

**RULES OF THE**

**Hazelbrook Bowling and Sporting Club  
Co-operative Ltd**

**A Non-Trading, Non-Share Co-operative that is also a Club registered under the  
Registered Clubs Act 1976 (NSW)**

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**DEFINITIONS**

1. In these rules, unless the context otherwise requires:
  - (i) **“active member”** means a member who is in active membership within the provisions of Rule 16;
  - (ii) **“alter”** or similar word or expression used in relation to a rule amendment includes add to, substitute, and rescind;
  - (iii) **“annual general meeting”** means the annual general meeting held each year as required by the Act and these rules;
  - (iv) **“auditor”** means an auditor or auditors for the time being of the Co-Operative appointed in accordance with Rule ;71
  - (v) **“banking account”** includes an account with a credit union or building society registered, or authorised to operate, under the Financial Institutions (NSW) Code into which the co-operative's monies may be paid;
  - (vi) **“by-laws”** means the by-laws of the Co-operative that are currently in force;
  - (vii) **“business day”** means a day that is not a Saturday or Sunday or a public holiday or bank holiday in New South Wales;
  - (viii) **“chairperson”** includes deputy chairperson;
  - (ix) **“club member”** means a person who is a full member, a provisional member, an honorary member or a temporary member of the Co-Operative;
  - (x) **“director”** means any director of the Co-Operative for the time being and any deputy director acting in the absence of a nominating director under Rule 62;
  - (xi) **“financial year”** means the financial year of the Co-Operative as specified in Rule 68;
  - (xii) **“full member”** means a person who is an active member of the Co-Operative, and is an ordinary or life member;
  - (xiii) **“guest”**, in relation to a full member, a provisional member or an honorary member of a Co-Operative, means a person:
    - (A) whose name and address, countersigned by the member, are entered in a register kept for the purpose by the Co-Operative; and
    - (B) who, at all times while on the Co-Operative premises, remains in the reasonable company of the member; and
    - (C) who does not remain on the Co-Operative premises any longer than the member;
  - (xiv) **“honorary member”** means a person who, under the rules of the Co-Operative and the Clubs Act, is an honorary member of the club;

- (xv) “**life member**” means a person who is elected to membership of the Co-Operative for life;
- (xvi) “**junior member**” means a person 12 to 18 years of age who joins for the purpose of playing bowls or croquet, they may only use the club as permitted in the Act;
- (xvii) “**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 exercised at the Board's discretion;
- (xviii) “**member**” means a person who is an active/full member of the Co-Operative;
- (xix) “**month**” means calendar month;
- (xx) “**notice board**” means the board or boards provided on the Co-Operative premises on which notices for the information of members is posted;
- (xxi) “**officer**” includes the President, Vice-President(s), Director, Principal Executive Officer, Secretary, Treasurer, duly appointed Manager or other person who is concerned or takes part in the management of the Co-Operative;
- (xxii) “**ordinary member**” means a member of the Co-Operative, other than a life member, provisional member, honorary member or temporary member;
- (xxiii) “**postal ballot**” includes a special postal ballot;
- (xxiv) “**prescribed**” means prescribed by the Act or under the Act by Regulation;
- (xxv) “**provision**” in relation to the Act, means words or other matter that form or forms part of the Act, and includes:
  - (A) a chapter, part, division, subdivision, section, subsection, paragraph, subparagraph, sub-subparagraph or schedule of or to the Act; and
  - (B) a section, clause, subclause, item, column, table or form of or in a schedule to the Act; and
  - (C) the long title and any preamble to the Act;
- (xxvi) “**provisional member**” means a person who has applied for admission as a full member of the Co-Operative, has paid the subscription appropriate for the membership applied for, and is awaiting a decision on the application;
- (xxvii) “**regulation**” means a regulation made under the Act, and any regulation that applies to a Co-Operative by way of a transitional regulation made under the Act;
- (xxviii) “**relevant interest**” has the same meaning as given in Schedule 2 of the Act;
- (xxix) “**rules**” mean the registered rules of the Co-Operative as amended from time to time and reference to particular rules has a corresponding meaning;
- (xxx) “**shall**” 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 Act or the rule granting the power;
- (xxxix) “**special resolution**” means a resolution which is passed in accordance with Rule 43;

