

the co-operative.

REQUISITIONED MEETING MUST BE CONVENEED AS SOON AS PRACTICAL

42. (a) A meeting requisitioned by members in accordance with Rule 41 must be convened and held as soon as practicable and, in any case, must be held within 2 months after the requisition is served.
- (b) Where the Board does not convene a meeting twenty one (21) days after the requisition is served, the following provisions apply:
- (i) the requisitioning members (or any of them representing at least half their aggregate voting rights) may convene the meeting in the same manner as nearly as possible as meetings are convened by the Board;
 - (ii) for that purpose they may request the co-operative to supply a written statement setting out the names and addresses of the persons entitled when the requisition was served to receive their notice of general meeting of the co-operative;
 - (iii) the Board must send the requested statement to the requisitioning Members within 7 days after the request for the statement is made.
 - (iv) the meeting convened by the requisitioning members must be held not later than 3 months after the requisition is served;
 - (v) any reasonable expenses incurred by the requisitioning members because of the Board's failure to convene the meeting must be paid by the co-operative;
 - (vi) any such amount required to be paid by the co-operative is to be retained by the co-operative out of any money due from the co-operative by way of fees or other remuneration in respect of their services to such of the directors as were in default.

NOTICE OF GENERAL MEETINGS

43. (a) Subject to Rules 39 and 44, at least 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) shall be given of any general meeting in the manner stipulated in Rule 82.
- (b) Notice must be given to those persons who are, under these rules entitled to receive such notices from the co-operative, but the non-receipt of the notice by any member shall not invalidate the proceedings at such general meeting. The notice must specify the place, the day and the hour of the meeting and, in the case

of special business, the general nature of that business.

- (c) 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.
- (d) The Board shall have inserted in any notice convening a general meeting any business which a member has notified of intention to move and for which notification has been given in accordance with this rule.
- (e) Notice of every general meeting shall be given in the same manner as authorised in Rule 82 to:
 - (i) every member of the co-operative, except those members who have not supplied to the co-operative an address or facsimile number for the giving of notices to them; and
 - (ii) the auditor or auditors of the co-operative.
- (f) Except as provided in this rule, no other persons shall be entitled to receive notices of general meetings.

NOTICE OF SPECIAL RESOLUTIONS

44. Notice of a special resolution shall be given to those persons, entitled to receive notice Under Rule 43, at least 21 days before the general meeting. The notice shall specify:
- (a) the intention to propose the resolution as a special resolution at that meeting;
 - (b) the reason for the making of the special resolution; and
 - (c) the effect of the special resolution if passed.

BUSINESS OF GENERAL MEETINGS

45. (a) The ordinary business of the annual general meeting shall be:
- (i) to confirm the minutes of the last preceding general meeting (whether annual or special); and
 - (ii) for the Board, auditors, or any officers of the co-operative to present 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 year; and

- (iii) to elect or declare the results of an election and determine the remuneration of directors; and
 - (iv) to elect (if necessary) an auditor, or to determine the auditor's remuneration, or both;
 - (v) to allow members a reasonable opportunity to ask questions about or comment on the management of the co-operative and to ask the auditor or their representative questions relevant to the conduct of the audit and the preparation and content of the auditor's report.
- (b) The annual general meeting may also transact special business of which notice has been given to members in accordance with these rules.
- (c) All business of a general meeting, other than business of the annual general meeting that is by this rule termed ordinary business, should be deemed special business.

QUORUM AT GENERAL MEETINGS

46. (a) No item of business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting is considering that item.
- (b) Except where these rules state otherwise, 30 active members, present in person and entitled to vote, constitutes a quorum.
- (c) If within half an hour after the appointed time for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall be adjourned to the same day in the next week at the same time and place. If at the adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting the members present shall constitute a quorum.

CHAIRPERSON AT GENERAL MEETINGS

47. (a) The Chairperson of the Board shall preside as chairperson at every general meeting of the co-operative.
- (b) If there is no such chairperson, or if at any meeting the chairperson is either not present within 5 minutes after the time appointed for holding the meeting or is unwilling to act as chairperson, then the members present shall choose someone from their number to be chairperson until such time as the chairperson attends or is willing to act.
- (c) The chairperson may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to

time and from place to place. The only business that can be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for 14 days or more notice of the adjourned meeting shall be given just as in the case of the original meeting. Apart from this requirement it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

