

CONSTITUTION OF
ALDER PARK SPORTS CLUB
CO-OPERATIVE LIMITED
2016



Table of Contents

Page

Definitions	2 - 4
Name of Co-operative	5
Registered Clubs Requirements	5
Membership	5 - 9
Disciplinary action by a Club, District or Zone	9 -10
Expulsion of members	10
Resignation of members	11
Suspension of members	12
Members liability	12
Annual General Meeting	14
Notice of meetings	14
Business of General meetings	15
Quorum for meeting	16 -18
Proxy Voting	18
Special postal votes	19
Special resolutions	19 -20
Board of Directors	20
Chief Executive Officer	21
Election of Directors	21 -23
Removal from office of director	23
Casual vacancies and alternate directors	23
Quorum for board meetings	24
Chairperson of meetings	25
Minutes	26
Rules	26 -27
Administration	27
Financial Year	28
Appointing an auditor for small co-operative	29 -30
Winding up	30
By-Laws	31
Returning Officer	31
Schedule of Charges	31

Part 1 Preliminary

1 Application of these rules

These rules are the rules of the **Alder Park Sports Club Co-operative Limited**.

2 Definitions

In these rules, unless the context otherwise requires:

- (1) **“active member”** means a member who is in active membership within the provisions of Rule 5 2.a
- (2) **“alter”** or similar word or expression used in relation to a rule amendment includes add to, substitute and rescind;
- (3) **“annual general meeting”** means the annual general meeting held each year as required by the Law and these rules;
- (4) **“auditor”** means an auditor or auditors for the time being of the co-operative appointed in accordance with Rule 55;
- (5) **“ballot paper”** means a ballot paper in paper or electronic form;
- (6) **“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;
- (7) **“basic minimum financial statements”** means the financial statement required of a small co-operative under the National Regulations;
- (8) **“board”** means the whole or any number of the directors assembled at a meeting of the directors or transacting business in accordance with Rule 65, being not less than a quorum or a majority, as the case may be; of the co-operative;
- (9) **“bowling member”** means a member who has paid an annual fee to join a club
- (10) **“business day”** means a day that is not a Saturday or Sunday or a public holiday or bank holiday in New South Wales
- (11) **“chairperson”** includes deputy chairperson;
- (12) **“club member”** means a person who is a bowling member, a provisional member, an honorary or temporary member of the co-operative;
- (13) **“CNL”** is a reference to the Co-operatives National Law as applying in this jurisdiction;
- (14) **“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;
- (15) **“financial year”** means the financial years of the co-operative as specified in Rule 53;
- (16) **“guest”** in relation to a bowling member, a provisional member or an honorary member of the co-operative, means a person:
- (a) whose name and address, countersigned by the member, are entered in a register kept for the purpose by the co-operative; and
 - (b) who, at all times while on the co-operative premises, remains in the reasonable company of the member; and
 - (c) who does not remain on the co-operative premises any longer than the member;
- (17) **“honorary member”** means a person who, under the rules of the co-operative and the Registered Clubs Act, is an honorary member of the club;
- (18) **“life member”** means a person who is elected to membership of the co-operative for life;
- (19) **“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;
- (20) **“month”** means calendar month;
- (21) **“multi member”** means a member of more than one bowling club
- (22) **“notice board”** means the board or boards provided on the co-operative premises on which notices for the information of members is posted;
- (23) **“officer”** includes the President, Directors, Chief Executive Officer, