

**R U L E S   O F**

**WREB Co-Op Limited**

**A Non-Trading Non-Share Co-operative**

**REGISTERED UNDER THE CO-OPERATIVES ACT 1992 (N.S.W.)**

REGISTRY OF CO-OPERATIVES

154 Russell Street  
BATHURST NSW 2795

PO Box 22  
BATHURST NSW 2795

DX 3123 BATHURST

**(Code: NT/NS: (09/2001))**

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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 18;
- (ii) **“alter”** or similar word or expression used in relation to a rule amendment includes add to, substitute, and rescind;
- (iii) **“auditor”** means an auditor or auditors for the time being of the co-operative appointed in accordance with Rule 72;
- (iv) **“banking account”** includes an account with a credit union or building society registered, or authorised to operate, under the Australian Prudential Regulation Authority Act and the Banking Act into which the co-operative's monies may be paid;
- (v) **“business day”** means a day that is not a Saturday or Sunday or a public holiday or bank holiday in New South Wales;
- (vi) **“CCU”** means Co-operative Capital Unit issued in accordance with these rules;
- (vii) **“debenture”** means a document issued by the co-operative that evidences or acknowledges indebtedness of the co-operative in respect of money that is or may be deposited with or lent to the co-operative, whether constituting a charge on property of the co-operative or not, other than:
  - (A) a cheque, order for the payment of money or bill of exchange; or
  - (B) a promissory note having a face value of not less than \$50,000; or
  - (C) any other document of a class that is prescribed as exempt from this definition, and includes a unit of a debenture;
- (viii) **“director”** includes:
  - (A) a person who occupies or acts in the position of a director or member of the board of the co-operative, whether or not the person is called a director and whether or not the person is validly appointed or duly authorised to act in the position; and
  - (B) a person in accordance with whose directions or instructions the directors or members of the board of the co-operative are accustomed to act;
- (ix) **“financial year”** means the financial year of the co-operative as specified in Rule 69;
- (x) **“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;
- (xi) **“member”** means a member of the co-operative;
- (xii) **“month”** means a calendar month;
- (xiii) **“officer”** means:

- (A) a director, secretary or employee of the co-operative; or
  - (B) a person who is concerned, or takes part, in the management of the co-operative, whether or not as a director; or
  - (C) a receiver, or receiver and manager, of property of the co-operative, or any other authorised person who enters into possession or assumes control of property of the co-operative for the purpose of enforcing any charge; or
  - (D) an administrator of a deed of arrangement executed by the co-operative; or
  - (E) a liquidator or provisional liquidator appointed in a voluntary winding up of the co-operative; or
  - (F) an administrator of the co-operative appointed under Part 5.3A of the Corporations Law as applying under this Act or Division 6 of Part 12 of the Act; or
  - (G) a trustee or other person administering a compromise or arrangement made between the co-operative and another person or other persons;
- (xiv) **“postal ballot”** includes a special postal ballot;
- (xv) **“prescribed”** means prescribed by the Act or under the Act by Regulation;
- (xvi) **“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;
- (xvii) **“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;
- (xviii) **“relevant interest”** has the same meaning as given in Schedule 2 of the Act;
- (xix) **“rules”** mean the registered rules of the co-operative as amended from time to time and reference to particular rules has a corresponding meaning;
- (xx) **“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;
- (xxi) **“special resolution”** means a resolution which is passed in accordance with Rule 47;
- (xxii) **“the Act”** means the Co-operatives Act 1992;
- (xxiii) **“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 55, being not less than a quorum or a majority, as the case may be;

- (xxiv) **“the co-operative”** means **WREB Co-Op Limited**
- (xxv) **“the Law”** means the Corporations Act 2001;
- (xxvi) **“the Registrar”** means the Registrar of Co-operatives or any person delegated the Registrar's functions;
- (xxvii) **“the secretary”** means any person appointed by the board as secretary of the co-operative;
- (xxviii) **“the State”** means the State of New South Wales;
- (xxix) **“writing”** includes printing, typing, lithography and other modes of representing or reproducing words in a visible form and “written” has a corresponding meaning;
- (xxx) Words importing one gender include the other genders;
- (xxxi) Words importing persons include bodies corporate;
- (xxxii) Words in the singular include the plural, and vice versa;
- (xxxiii) 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.