- (xxxii) **“temporary member”** means a person who, under the rules of the Co-Operative , is a temporary member of the club;
- (xxxiii) **“the Board”** means the whole or any number of the directors assembled at a meeting of the directors or transacting business in accordance with Rule 53, being not less than a quorum or a majority, as the case may be;
- (xxxiv) **“the Act”** means the Co-operatives Act 1992;
- (xxxv) **“the club”** means Hazelbrook Bowling and Sporting Club Co-operative Limited.;
- (xxxvi) **“the Clubs Act”** means the Registered Clubs Act 1976;
- (xxxvii) **“the Co-Operative”** means Hazelbrook Bowling and Sporting Club Co-operative Limited.;
- (xxxviii) **“the Law”** means the Corporations Law;
- (xxxix) **“the Registrar”** means the Registrar of Co-operatives or any person delegated the Registrar's functions;
- (xl) **“the secretary”** means any person appointed by the Board as secretary of the Co-Operative in accordance with the rules;
- (xli) **“the State”** means the State of New South Wales;
- (xlii) **“writing”** includes printing, typing, lithography and other modes of representing or reproducing words in a visible form and "written" has a corresponding meaning;
- (xliii) Words importing one gender include the other genders;
- (xliv) Words in the singular include the plural, and vice versa;
- (xlv) Words or expressions used have the same meanings as those given to them by the Act.

## **DEFINITIONS - INTERPRETATION PROVISIONS**

- 2. (a) A reference in these rules to “the Act” includes a reference to:
  - (i) the Act as originally enacted, and as amended from time to time since its original enactment; and
  - (ii) if the Act has been repealed since the inclusion of the reference in these rules - the legislation enacted in substitution of the Act (whether legislation of the State or Federal Parliament) and as amended from time to time since its enactment;
- (b) A reference in these rules to a provision in “the Act” 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.
- (c) (i) 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.
- (ii) This provision applies whether or not the purpose is expressly stated in the rule or paragraph of the rule.
- (d) In these rules, unless the context indicates a contrary intention, headings are for convenience and do not affect interpretation.

### **NON-TRADING CO-OPERATIVE**

3. The Co-Operative is a non-trading Co-Operative within the meaning of Section 15 of the Act.

### **REGISTERED CLUBS REQUIREMENTS**

4. Subject to the provisions of the Clubs Act:
- (i) liquor shall not be sold, supplied or disposed of on the premises of the club to any person, other than a member, except on the invitation and in the company of a member. This paragraph does not apply if the club is the holder of a Certificate of Registration under the Clubs Act in respect of the sale, supply or disposal of liquor to any person at a function in respect of which authority is granted to the club under the Clubs Act;
  - (ii) liquor shall not be sold, supplied or disposed of on the premises of the club to any person under the age of eighteen years;
  - (iii) a person under the age of eighteen years shall not use or operate poker machines on the premises of the club;
  - (iv) all visible promotional and advertising matter relating to the facilities of the club must include a statement that is at least as visible as the promotional or advertising matter and is to the effect that the matter is for the information of members and their guests;
  - (v) all audible promotional and advertising matter relating to the facilities of the club must include a statement that is at least as audible as the promotional or advertising matter and is to the effect that the matter is for the information of members and their guests.

### **RULES**

5. (a) The rules of the Co-Operative have the effect of a contract under seal:

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- (i) between the Co-Operative and each member;
- (ii) between the Co-Operative and each director, the principal executive officer and the secretary of the Co-Operative; and
- (iii) between a member and each other member.

Under the contract, each of those persons agrees to observe and perform the provisions of the rules as in force for the time being so far as those provisions are applicable to that person.

- (b) (i) A person shall be entitled on demand to a copy of the rules upon payment of a sum not exceeding \$20, or such other amount as the Board may from time to time determine.
- (ii) A person may inspect a copy of these rules free of charge at the office where the registers are kept, during all reasonable hours.

### **RULE ALTERATIONS**

- 6. (a) The rules may be altered by a special resolution, by a resolution of the Board in accordance with Section 112 of the Act or as otherwise permitted by the Act. No alteration to these rules takes effect until the alteration is registered by the Registrar.
- (b) Where any rule is altered, by way of a board resolution under Section 112, the Co-Operative must cause the alteration to be notified, in writing, to members as soon as practicable after the alteration is registered 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 registration of the alteration.

### **BY-LAWS**

- 7. (a) The Board shall have power to make by-laws, not inconsistent with the Act, the Regulations and the rules, relating to the conduct of members on the premises of the Co-Operative or to the operations of the Co-Operative.
- (b) A breach of a by-law shall be deemed to be an infringement of the rules for the purposes of Rule 79.

### **NAME**

- 8. (a) The name of the Co-Operative shall be  
Hazelbrook Bowling and Sporting Club Co-operative Limited
- (b) The Co-Operative may, in accordance with Section 259, change its name by way of a special resolution to a name approved of by the Registrar.

### **CHANGE OF REGISTERED OFFICE**

- 9. The Board shall notify the Registrar of any change of address of the registered office of the Co-Operative within 28 days after the change, and on the form approved by the Registrar.

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## **NOTIFICATION OF OFFICE ADDRESS AT WHICH REGISTERS ARE KEPT**

10. If the registers required by Section 249(1) of the Act and Section 30(2) of the Clubs Act to be kept by the Co-Operative are not kept at the registered office, the Co-Operative must lodge with the Registrar a notice of the address at which the register is kept within 28 days after the register is:
- (i) established at an office which is not the co-operative's registered office; or
  - (ii) moved from one office to another.