STANDING ORDERS AT GENERAL MEETINGS

48. (a) The following standing orders shall 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 a meeting:
- (i) the mover of a motion shall not speak for more than 10 minutes. Subsequent speakers shall 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;
 - (ii) whenever an amendment to an original motion is proposed, no second amendment shall be considered until the first amendment is disposed of;
 - (iii) if an amendment is carried, the motion as so amended shall displace the original motion and may itself be amended;
 - (iv) if an amendment is defeated, then a further amendment may be moved to the original motion. However, only one amendment shall be submitted to the meeting for discussion at one time;
 - (v) the mover of every original motion, but not of an amendment, shall have the right to reply. Immediately after this the question shall be put from the chair. No other member shall 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;
 - (vi) any discussion on a motion or amendment may be closed by a resolution "that the question be now put" being moved seconded, and carried. Such resolution shall be put to the meeting without debate.
- (b) Motions and amendments shall be submitted in writing, if requested by the chairperson.
- (c) 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.
- (d) Standing orders may be suspended for any period by ordinary resolution.

ATTENDANCE AND VOTING AT GENERAL MEETINGS

49. (a) At any meeting of the co-operative a member, whose membership is required to be forfeited under Rule 17, is not entitled to attend.
- (b) A member of the co-operative is not entitled to vote at the meeting of the co-operative:
- (i) if the person is not an active member of the co-operative;
 - (ii) the person is excluded from voting under the Act of these rules.
- (c) At any general meeting a resolution put to the vote of the meeting shall (as provided in Section 201 of the Act) be decided on a show of hands. This is unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least 5 members. If no poll is demanded, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of proceedings of the co-operative shall be evidence of that fact. No proof is needed of the number or proportion of the votes recorded in favour of, or against, that resolution.
- (d) If a poll is demanded, in accordance with Rule 49(c), it shall be taken in a manner which the chairperson directs. Unless the meeting is adjourned the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- A poll demanded on the election of the chairperson, or on a question of adjournment, shall be taken immediately.
- A poll demanded in accordance with Rule 49(c) may be withdrawn.
- (e) On a show of hands, or on a poll, every member who is present at a meeting in person shall have one vote. However, no member shall have a vote, or be entitled to vote, contrary to the Act.
- (f) In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
- (g) All resolutions, except special resolutions, shall be determined by a simple majority of the votes from those members who being eligible to do so vote in person at the meeting.

POSTAL BALLOT

50. The co-operative may hold a postal ballot to determine any issue or proposal by the members in the manner prescribed in Schedule 2 of the Co-operatives Regulation 1997.

SPECIAL RESOLUTION

51. (a) A special resolution means a resolution of which notice has been given of the intention to propose the resolution as a special resolution and which is passed either by two-thirds of the members who vote at a general meeting in person or in a postal ballot; or by three quarters of the members who cast votes in a special ballot of members.
- (b) A special postal ballot for the purposes of passing a special resolution must be conducted in relation to the following matters:
- (i) a conversion of a trading co-operative to a non-trading co-operative and vice versa;
 - (ii) transfer or incorporation;
 - (iii) an acquisition or disposal of assets referred to in Section 285 of the Act;
 - (iv) takeover;
 - (v) merger;
 - (vi) transfer of engagements;
 - (vii) members' voluntary winding up.
- (c) A special resolution has effect from the date it is passed except in the following circumstances:
- (i) the removal of an auditor;
 - (ii) the expulsion of a member;
 - (iii) the alteration of a rule;
 - (iv) any matter for which a special resolution is required 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.

BOARD OF DIRECTORS

52. (a) The Board shall consist of seven (7) directors who shall comprise a Chairperson, two (2) Vice Chairpersons, a Treasurer and three (3) other directors;
- (b) The business of the co-operative is to be managed by the Board, and for that purpose the Board may exercise all the powers of the co-operative that are not, by the Act or these rules, required to be exercised by the co-operative in general meeting.
- (c) The acts of a director are valid despite any defect that may afterwards be discovered in the appointment or qualification of the director.

QUALIFICATIONS OF DIRECTORS

53. A person shall not be elected as director of the co-operative unless the person is an active member of the co-operative and is eligible in accordance with these Rules. A member who is an employee of the co-operative is not eligible to hold office as a director.

DIRECTORS' REMUNERATION

- 53A. (a) The directors shall receive such remuneration for their services as shall be determined at a general meeting, and all necessary expenses incurred by them in the business of the co-operative shall be refunded to them.
- (b) For the purposes of this rule "remuneration" means any money, consideration or benefit but does not include amounts of payment or reimbursement of out-of-pocket expenses incurred for the benefit of the co-operative or any subsidiary of the co-operative.

