

RULES of the
VARSIY ALPINE CLUB (WOLLONGONG)
CO-OPERATIVE LIMITED

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INTERPRETATION

In these rules, unless the context otherwise requires:

- 1.(a) "active member" means a member who is in active membership within the provisions of Rule 12.
- 1.(b) "alter" or similar word or expression used in relation to a rule amendment, includes add to, substitute, and rescind;
- 1.(c) "Auditor" means auditor or auditors for the time being of the co-operative appointed pursuant to Rule 68.
- 1.(d) "banking account" includes an account with a credit union or building society registered under the Financial Institutions (NSW) Code into which the co-operative's monies may be paid;
- 1.(e) "director" means any director of the co-operative for the time being and includes a deputy director.
- 1.(f) "financial year" means the financial year of the co-operative as specified in Rule 65.
- 1.(g) "may" or a similar word or expression, used in relation to a power of the board indicates that the power may be exercised or not at the board's discretion;
- 1.(h) "member" means a member of the co-operative;
- 1.(i) "month" means calendar month;
- 1.(j) "prescribed" means prescribed by the Act or under the Act by Regulation;
- 1.(k) "regulation" means regulation made under the Act;
- 1.(l) "rules" mean the registered rules of the co-operative as amended from time to time and reference to particular rules has a corresponding meaning.
- 1.(m) "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;
- 1.(n) "special resolution" means a resolution which is passed in accordance with Rule 42.
- 1.(o) "the Act" or "Co-operatives Act" means the Co-operatives Act 1992 and includes any amendment or re-enactment of that Act, or any Act, Code or other Statutory Instrument in substitution of that Act;
- 1.(p) 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 56, not being less than a quorum.
- 1.(q) "the registrar" means the Registrar of Co-operatives or any person delegated the Registrar's functions;
- 1.(r) "share" means share in the capital of the Co-operative;
- 1.(s) "the State" means the State of New South Wales;
- 1.(t) "writing" includes printing, typing, lithography and other modes of representing or reproducing words in a visible form and "written" has a corresponding meaning.
- 1.(u) Words importing one gender include the other genders.
- 1.(v) Words importing persons include corporations.
- 1.(w) Words in the singular include the plural, and vice versa;
- 1.(x) Words or expressions used have the same meanings as those given to them by the Act.

RULES

- 2.(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, 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.
- 2.(b) 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 it is registered by the Registrar.
- 2.(c) A copy of the rules is freely available on the club website, <https://varsityalpine.com.au>. Any person shall be entitled on demand to a copy of the rules upon payment of a sum not exceeding \$40 or such other amount as the Board may from time to time determine. Any person may inspect a copy of these rules free of charge at the registered office during ordinary business hours.

NAME

3. (a) The name of the co-operative shall be
- VARSITY ALPINE CLUB (WOLLONGONG) CO-OPERATIVE LIMITED
- 3.(b) The co-operative may change its name in accordance with section 259 of the Act.

REGISTERED OFFICE

4. (a) The registered office of the co-operative shall be at;
- 3/4 Gardeners Crescent,
Shellharbour, NSW 2529
- or such other place as the board of the co-operative may determine. The board shall notify the registrar of any change of address of the registered office within 14 days after the change, and on the form approved by the Registrar.
- 4.(b)
- (i) The Board may, with the Registrar's approval, pass a resolution to alter paragraph (a) to insert the new address of the registered office.
 - (ii) An application for registration of the board resolution shall be forwarded to the Registrar together with the approved form notifying the change of address, within 14 days of the passing of the board resolution altering paragraph (a).
 - (iii) Notice of the registration of alteration shall be given to members in accordance with Section 112 (2) of the Act.

OBJECTS

5. The objects of the Co-operative shall be:
- 5.(a) To promote and foster snow sport, water sports, exploration and other athletic sports, games and pastimes.
 - 5.(b) To make provision for the association of people interested in the sport of skiing and other athletic sports, games and pastimes.
 - 5.(c) To establish, maintain and conduct a club and clubrooms for the accommodation and use of members of the society.
 - 5.(d) To publish and circulate documents on subjects of interest to members.

- 5.(e) To promote, encourage and assist in the construction, improvement and maintenance of skiing and fishing facilities.
- 5.(f) To provide, construct and maintain lodges, huts and other buildings and equipment for use in connection with the activities specified in paragraph (a) of this rule, to furnish, equip, repair and maintain the same and to make same available for use by members of the society, by members' guests, or by other persons nominated by a member and approved by the society, either gratuitously or for payment.

POWERS

- 6.(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.
- 6.(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.

PURCHASE OF MEMBERS' SHARES

- 7.(a) Subject to section 172 of the Act the co-operative may:
 - (i) purchase any share of a member at the request of the member; and
 - (ii) repay to a member, with the member's consent, the whole or any part of the amount paid up on any share held by the member when the sum repaid is not required for the activities of the co-operative.
- 7.(b) The co-operative shall cancel any share purchased or repaid in full by the co-operative.
- 7.(c) If, in the opinion of the board, payment of the repurchase price would adversely affect the financial position of the co-operative, the board may exercise any of the following options instead of paying the sum to the member:
 - (i) apply the amount as an interest-bearing deposit by the member with the co-operative; or
 - (ii) allot or issue debentures or co-operative capital units (CCUs) of the co-operative to the member in satisfaction of the amount.
- 7.(d) A deposit, debenture or CCU issued pursuant to paragraph (c) shall:
 - (i) bear interest during any period as determined in accordance with Section 173 of the Act; and
 - (ii) be repaid to the member as soon as repayment would not, in the opinion of the board, adversely affect the financial position of the co-operative, and in any case, within 10 years.