#### NAME

3. (a) The name of the co-operative shall be :

**WREB Co-Op Limited**

- (b) The co-operative may, in accordance with Section 259 of the Act, change its name by way of a special resolution to a name approved by the Registrar.

#### NON-TRADING CO-OPERATIVE

4. The co-operative is a non-trading co-operative within the meaning of Section 15 of the Act.

#### CONVERSION TO A CO-OPERATIVE WITHOUT SHARE CAPITAL

- 4A. (a) On the registration of these Rules:
- (i) the co-op shall convert from being a co-op with a share capital to a co-op without a share capital;
  - (ii) every person who was a member before the date of registration continues to be a member in accordance with these Rules;
  - (iii) all shares in the co-op held by any member before the registration, are cancelled;
  - (iv) the paid up share capital shall become part of the general reserves of the Co-op to be applied in accordance with the Rules.
- (b) The conversion of a co-op without a share capital shall not affect the obligation of a member to pay to the co-op any amount which is payable, but unpaid by the member to the co-op on or before the date of the registration of these Rules.
- (c) No member (including a deceased member's personal representative, etc) admitted to membership of the co-op prior to the date of the registration of these Rules, shall be entitled to the amount paid up on the member's share on the cancellation of membership, or on the member ceasing membership.

#### REGISTERED OFFICE

5. (a) The co-operative must cause a notice to be conspicuously and publicly displayed at the premises of registered office which states the name of the co-operative and identifies the premises as its registered office.
- (b) 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.

**RULES**

6. (a) The rules of the co-operative have the effect of a contract under seal:

- (i) between the co-operative and each member;
- (ii) between the co-operative and each director; 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 member shall be entitled on demand to a copy of the rules upon payment of a fee, if any, not exceeding that specified in Rule 81, Schedule of Fees.
- (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**

- 7. (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. The Active Membership Provision must only be altered by Special Resolution. A change to the Active Membership Provision cannot be proposed at a meeting unless prior approval has been obtained from the Registrar.
- (b) No alteration to these rules takes effect until the alteration is registered by the Registrar.
- (c) Where any rule is altered, by way of a board resolution under Section 112 of the Act, 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**

- 8. (a) The members at a general meeting 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 fines.



**OBJECTS**

9. The objects of the co-operative shall be:
- (a) To build, equip, operate and maintain a licensed medium-wave transmitters and multi-function Audio studio and through this medium pursue the following aims:
- (i) to train students in communications, radio technology, station management and programming, surveying, evaluating, interviewing techniques, and Preparation and transmission of media material;
  - (ii) to provide a means of disseminating information throughout the region of an Educational and topical nature;
  - (iii) to serve the communities in time of emergency and national disaster;
  - (iv) to provide a forum for the area in cultural exchange, ethnic awareness and promotion of better human relations;
  - (v) to produce and provide a wide spectrum of the different modes of entertainment possible through the radio medium;
  - (vi) to maintain an ongoing survey of community response to the station with a view to constant revision to meet the changing requirements of the people of to area served by the station.
- (b) To review the aims as enumerated above from time to time and, taking into account the results of (a)(vi), to vary these aims as is felt to be necessary, in accordance with these Rules
- (c) To operate the radio station in accordance with the Community Broadcasting Codes of Practice.

**POWERS**

10. (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.
- 10A (a) The co-op shall not invest any of its funds in the purchase of share (including stocks) or securities of a body corporate unless the body corporate has agreed to render services to the co-op, or to the members, in furtherance of the co-ops primary activity.
- (b) For the purpose of this rule, securities means any one of the following:
- (i) debentures

- (ii) prescribed interests
- (iii) units of shares or prescribed interests.
- (c) Nothing in this rule shall affect the investment of the co-ops funds in any securities authorised by law for the investment of trust funds.
- (d) For the purpose of this rule a body corporate includes a body corporate that is Incorporated outside Australia and its external territories.