RETIREMENT AND ELECTION OF DIRECTORS

54. At the annual general meeting in each year all directors shall retire.
55. A retiring director shall be eligible for re-election provided the person is qualified under the rules and the Act to hold office as a director.
56. (a) 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.
- (b) Nominations for candidates to fill the vacant positions shall be sought in such manner as the Board determines.
- (c) Only A Class members, Life members and Associate members shall be entitled to take part in the management of the Club and to stand for or be elected or appointed to the Board.

- (d) Nominations for election of a director shall be made in writing and be signed by two A Class or Life members who are entitled to attend and vote at meetings of the Co-operative pursuant to these Rules and by the nominee who shall also signify his/her consent to the nomination.
 - (e) The nomination shall specify the position on the Board for which the nominee is nominated.
 - (f) Any eligible member may be nominated for more than one position on the Board but shall only be entitled to hold one such position and the order of seniority of positions on the Board shall be the order appearing in Rule 56B(e).
 - (g) No member who is under suspension by the Board pursuant to these Rules shall be eligible to nominate, stand for or be elected or appointed to the Board.
 - (h) No member shall be eligible to nominate, or be elected or appointed to the Board unless that member has paid all entrance fees, annual subscriptions and all other moneys due to the Co-operative at the time of such nomination, election or appointment.
- 56A. (a) Nominations shall cease twenty eight (28) clear days prior to the date of the Annual General Meeting:
- (b) The Secretary shall forthwith upon receipt of a nomination post the name of the candidate and his/her proposers on the Notice Board.
 - (c) If the full number of candidates for the various positions on the Board are not nominated as prescribed then, those candidates who are nominated shall be deemed to be duly elected to the relevant positions and additional nominations may with the consent of the nominee or nominees be made at the Annual General Meeting for the positions not so filled.
 - (d) If there be more than the required number nominated for any position, an election shall take place in respect of the position, but if there be only the requisite number nominated, the Returning Officer shall declare those nominated duly elected.
- 56B. Any election by ballot for the Board of Directors held at the Annual General Meeting shall be conducted in the following manner:
- (a) The Board shall appoint a Returning Officer to take charge of the ballot and not less than two (2) Assistant Returning Officers who shall also act as Scrutineers of the ballot.
 - (b) The Returning Officer shall supervise the issue of ballot papers, the safe custody of ballot papers returned, the examination of such ballot papers, the counting of votes and ballot papers after the ballot is closed and determine the formality or

otherwise of returned ballot papers;

- (c) The Returning Officer shall report the results of the ballot to the Chairperson of the Annual General Meeting;
- (d) The position of the names of the candidates on the ballot paper shall be determined by the time and date on which the nomination is received.
- (e) The offices to be filled shall be listed on the ballot papers in the following order:
 - (i) Chairperson
 - (ii) Vice Chairpersons
 - (iii) Treasurer
 - (iv) Directors
- (f) The members shall record his or her vote in accordance with the directions of the Board and the instructions marked on the ballot paper.
- (g) Only members elected to membership prior to 30th June in the year of the Annual General Meeting shall be entitled to vote in that election. All members to be considered for any position on the Board should be financial full or associate members for a period of at least twelve (12) months prior to nomination.
- (h) The Returning Officer shall give to each Assistant Returning Officer reasonable time for the counting of ballot papers and the counting shall be carried out in such a manner that the secrecy of the ballot shall be maintained and the Returning Officer shall ensure that votes are recorded only by members entitled to vote and that no duplication of voting shall have taken place.
- (i)
 - (i) The Returning Officer shall first examine each ballot paper and any invalid voting paper shall be discarded from the ballot but shall not be destroyed. Sectional errors do not invalidate the entire paper.
 - (ii) The decision of the Returning Officer as to the validity of any ballot Papers shall be final;
 - (iii) After the ballot papers have been examined they shall be counted and the candidate for each position with the highest number of votes shall be elected.
- (j) Should two or more candidates for any position receive an equal number of votes and not all receiving such equal number of votes can be elected, the Returning Officer shall determine by lot in the following manner which of them shall be excluded.

The names of the candidates having been written on similar slips of papers

- (k) Any election by postal ballot shall be conducted in accordance with Schedule 2 of the Co-operatives Regulation 1997.
- (l) Should two or more candidates for any position receive an equal number of votes and not all receiving such equal number of votes can be elected, the Returning Officer shall determine by lot in the following manner which of them shall be excluded:
- The names of the candidates having been written on similar slips of paper and the slips having been folded so as to prevent identification and drawn at random the candidate whose name is first drawn shall be **excluded**.
- (m) All members to be considered for any position on the Board should be financial full or associate members for a period of at least twelve (12) months prior to nomination.