DEALINGS OF MEMBERS WITH CO-OPERATIVES

- 8. Omitted

SEAL

- 9.(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. The common seal shall be kept at the registered office in such custody as the board shall direct.
- 9.(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.
- 9.(c)
 - (i) The 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 some person other than the secretary for this).
 - (ii) 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.

CUSTODY AND INSPECTION OF RECORDS AND REGISTERS

- 10.(a) The Co-operative must have at its registered office and available during normal office hours for inspection by any member or creditor free of charge the following:
- (i) a copy of the Act and the regulations;
 - (ii) a copy of the rules of the co-operative;
 - (iii) a copy of the accounts of the co-operative and of each subsidiary of the co-operative, in respect of the financial year of the co-operative or subsidiary then last past, together with any report of the auditors or directors of the co-operative or subsidiary concerning those accounts;
 - (iv) the register of directors, members and shares;
 - (v) the register of loans to, securities given by, debentures issued by and deposits received by the co-operative;
 - (vi) the register of CCUs issued by the co-operative;
 - (vii) such other registers as are required by the Act or the Regulations to be open for inspection.
- 10.(b) Any person is entitled to inspect the register of members, directors and shares of a co-operative during normal office hours, and to make a copy of the entries therein for the fee of \$40.00.
- 10.(c) The minutes of the meetings of the co-operative must be kept at the registered office and available for inspection by any member free of charge.

QUALIFICATIONS FOR MEMBERSHIP

- 11.(a) For admission to membership, a person shall-
- (i) be not less than 18 years of age; and
 - (ii) be the registered holder of 120 shares in the co-operative; and
 - (iii) be formally approved for admission by Board resolution.
- 11.(b)
- (i) Except as provided in sub-clause (ii) hereunder every member shall pay the membership admission fee specified in Rule 80. The membership admission fee is not refundable on ceasing membership.
 - (ii) No membership admission fee shall be payable by a member where the shares were acquired by transfer under the provisions of Rule 28 or by transfer where the transferor has held the shares continuously for twenty five or more years.

Nothing in this sub-clause shall limit the Board's powers under clause (a) or Rule 26.

- 11(b) (iii)

Definition of a family member: The category of family member means:

- i. a person who is the wife or husband of the member, or a person with whom the member was in a 'bona fide' domestic relationship being a de-facto relationship in excess of two years and satisfying the requirements as defined in the Property (Relationships) Act 1984 or
- ii. a Child or adopted child of the member or spouse of a child or
- iii. a Grandchild or adopted grandchild of the member or
- iv. a brother or sister of the member or
- v. a parent of a member.

Shares may be transferred to a family member, as defined above, or the shares may be purchased by the Board.

- 11.(c) Shares carrying the majority of the voting power in the club shall not be held by less than ten persons. For the purpose of applying this clause a person and his relatives and his nominees, if any of his relatives, shall be deemed to be one person.
- 11.(d) There shall be no joint share holdings. Corporations, sole or aggregate of any description shall not be eligible for membership.

ACTIVE MEMBERSHIP PROVISIONS

- 12.(a) In accordance with Part 6 of the Act, provision of lodge accommodation is a primary activity of the co-operative; and

- 12.(b) A member shall pay an annual subscription in accordance with Rule 82 in order to establish active membership of the co-operative.

FORFEITURES AND CANCELLATIONS- INACTIVE MEMBERS

- 13.(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 2 years before that date; or
 - (ii) the member is not presently an active member and has not been an active member at any time during the past 2 years immediately before that time.
- 13.(b) The board is to declare the shares of a member forfeited at the same time as the membership is cancelled and the amounts due in respect of that cancellation and forfeiture shall be dealt with and repaid in accordance with section 134 of the Act.
- 13.(c) The co-operative shall, in a form approved of by the Registrar, keep a register of memberships cancelled pursuant to paragraph (a), which shall specify the particulars prescribed in Schedule 3 of the Co-operatives (General) Regulation 1993.
- 13.(d) A fee may be charged for the forfeiture of shares for inactive members being not greater than \$100.

CAPITAL AND SHARES

- 14.(a) The capital of the co-operative shall be raised by the issue of shares which shall be of one class, all ranking equally, and be of nominal value of \$10.00 each.
- 14.(b) The capital shall vary in amount according to the nominal value of shares from time to time subscribed.
- 14.(c) No share is to be allotted (other than bonus share) unless at least 10% of the nominal value of the share has been paid. A share is not to be issued at a discount.
- 14.(d) Every member shall hold 120 shares and shares in the co-operative shall not be issued or transferred other than in groups or parcels of 120 shares. No member shall be entitled to hold more than 120 shares nor shall any member hold more than 20% of the nominal value of issued share capital of the co-operative.
- 14.(e) The board may require a member to take up or subscribe for additional shares in accordance with a proposal approved of by the members by special resolution in accordance with section 155 of the Act.
- 14.(f) Bonus shares may be issued by the co-operative in accordance with the Act.

MEMBERSHIP AND SHARES

- 15.(a) Applications for membership, shares or bonus or additional shares shall be lodged at the registered office in or to the effect of the form, approved by the board, together with the amount required to pay the shares fully or, if the shares are to be issued partly paid, a deposit of \$5.00 in respect of each share applied for. Every such application shall be considered by the board. If the board approves of the application, the board shall allot the shares applied for. The applicant's name together with the number of shares allotted, date of allotment 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 allotment and of the entry in the register. He or she shall then be entitled to the privileges attaching to membership, or to the holding of shares, or bonus or additional shares, as is appropriate to the case.
- 15.(b) The board may, at its discretion, refuse any application for membership or shares (other than additional shares the subject of a compulsory issue under section 155 of the Act) and need assign no reasons for such refusal. Upon refusal the applicant's deposit shall be refunded without interest.

