 of the Law,

72.10 If a direction given by the Members under **Rule 72.7** is given to the Co-operative before the end of the Financial Year, the direction must specify the date by which the documents have to be prepared, sent or lodged. The date must be a reasonable one in view of the nature of the direction.

72.11 If a direction given by the Members under **Rule 72.7** is given to the Co-operative after the end of the Financial Year, the Co-operative must report to Members in a manner provided for by section 284 of the Law by the later of:

- (a) 2 months after the date on which the direction was given; and
- (b) 5 months after the end of the Financial Year.

72.12 The Registrar may give a direction to the Co-operative, in accordance with section 272 of the Law, to comply with all or specified requirements of Part 3.3.

72.13 The Co-operative must lay before the Annual General Meeting the Basic Minimum Financial Statements or the reports required as a result of the a direction made under **Rules 72.7** and/or **72.12**.

72.14 The Co-operative must have a copy of the Basic Minimum Financial Statements or the reports required as a result of a direction made under **Rules 72.7** and/or **72.12** displayed at the Office of the Co-operative for a period of no less than 14 days before the date of the Annual General Meeting.

72.15 The Co-operative will send a copy of the Basic Minimum Financial Statements or the reports required as a result of a direction made under **Rules 72.7** and/or **72.12** to each Member, in a manner prescribed by section **284** of the Law, with the notice of the Annual General Meeting.

72.16 The Co-operative must report to Members, in a manner prescribed by section 284 of the Law, within 5 months after the end of the Financial Year.

### **73 LODGEMENT OF ANNUAL RETURN**

73.1 The Co-operative must lodge its annual return with the Registrar for each Financial Year in accordance with section 293 of the Law.

73.2 The Co-operative must lodge the Annual Return with the Registrar within 5 months after the end of the Financial Year.

### **74 APPOINTMENT, DUTIES AND RESPONSIBILITIES OF AUDITORS**

74.1 An Auditor appointed must hold office, be remunerated and have qualifications, duties and responsibilities in accordance with the *Corporations Act 2001* (Cth) as applied by the Law and Regulations. No person will be appointed as an Auditor who is under the Law, Regulations or the *Corporations Act 2001* (Cth) disqualified from acting as an Auditor.

74.2 The Co-operative must:

- (a) appoint an Auditor at its first Annual General Meeting; and
- (b) appoint an Auditor to fill any vacancy in the office of Auditor if necessary at a subsequent Annual General Meeting.

74.3 An Auditor appointed under **Rule 74.2** holds office until the Auditor:

- (a) dies
- (b) is removed, or resigns, from office in accordance with section **310** of the Law, or
- (c) ceases to be capable of acting as Auditor because of Division 2 of Part 2M.4 of the *Corporations Act 2001* (Cth) as applying under section 297 of the Law, or
- (d) ceases to be an Auditor as a result of section 300(3)-(5) of the Law.

**74.4** If:

- (a) a vacancy occurs in the office of Auditor, and
- (b) the vacancy is not caused by the removal of an Auditor from office; and
- (c) there is no surviving or continuing Auditor,

the Board must, within 1 month after the vacancy occurs, appoint an Auditor to fill the vacancy unless the Co-operative at a General Meeting has appointed an Auditor to fill the vacancy.