REQUISITION AND NOTICE OF BOARD MEETING

- 57 (a) A meeting of the board of directors may be called by a director giving notice individually to every other director.
- (b) Except in special circumstances determined by the chairperson, at least 48 hours notice shall be given to the directors of all meetings of the Board.
- (c) Meetings of the Board (including those conducted in accordance with Rule 59) must be held at least once every month and may be held as often as may be necessary for properly conducting the business and operations of the co-operative.

PROCEEDINGS OF THE BOARD

58. (a) Except as provided in Rule 36(a)(iv) questions arising at any meeting shall be decided by a majority of votes.
- (b) In the case of an equality of votes, the chairperson shall have a casting vote.

TRANSACTION OF BUSINESS OUTSIDE BOARD MEETINGS

59. (a) The Board may in accordance with Section 210 of the Act transact any of its business:
- (i) by the circulation of papers among all the members of the Board, and a resolution in writing by a majority of those members is to be taken to be a decision of the Board;
- (ii) at a meeting at which board members (or some board members) participate by telephone, closed-circuit television or other means, but only

if any board member who communicates on a matter before the meeting, can be understood by the other members of the Board.

- (b) For the purposes of this rule the chairperson of the Board and each member of the Board have the same voting rights as they have at any ordinary meeting of the Board.
- (c) A resolution approved under Rule 59(a)(i) is to be recorded in the minutes of the meetings of the Board.
- (d) The secretary may circulate papers among members of the Board for the purposes of Rule 59(a)(i) by facsimile or other transmission of the information in the papers concerned.

QUORUM FOR BOARD MEETINGS

- 60. The quorum for a meeting of the Board shall be four (4) directors, being 50% or more of the number of directors, in accordance with Section 209(4) of the Act.

APPOINTMENT OF DIRECTORS TO CONSTITUTE A QUORUM

- 61. (a) A casual vacancy on the Board may be filled by the directors appointing a person or persons to constitute a quorum until the next annual general meeting.
- (b) For the purpose of enabling the board to make such appointment(s), the number of directors at that time is deemed to be a quorum.
- (c) In all other circumstances where a casual vacancy occurs, Rule 67 applies.

CHAIRPERSON OF BOARD

- 62. The Chairperson shall preside as chairperson at every Meeting of the Board. If the Chairperson is not present or is unwilling or unable to act then a Vice Chairperson will take the chair. If the Vice Chairpersons are unwilling or unable to act the Board shall elect one of their number to fill the vacancy and the person appointed shall be known as the Acting Chairperson and shall have the duties and powers of the Chairperson under this Constitution.

DELEGATION AND BOARD COMMITTEES

- 63. (a) The Board may (in accordance with Section 213 of the Act) by resolution delegate the exercise of such of the Board's functions (other than this power of delegation) as are specified in the resolution;
 - (i) to a director; or

- (ii) to a committee of 2 or more directors; or
 - (iii) to a committee of members of the co-operative; or
 - (iv) to a committee of members of the co-operative and other persons if members comprise the majority of persons on the committee.
- (b) The Board may by resolution revoke wholly or in part any such delegation.
 - (b) A power, the exercise of which has been delegated under this rule may, while the delegation remains unrevoked, be exercised from time to time in accordance with the terms of the delegation.
 - (d) A delegation under this rule may be made subject to conditions or limitations as to the exercise of any of the powers delegated, or as to time or circumstance.
 - (e) Notwithstanding any delegation under this rule, the Board may continue to exercise all or any of the powers delegated.

EXERCISE OF DELEGATED POWER BY DIRECTORS

- 64.
- (a) Where a power is exercised by a director (either alone or with other directors) and the exercise of power is evidenced in writing, signed by the director in the name of the Board or in the director's own name on behalf of the Board, then the power shall be deemed to have been exercised by the Board.
 - (b) Rule 64(a) applies whether or not a resolution delegating the exercise of the power to the director was in force when the power was exercised, and whether or not any conditions or limitations referred to in Rule 63(d) were observed by the director exercising the powers.
 - (c) An instrument purporting to be signed by a director as referred to in Rule 64(a) shall 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 shall be deemed to be an instrument signed by a delegate of the Board under this rule.
 - (d) A committee may elect a chairperson of their meetings. 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, then the members present may choose one of their number to be chairperson of the meeting.
 - (e) A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and voting and in case of an equality of votes the chairperson shall have a second or casting vote.

REMOVAL OF DIRECTOR FROM OFFICE

65. The co-operative may, by ordinary resolution remove any director before expiration of the director's period of office, and may by a simple majority appoint another person in place of the director. The person so appointed shall retire at the same time as the removed director would have done if not removed.