LIABILITY OF MEMBERS TO CO-OPERATIVES

- 16.(a) 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.
- 16.(b) 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.
- 16.(c) Omitted

ONE MEMBER ONE VOTE

- 17.(a) 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.
- 17.(b) A member's right to vote is a personal right and is not attached to, or conferred by, any share held by the member in the co-operative.
- 17.(c) Omitted

RESTRICTION ON VOTING ENTITLEMENT UNDER POWER OF ATTORNEY

18. A person is not entitled to exercise a members' right to vote under a power of attorney, if that person has a power of attorney to vote in respect of another member.

CEASING MEMBERSHIP

19. A person shall cease to be a member in any of the following circumstances:
- 19.(a) if the member's membership is cancelled under Part 6 (Active membership requirements);
- 19.(b) if the member is expelled in accordance with the co-operative's rules;
- 19.(c) if the member becomes bankrupt and the trustee of the member's estate disclaims any of his or her property in accordance with the law relating to bankruptcy;
- 19.(d) on death of the member;
- 19.(e) if the contract of membership is rescinded on the ground of misrepresentation or mistake;
- 19.(f) if the member's share is transferred to another person and the transferee is registered as the holder of the share;
- 19.(g) if the member's share is forfeited in accordance with the provisions of the Act or the rules of the co-operative;
- 19.(h) if the member's share is purchased by the co-operative in accordance with the provisions of these rules; and
- 19.(i) if the amount paid up on the member's share is repaid to the member in accordance with these rules of the co-operative.

EXPULSION OF MEMBERS

- 20.(a) A member may be expelled from the co-operative by special resolution to the effect:
- (i) that the member has failed to discharge his or her 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.
- 20.(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 he or she shall be given a reasonable opportunity of being heard at the meeting.

- 20.(c) The shares of any member expelled shall be cancelled as at the date of expulsion and the cancellation shall be noted in the register of shares. Subject to paragraph (d), the co-operative shall however pay to the expelled member the amount of capital paid up on his or her shares at the time of expulsion (less any amount owing by the member to the co-operative).
- 20.(d) For the purpose of this rule "deficiency" shall mean the amount of accumulated loss or deficiency disclosed in the last preceding balance sheet of the co-operative. Where such a deficiency exists an appropriate proportion of the loss or deficiency must be deducted from the amount of capital paid up on the shares of the expelled member. This is done having regard to the number of such shares in relation to the number of shares in the co-operative.
- 20.(e) Payment to the expelled member shall be made at such time as shall be determined by the board in its discretion but not later than twelve (12) months from the date of expulsion.
- 20.(f) An expelled member shall not be re-admitted as a member unless such re-admission is approved by special resolution. A member so re-admitted shall not have restored to him or her any shares which were cancelled on his or her expulsion.

CERTIFICATE OF SHARES

- 21.(a) Every person whose name is entered as a member in the register of members shall be given, after application by him or her, and without payment, a certificate under the seal of the co-operative specifying the shares held by him or her and the amount paid up on those shares.
- 21.(b) Omitted
- 21.(c) If a share certificate is defaced, lost or destroyed a duplicate may be issued by the co-operative on payment of a fee, not exceeding \$10.00, and on such terms as to evidence and indemnity as the board thinks fit.

CALLS AND ALLOTMENT OF SHARES

- 22.(a) The board may from time to time make calls upon the members in respect of any moneys unpaid on their shares. A call is not valid unless the board gives at least 14 days' notice to the members, specifying the time or times of payment. However, no call shall exceed one-fourth (1/4) of the nominal amount of the share or be payable at less than one month from the last call. Each member shall pay to the co-operative at the time or times so specified the amount called on his or her shares.
- 22.(b) Omitted
- 22.(c) If a sum called in respect of a share is not paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest upon the sum at the rate of 10% per annum from the day appointed for the payment to the time of actual payment. However, the board shall be at liberty to waive payment of that interest wholly or in part.
- 22.(d) With respect to the issue of shares, the board may arrange for a difference between the shareholders in the amount of calls to be made and in the times of payment.
- 22.(e) The board may, if it thinks fit, receive from any member willing to advance it, all or any part of the money uncalled and unpaid upon any shares held by that member. Upon all or any of the money advanced, the board may pay interest to cover the time between the advancement and the time that the money would otherwise have been payable on the shares. The rate of interest can be agreed between the member and the board (but must not exceed 10% unless the co-operative agrees at a general meeting).

DEFAULT IN PAYMENT OF SHARES

- 23.(a) If a member fails to pay any call or installment of a call by the day appointed for payment, the board may, while any part of the call or installment remains unpaid, serve a notice on the member requiring payment of the unpaid amount together with any interest which may have accrued.

- 23.(b) The notice shall name a further day (not earlier than 14 days from the date of the notice) by which the payment required by the notice is to be made. The notice shall also state that if there is no payment by that time the shares for which the call was made may be forfeited.
- 23.(c) If the requirements of the notice are not complied with by the member, then any share for which the notice has been given, may at any time afterwards (but before the payment required by the notice has been made), be forfeited by a resolution of the board.

FORFEITED SHARES

- 24.(a) A person whose shares have been forfeited pursuant to these rules shall cease to be a member in respect of the forfeited shares. However, that person shall nevertheless remain liable to pay to the co-operative all moneys which (as at the date of forfeiture) were payable by him or her to the co-operative in respect of the shares. (This is apart from calls in default).
- 24.(b) A statutory declaration in writing by a director of the co-operative stating that a share in the co-operative has been forfeited on a date stated in the declaration, shall be conclusive evidence of that fact as against all persons claiming to be entitled to the share.
- 24.(c) The Co-operative shall, pursuant to Rule 25, have a charge upon the paid-up amounts of the forfeited shares and may appropriate those amounts pursuant to paragraph (b) of that Rule.
- 24.(d) Shares forfeited for default in payment of calls shall be cancelled and a notation of the cancellation entered in the share register.