## **OBJECTS**

11. The objects of the Co-Operative shall be:
- (i) The provision and maintenance of buildings, at least two greens and grounds for recreation.
  - (ii) The operation, maintenance and carrying on of a club to be known as Hazelbrook Bowling and Sporting Club Co-operative Ltd.
  - (iii) The provision of facilities for the playing of the game of bowls and croquet by its members and other persons as provided by the by-laws to these rules.
  - (iv) The provision of such recreational facilities as the Board of Management establishes under the by-laws to these rules from time to time.
  - (v) Co-ordinate the organisation of the ANZAC day services at the memorial in Gloria Park in lieu of the Woodford-Hazelbrook RSL Sub branch.

## **POWERS**

12. (a) The Co-Operative shall have, both within and outside the State, the legal capacity of a natural person and have all the powers allowed by or under the Act.
- (b) The powers of the Co-Operative to:
- (i) obtain financial accommodation; and
  - (ii) give security for the repayment of money,
- shall be exercised subject to the Act, but otherwise unlimited by the rules.
- (c) The Co-Operative shall not have the power to lend money to any of its employees or members.

## **SEAL**

13. (a) The Co-Operative shall, as required by Section 258(1)(a) of the Act, have the name of the Co-Operative appear in legible characters on its Common Seal and on any Official Seal, and the Australian Registered Body Number of the Co-operative if required under the Law. The Common Seal shall be kept at the registered office in such custody as the Board shall direct.

- (b) The Co-Operative may, pursuant to Section 49 of the Act, have for use in place of its Common Seal outside the State, one or more Official Seals. Each of the additional seals must be a facsimile of the Common Seal with the addition on its face of the name of the place where it is to be used.
- (c) The Common Seal of the Co-Operative shall not be affixed to any instrument except by resolution of the Board. Two directors and the secretary must be present and must sign all instruments sealed while they are present. The Board may appoint a person other than the secretary to perform this function.
- (d) The person affixing the Official Seal must certify in writing on the instrument to which it is affixed, the date and place at which it is affixed.

#### **CO-OPERATIVE MAY AUTHORISE AGENT OR ATTORNEY TO EXECUTE DEEDS**

- 14. (a) The Co-Operative may, by writing under its Common Seal, empower its agent or attorney (either generally or in respect of a specified matter or specified matters) to execute deeds on its behalf.
- (b) A deed signed by such an agent or attorney on behalf of the Co-Operative and under the agent's or attorney's seal, or under the appropriate official seal of the Co-Operative, binds the Co-Operative and has effect as if it were under the Common Seal of the Co-Operative.
- (c) The authority of such an agent or attorney, as between the Co-Operative and a person dealing with the agent or attorney, continues during the period (if any) mentioned in the instrument conferring the authority or, if no period is so mentioned, until notice of the revocation or termination of the agent's or attorney's authority has been given to the person dealing with the agent or attorney.
- (d) Where an agent or attorney affixes an Official Seal to an instrument, the person must comply with Rule 13(d).

#### **CUSTODY AND INSPECTION OF RECORDS AND REGISTERS**

- 15. (a) The Co-Operative must have at the office where the registers are kept and available during all reasonable hours for inspection by *any member* free of charge the following:
  - (i) a copy of the Act, the Clubs Act and the regulations;
  - (ii) a copy of the rules of the Co-Operative;
  - (iii) a copy of the minutes of each general meeting of the Co-Operative;
  - (iv) a copy of the last annual report of the Co-Operative under section 252;
  - (v) the register of directors and members;
  - (vi) the register of names of persons who have given loans or deposits to or hold securities or debentures given or issued by the Co-Operative;
  - (vii) such other registers as the regulation provides are to be open for inspection.

- (b) The register of members must be kept in accordance with Sections 30 and 31 of the Clubs Act, Section 249 of the Act and the Regulation.
- (c) A member is entitled to make a copy of entries in a register specified in subsection (a) and to do so free of charge unless the rules of the Co-Operative require a fee to be paid, in which case on payment of the required fee.
- (d) The Co-Operative must have at the place where the registers are kept and available during all reasonable hours for inspection by *any person*:
  - (i) a copy of the Act, the Clubs Act and the Regulations;
  - (ii) a copy of the rules of the Co-Operative;
  - (iii) a copy of the last annual report of the Co-Operative under section 252 of the Act.

### **ACTIVE MEMBERSHIP PROVISIONS**

16. In accordance with Part 6 of the Act:

- (i) The promotion of the game of Lawn Bowls and Croquet, the support and promotion of community and sporting groups in the area of the Club, the provision of services and facilities for members of the Club is a primary activity of the Co-Operative; and
- (ii) a member shall be, an ordinary member who is financial in terms of rule 22 and subscribes to the Rules of the Co-operative or a Life member who subscribes to the Rules of the Co-operative in order to establish active membership of the Co-Operative.