DIRECTOR'S INTERESTS IN CONTRACTS

- 65A. (a) A Director who is or becomes in any way (whether directly or indirectly) interested in a contract, or proposed contract, with the Co-operative must declare the nature and extent of the interest to the Board of Directors in accordance with the provisions of Section 234 of the Act.
- (b) A Director of the Co-operative who holds an 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 Director must, in accordance with Section 234, declare at a meeting of the Board of Directors the fact and the nature, character and extent of the conflict.
- (c) Subject to Section 241 of the Act if a Director has made a declaration under this Rule, then unless the Board otherwise determines, the Director must not:
- (i) be present during an deliberation of the Board in relation to the matter; or
 - (ii) take part in any decision of the Board in relation to the matter.
- (d) Any vote cast in contravention of this Rule is not to be counted.

VACATION OF OFFICE OF DIRECTOR

66. A director vacates office in such circumstances (if any) as are provided in the rules of the co-operative and in any of the following cases:
- (i) if the person is an insolvent under administration (as defined in the Law);
 - (ii) if the person has been convicted of an offence and that conviction disqualifies a person from being a director, as provided by Section 208 of the Act;
 - (iii) if the director absents himself/herself from 3 consecutive ordinary meetings of the Board without its leave;
 - (iv) if the director resigns from office by notice in writing given by the director to the co-operative;

- (v) if the director is removed from office by ordinary resolution of the co-operative;
- (vi) if the person ceases to hold the qualification by reason of which the person was qualified to be a director;
- (vii) if the director becomes an employee of the co-operative;
- (viii) if an administrator of the co-operative's affairs is appointed under Division 6 of Part 12 of the Act;
- (ix) if the director is directly or indirectly interested in any contract or proposed Contract with the co-operative and fails to declare his/her interest as required under Section of the Act;
- (x) if the director who holds an 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 and the director fails to declare the fact and the nature, character and extent of the conflict.
- (xi) if the director is removed from office, by a voluntary administrator of the co-operative appointed under Part 5.3A of the Law, as applying under Section 332 of the Act.

FILLING OF CASUAL VACANCIES

67. The Board may at any time appoint any eligible Class A member, Life member or Associate member to be a director to fill a casual vacancy and any director so appointed shall hold office until the next Annual General Meeting.

OTHER COMMITTEES

68. (a) The Board may by resolution appoint committees comprising of members or other persons or both, to act in an advisory role to the Board and to any committees of directors.
- (b) The provisions of Rules 64(d) and (e) apply to committees appointed under this rule, subject to any variations approved of by the Board.
- (c) The quorum for any meeting of the committee shall be 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.

MINUTES OF MEETINGS

69. (a) The Board shall have minutes of meetings made in books provided for the purpose, and, in particular:

- (i) of all appointments of officers and employees made by the directors;
 - (ii) of the names of the directors present at each meeting of the Board and of any committee of the Board;
 - (iii) of all resolutions and proceedings at all meetings of the co-operative and of directors and of committees.
- (b) Minutes must be recorded in the minute book within 28 days of the date of the meeting to which they relate.
 - (b) The confirmation of such minutes, signed by the chairperson, shall be taken as the first business of 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, then the minutes shall be confirmed at the next succeeding meeting.
 - (d) Every director present at any meeting shall sign their name in a book to be kept for that purpose.
 - (e) The minutes are to be kept in the English language.

OFFICERS

70. (a) Without prejudice to the general power conferred on the Board by the Act or these rules, the Board shall, subject to any applicable Industrial Award or Agreement, have power to appoint, remove or suspend employees, servants, agents and contractors, and to fix their powers, duties and remuneration.
- (b) For the purpose of this rule:
- (i) "Industrial Award or Agreement" means an Award or Enterprise Agreement made or approved under a State or Federal Act regulating industrial relations; and
 - (ii) "Enterprise Agreement" includes an Australian Workplace Agreement, Certified Agreement or Enterprise Flexibility Agreement.

APPOINTMENT OF SECRETARY

71. (a) The Board shall appoint a secretary who shall perform all the functions and duties required by the Act, the Regulations, the Clubs Act, the rules and the Law to be performed or undertaken by the secretary of the co-operative.
- (b) A secretary shall:

- (i) be appointed to the office on such terms and conditions as the Board may determine; and
 - (ii) hold office until death, or removal by the Board, or resignation from office.
- (c) In accordance with the Clubs Act the Secretary must be approved by the Licensing Court of New South Wales and is the Chief Executive Officer of the co-operative.

INSURANCE

72. The Board shall arrange insurance against loss, damage to or liability of the co-operative by reason of fire, accident or otherwise.