CHARGES ON SHARES

- 25.(a) The co-operative shall, as provided in section 80 of the Act, have a charge upon the share or interest in the capital, and on the credit balance and deposits of a member or past member, and upon any dividend, interest, bonus or rebate payable to a member or past member, in respect of any debt due from the member or past member to the co-operative. The co-operative may also set off any amount paid on account of that share or otherwise or any amount credited or payable to such member or past member in or towards payment of the debt.
- 25.(b) The charge may be enforced at any time after 7 days' notice to the member or past member, via the appropriation by the co-operative of the capital, interest or deposit subject to the charge. Any share in respect of which capital has been appropriated shall be cancelled.
- 25.(c) The co-operative may sell in such manner as the directors think fit all or any shares on which the co-operative has charge. However, no sale shall be made unless some sum in respect of which the charge exists is payable at the date of the sale. Also no sale shall be made until the expiration of 14 days after a notice in writing (stating, and demanding payment of, such part of the amount in respect of which the charge exists as is payable at the date when the notice is given) has been given to the registered holder of the share or the person entitled to it by reason of death or bankruptcy. The notice shall indicate that upon failure to make payment of the sum demanded within the time stipulated the shares will be sold by the board.
- 25.(d) Where the highest offer received by the board is less than the amount paid up on shares to be sold, the board shall, before accepting the offer, notify the member of the receipt of such offer and the amount of the offer, and of the board's intention to accept the offer at the expiration of 14 days, if no payment is made before then to the co-operative of all moneys in respect of which the charge exists.
- 25.(e) From the proceeds of any such sale the co-operative may deduct the expenses, if any, associated with the sale and may apply the balance to reduce the liability of the member. However, if a surplus remains after such deduction the surplus shall be payable to the member whose shares were sold.
- 25.(f) For giving effect to any such sale the board may authorize a person to transfer the shares sold to the purchaser of them.

TRANSFER AND TRANSMISSION OF SHARES

- 26.(a) The instrument of transfer of any share shall be executed by or on behalf of the transferor and the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members.
- 26.(b) Shares shall be transferred in the following form or in a usual or common form which the board shall approve:
 -
 - I, A.B of
 - in consideration of the sum of \$
 - paid to me by C.D., of
 - (hereinafter called "the said transferee") do hereby transfer to the said transferee the shares numbered
 - in the
 - to hold unto the said transferee, the transferee's executors, administrators, and assigns, subject to the several conditions on which I hold the same at the time of the execution thereof; and I, the said transferee, do hereby agree to take the said shares subject to the conditions aforesaid.
 - As witness our hands, theday of19
 - Signed by, transferor.
 - In the presence of, witness.
 - Signed by....., transferee.
 - In the presence of, witness.
- 26.(c) A share may not be sold or transferred except:
 - (i) with the consent of the board, and to a person who is qualified to be admitted to membership of the co-operative under Rules 11 and 12;
 - or
 - (ii) as otherwise provided by these rules or the Act.
- 26.(d) The board may decline to register any transfer of shares to a person not qualified to be a member or of whom they do not approve. The board may also decline to register any transfer of shares on which the co-operative has a lien or charge. If the board refuses to register a transfer of shares it shall send notice of the refusal to the transferee within 2 weeks after the date on which the board declined to register the transfer.
- 26.(e) Omitted
- 26.(f) The board may decline to recognize any instrument of transfer unless-
 - (i) a fee of \$100.00 is paid to the co-operative for the transfer; and
 - (ii) the instrument of transfer is accompanied by the certificate (if any) of the shares to which it relates, and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer.
- 26.(g) The board shall have a record of all transfers made in the proper books of the co-operative.
- 26.(h) The board may suspend the registration of transfers during the 14 days immediately preceding the annual general meeting in each year.

EFFECT OF SALE, TRANSFER OR DISPOSAL OF SHARES

27. A member who has sold or transferred, or disposed of the beneficial interest in, that member's shares, or has agreed to do any of those things, is not entitled to vote at any meeting of the Co-operative.

DEATH OF MEMBER

- 28.(a) The Board may register as the holder of a share, a trustee executor or administrator of the estate of a dead person who was the registered holder of the share in the co-operative, or where the deceased member is entitled in equity to a share, with the consent of the holder of the share.
- 28.(b) The Board shall transfer the deceased member's share in the co-operative, to such person as the deceased's personal representative may specify, in an application made to the co-operative within 3 months after the death of the member.

REGISTRATION OF OFFICIAL TRUSTEE IN BANKRUPTCY

- 29.(a) Where a member is declared bankrupt, the Official Trustee in Bankruptcy may be registered as the holder of the share held by the bankrupt member.
- 29.(b) The Board may register the Official Trustee in Bankruptcy as the holder of a share in which a bankrupt member has an entitlement in equity, with the consent of the holder of the share.

REGISTRATION AS ADMINISTRATOR OF ESTATE ON INCAPACITY OF MEMBER

30. A person appointed under a law of a State or Territory to administer the estate of a person who, through mental or physical infirmity is incapable of managing his or her affairs, may be registered as the holder of a share held by the person whose estate the appointed person is administering.