### **CANCELLATIONS RELATING TO INACTIVE MEMBERS**

17. (a) The Board shall, after giving notice in accordance with Section 132 of the Act, declare the membership of a member cancelled if:
- (i) the whereabouts of the member are not presently known to the Co-Operative and have not been known to the Co-Operative for a continuous period of at least 6 month before the date of cancellation; or
  - (ii) the member is not presently an active member and has not been an active member at any time during the past 1 month immediately before the date of cancellation.
- (b) The Co-Operative shall, in a form approved by the Registrar, keep a register of memberships cancelled pursuant to paragraph (a) of this rule, which shall specify the particulars prescribed in Clause 6 of Schedule 1 of the Co-operatives Regulation 1997.
- (c) The Board shall not be required to give notice, under this rule, if the member's whereabouts are unknown to the Co-Operative and the amount required to be repaid to the member in respect of the cancelled membership (whether by reason of the

cancellation of share or otherwise) does not exceed \$50, or such other amount as may be prescribed.

### **QUALIFICATIONS FOR MEMBERSHIP**

18. (a) A person is not qualified to be admitted to membership of the Co-Operative unless:
- (i) the Board has reasonable grounds for believing that the person will be an active member under Rule 16; and
  - (ii) the applicant is an individual and not a body corporate.
- (b) Club membership shall consist of the following classes:
- (i) Ordinary members;
  - (ii) Life members;
  - (iii) Honorary members;
  - (iv) Temporary members;
  - (v) Junior Members, and
  - (vi) Provisional members.
- (c) The rights, duties and entitlements of the various classes of membership are as follows:
- (i) Ordinary members; May use the Club facilities, are entitled to vote, may propose or second for admission as a member or a member for admission to the Board, may participate in the management of the Co-operative and hold office.
  - (ii) Life members; Ordinary members; May use the Club facilities, are entitled to vote, may propose or second for admission as a member or a member for admission to the Board, may participate in the management of the Co-operative and hold office.
  - (iii) Honorary members; May use the Club facilities only.
  - (iv) Temporary members; May use the Club facilities only.
  - (v) Junior Members; May use the Club facilities only.
  - (vi) Provisional members; May use the Club facilities only.

### **APPLICANTS FOR MEMBERSHIP TO BE GIVEN NOTICE OF ENTRY AND PERIODIC FEES**

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19. The Co-Operative must supply, with each application for membership, a written notice of any intending or prescribed entry or periodic fees that a person will be liable to pay on becoming a member of the Co-Operative.

#### **APPLICATION FOR MEMBERSHIP**

20. (a) The Board must provide each person intending to become a member of the Co-Operative with:
- (i) a consolidated copy of the rules of the Co-Operative; and
  - (ii) a copy of all special resolutions applicable to the member passed by the members of the Co-Operative, except special resolutions providing for an alteration of the rules of the Co-Operative; and
  - (iii) a copy of the last annual report of the Co-Operative under section 252.
- (b) The Board may comply with Rule 20(a) by:
- (i) giving the person intending to become a member notice that the documents referred to in that sub-rule may be inspected by that person at the registered office of the Co-Operative, and
  - (ii) making those documents available for inspection.
- (c) A person shall not be admitted as a full member of the Co-Operative unless elected to membership at a meeting of the board, or the election committee appointed in accordance with Rule 57. The names of the members present and voting at the meeting are to be recorded by the secretary.
- (d) Every candidate for membership of the Co-Operative shall be proposed and seconded by members of the Co-Operative in accordance with Rule 18.
- (e) Applications for membership shall be lodged at the registered office.
- (f) The names and addresses of persons proposed for election as ordinary members shall be displayed in a conspicuous place on the premises of the club for at least 1 week before their election.
- (g) An interval of at least 2 weeks shall elapse between the proposal of a person for election as an ordinary member of the Co-Operative and his or her election.
- (h) If elected the applicant's name and any other information required by or under the Act shall be entered in the register of members. The applicant shall be notified in writing of the entry in the register and shall then be entitled to the privileges attaching to membership.
- (i) The board may, at their discretion, refuse any application for membership and need not give any reasons to the unsuccessful applicant. Upon refusal the applicant's deposit shall be refunded without interest.
- (j) In considering an application for membership pursuant to this rule, the Board must ensure that a person who is not qualified for membership of the Co-Operative under Rule 18 is not admitted as a member.

- (k) There shall be no joint members.