10B. The co-op may accept subscriptions, donations and bequests (whether of real or personal property) and to take any lawful steps to obtain contributions to the funds of the co-op in the form of donations, subscriptions, bequests or otherwise.

### ***POWER TO FORM COMPANIES, ENTER JOINT VENTURES ETC***

10. Without limiting the provisions of Rule 10, and subject to the provisions of the Law, the co-operative has power;

- (a) to form or participate in the formation of a body corporate or unit trust;
- (b) to acquire interests in and sell or otherwise dispose of interests in bodies corporate, unit trusts and joint ventures; and
- (c) to form or enter into a partnership, joint venture or other association with other persons or bodies,

in furtherance of the co-operative's primary activity.

### **LOANS BY MEMBERS TO THE CO-OPERATIVE**

Deleted.

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

Deleted.

### **SEAL**

- 11. (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. The seal must be affixed by a director of the co-operative in the presence of another director or officer of the co-operative and be authenticated by the signature of both persons.

- (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**

- 12. (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 14(d).

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

- 13. (a) The co-operative must have at the registered office, subject to Rule 17, and available during all reasonable hours for inspection by *any member* free of charge the following:
  - (i) a copy of the Act and the Regulation;
  - (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 of the Act;
  - (v) the registers specified in section 251 of the Act.
- (b) A member is entitled to make a copy of entries in a register specified in subparagraph (a) and to do so on payment of the fee required under Rule 74, Schedule of Fees.
- (c) 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 and the Regulation;
  - (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.

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

14. If any of the registers required by Section 249(1) of the Act to be kept by a 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:
- (a) established at an office which is not the co-operative's registered office; or
  - (b) moved from one office to another.

### **ACTIVE MEMBERSHIP PROVISION**

15. In accordance with Part 6 of the Act:
- (a) To operate and maintain a community radio station for training of members and for Communication with the local community is the primary activity of the co-op; and.
  - (b) a members shall pay \$11 annual subscription in order to establish active membership of the co-op.

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

16. (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 one 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 one month immediately before the date of cancellation.
- (b) The co-operative shall, in a form approved of by the Registrar, keep a register of memberships cancelled pursuant to subparagraph (a), 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.

### **QUALIFICATIONS FOR MEMBERSHIP**

18. (a) A person is not qualified to be admitted to membership of the co-operative unless the board has reasonable grounds for believing that the person will be an active member under Rule 16.
- (b) Bodies corporate shall not be members of the Co-Op.

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

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-op.

## **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 of the Act.
- (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) Applications for membership shall be lodged at the registered office, in or to the effect of the form approved by the board.
- (d) Every application shall be considered by the board. If the board approves the application, the applicant's name, date of admission to the co-operative 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.
- (e) The board may, at its discretion, refuse any application for membership. The WREB Co-Op is bound by the Community Radio Codes of Practice, and agrees with the guiding principles of those Codes regarding access, equity and diversity. Therefore the Co-Op seeks to encourage the widest possible membership participation from people currently, or previously, living in the licence area. On that basis the board may refuse membership on the following grounds:
- (i) The applicant is not and has never been resident in the 2WEB licence area,
  - (ii) The applicant has previously been expelled from membership for a breach of the Co-Op rules
- If the board refuses membership it will explain its reasons to the applicant and allow them a right of reply, according to the dispute procedures set out in Section 71 of these Rules. Upon refusal the applicant's deposit will be refunded without interest.
- (f) 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 20 is not admitted as a member.

**MEMBERS OF THE CO-OPERATIVE**

21. The members of the co-operative are:
- (a) those persons who signed the application for registration of the co-operative; and
  - (b) those persons admitted to membership in accordance with Rule 20,
  - (c) those persons who become members by:
    - (i) a transfer of engagements to the co-operative;
    - (ii) a scheme of arrangement; or
    - (iii) operation of law.