ENTITLEMENTS AND LIABILITIES OF PERSON REGISTERED AS TRUSTEE,

ADMINISTRATOR ETC

- 31.(a) A person becoming entitled to a share by reason of the death, bankruptcy or the incapacity of the holder shall be entitled to participate in any bonus share issue to which that person would be entitled if he or she were the registered holder of the share. However, until admitted to membership by Board resolution the person shall not be entitled to exercise any of the rights conferred by membership.
- 31.(b) A person registered pursuant to rules 28, 29 and 30 is, while so registered, subject to the same liabilities in respect of the share as those to which that person would have been subject if the share had remained, or had been registered in the name of the dead person, incapable person or the bankrupt.
- 31.(c) Admission to membership of the co-operative of a person acquiring shares pursuant to Rules 28, 29 and 30 shall be in accordance with and subject to the provisions of Rules 11 and 26. In the event that a person so acquiring shares is not admitted to membership, the Board shall, within one month of such resolution, purchase the shares held at their nominal value.

ANNUAL GENERAL MEETINGS

- 32.(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 prescribed by regulation.
- 32.(b) All general meetings of the co-operative other than the annual general meeting shall be special general meetings and shall be held at such place as the board shall appoint.

- 32.(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.

SPECIAL GENERAL MEETINGS

- 33.(a) The board may, whenever it thinks fit, convene a special general meeting of the co-operative.
- 33.(b) (i) The Board must convene a general meeting of the Co-operative on the requisition in writing by:
- (A) any 50 or more active members of the co-operative; or
 - (B) any active members who together are able to cast at least 5% of the total number of votes able to be cast at a meeting of the co-operative.
- (ii) The requisition must:
- (A) state the objects of the meeting;
 - (B) be signed by the requisitioning members (and may consist of several documents in like form each signed by one or more of the requisitioning members);
 - (C) be served on the co-operative by being lodged at the registered office of the co-operative.
- (iii) A meeting requisitioned by members in accordance with these rules must be convened and held as soon as practicable and be held within 2 months after the requisition is served.
- (iv) Where the board does not convene a meeting twenty-one (21) days after the requisition is served, the following provisions apply:
- (A) the requisitioning members (or any of them representing at least half their aggregate voting rights) may convene the meeting in the same manner as early as possible as meetings are convened by the board;
 - (B) for that purpose, they may request the co-operative to supply a written statement setting out the names and addresses of the persons entitled when the requisition was served to receive notice of general meetings of the co-operative;
 - (C) the board must send the requested statement to the requisitioning members within 7 days after the request for the statement is made.
 - (D) the meeting convened by the requisitioning members must be held not later than 3 months after the requisition is sent;
 - (E) 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;
 - (F) 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

- 34.(a) 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. 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.
- 34.(b) In the case of a special resolution, notice shall be given at least 21 days before the meeting.
- 34.(c) Any member who has a resolution to submit to a general meeting shall give written notice of it to the co-operative not less than 28 days prior to the date of the meeting.
- 34.(d) The board shall have inserted in any notice convening a general meeting any business which member has notified his or her intention to move (and that notification has been made in accordance with these rules).

BUSINESS OF GENERAL MEETINGS

- 35.(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);
 - (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;
 - (iii) to elect an auditor/s, if required; and
 - (iv) to elect and determine the remuneration of directors.
- 35.(b) The annual general meeting may also transact special business of which notice has been given to members in accordance with these rules.
- 35.(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

- 36.(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.
- 36.(b) Except where these rules state otherwise, 10 members present in person and entitled to exercise a total of 10 votes constitute a quorum.
- 36.(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

- 37.(a) The chairperson, if any, of the board shall preside as chairperson at every general meeting of the co-operative.
- 37.(b) If there is no such chairperson, or if at any meeting he or she 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 and is willing to act).
- 37.(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. However, 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. When 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 it is not necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

STANDING ORDERS AT GENERAL MEETINGS

38. 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:
- 38.(a) the mover of a proposition 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;
- 38.(b) whenever an amendment to an original proposition is proposed, no second amendment shall be considered until the first amendment is disposed of;

- 38.(c) if an amendment is carried, the proposition as so amended shall displace the original proposition and may itself be amended;
- 38.(d) if an amendment is defeated, then a further amendment may be moved to the original proposition. However, only one amendment shall be submitted to the meeting for discussion at one time;
- 38.(e) the mover of every original proposition, 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;
- 38.(f) propositions and amendments shall be submitted in writing, if requested by the chairperson;
- 38.(g) any discussion 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.
- 38.(h) any member, or visitor invited to attend the meeting by the board, may speak on any issue at a meeting with the permission of the chairman provided that the permission may be conditional.
- 38.(i) standing orders may be suspended for any period by resolution.

ATTENDANCE AND VOTING AT GENERAL MEETINGS

- 39.(a) At any meeting of the co-operative a member who has been given notice that the member's shares are required to be forfeited under the active membership provisions of the Act is not entitled to attend.
- 39.(b) A member of the co-operative is not entitled to vote at a meeting of the co-operative unless that person is an active member of the co-operative.
- 39.(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 favor of, or against, that resolution.
- 39.(d) On a show of hands or on a poll every member who is present in person at a meeting shall have one vote. However, no member shall have a vote, or be entitled or eligible to vote, contrary to the Act.
- 39.(e) Omitted
- 39.(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.
- 39.(g) A special resolution shall be determined by a majority of not less than two-thirds of the members present and voting.
- 39.(h) All other resolutions shall be determined by simple majority of the members present and voting.

POSTAL BALLOT

40. Omitted

POLL AT GENERAL MEETINGS

- 41.(a) If a poll is duly demanded 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.
- 41.(b) A poll demanded on the election of a chairperson, or on a question of adjournment, shall be taken immediately.