- 74.5 The Auditor appointed under **Rule 74.4** holds office until the Co-operative's next Annual General Meeting.
- 74.6 If an Auditor *is* removed from office in accordance with **Rule 75** at a General Meeting, the Co-operative may at that General Meeting (without adjournment), by Special Resolution immediately appoint an individual, firm or company as Auditor of the Co-operative if a copy of the notice of nomination has been sent to the individual, firm or company.
- 74.7 If a Special Resolution is not passed under **Rule 74.6** or could not be passed because a copy of the notice of nomination has not been sent to the individual, firm or company, the General Meeting may be adjourned and the Co-operative may, at the adjourned meeting, by ordinary resolution appoint an individual, firm or company as Auditor of the Co-operative if:
- (a) a Member gives the Co-operative notice of the nomination of the individual, firm or company for appoint as Auditor, and
  - (b) the Co-operative receives the notice at least 14 clear days before the day to which the meeting is adjourned.
- 74.8 The day to which the General Meeting is adjourned, under **Rule 74.7** must be:
- (a) not earlier than 20 days after the day of the meeting; and
  - (b) not later than 30 days after the day of the meeting.
- 74.9 An Auditor appointed under **Rule 74.6** holds office until the next Annual General Meeting.
- 74.10 If an Auditor is *not* removed from office at the Annual General Meeting under **Rule 75**, a Co-operative may appoint an individual, firm or company as Auditor at its Annual General Meeting only if a Member gives the Co-operative written notice of the nomination of the individual, firm or company as Auditor no less than 21 days before the Annual General Meeting.
- 74.11 If a Member gives the Co-operative notice of the nomination in accordance with **Rule 74.10** the Co-operative must send a copy of the notice, no less than 7 days before the meeting, to:
- (a) each individual, firm or company nominated; and
  - (b) each Auditor; and
  - (c) each person entitled to receive notice of General Meetings.

74.12 The Co-operative or the Board must not appoint an individual, firm or company as Auditor unless that individual, firm or company:

- (a) has consented, in writing, before the appointment, to act as Auditor, and
- (b) has not withdrawn that consent before the appointment is made.

74.13 The Board must notify the Registrar of the appointment, by the Co-operative or the Board, of an Auditor within 28 days of appointment.

74.14 The Board will enable the Auditor to have access to all books, accounts, vouchers, securities and documents of the Co-operative, and to be furnished with such information and explanation by the Board or any other officers as may be necessary for the performance of the duties of the Auditor.

74.15 The Board must give its Auditors:

- (a) notice of a General Meeting in the same way that a Member is entitled to receive notice; and
- (b) any other communications relating to the General Meeting that a Member is entitled to receive.

74.16 The Auditor is entitled to attend any General Meeting and is entitled to be heard at the meeting on any part of the business of the meeting that concerns the Auditor in the capacity of Auditor.

74.17 The Auditor is entitled to be heard even if:

- (a) the Auditor retires at the meeting; or
- (b) the meeting passes a resolution to remove the Auditor from office.

74.18 While a vacancy in the office of Auditor continues, the surviving or continuing Auditor or Auditors (if any) may act as Auditors.

74.19 All reasonable fees and expenses of an Auditor are payable by the Co-operative.

## **75 REMOVAL OF AUDITORS**

75.1 An Auditor may be removed from office by resolution of the Co-operative at a General Meeting only if notice under **Rule 75.2** has been given, but not otherwise.

75.2 Notice of intention to move the resolution must be given to the Co-operative at least 2 months before the meeting is to be held. However, if the Co-operative calls a meeting after the notice of intention is given under this Rule, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

75.3 Where notice under **Rule 75.2** of a resolution to remove an Auditor is received by the Board, it must as soon as possible send a copy of the notice to the Auditor and lodge a copy of the notice with the Registrar.

75.4 Within 7 days after receiving a copy of the notice, the Auditor may make representations in writing, not exceeding a reasonable length, to the Co-operative and request that, before the meeting at which the resolution is to be considered, a copy of the representations be sent by the Co-operative at its expense to every Member to whom notice of the meeting is sent.

75.5 Unless the Registrar on the application of the Co-operative otherwise orders, the Co-operative must send a copy of the representations in accordance with the Auditor's request, and the Auditor may, require that the representations be read out in the meeting and may also speak at the meeting.

75.6 Within 14 days after the removal from office of an Auditor, the Co-operative must lodge with the Registrar a notice of the removal.

## **76 RESIGNATION OF AUDITOR**

76.1 An Auditor may, by notice in writing given to the Co-operative, resign as Auditor of the Co-operative.

76.2 The Auditor is not required to first obtain the consent of the Registrar to resign.

76.3 Resignation takes effect:

(a) on the day (if any) specified for the purposes of the notice of resignation; or

(b) on the day on which the notice is received by the Co-operative

whichever is the later.