### **ENTRANCE FEES**

21. Deleted.

### **ANNUAL SUBSCRIPTION**

22. (a) A member shall, in accordance with the Act, be liable to the club for any charges payable by the member to the club, as prescribed by these Rules.
- (b) Members may be required to pay an annual subscription which shall:-
- (i) be in addition to any other charges payable under the rules;
  - (ii) be determined by the Board from time to time;
  - (iii) be payable, in advance, within the period set by the Board; and
  - (iv) for ordinary members, be not less than \$5.50 (including GST) and not exceed \$20.00 (including GST) in any financial year.
- (c) Notwithstanding paragraph (b)(iii) the Board may, either generally or in a specific case, extend a period for the payment of the Annual Subscription, even though the previous period has expired. The extended period for payment shall not exceed 12 months.
- (d) If the subscription of any member shall not be paid within a period of one month from the date on which it shall fall due upon, the member shall be automatically suspended from all privileges of the Co-Operative and a person's membership shall be cancelled in accordance with Rule 17.

### **MEMBERS OF THE CO-OPERATIVE**

23. The members of the Co-Operative are:
- (i) those persons who signed the application for registration of the Co-Operative; and
  - (ii) those persons admitted to membership in accordance with Rules 18 and 20; and

### **EMPLOYEE MEMBERS**

24. An employee may be a member of the Co-Operative in accordance with the Clubs Act, however the following restrictions apply:
- (i) the employee member is not entitled to vote at any meeting of the club, meeting of the Board or at any election of the Board; and
  - (ii) the employee member shall not hold office as a member of the Board of the Co-Operative.
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**LIABILITY OF MEMBERS TO THE CO-OPERATIVE**

25. (a) A member shall not, as a member of the Co-Operative, be under any personal liability to a creditor of the Co-Operative.
- (b) A member shall, in accordance with Section 76 of the Act, be liable to the Co-Operative for the amount, if any, unpaid on the shares held by that member, together with any charges, including entry and periodic fees, payable by the member to the Co-Operative as required by these rules.
- (c) On the death of a member, the member's estate is subject to the same liability as the member would have had prior to death.

**ONE MEMBER ONE VOTE**

26. (a) Subject to Rule 18, an active member of the Co-Operative shall have one vote only in respect of any question or motion arising at a general meeting of the Co-Operative.

**RESTRICTION ON VOTING ENTITLEMENT UNDER POWER OF ATTORNEY**

27. 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.

**SUSPENSION OF MEMBERS**

28. (a) The Board may, by resolution of two-thirds (2/3) majority, suspend members for a period not exceeding one (1) year, who do any of the following acts:
- (i) infringe any of the Rules or By-laws of the Co-Operative;
  - (ii) fail to discharge obligations to the Co-Operative, whether prescribed by these rules or arising out of contract; or
  - (iii) conduct themselves in a manner prejudicial or detrimental to the interests of the Co-Operative.
- (b) At least seven (7) days written notice stating the date, time and place of the meeting shall be given to any member whose act is to be considered by the Board. The written notice shall also state the nature of the act which, in the Board's opinion, has been committed by the member.
- (c) At the meeting, the member shall be afforded a full opportunity to be heard and shall be entitled to call witnesses and to cross-examine witnesses called against the member. If the member fails to attend at the time and place mentioned, without reasonable excuse, the act shall be considered and the Board may decide on the evidence before it, in spite of the member's absence, but having regard to any representations made to it in writing by the member charged. Once the act has been

considered, the Board may decide to suspend the member who allegedly committed the act.

- (d) No motion by the Board to suspend a member shall be deemed to be passed unless at least a two-thirds (2/3) majority of the members of the Board present vote in favour of such a motion.
- (e) Any decision of the Board at such meeting shall be final and take effect immediately. The Board shall not be required to assign any reason for its decision.

### **EXPULSION OF MEMBERS**

29. (a) A member may be expelled from the Co-Operative by special resolution to the effect:
- (i) that the member has failed to discharge the member's obligations to the Co-Operative, whether prescribed by these rules or arising out of any contract; or
  - (ii) that the member has been guilty of conduct detrimental to the Co-Operative.
- (b) In either case written notice of the proposed resolution shall be forwarded to the member not less than 14 days before the date of the meeting at which the special resolution is to be moved, and the member shall be given a reasonable opportunity of being heard at the meeting.
- (c) Expulsion of a member shall not be effective, until the special resolution expelling the member is registered.

### **CEASING MEMBERSHIP**

30. A person shall cease to be a member in any of the following circumstances :
- (i) if the member's membership is cancelled under Rule 17;
  - (ii) if the member is expelled in accordance with Rule 43;
  - (iii) if the member becomes bankrupt or becomes subject to control under the law relating to bankruptcy.
  - (iv) on death of the member;
  - (v) if the member becomes incapable of managing their affairs through mental or physical incapacity or infirmity, or becomes subject to the control of a person appointed under a law of a State or Territory to administer the estate of such a person;
  - (vi) if the contract of membership is rescinded on the ground of misrepresentation or mistake; or
  - (vii) if the member resigns.