SPECIAL RESOLUTION

- 42.(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 by a two-thirds majority at a general meeting.
- 42.(b) A special resolution shall have no effect until registered by the registrar.

BOARD OF DIRECTORS

- 43.(a) There shall be a board of 8 directors all of whom shall be a natural person and at least 18 years old.
- 43.(b) The business and operations of the co-operative are to be managed and controlled by the board of directors, and for that purpose the board has and may exercise the powers of the co-operative as if they had been expressly conferred on the board by a general meeting of the co-operative.
- 43.(c) The powers of the board are subject to any restrictions imposed by the Act or by these rules.
- 43.(d) The acts of a director are valid despite any defect that may afterwards be discovered in his or her appointment or qualification.

QUALIFICATIONS OF DIRECTORS

- 44.(a) A person is not eligible to be elected as director of a co-operative unless the person is an active member of the co-operative.
- 44.(b) Omitted

FIRST AND SUBSEQUENT DIRECTORS

45. The first directors shall be elected at the meeting for the formation of the co-operative.
46. At the first annual meeting of the co-operative 4 of the directors shall retire. At the annual general meeting in each subsequent year the directors shall retire in rotation of 4 and 4.
47. The directors to retire in any year shall (subject to the provision as to filling casual vacancies) be those who have been longest in office since their last election. As between persons who became directors on the same day to retire shall (unless they otherwise agree among themselves) be determined by lot. In such case, the order for retirement shall be the order in which the names are withdrawn.
48. A retiring director shall be eligible for re-election.
49. 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. Nominations for candidates to fill the vacant positions shall be sought in such manner as the board determines. The election of directors shall be conducted at the meeting in such usual and proper manner as the board shall direct.

REMOVAL FROM AND VACATION OF OFFICE OF DIRECTOR

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

51. 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:
- 51.(a) if the person is an insolvent under administration (as defined in the Corporations Law);
 - 51.(b) 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;
 - 51.(c) 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;
 - 51.(d) if the director absents himself from 3 consecutive ordinary meetings of the board without its leave;
 - 51.(e) on the expiration of 1 months' notice in writing of the director's intention to resign office, given by the director to the board;
 - 51.(f) if the director is removed from office by ordinary resolution of the co-operative;
 - 51.(g) if the person ceases to hold the qualification by reason of which the person was qualified to be a director;
 - 51.(h) if the director becomes an employee of the co-operative, unless elected under section 216 of the Act;
 - 51.(i) if an administrator of the co-operative's affairs is appointed under Division 6 of Part 12 of the Act;
 - 51.(j) as provided by section 217 of the Act;

FILLING OF CASUAL VACANCIES

- 52.(a) Subject to Rule 58, a casual vacancy on the board of a co-operative is to be filled by election by the members held:
- (i) at a meeting of the co-operative; or
 - (ii) Omitted
 - (iii) in the manner specified in the rules of the co-operative for the ordinary election of directors; or
 - (iv) in such other manner as the Registrar may approve in a particular case.
- 52.(b) The person so chosen shall retire at the same time as the director who vacated the office would have done if he or she had not vacated it.
- 52.(c) For the purpose of this rule, a casual vacancy shall arise where the office of a director is vacated in accordance with rule 51.

REMUNERATION

53. 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 society shall be refunded to them.

DEPUTY DIRECTORS

- 54.(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 an alternate director to sit in the director's place on the board.
- 54.(b) A deputy director appointed by the board shall be entitled to notice of meetings of the directors and to attend and vote at those meetings and to sign resolutions and to exercise such powers, authorities and discretions as are vested in or would otherwise be exercisable by the nominating director.
- 54.(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 from office.

- 54.(d) An appointment or removal under this Rule must be in writing and notice thereof must be served on the co-operative and the appointment or removal shall take effect forthwith upon the service thereof. Service of any such notice may be effected by sending the same through the post in a prepaid registered envelope addressed to the co-operative at or by leaving the same at the registered office and if sent by post shall be deemed to be served on the day on which in the ordinary course of mail delivery the same should have been delivered.
- 54.(e) 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.
- 54.(f) For purposes of this rule a meeting of the directors shall include a meeting conducted pursuant to Rule 56.

PROCEEDINGS OF THE BOARD

- 55.(a) Meetings of the board are to be held as often as may be necessary for properly conducting the business and operations of the co-operative and must in any case be held at least quarterly.
- 55.(b) Questions arising at any meeting shall be decided by a majority of votes.
- 55.(c) In the case of an equality of votes, the chairperson shall have a second or casting vote.
- 55.(d) The chairperson or any 2 directors may, and the secretary shall, if requested by the chairperson or any 2 directors at any time, summon a meeting of the board.
- 55.(e) 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.

TRANSACTION OF BUSINESS OUTSIDE BOARD MEETINGS

56. The board may in accordance with Section 210 of the Act transact any of its business:
- 56.(a) (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 members (or some members) participate by telephone, closed-circuit television or other means, but only if any member who speaks on a matter before the meeting, can be heard by the other members.
- 56.(b) For the purpose 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.
- 56.(c) A resolution approved under paragraph (a)(i) is to be recorded in the minutes of the meetings of the board.
- 56.(d) The secretary may circulate papers among members of the board for the purposes of paragraph (a)(i) by facsimile or other transmission of the information in the papers concerned.

QUORUM FOR BOARD MEETINGS

57. The quorum for a meeting of the board shall be more than half the directors.
58. 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:
- 58.(a) the board may appoint sufficient directors so that the number of directors is one more than a quorum; and
- 58.(b) for the purpose only of enabling the board to make such an appointment, the number of directors required to constitute a quorum is the number of directors at that time.