76.4 Within 14 days after the receipt of notice of resignation from an Auditor, the Co-operative must lodge with the Registrar a notice of the resignation.

## **77 BANKING**

77.1 The Board must ensure that:

(a) a banking account or accounts are kept in the name of the Co-operative; and

(b) all money received by the Co-operative is to be paid into that account or those accounts as soon as practicable after it is received.

77.2 All cheques drawn on such accounts, electronic funds transfer and all drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the Co-operative, must be signed by any 2 or more Directors or by any 2 persons authorised by the Board.



## 78 CUSTODY OF SECURITIES

78.1 A person or persons appointed by the Board annually will have the custody of the securities and records of the Co-operative. For the purposes of this Rule, "securities" includes, but is not limited to Shares held by the Co-operative.

## 79 ESTABLISHMENT OF THE CO-OPERATIVE RESERVES

79.1 The Board must cause separate accounts to be kept for the Reserves (if any).

79.2 Subject to **Rule 79.3** moneys to the credit of Reserves may only be established and utilised for the purposes of meeting anticipated expenses and liabilities of the Co-operative in future years, including anticipated expenses and liabilities that the Board determine are prudent and reasonable to permit the Co-operative to carry out its primary activities and objects.

79.3 Moneys to the credit of the Reserves may only be expended for a purpose other than those stated (in respect of each particular Reserve) in **Rule 79.2** if approved by ordinary resolution of Members at a General Meeting.

## 80 DISTRIBUTION OF SURPLUS

80.1 Subject to **Rule 80.5**, the Board will retain the entire surplus arising in any Financial Year of the business of the Co-operative to be applied solely towards the promotion of the objects of the Co-operative.

80.2 "Surplus" for the purposes of this Rule means the excess of income over expenditure after making appropriate allowance for taxation expense, depreciation value of the property of the Co-operative and for future contingencies.

80.3 No part of the Surplus will be paid directly or indirectly by way of discount, rebate or otherwise by way of profit to the Members of the Co-operative.

80.4 In accordance with section 356 of the Law, a part of the Surplus, not more than 20% arising in any Financial Year from the business of the Co-operative may be applied to a charitable purpose, or for promoting co-operation or any community advancement object, at the discretion of the Board.

80.5 The Board may resolve to retain part of the Surplus arising from the business of the Co-operative in any Financial Year to be applied to meet any past loss or potential future loss on transactions of the Co-operative.

## 81 PROVISION FOR LOSS

81.1 The Board must make appropriate provision for losses in the Co-operative's accounts. If the Co-operative operated at a loss in the Financial Year the Board must, when reporting to Members, indicate whether the loss is expected to continue and whether there is any real prejudice to the Co-operative's solvency.

## 82 ACQUISITION AND DISPOSAL OF ASSETS

82.1 In accordance with s 359 of the Law, the Co-operative must not do any of the following things except as approved by Special Resolution by Special Postal Ballot:

- (a) sell or lease the undertaking of the Co-operative as a going concern;
- (b) sell or lease a part of the undertaking of the Co-operative that relates to its primary activities and the value of which represents 25% or more of the total book value of the undertaking;
- (c) acquire from or dispose of to:
  - i. a Director or employee of the Co-operative; or
  - ii. a relative (within the meaning of the *Corporations Act 2001* (Cth)) of a Director or employee of the Co-operative or of the spouse or de factor partner of a Director or employee of the Co-operative;  
  
property the value of which represents 5% or more of the total book value of all assets of the Co-operative relating to its primary activities
- (d) acquire an asset the value of which represents 25% or more of the total book value of the undertaking of the Co-operative, if the acquisition would result in the Co-operative commencing to carry on an activity that is not one of its primary activities;
- (e) dispose of an asset, if the disposal would result:
  - i. in the Co-operative ceasing to carry on a primary activity of the Co-operative; or
  - ii. in the ability of the Co-operative to carry on a primary activity of the Co-operative being substantially impaired.