FINANCIAL YEAR

73. The financial year of the co-operative shall end on the 30th June in each year.

ACCOUNTS

74. (a) The Board shall have prepared the accounts, statements and directors' report in accordance with the Corporations Law, as adopted by Clause 15 of the Co-operatives Regulation 1997.
- (b) The Board shall submit those accounts, statements and report, together with the auditors' report on those accounts, to the annual general meeting of the co-operative, in accordance with the Law as adopted by Clause 15 of the Co-operatives Regulation 1997.
- (c) The books of account shall be kept at the Registered Office of the Club or at such other place as the Board thinks fit. The Club shall at all reasonable times make its accounting records available in writing for the inspection of members of the Board and any other persons authorised or permitted by or under the Act to inspect such records.
- (d) The Board shall, not less than twenty one (21) days before each Annual General Meeting and in any event within four (4) months of the end of the financial year of the Club send to all members of the Club entitled to attend the Annual General Meeting a copy of all reports which pursuant to Section 314 of the Law are to be laid before the Annual General Meeting in respect of the financial year ending on the thirtieth day of June immediately prior to the Annual General Meeting and without limitation these shall include:
- (i) a copy of the Financial Report of the Club;

- (ii) a copy of the Directors' Report; and
- (iii) a copy of the Auditors' Report on the financial report.

BANKING

75. (a) The Board shall have a banking account or accounts in the name of the co-operative, into which all monies received shall be paid as soon as possible after receipt.
- (b) All cheques drawn on such accounts and all drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the co-operative, shall be signed by 2 directors or by any 2 persons authorised by the Board.

APPOINTMENT, DUTIES AND RESPONSIBILITIES OF THE AUDITORS

76. (a) One or more auditors shall be appointed, hold office, be remunerated, be removed and have qualifications, duties and responsibilities as provided in these rules or as otherwise provided in, or permitted by, the Law as adopted by Clause 15 of the Co-operatives Regulation 1997, or any order made by the Registrar pursuant to that Regulation or Section 244(1) of the Act.
- (b) At each general meeting, if there is a vacancy in the office of auditor, the co-operative shall appoint an auditor to fill the vacancy.
- (c) An auditor appointed under paragraph (b) of this rule shall hold office until death or removal or resignation from office or until ceasing to be capable of acting as auditor in accordance with the Corporations Law as adopted by Clause 15 of the Co-operative Regulation 1997.
- (d) The Board shall fill any vacancy in the office of auditor, other than a vacancy caused by the removal of an auditor from office, within one month of such vacancy occurring, unless the co-operative at a general meeting has already appointed an auditor to fill the vacancy. A person or firm appointed as Auditor of the co-operative pursuant to this paragraph holds office, subject to the Law as adopted by Clause 15 of the Co-operative Regulation 1997 until the next Annual General Meeting of the co-operative.

While a vacancy in the office of auditor continues, the surviving or continuing auditor or auditors (if any) may act.

- (e) An auditor filling a vacancy caused by the removal of the previous auditor shall Be appointed by a three-quarter ($\frac{3}{4}$) majority of members at the same general Meeting at which the previous auditor is removed, as long as notice of the nomination has been sent at least 7 days before the meeting to the members and nominated and current auditors. If notice of nomination was not sent in accordance with Rule 76(g) or the resolution to appoint a new auditor is not

passed, then the meeting may be adjourned 20 to 30 days later. At the adjourned meeting, the co-operative may appoint an auditor by ordinary resolution as long as notice of the nomination is received by the board from a member at least 14 clear days before the date of the adjourned meeting and the board gives notice of the nomination at least 7 days before the meeting to the members and nominated and current auditors. The auditor appointed under this subrule holds office until the next Annual General Meeting.

- (f) The co-operative or the Board shall not appoint as auditor a person who has not consented in writing to the appointment or who has withdrawn such consent, or a person of whose nomination notice has not been given in accordance with Rules 76(e) or (g).
- (g) Not being a meeting at which an auditor is removed from office, a co-operative is not entitled to appoint an auditor at its annual general meeting unless notice in writing of the nomination of the auditor was given to the board by a member before the meeting was convened or at least 21 days before the meeting. The board must have then given notice to the nominated and current auditors and members not less than 7 days before the meeting or at the time notice of the meeting is given.
- (h) A person is not qualified to be appointed auditor of the co-operative if:
 - (i) the person is not a registered company auditor;
 - (ii) the person or body corporate in which the person is a substantial shareholder, is indebted for an amount exceeding \$5,000 to the co-operative, to a related body corporate or to an entity that the co-operative controls; or
 - (iii) the person is:
 - (A) an officer of the co-operative;
 - (B) a partner, employer or employee of an officer of the co-operative;
 - (C) a partner of an employee of an officer of the co-operative; or
 - (D) an employee of an employee of an officer of the co-operative.
- (i) A firm is not qualified to be appointed auditor of the co-operative unless:
 - (i) at least 1 member of the firm is a registered company auditor who is ordinarily resident in Australia;
 - (ii) no member of the firm or a body corporate in which the firm is a

substantial shareholder, is indebted for an amount exceeding \$5,000 to the co-operative, to a related body corporate or to an entity that the co-operative controls; or