CHAIRPERSON OF BOARD

59. The chairperson of the board may be elected 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

- 60.(a) The board may (in accordance with section 213 of the Act) by resolution delegate to a director or committee of 2 or more directors the exercise of such of the board's powers (other than this power of delegation) as are specified in the resolution. The co-operative or the board may by resolution revoke wholly or in part any such delegation.
- 60.(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.
- 60.(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.
- 60.(d) Notwithstanding any delegation under this rule, the board may continue to exercise all or any of the powers delegated.
- 60.(e) 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 his or her 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 this rule were observed by the director exercising the powers.
- 60.(f) 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.
- 60.(g) 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.
- 60.(h) 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.

OTHER COMMITTEES

- 61.(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.
- 61.(b) The provision of Rule 60 (g) and (h) apply to committees appointed under this rule, subject to any variations approved of by the board.

MINUTES

- 62.(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.

- 62.(b) Minutes must be recorded in the minute book within 14 days of the date of the meeting to which they relate.
- 62.(c) The confirmation of such minutes 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.
- 62.(d) Every director present at any meeting shall sign his or her name in a book to be kept for that purpose. For those directors joining the meeting via video conference or phone conference, their name shall also be recorded in the book as if having attended in person.
- 62.(e) The minutes are to be kept in the English language.

OFFICERS

63. Without prejudice to the general powers conferred on the board by the Act or these rules, the board shall have power to appoint and, at its discretion, remove or suspend officers, servants, agents and contractors, and to fix their powers, duties and remuneration.

FIDELITY BONDS AND INSURANCE

- 64.(a) The board shall affect, and maintain, a policy of insurance for the indemnity of the co-operative against any pecuniary loss to the co-operative resulting from any act of fraud or dishonesty committed -
- (i) by any officer of, or other person employed by, the co-operative in connection with his or her duties; or
 - (ii) where a person contracts to provide a secretarial or administrative service to the co-operative - by that person or any of his or her employees in connection with the provision of any such service.
- 64.(b) The board shall arrange insurance against loss, damage to or liability of the co-operative by reason of fire, accident or otherwise.

FINANCIAL YEAR

65. The financial year of the co-operative shall end on the 31st December in each year.

ACCOUNTS

- 66.(a) The board shall have prepared the accounts, statements and director's report referred to in clause 13(1) of the Co-operation (Accounts and Audit) Regulation 1988.
- 66.(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 clause 14 of the Co-operation (Accounts and Audit) Regulation 1988.
- 66.(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 14 days before the date of the annual general meeting of the co-operative.
- 66.(d) The board shall send a copy of everything required to be submitted under paragraph (b) to each member with the notice of the annual general meeting of the co-operative.

BANKING

- 67.(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.
- 67.(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 authorized by the board.

- 67.(c) Notwithstanding the provisions of clause (b), an account may be opened which shall be called the Lodge Booking Account and this account may be operated on by a person specifically nominated by the Board and such person shall be known as the Booking Manager.

AUDIT

- 68.(a) One or more auditors shall be appointed, hold office, be remunerated, be removed and have duties and responsibilities as provided in this rule, or as otherwise provided in, or permitted by, the Co-operation (Accounts and Audit) Regulation 1988, or any order made by the Registrar pursuant to that Regulation.
- 68.(b) The co-operative shall, at each annual general meeting, appoint an auditor if there is a vacancy in the office of auditor.
- 68.(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 Co-operation (Accounts and Audit) Regulation 1988.
- 68.(d) The board shall fill any vacancy in the office of auditor, other than a vacancy caused by the removal of an auditor from office, within one month of such vacancy occurring, unless the co-operative at a general meeting has already appointed an auditor to fill the vacancy.

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

- 68.(e) 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 clause 18 of the Co-operation (Accounts and Audit) Regulation 1988.
- 68.(f) 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 corporation in which the person is a substantial shareholder, is indebted to the co-operative (or to a subsidiary corporation of the co-operative) for an amount exceeding \$ 5,000; 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;
 - (D) is an employee of an employee of an officer of the co-operative;
- or
- (E) a member of the co-operative.
- 68.(g) All reasonable fees and expenses of the auditor are payable by the co-operative.
- 68.(h) 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.
- 68.(i) 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 he or she attends, on any part of the business of the meeting which concerns him or her as auditor.
- 68.(j)
- (i) An auditor may be removed from office by resolution at a general meeting.
 - (ii) Notice of intention to move the resolution must be given to the co-operative not less than 28 days before the meeting at which the resolution is moved, but if, after notice has been given, a meeting is convened for a date 28 days or less after notice has been given, notice shall be deemed to have been properly given.

(iii) Where special notice of a resolution to remove an auditor is received by the co-operative, it shall forthwith send a copy of the notice to the auditor and lodge a copy of the notice with the registrar.

(iv) 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 14 days before the meeting.

(v) 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.

(vi) 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.

68.(k) An auditor of a co-operative may, by notice in writing given to the co-operative resign as auditor of the co-operative if -

(A) 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 his or her application; and

(B) the auditor has received the consent of the registrar.

68.(l) The resignation of an auditor takes effect-

(A) on the date (if any) specified for the purpose in the notice of resignation;

(B) on the date on which the registrar consents to the resignation; or

(C) on the date (if any) fixed by the registrar for the purpose,

whichever last occurs, unless the Supreme Court makes an Order under clause 19(9) of the Co-operation (Accounts and Audit) Regulation 1988 or clause 19(10) of that Regulation applies.