**REGISTER OF NOTIFIABLE INTERESTS**

*deleted*

**LIABILITY OF MEMBERS TO THE CO-OPERATIVE**

22. (a) A member shall not, as a member of the co-operative, be under any personal liability to a creditor of the co-op.
- (b) A member shall, in accordance with Section 76 of the Act, be liable to the co-operative for 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 been until the member's personal representative or some other person is registered in the member's place.

**VOTING RIGHTS**

23. (a) Except as otherwise provided in these Rules, 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-op.
- (b) A person is not entitled to exercise, under a power of attorney, the power of a member of the co-operative to vote if the person has that power of attorney in respect of another member of the co-operative under another power of attorney.
- (c) (i) A person must not directly or indirectly control the right to vote of a member.
- (ii) If a person controls the exercise of the right to vote of a member at a meeting of the co-operative;
- (A) the vote of that member; and
  - (B) the vote of that person, if that person is a member, are invalid.
- (iii) Nothing in subparagraph (c) prevents the exercise of a vote by means of a power of attorney.

- (d) Any vote cast by or on behalf of a member of a co-operative when not entitled to vote is to be disregarded.

#### **EFFECT OF RELEVANT INTEREST ON VOTING RIGHTS**

*deleted*

#### **NOTICE TO BE GIVEN OF VOTING INTEREST**

*deleted*

#### **PROXY VOTES**

- 24. There shall be no proxy voting.

#### **INSTRUMENT APPOINTING PROXY TO BE LODGED AT REGISTERED OFFICE**

#### **EXPULSION OF MEMBERS**

- 25. (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.

#### **APPROVAL OF BOARD FOR TRANSFER OF DEBENTURES**

- 26. A debenture of a co-operative cannot be sold or transferred.

#### **CEASING MEMBERSHIP**

- 27. A person shall cease to be a member in any of the following circumstances:
  - (a) if the member's membership is cancelled under Rule 17;
  - (b) if the member is expelled in accordance with Rule 25;
  - (c) if the member becomes bankrupt or becomes subject to control under the law relating to bankruptcy;

- (d) on death of the member;
- (e) if the contract of membership is rescinded on the ground of misrepresentation or mistake;

#### **ANNUAL GENERAL MEETINGS**

28. (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-op. 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 subparagraphs (a) or (b), the members may, in accordance with Section 202 of the Act and Rule 30, requisition such a meeting.

#### **CONVENING SPECIAL GENERAL MEETINGS**

29. The board may, whenever it thinks fit, convene a special general meeting of the co-operative.

#### **REQUISITION OF GENERAL MEETINGS**

30. (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 as a meeting of the co-op.
- (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 CONVENED AS SOON AS PRACTICAL**

31. (a) A meeting requisitioned by members in accordance with Rule 37 must be convened and held as soon as practicable and, in any case, must be held with 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**

32. (a) Subject to Rule 33, 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 71.
- (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 71 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**

33. Notice of a special resolution shall be given to those persons, entitled to receive notice under Rule 32, 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**

34. (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) 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 directors; and
  - (iv) to elect (if necessary) an auditor, or to determine the auditor's remuneration, or both; and
  - (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, if present, 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**

35. (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, 11 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

36. (a) The chairperson, if any, of the board shall preside as chairperson at every general meeting of the co-op,
- (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

37. (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 chairman 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**

38. (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 subparagraph (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 a chairperson, or on a question of adjournment, shall be taken immediately.
- A poll demanded in accordance with subparagraph (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 an 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 joint membership, the joint members have one (1) vote only between them and that vote may be exercised only by whichever of the joint members is the member whose name appears first in the register of members.
- (g) 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, may have a casting vote.
- (h) All resolutions, except special resolutions, shall be determined by a simple majority.

**POSTAL BALLOT**

39. (a) 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.
- (b) A special postal ballot shall be held in the situations specified in Section 194A of the Act.