**ANNUAL GENERAL MEETINGS**

31. (a) A general meeting of the Co-Operative to be known as the "annual general meeting" shall, as provided in Section 198 of the Act, be held each year on a date and a time determined by the Board as long as it is within five (5) months after the close of the financial year of the Co-Operative, or within such further time as may be allowed by the Registrar.
- (b) All general meetings of the Co-Operative other than the annual general meeting shall be special general meetings.
- (c) If an annual general meeting is not held in accordance with paragraph (a) of this rule, the members may, in accordance with Section 202 of the Act and Rule 33, requisition such a meeting.
- (d) Members will be advised, as required by Rule 77 at least 21 days before the date of the annual general meeting, that the Directors and Financial Reports are available for inspection at the registered office of the co-operative and on the club's website. A member can request a copy of the reports to be posted or e-mailed. (Resolution passed AGM 28<sup>th</sup> November 2009).

**CONVENING GENERAL MEETINGS**

32. The Board may, whenever it thinks fit, convene a special general meeting of the Co-Operative.

**REQUISITION OF GENERAL MEETINGS**

33. (a) The Board must convene a general meeting of the Co-Operative on the requisition in writing by active members who together are able to cast at least 20% of the total number of votes to be cast at a meeting of the Co-Operative.
- (b) The requisition must:
- (i) state the objects of the meeting; and
  - (ii) 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
  - (iii) be served on the Co-Operative by being lodged at the registered office of the Co-Operative.

**REQUISITIONED MEETING MUST BE CONVENEED AS SOON AS PRACTICAL**

34. (a) A meeting requisitioned by members in accordance with Rule 33 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 notice of general meetings 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**

35. (a) Subject to Rules 34 and 36, 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 77.
- (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 77 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**

36. Notice of a special resolution shall be given to those persons, entitled to receive notice under Rule 35, at least 21 days before the general meeting and shall specify the intention to propose the resolution as a special resolution at that meeting and specify the terms of the special resolution.

### **BUSINESS OF GENERAL MEETINGS**

37. (a) The ordinary business of the annual general meeting shall be :
- (i) to confirm minutes of the last preceding general meeting (whether annual or special); and
  - (ii) to receive from the Board, auditors, or any 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 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.
- (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**

38. (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, 50 active members present in person and entitled to vote constitute 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**

39. (a) The chairperson, if any, 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 15 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**

40. 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 5 minutes. Subsequent speakers shall be allowed 2 minutes, and the mover of the proposition 2 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) motions and amendments shall be submitted in writing, if requested by the chairperson;
- (vii) 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;
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- (viii) 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 chairman provided that the permission may be conditional;
- (ix) standing orders may be suspended for any period by ordinary resolution.

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

41. (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 a 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 or 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 the proceedings of the Co-Operative shall be evidence of the 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 41 (c), it shall be taken in a manner that 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 a chairperson, or on a question of adjournment, shall be taken immediately.
- A poll demanded in accordance with Rule 41(c) may be withdrawn.
- (e) On a show of hands, or on a poll, every member who is present at a meeting in person or represented by power of attorney 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.

#### **POSTAL BALLOT**

42. 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**

43. (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 postal 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 of incorporation;
  - (iii) an acquisition or disposal of assets referred to in section 285;
  - (iv) the maximum permissible level of share interest in the Co-Operative;
  - (v) takeover;
  - (vi) merger;
  - (vii) transfer of engagements;
  - (viii) 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**

44. (a) There shall be a Board of 7 directors each of whom shall be a natural person and at least 18 years old.
- (b) The business of the Co-Operative is to be managed by the Board of directors, 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**

45. 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 under Rule 18. A member who is an employee of the Co-Operative is not eligible to hold office as a director.

## **RETIREMENT AND ELECTION OF DIRECTORS**

46. At the annual general meeting in each year all the directors shall retire.
47. Deleted.
48. A retiring director shall be eligible for re-election without nomination, subject to the person holding the qualifications specified in Rule 45.
49. (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) The election of directors shall be conducted at the meeting in such usual and proper manner as the Board shall direct.

*(Directors may be elected annually, biennially or triennially in accordance with Schedule 4 of the Clubs Act.)*

## **DIRECTORS' REMUNERATION**

50. (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 in payment or reimbursement of out-of-pocket expenses incurred for the benefit of the Co-Operative or any subsidiary of the Co-Operative.

## **REQUISITION AND NOTICE OF BOARD MEETING**

51. (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 53) 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**

52. (a) Questions arising at any meeting shall be decided by a majority of votes.
- (b) In the case of an equality of votes, the chairperson may have a casting vote.
- (c) If a director of the Co-Operative becomes in any way, whether directly or indirectly, interested in any contract or proposed contract with the Co-Operative, the director must declare the nature and extent of that interest to the Board.
- (d) The declaration must be made at the meeting of the Board at which the question of entering into the contract is first considered, or, if the director was not at that time interested, at the next meeting of the Board after the director becomes interested in the proposed contract.
- (e) Within 48 hours of a declaration being made and for a continuous period of 14 days, the particulars of the declaration specifying the name of the board member who made the declaration and the nature of the interest declared is to be exhibited in a conspicuous position on the premises of the club.
- (f) A director shall not vote in respect of any contract or proposed contract in which the director is interested. If the director votes in contravention of this Rule, the director's vote shall not be counted.