68.(m) Within 14 days after the removal from office of an auditor of a co-operative or 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 in or to the effect of Form 1 of the Co-operation (Accounts and Audit) Regulation 1988 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

69. The funds of the society shall be applied to carrying out the objects of the society. Any surplus resulting from its operations during a financial year, after providing for depreciation in value of the society's property or for contingent liability for loss, shall be applied as follows;

69.(a) in carrying to reserve such amount as the board may determine.

69.(b) The income and property of the society whensoever derived shall be applied solely toward the promotion of the objects of the society, and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the society, provided however that nothing herein contained shall prevent the payment in good faith of any remuneration or any honorarium to any directors, members, or servant to the society or other person in return for any services actually rendered to the society, nor prevent the payment of reasonable or proper rent for property or premises or let by any members to the society.

70. Omitted

71. Omitted

72. Omitted

73. Omitted

74. Omitted

PROVISION FOR LOSS

75. The board shall make such provisions for loss which may result from the transactions of the co-operative as the Act requires or allows.

DISPUTES

- 76.(a) A dispute between a member (in the personal capacity as a member) and the co-operative may be settled by arbitration in accordance with the Commercial Arbitration Act 1984.
- 76.(b) Where such a dispute is not referred to arbitration under paragraph (a), or, if so referred, has not within one month been the subject of an award, the dispute may be referred to the registrar under Section 91 of the Act by any party to the dispute.
- 76.(c) 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) (i) Notice of every general meeting shall be given to all members in some manner as authorized below:
(ii) A notice may be given by the co-operative to any member either personally or by sending it by post to the member at his or her registered address, or where the member has notified the co-operative of a facsimile number, by facsimile transmission to the number notified. 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 to him or her.
- 77.(b) 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.
- 77.(c) If a member has no registered address (and has not supplied to the co-operative an address for the giving of notices to him or her) a notice addressed to the member and advertised in the newspaper circulating in the neighborhood 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.
- 77.(d) A notice forwarded by facsimile transmission shall be deemed to have been served, unless the sender's facsimile machine indicates a malfunction in transmission, on the day of transmission if transmitted during a business day, otherwise on the next following business day.
- 77.(e) Omitted
- 77.(f) Omitted
- 77.(g) Omitted
- 77.(h) Except as provided in this rule and in Rule 68(i) no other persons shall be entitled to receive notices of general meetings.
- 77.(i) 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.
- 78.(b) On the winding up of the society a member shall not, in respect of any shares held by that member, be entitled to receive an amount in excess of the nominal value of the shares held by that member. Any such surplus shall

be devoted to the promotion of co-operation or to such community purpose and in such manner as a general meeting shall determine.

FINES PAYABLE BY MEMBERS

79. (a) The Board may impose a penalty on a member for any infringement of the co-operative's Rules or By-laws. Such penalty may, at the Board's discretion be
- (i) a fine not exceeding \$250; and/or
 - (ii) withdrawal of booking privileges for a period not exceeding twelve months.
- 79.(b) Written notice of intention to impose the penalty and the reason therefore shall be transmitted to the member not less than fourteen days before the date of the Board meeting at which the resolution to impose a penalty is to be moved. The member shall be given the opportunity of showing cause why a penalty should not be imposed, either by submitting a written statement or appearing in person before the Board.

SCHEDULE OF CHARGES

80.	Hardcopy book of Rules -	\$40.00	- Rule 2
	Membership Admission Fee	\$3,000	- Rule 11
	Cost per share -	\$10.00	- Rule 14.(a)
	Inspection of registers -	\$40.00	- Rule 10.(b)
	Forfeiture of Shares	\$100.00	- Rule 13.(d)
	Duplicate Share Certificate -	\$40.00	- Rule 21
	Transfer of Shares -	\$100.00	- Rule 26
	Annual subscription	\$200.00 or less	- Rule 82.(a)

LEVY

- 81.(a) Members may be required to pay a levy which shall
- (i) be in addition to other charges payable under the Rules
 - (ii) be determined by the Board from time to time
 - (iii) not exceed five hundred dollars in any financial year
81. (b) members who do not pay any levy within sixty days of it being set by the board may have their shares forfeited by resolution of the Board as provided by these Rules.

ANNUAL SUBSCRIPTION

- 82.(a) Members shall pay an annual subscription. Such annual subscription shall:
- (i) not exceed two hundred dollars per annum;
 - (ii) be due on the first day of January and payable before the first day of July in each year; and
 - (iii) be determined by the Board from time to time.
- 82.(b) Members who do not pay the annual subscription by the prescribed date:
- (i) cease to be an active member
 - (ii) may have their shares forfeited by resolution of the Board as provided by these Rules.

SHARE FORFEITURE

- 83.(a) In addition to the provisions of Rule 13;
- (i) the shares of a member whose levy under Rule 81 or annual subscription under Rule 82 has not been paid may be forfeited by resolution of the Board.
 - (ii) where shares of a member have been forfeited under the provisions of Rule 23 and in consequence the member fails to comply with the membership qualification requirement of Rule 11, any fully paid shares held by the member may be forfeited by resolution of the Board.

- 83.(b) Written notice of the proposed forfeiture shall be forwarded to the member not less than 14 days before the date of the board meeting at which he/she shall be given an opportunity of being heard at the meeting.
- 83.(c) Upon forfeiture, the amount paid up on the shares shall be repaid to the member.

BY-LAWS AND LODGE FEES

- 84.(a) The Board shall have power to make By-laws not inconsistent with the Act, the Regulations or the Rules in connection with the conduct and management of the co-operative, especially with regard to the accommodation of members and their guests at the club's Lodge.
- 84.(b) members and guests shall pay fees for lodge accommodation at rates to be determined from time to time by the Board.

CERTIFICATION

This is a copy of the rules as registered by the Registrar on.....(date)

at(location)

Signed.....(Honorary Secretary)