- (iii) no member of the firm is:
 - (A) an officer of the co-operative;
 - (B) a partner, employer or employee of an officer of the co-operative;
 - (C) a partner of an employee of an officer of the co-operative; or
 - (D) an employee of an employee of an officer of the co-operative.
- (iv) no officer of the co-operative receives any remuneration from the firm for acting as a consultant to it on accounting or auditing matters; and
- (v) the business name under which the firm is carrying on business is registered under the Business Names Act 1962 or a return (in the form approved by the Registrar for the purpose) has been lodged, showing, in relation to each member of the firm, the member's full name and address at the time when the firm so consents, acts or prepares a report.
- (j) All reasonable fees and expenses of the auditor are payable by the co-operative.
- (k) The Board shall 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 members or any other officers as may be necessary for the performance of the duties of the auditor.
- (l) The auditor is entitled to attend any general meeting of the co-operative and to receive all notices of and other communications relating to any general meeting which any member of the co-operative is entitled to receive. The auditor is also entitled to be heard, at any general meeting which the auditor attends, or any part of the business of the meeting of concern to the auditor.

REMOVAL OF AUDITORS

- 77. (a) The auditor may be removed from office by special resolution at a general meeting.
- (b) Notice of intention to move the resolution must be given to the co-operative not less than 2 months before the meeting at which the resolution is moved. However, if the co-operative convenes a meeting after the notice of intention is given, the resolution may be passed at the meeting even if the meeting is held less than 2 months after the notice is given.

- (c) Where special notice of a resolution to remove an auditor is received by the co-operative, it shall as soon as possible send a copy of the notice to the auditor and lodge a copy of the notice with the Registrar.
- (d) The co-operative shall give at least 21 days notice of a resolution to remove the auditor to persons entitled to be given notice of a meeting of the co-operative.
- (e) 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 of the co-operative to whom notice of the meeting is sent.
- (f) Unless the Registrar on the application of the co-operative otherwise orders, the co-operative shall send a copy of the representations in accordance with the auditor's request. The auditor may require that the representations be read out at the meeting and may also speak at the meeting.
- (g) Within 14 days after the removal from office of the auditor, the Co-operative Shall lodge with the Registrar a notice of the removal on the prescribed form, and, where there is a trustee for the holders of debentures of the co-operative, give to the trustee a copy of the notice lodged with the Registrar.

RESIGNATION OF AUDITOR

78. (a) The auditor may, by notice in writing given to the co-operative, resign as auditor of the co-operative if:
- (i) the auditor has, by notice in writing given to the Registrar, applied for consent to resign and stated the reasons and, at or about the same time, notified the co-operative in writing of the application; and
 - (ii) the auditor has received the consent of the Registrar.
- (b) The resignation of the auditor takes effect:
- (i) on the date (if any) specified for the purpose in the notice of resignation;
 - (ii) on the date on which the Registrar consents to the resignation; or
 - (iii) on the date (if any) fixed by the Registrar for the purpose,
- whichever last occurs.
- (c) Within 14 days after the receipt of a notice of resignation from an auditor, the

Co-operative shall lodge with the Registrar a notice of the resignation on the prescribed form, and, where there is a trustee for the holders of debentures of the co-operative, give to the trustee a copy of the notice lodged with the Registrar.

CO-OPERATIVE FUNDS

79. (a) The income and property of the co-operative however derived shall be applied solely towards the promotion of the objects of the co-operative and no portion thereof shall be paid or transferred directly or indirectly by way of discount, rebate or otherwise by way of profit to the members of the co-operative.
- (b) Payment shall be made in good faith of:
- (i) any commensurate remuneration of any member or servant of the co-operative or other person in return for any services actually rendered to the co-operative;
 - (ii) reasonable interest on money lent by members to the co-operative; or
 - (iii) reasonable or proper rent for property or premises demised, or let, by any member to the co-operative.
- (c) Any surplus resulting from the co-operative's operation during a financial year, after providing for depreciation in value of the co-operative's property or for contingent liability for loss, shall be applied to carrying out the co-operatives objectives.
- (d) Any amount not exceeding five (5) percent of the surplus may be applied to any charitable purpose, or for promoting co-operation or any community advancement object.