## 83 ANNUAL SUBSCRIPTION

83.1 The Annual Subscription is due on the 31 March.

## **DIVISION 8 - MISCELLANEOUS**

### **84 SERVICE AND NOTICES**

84.1 A notice or other document is required to be given to a Member:

- (a) personally,
- (b) by post to a registered address of the Member as appearing in the Register of Members or an alternate address supplied by the Member,
- (c) by some other form of technology, for example by facsimile or email, where the Member has given consent and notified the Co-operative of the relevant contact details; or
- (d) subject to section 611 of the Law, by publishing the notice in a newspaper circulating generally in this jurisdiction or in the area served by the Co-operative if the Members' whereabouts are unknown to the Co-operative and the Registrar permits notice to be given to Members of the Co-operative in that way.

84.2 A document may be served on a Co-operative in accordance with section 610 of the Law

- (a) by post addressed to the Office; or
- (b) by leaving it at the Office with a person who appears to be aged 16 or more; or
- (c) by delivering a copy of the document personally to a Director of the Co-operative who resides in Australia.

84.3 Where a notice is sent by post, service is deemed to be effected at the time at which the properly addressed and prepaid letter would be delivered in the ordinary course of post. In the case of a notice of a meeting, service is deemed to be effected at the expiration of 24 hours after the letter containing the notice is posted. In proving such service it is sufficient to prove that the envelope containing the notice was properly addressed and posted.

84.4 A notice or other document to a Member, advertised in a newspaper, is deemed to be duly given to the Member on the date on which the advertisement appears.

84.5 A notice or other document forwarded by facsimile transmission is deemed to have been served, unless the sender's facsimile machine indicates a malfunction in transmission, on the day of transmission if transmitted during a Business Day, otherwise on the next following Business Day.

84.6 A notice or other document forwarded by email transmission is deemed to have been served, unless the sender receives a warning or report to the effect that the email could not be delivered to the recipient on the day of transmission if transmitted during a Business Day, otherwise on the next following Business Day.

84.7 A notice may be given by the Co-operative to joint members by giving the notice to the joint member named first in the Register of Members.

84.8 A notice may be given by the Co-operative to the person entitled to an interest in consequence of the death, incapacity or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to that person by name. Alternatively, it can be addressed to the person by the title of the representative of the deceased, or incapacitated person, or trustee of the bankrupt, or by any like description. The address should be that supplied for the purpose by the person claiming to be entitled. Alternatively, if no such address has been supplied the notice can be given in the manner in which it could have been given if the death incapacity or bankruptcy had not occurred.

84.9 For the purposes of this Rule "registered address" means the address of the Member as appearing in the Register of Members.

## **85 EXECUTION OF DOCUMENTS**

85.1 The Co-operative is not required to execute documents by common seal.

85.2 The Co-operative must execute documents by:

- (a) 2 Directors signing the document; or
- (b) a Director and the Secretary.

85.3 The Co-operative may execute a document as a deed if the document is expressed to be executed as a deed and is executed in accordance with **Rule 85.2**.

## **86 AGENT EXERCISING CO-OPERATIVE POWER TO MAKE CONTRACTS**

86.1 The Co-operative may, in writing, empower a person, either generally or in respect of a specified matter or specified matters, as its agent or attorney to make, vary, ratify or discharge a deed or contract on the Co-operative's behalf.

86.2 The power under **Rule 86.1** is to be exercised without using a common seal.

## **87 DISPUTES**

87.1 The grievance procedure set out in this Rule applies to Disputes under these Rules between:

- (a) a Member and another Member,
- (b) a Member (including a former member) and the Co-operative.

87.2 If a Dispute arises, a party cannot commence any court or arbitration proceedings relating to the Dispute unless it has complied with the provisions of this Rule, except where a person seeks urgent interlocutory relief.

87.3 The parties to the Dispute must meet and discuss the matter in Dispute, and, if possible, resolve the Dispute within 14 days of:

- (a) the Dispute coming to the attention of each party, or
- (b) a party giving notice, to each other parties involved, of the Dispute or grievance.

87.4 If the parties are unable to resolve the Dispute at the meeting, or if a party fails to attend that meeting, the parties must, as soon as practicable, hold a meeting in the presence of a mediator.