**TRANSACTION OF BUSINESS OUTSIDE BOARD MEETINGS**

53. The Board may in accordance with Section 210 of the Act transact any of its business:
- (i) (A) 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;
- (B) 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 speaks on a matter before the meeting, can be heard by the other members of the Board.
- (ii) 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 an ordinary meeting of the Board.
- (iii) A resolution approved under paragraph 53 (i)(A) is to be recorded in the minutes of the meetings of the Board.
- (iv) The secretary may circulate papers among members of the Board for the purposes of paragraph 53 (i)(A) by facsimile or other transmission of the information in the papers concerned.

**QUORUM FOR BOARD MEETINGS**

54. The quorum for a meeting of the Board shall be 5 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**

55. A casual vacancy on the Board may be filled by the directors appointing a person to constitute a quorum until the next annual general meeting. In all other circumstances where a casual vacancy occurs, Rule 61 applies.

## **CHAIRPERSON OF BOARD**

56. (a) The chairperson of the Board will be elected by the Board at its first meeting. However, 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.
- (b) The chairperson may have a casting vote.

## **DELEGATION AND BOARD COMMITTEES**

57. (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.

The Co-Operative or 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.
- (c) 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 circumstances.
- (d) Notwithstanding any delegation under this rule, the Board may continue to exercise all or any of the powers delegated.
- (e) Volunteer Directors are not prohibited from participating in gaming activities held at the Club for the Club's benefit, and are eligible to win badge draws and raffles.

## **EXERCISE OF DELEGATED POWER BY DIRECTORS**

58. (a) Where a power is exercised by a director (either alone or with other directors) and the exercise of the 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. This is so 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 paragraph (c) of Rule 58 were observed by the director exercising the powers.

- (b) An instrument purporting to be signed by a director as referred to in Section 214(1) of the Act 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 Section 213 of the Act.
- (c) 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.
- (d) 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**

59. The Co-Operative may, by ordinary resolution, remove any director before the 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.

#### **VACATION OF OFFICE OF DIRECTOR**

60. 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 is mentally incapacitated or the subject of an order under a law of another State or of a Territory relating to mental health;
  - (iii) if the person has been convicted of an offence and that conviction disqualifies a person from being a director, as provided by Section 208(2) of the Act;
  - (iv) if the director absents himself/herself from 3 consecutive ordinary meetings of the Board without its leave;
  - (v) if the director resigns from office by notice in writing given by the director to the Co-Operative;
  - (vi) if the director is removed from office by ordinary resolution of the Co-Operative;
  - (vii) if the person ceases to hold the qualification by reason of which the person was qualified to be a director;
  - (viii) if the director becomes an employee of the Co-Operative;
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- (ix) if an administrator of the co-operative's affairs is appointed under Division 6 of Part 12 of the Act;
- (x) 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 234 of the Act;
- (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**

61. (a) Notwithstanding Rule 55, a casual vacancy of the Board is to be filled:
- (i) by appointment by the directors at a Board meeting; or
  - (ii) in such other manner as the Registrar may approve in a particular case.
- (b) The person so chosen shall retire at the same time as the director who vacated the office would have done if that director had not vacated it.
- (c) For the purposes of this rule, a casual vacancy shall arise where the office of a director is vacated in accordance with Rule 60.

#### **DEPUTY DIRECTORS**

62. (a) Any director may from time to time apply, in writing, for any member eligible to be a director in accordance with Rule 45 to be appointed by the Board as a deputy director to sit in the director's place on the Board.
- (b) A deputy director appointed by the Board shall be 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.
- (c) A deputy director shall vacate office if the nominating director ceases to be a director or on a majority of the other directors removing him/her from office.
- (d) An appointment or removal under this rule must be in writing and notice thereof must be served on the deputy director and the appointment or removal shall take effect forthwith upon the service thereof. Service of any such notice may be effected in accordance with Rule 77.
- (e) A deputy director whilst acting in the absence of the nominating director shall not be an agent of the nominating director and the nominating director shall not be liable for the actions of the deputy director.
- (f) The remuneration of any such deputy director shall be payable out of the remuneration payable to the nominating director and shall consist of such portion of the last mentioned remuneration as shall be agreed between the deputy director and the nominating director. The attendance of the deputy director at any meeting of the Board shall be deemed to be attendance by the nominating director.

- (g) For purposes of this rule a meeting of the directors shall include a meeting conducted pursuant to Rule 53.