PROVISION FOR LOSS

80. The Board shall account for any loss which may result from the transactions of the co-operative in accordance with Accounting Standards as adopted by the Regulation.

DISPUTES

81. (a) In this rule:
- (i) "party" includes:
 - (A) a full member of the co-operative;
 - (B) any aggrieved person who has ceased to be a full member in the last six months;

- (C) any person claiming through or under a member or any aggrieved person referred to in Rule 81(a)(i)(B); and
 - (D) the co-operative, including the Board or any other officer of the co-operative.
- (ii) “dispute” may only refer to a matter affecting a person of the type mentioned above in (A)-(C).
- (b) If a dispute arises a party may not commence any court or arbitration proceedings relating to the dispute unless it has complied with the following paragraphs of this rule except where the person seeks urgent interlocutory relief.
 - (c) A party claiming that a dispute has arisen must give written notice to the other party or parties specifying the nature of the dispute.
 - (d) On receipt of that notice by that other party or parties, the parties must endeavour to resolve the dispute expeditiously, using the mediation rules of the NSW Law Society (a copy is available from the Registry of Co-operatives).
 - (e) If the parties do not agree within seven days of receipt of the notice (or such further period as agreed in writing between them) as to:
 - (i) the timetable for all steps in the procedures; and
 - (ii) the selection and compensation of the independent person required for mediation,
 then the dispute shall be settled by arbitration in accordance with the Commercial Arbitration Act 1984.
 - (f) Nothing in this rule shall extend to any dispute as to the construction or effect of any mortgage or contract contained in any document other than these rules.

NOTICES

82. (a) A notice may be given to the co-operative by any member entitled to vote either:
- (i) personally;
 - (ii) by post to the member’s registered address or an alternate address supplied by the member;
 - (iii) by some form of technology, for example by facsimile or email, where the member has notified the co-operative of the relevant contact details; or

- (iv) by publishing the notice in a newspaper circulating generally in New South Wales or in the area served by the co-operative.
- (b) A notice may be given to all other members by placing an advertisement in a newspaper which is circulated in the neighbourhood of the registered office of the co-operative and shall be deemed to have been duly given to the member on the date on which the advertisement appears.
- (c) Where a notice is sent by post, service shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice. 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 every other case service is deemed to be effected at the time at which the letter would be delivered in the ordinary course of post and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
- (d) If a member has no registered address (and has not supplied to the co-operative an address for the giving of notices) a notice addressed to the member and advertised in a newspaper circulating in New South Wales or in the neighbourhood of the registered office of the co-operative shall be deemed to be duly given to the member on the date on which the advertisement appears.
- (e) A notice forwarded by another form of technology shall be deemed to have been served, unless the sender is notified of a malfunction in transmission, on the day of transmission if transmitted during a business day, otherwise on the next following business day.
- (f) For the purpose of this rule "registered address" means the address of the member as appearing in the register of members and shares.

WINDING UP

83. (a) The winding up of the co-operative shall be in accordance with Part 12 of the Act.
- (b) If on the winding up or dissolution of the co-operative there remains after the satisfaction of all its debts and liabilities any property, this shall not be paid or distributed amongst the members of the co-operative but shall be given or transferred to an institution:
- (i) which has objectives similar to those of the co-operative;
 - (ii) whose constitution prohibits the distribution of its property among its members;
 - (iii) which has been chosen by the members of the co-operative at or before

the time of dissolution or in default thereof by the Chief Justice of such Court as may have jurisdiction in the matter; and

- (iv) which satisfies the relevant sub-section of Section 23 of the Income Tax Assessment Act.
- (c) In paragraph (b), the expression "institution" includes an institution or institutions.

FINES PAYABLE BY MEMBERS

84. (a) The board may impose on a member a maximum fine in accordance with Rule 85, Schedule of Fees, for any infringement of the rules or by-laws.
- (b) A fine exceeding \$20 shall not be imposed on a member pursuant to Paragraph (a) unless:
- (i) written notice of intention to impose the fine and the reason for it has been given to the member; and
 - (ii) 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.

SCHEDULE OF CHARGES

85. Copy Book of Rules:	\$	Prescribed fee not exceeding \$1.00 for each page up to a maximum of \$50.00
Copy of Register:	\$	\$5.00 for the first page and \$1.00 for every page thereafter to a maximum of \$50.00 Rule 14
Entrance Fee:	\$	Not less than \$2.00 and no greater than \$25.00 Rule 29
Annual Subscription:	\$	Not less than \$2.00 and no greater than \$25.00 Rule 30(b)
Maximum Fine:	\$	\$110.00 (Section 107(7) of the Act)