**SPECIAL RESOLUTION**

40. (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; by two-thirds in a postal ballot; or by three quarters of the members who cast votes in a special postal ballot of members.
- (b) 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;

in which case it has effect from the time it is registered by the Registrar.

**BOARD OF DIRECTORS**

41. (a) There shall be a board of ten 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**

- 42 A person is not eligible to be elected as director of the co-operative unless the person is:
- (a) an active member of the co-operative, or
  - (b) an employee of the co-operative

**FIRST AND SUBSEQUENT DIRECTORS**

43. At the annual general meeting in each subsequent year all directors shall retire.

**RETIREMENT AND ELECTION OF DIRECTORS**

- 44 (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) Where the number of nominees equals the number of vacancies, the nominees will be declared elected at the annual general meeting.
- (d) If there are insufficient nominees to fill all vacancies, the nominees will be declared elected at the annual general meeting and nominations for people to fill the remaining vacancies shall be called from the floor and a ballot held if required.
- (e) Where the number of nominees exceeds the number of vacancies, the election of Directors shall be conducted at the meeting by ballot as follows:
- (i) A Returning Officer is elected at the meeting. The directors, Secretary or anyone who has an interest in the election, are not eligible to be Returning Officer.
  - (ii) All nominees are to be listed on the ballot form in alphabetical order.
  - (iii) The Returning Officer is responsible for determining the validity of and counting of votes.
  - (iv) If there is an equality of votes, the outcome shall be determined by lot.
  - (v) The Returning Officer is to declare the election results.
- (f) If, at the end of the meeting, any vacancies remain, such vacancies shall be casual vacancies and shall be filled in accordance with Rule 56.

**DIRECTORS' REMUNERATION**

- 45 (a) The directors shall not receive remuneration for their services, but all necessary expenses incurred by them in the business of the co-op shall be refunded to them.
- (b) For the purposes of this rule "remuneration" means any money, consideration or benefit but does not include:
- (i) 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;
  - (ii) in relation to an employee director - remuneration received or due and receivable as an employee.

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

46. (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 48) must be held at least once every 3 months 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**

47. (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) A director shall not vote in respect of any contract or proposed contract with the co-operative in which the director is in any way, whether directly or indirectly, interested or in respect of any matter arising out of such a contract or proposed contract and, if the director votes in contravention of this Rule, the director's vote shall not be counted.

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

48. (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 an ordinary meeting of the board.
- (c) A resolution approved under subparagraph (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 subparagraph (a)(i) by facsimile or other transmission of the information in the papers concerned.

## **QUORUM FOR BOARD MEETINGS**

49. The quorum for a meeting of the board shall be six 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**

- 50 (a) If at any time the number of directors is the same or less than the number of directors required to constitute a quorum of the board, the board may appoint sufficient directors so that the number of directors is one more than a quorum.
- (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 56 applies.

**CHAIRPERSON OF BOARD**

51. The chairperson of the board may be elected or removed either by the board or at a general meeting of the co-operative. 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.

**DELEGATION AND BOARD COMMITTEES**

- 52 (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 co-operative or the board may by resolution revoke wholly or in part any such delegation.
- (c) 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**

53. (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.
- (b) Subparagraph (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 of Rule 52(d) were observed by the director exercising the powers.
- (c) An instrument purporting to be signed by a director as referred to in subparagraph (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 may have a casting vote.