### **OTHER COMMITTEES**

63. (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 Rule 58(c) and (d) 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**

64. (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 of directors.
- (b) Minutes must be recorded in the minute book within 28 days of the date of the meeting to which they relate.
- (c) The confirmation of such minutes, signed by the chairperson, shall be taken as the first business 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, 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**

65. (a) Without prejudice to the general powers 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 officers, servants, agents and contractors, and to fix their powers, duties and remuneration.
- (b) For the purposes of this rule:

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- (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 Enterprise Flexibility Agreement, Australian Workplace Agreement, or Certified Agreement.

#### **APPOINTMENT OF SECRETARY**

66. (a) The Board shall appoint a secretary who shall perform all the functions and duties required by the Act, the Regulation, 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 removed by the Board, or resignation from office.

#### **INSURANCE**

67. The Board shall arrange insurance against loss, damage to or liability of the Co-Operative by reason of fire, accident or otherwise.

#### **FINANCIAL YEAR**

68. The financial year of the Co-Operative shall end on the 30<sup>th</sup> June.

#### **ACCOUNTS**

69. (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 Corporations Law as adopted by Clause 15 of the Co-operatives Regulation 1997.
- (c) The Board shall also have a copy of everything required to be submitted under paragraph (b) displayed at the registered office of the Co-Operative for a period of not less than 21 days before the date of the annual general meeting of the Co-Operative.
- (d) The Board shall send a copy of everything required to be submitted under paragraph (b) to each member at least 21 days before the annual general meeting of the Co-Operative.

#### **BANKING**

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70. (a) The Board shall have a banking account or accounts in the name of the Co-Operative, into which all moneys 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 AUDITORS**

71. (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 Corporations 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 annual 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-operatives Regulation 1997.
- (c) 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 Corporations Law as adopted by Clause 15 of the Co-operatives 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.

- (c) 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 the Corporations Law as adopted by Clause 15 of the Co-operatives Regulation 1997.
- (c) 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 a 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) is a partner, employer or employee of an officer of the Co-Operative;
    - (C) is a partner of an employee of an officer of the Co-Operative; or

- (D) is an employee of an employee of an officer of the Co-Operative.
- (c) 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;
  - (iii) no member of the firm is:
    - (A) an officer of the Co-Operative;
    - (B) is a partner, employer or employee of an officer of the Co-Operative;
    - (C) is a partner of an employee of an officer of the Co-Operative; or
    - (D) is 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 a law of a State or Territory relating to the registration of business names or a return in the prescribed form 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.
- (c) All reasonable fees and expenses of the auditor are payable by the Co-Operative.
- (c) 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.
- (c) 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, on any part of the business of the meeting of concern to the auditor

## **REMOVAL OF AUDITORS**

72. (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) The Co-Operative shall lodge with the Registrar a notice of removal of auditor in accordance with Rule 73(c).

### **RESIGNATION OF AUDITOR**

73. (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 removal from office of the auditor or after the receipt of a notice of a resignation from an auditor, the Co-operative shall lodge with the Registrar a notice of the removal or 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**

74. (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-operative's objects.
- (d) An amount not exceeding 10 percent of the surplus may be applied to any charitable purpose, or for promoting co-operation or any community advancement object.

#### **PROVISION FOR LOSS**

75. The Board shall make such provisions for any loss which may result from the transactions of the Co-Operative in accordance with current Accounting Standards as adopted by the Regulations.

#### **DISPUTES**

76. (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 76(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 effecting a person of the type mentioned above (A) - (C) in the capacity of such a person as a member or ex-member of the Co-Operative; or as a person claiming through or under a member of the Co-Operative in that person's capacity as a member.
- (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 the 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. (Copy available from the Registry of Co-operatives (02) 6333 1400).
- (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

77. (a) A notice may be given by the Co-Operative to any member entitled to vote either personally or by sending it by post to the member's registered address, or where the member has notified the Co-operative of an email, to the notified email address. If the member has no registered address then the notice can be sent to any address supplied by the member to the Co-Operative for the giving of notices.
- (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 the newspaper circulating 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) deleted
- (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

78. (a) The winding up of the Co-Operative shall be in accordance with Part 12 of the Act.
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- (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, amounts paid up on shares shall be refunded and any remaining amount shall be given or transferred to an institution:
  - (i) which has objects similar to those of the Co-Operative;
  - (ii) whose constitution prohibits the return or distribution on surplus or share capital amongst 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 Judge of such Court as may have or acquire 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**

- 79. (a) The Board may impose on a member maximum fine of \$110 for any infringement of the rules.
- (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**

80.	Copy book of rules:.....	\$20	Rule <b>5(b)</b>
	Inspection of Register:.....	\$0	Rule <b>15(a)</b>
	Entrance Fees:.....	\$0	Rule <b>21</b>
	Annual Subscription:.....	\$5.50	Rule <b>22(b)</b>
	Maximum Fine:.....	\$110	Rule <b>79(a)</b>