87.5 The mediator is, where possible, to be a person chosen by agreement between the parties, but in the absence of agreement between the parties:

- (a) for a Dispute between a Member and another Member, a person appointed by the Board; or
- (b) for a Dispute between a Member (including a former member) and the Co-operative, a person appointed by a mediation service accredited by the Australian Mediation Association.

87.6 The mediator may (but need not) be a Member of the Co-operative, unless the Member is a party to the Dispute.

87.7 The parties to the Dispute must, in good faith, attempt to settle the Dispute by mediation.

87.8 The mediator, in conducting the mediation must:

- (a) give the parties to the mediation process every opportunity to be heard; and
- (b) allow due consideration by all parties of any witness statement submitted by any party; and
- (c) ensure that natural justice is accorded to the parties to the Dispute throughout the mediation process.

87.9 The mediator cannot determine the Dispute.

87.10 The mediation must be confidential and without prejudice.

87.11 The cost of the mediation is to be shared equally between the parties unless otherwise agreed.

87.12 Nothing in this Rule applies to any Dispute as to the construction or effect of any mortgage or contract contained in any document other than these rules.

87.13 Nothing in this Rule applies to any Dispute involving the expulsion or suspension of a Member or the imposition of a fine.

87.14 If the mediation process does not result in the Dispute being resolved, the Dispute will be settled by arbitration in accordance with the *Commercial Arbitration Act 2010* (NSW).

## 88 REGISTERS TO BE KEPT

88.1 A Co-operative must keep the following registers in written or electronic form:

- (a) a register of Directors;
- (b) a register of Members (including their shareholding, if any);
- (c) a register of:
  - (i) loans to, securities given by, debentures issued by, and deposits received by the Co-operative; and
  - (ii) names of persons who have given loans or deposits to the Co-operative or hold securities or debentures given or issued by the Co-operative.
- (d) a register of loans made by or guaranteed by the Co-operative, and of securities taken by the Co-operative;
- (e) a register of CCUs issued by the Co-operative and their holders;
- (f) a register of membership cancelled under Part 2.6;
- (g) a register of notifiable interests under section 368 of the La;
- (h) other registers required by the Regulations.

88.2 The registers listed in **Rule 88.1** must contain the particulars described in Schedule 2 of the Regulations.

## 89 CUSTODY AND INSPECTION OF RECORDS

89.1 The Co-operative must have at the Office, or another location specified in section 213 of the Law, available during all reasonable hours for inspection by any Member free of charge the following:

- (a) a copy of:
  - (i) the Law, and
  - (ii) the Co-operatives National Law Act of this jurisdiction;and
  - (iii) the National Regulations; and
  - (iv) the local regulations;

- (b) a copy of these Rules of the Co-operative and attachments to the rules required under section 421 of the Law,
- (c) a copy of the minutes of each General Meeting of the Co-operative;
- (d) a copy of the last annual return of the Co-operative;
- (e) the register of Directors;
- (f) the register of Members;
- (g) the register of names of persons who have given loans or deposits to the Co-operative or hold securities or debentures given or issued by the Co-operative;
- (h) the register of CCUs issued by the Co-operative and their holders; and
- (i) register of loans made by or guaranteed by the Co-operative, and of securities taken by the Co-operative; and
- (j) the register stating particulars of persons whose membership has been cancelled under Part 2.6 of the Law.

89.2 A Member is entitled to make a copy of entries in a register specified in **Rule 89.1** on payment of the prescribed fee as stated in **Schedule 1**.

## 90 CO-OPERATIVE POLICIES

90.1 The Board may make policies for the Co-operative not inconsistent with these Rules, the Law and Regulations and any other law to govern the Co-operative's activities, conduct and dealings generally (**Co-operative Policy**). A breach of a Co-operative Policy will be deemed to be an infringement of the Rules for the purposes of fines.

90.2 A copy of the Co-operative Policies made under this Rule must be made available for inspection at the Office and at no cost.