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

54. 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**

55. 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:
- (a) if the person is an insolvent under administration (as defined in the Law);
- (b) 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;
- (c) if the director absents himself/herself from 3 consecutive ordinary meetings of the board without its leave;

- (d) if the director resigns from office by notice in writing given by the director to the co-operative;
- (e) if the director is removed from office by ordinary resolution of the co-operative;
- (f) if the person ceases to hold the qualification by reason of which the person was qualified to be a director;
- (g) if the director becomes an employee of the co-operative, unless elected under Section 216 of the Act;
- (h) if an administrator of the co-operative's affairs is appointed under Division 6 of Part 12 of the Act;
- (i) as provided by Section 217 of the Act;
- (j) 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;
- (k) 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;
- (l) 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**

56. (a) In the event that the board does not make an appointment under Rule 50, a casual vacancy is to be filled:
- (i) by election by the members held:
    - (A) at a meeting of the co-operative; or
    - (B) in the manner specified in the rules of the co-operative for the ordinary election of directors; or
  - (ii) by appointment by the directors; or
  - (iii) in such other manner as the Registrar may approve in a particular case.
- (b) The person elected pursuant to subparagraph (a)(i) shall retire at the same time as the director who vacated the office would have done if that director had not vacated it.
  - (c) The person appointed pursuant to subparagraph (a)(ii) shall hold office until the next annual general meeting only.
  - (d) For the purposes of this rule, a casual vacancy shall arise where the office of a director is vacated in accordance with Rule 55.

**DEPUTY DIRECTORS**

57. (a) Any director may from time to time apply, in writing, for any active member (other than an employee of the co-operative, the auditor or a partner or employer or employee of the auditor) 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 71.
- (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) There shall be no remuneration of any such deputy director.
- (g) The attendance of the deputy director at any meeting of the board shall be deemed to be attendance by the nominating director.
- (h) For the purposes of this rule a meeting of the directors shall include a meeting conducted pursuant to Rule 48.

**OTHER COMMITTEES**

- 58 (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 53(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**

59. (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.
  - (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.
  - (f) The minutes of board meetings and subcommittee meetings are to be available for inspection by members.

## **OFFICERS**

- 60. (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 employees, servants, agents and contractors, and to fix their powers, duties and remuneration.
- (b) For the purposes 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.

## **INSURANCE**

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

## **FINANCIAL YEAR**

- 62 The financial year of the co-operative shall end on the 30 June.

## **ACCOUNTS**

- 63. (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:
  - (i) send a copy of everything required to be submitted under subparagraph (b) to each member 21 days before the annual general meeting of the co-operative; or
  - (ii) give members notice 21 days before the annual general meeting of the co-operative that the documents required under subparagraph (b) will be made available for inspection at the registered office of the co-operative.

## **BANKING**

- 64. (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**

- 65. (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) Within one month after the date on which the co-operative is registered, the directors shall appoint an auditor of the co-operative, unless the co-operative at a general meeting has already appointed an auditor. An auditor appointed under this clause shall hold office until the first annual general meeting of the co-operative.
- (c) The co-operative shall at its first annual general meeting appoint an auditor of the co-operative; and at each subsequent annual general meeting, if there is a vacancy in the office of auditor, the co-operative shall appoint an auditor to fill the vacancy.
- (d) An auditor appointed under subparagraph (c) 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.
- (e) 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 subparagraph 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.

- (f) 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 the notice of nomination was not sent in accordance with subparagraph (h) 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 subparagraph holds office until the next AGM.
- (g) 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 subparagraphs (f) or (h).
- (h) 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.
- (i) 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 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.
- (j) 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 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:
- (v) the business name under which the firm is carrying on business is registered under the Business Names Act 1962 or a return (in a 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.
- (k) All reasonable fees and expenses of the auditor are payable by the co-operative.
- (l) 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.
- (m) 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**

- 66 (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, but if, after notice has been given, a meeting is convened for a date 2 months or less after notice has been given subject to subparagraph (d), notice shall be deemed to have been properly 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 notice of a resolution to remove the auditor to persons entitled to be given notice of a meeting of the co-operative at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable, shall give notice of the resolution to them in any manner allowed by these rules not less than 21 days before the meeting.
- (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

67. (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 a 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

68. (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; or
  - (ii) reasonable interest on money lent or 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 ten percent of the surplus may be applied to any charitable purpose, or for promoting co-operation or any community advancement object.



## PROVISION FOR LOSS

69. 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.