## 91 WINDING UP

91.1 The winding up of the Co-operative must be in accordance with Part 4.5 of the Law.

91.2 At any postal ballot held in accordance with the Law, not less than four fifths of the formal votes cast must be in favour of winding up if the requirement under the Law is to be regarded as satisfied.

91.3 If, on the winding up or dissolution of the Co-operative, there remains any property after satisfaction of all its debts and liabilities, this must not be paid to or distributed among the Members of the Co-operative but must be given or transferred to an entity or entities:

- (a) with objects similar to those of the Co-operative; and

- (b) whose constitution or rules prohibits the distribution of its property among its members;
- (c) chosen by the Members of the Go-operative at or before the dissolution or, in default, by a judge of the court with jurisdiction in the matter, and
- (d) which satisfies the relevant sections of the *Income Tax Assessment Act*.



## SCHEDULE 1- CHARGES

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ITEM	CHARGE
• Obtaining a copy of an entry in any Register	\$5.00
• Hard copy book of Rules	\$5.00
Maximum Fine	\$1000

## SCHEDULE 2 - PROXIES

### CO-OPERATIVE FOR ABORIGINES LIMITED

I/We, ..... (Name)

of ..... (Address)

being a Member/s of the Co-operative appoint

..... (Name)

of ..... (Address)

as my/our proxy, to vote for me/us and on my/our behalf at the

\*Annual General Meeting of the Co-operative

\*Special General Meeting of the Co-operative,

to be held on the ..... day of

..... (Month) ..... (year) and at any adjournment of that meeting.

I/We direct my/our proxy to vote in respect of each resolution to be considered as indicated with an 'X' below, and to vote or abstain in respect of any procedural resolution as my/our proxy thinks fit:

	FOR	AGAINST
[ordinary/special resolution] resolution no.1	[    ]	[    ]
[ordinary/special resolution] resolution no.2	[    ]	[    ]

If no direction is given above, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of each resolution (including any procedural resolution) to be considered by the meeting and any adjournment of the meeting.

DATED .....

SIGNATURE .....

Corporate members should execute under seal or by attorney.

" Strike out whichever is not applicable.

### SCHEDULE 3 - POSTAL BALLOTS

Name of Co-operative .....

Ballot of members to determine the following proposal -

.....  
.....

The ballot will close at noon on .....

#### How to Vote

1. Read these directions and the ballot paper carefully.
2. Complete and sign the details on the reverse side of the middle envelope.
3. If you are in favour of the proposal insert the word "YES" in the square in the ballot paper hereunder. If you are not in favour of the proposal insert the word "NO".
4. After marking the ballot paper fold it and place it in the small envelope provided and seal the envelope. Then place this envelope in the middle envelope and place the middle envelope in the envelope addressed to the returning officer. Forward this envelope either by post or personal delivery so as to reach the returning officer not later than noon on.

.....

5. Unless the ballot paper is marked as indicated in 3 above and the details referred to in 2 above are completed in full and signed, your vote may be rejected as informal.

.....

Initials of Returning Officer

**BALLOT PAPER**

Are you in favour of the proposal as referred to above?

.....  
(Full Name)

.....  
(Address)

.....  
(Signature)

- a. Please use capital letters
- b. If the vote is being cast on behalf of a co-operative or other corporate body also indicate the name of such cooperative or corporate body.

#### **SCHEDULE 4 — TRANSITIONAL PROVISIONS**

1. These rules are of a savings and transitional nature and are for clarification. They take effect on the registration of the rules passed by the Special General Meeting held on 13 March 2015.
4. The Directors as at Special General Meeting held on 13 March 2015 continue to be the Directors under the Rules commencing on the date of registration of the Rules approved by Special Resolution in the same rotation.

**ATTACHMENT TO THE RULES OF CO-OPERATIVE FOR  
ABORIGINES LIMITED**

We the Directors of Co-operatives for Aborigines  
Limited (the Co-operative) in relation to the attached Rules:

1. Confirm that we have read the proposed rules of the Co-operative, and
  2. Approve the Rules for presentation and approval at the Annual General Meeting of the Co-operative to be held on the 13 March 2015.
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