## DISCIPLINARY ACTION

70. a) Members, volunteers or staff who break any of the rules of the Co-Op, or the mandatory Codes of Practice for the Community Broadcasting Sector, attached as part of these rules in Appendix 1, will be subject to disciplinary action in a four step process.
- (b) The steps in the disciplinary process shall be:
- (i) Informal discussion, counseling and (if appropriate) training,
  - (ii) A first formal notice in writing
  - (iii) A second formal notice in writing
  - (iv) A notice of dismissal and/or expulsion from membership
- (c) Conduct which may lead to disciplinary action includes, but is not limited to:
- i. punctuality and reliability
  - ii. not following pre-existing station rules and policies, including programming policies and program briefs.
  - iii. engaging in acts or broadcasts which may breach the Community Radio Codes of Practice.
  - iv. engaging in broadcasts which may breach other related legislation such as the Broadcasting Services Act 1992 (which includes sponsorship provisions), copyright or defamation law
  - v. inappropriate handling or use of station equipment or other property
  - vi. rudeness or hostility towards other volunteers or staff members
  - vii. intoxication through alcohol or other substances during working hours
  - viii. publicly bringing 2WEB into disrepute
  - ix. verbal or physical harassment of any other volunteer, employee, member or guest, particularly in respect of race, sex or religion
  - x. willful damage to or theft of station property or other property of volunteers, employees, members or guests.
  - xi. falsification of any of the organisations records for personal gain.
- (d) Some breaches may be deemed to be 'gross misconduct' and will not necessarily be subject to the four step process outlined above. In the case of 'gross misconduct' the board reserves the right to skip some of the steps or serve a notice of dismissal or (xi). expulsion immediately. Examples of categories which may be considered gross misconduct include: bringing the station into disrepute (viii), harassment and damage (ix and x), and falsification of records.
- (e) Disputes arising from the application of this rule will handled according to procedures set out in Section 71 of these Rules.

**DISPUTES**

71. (a) In this rule:
- (i) “party” includes:
    - (A) a member of the co-operative;
    - (B) any aggrieved person who has ceased to be a member in the last six months;
    - (C) any person claiming through or under a member or any aggrieved person referred to in subparagraph (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 in subparagraphs (a)(i)(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 subparagraphs 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. (Copy available from the Registry of Co-operatives on 1800 502 042).
- (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**

72. (a) A notice may be given by the co-operative to any member:
- (i) personally;
  - (ii) by post to the member’s registered address or an alternate address supplied by the member;

- (iii) by some other 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) Where a notice is sent by post, service shall be deemed to be affected 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 affected at the expiration of 24 hours after the letter containing the notice is posted. In every other case service is deemed to be affected 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.
  - (c) 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.
  - (d) 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.
  - (e) A notice may be given by the co-operative to joint members by giving the notice to the joint member named first in the register of members.
  - (f) For the purpose of this rule “registered address” means the address of the member as appearing in the register of members.

## WINDING UP

73. (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 objects 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 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 subparagraph (b), the expression “institution” includes an institution or institutions.

**FINES PAYABLE BY MEMBERS**

74. (a) The board may impose on a member a maximum fine in accordance with Rule 81, 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 subparagraph (a) unless:
- (i) written notice of the 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 FEES**

75. Membership/Annual Subscription – GST inclusive..... \$11 Rule 16(b)
- Copy book of rules:.....\$10 Rule 6(b)
- Copy of Register: .....\$10 Rule 14(b)
- Maximum Fine:.....\$20 Rule 73(a)

**CERTIFICATION**

We the undersigned, certify that this is a copy of the rules which was presented to the formation meeting on ..... (date) at .....  
.....  
(location)

for the purpose of forming a co-operative to be known as:

.....  
(name of co-operative)

..... Chairperson of Formation Meeting  
Signature

..... Secretary of Formation Meeting  
Signature

Note: This certification is signed at the Formation Meeting which is held after the rules have been approved by the Registry and returned to the sponsors of the proposed co-operative.

*Existing co-operatives may delete this page. It is only required by new co-operatives.*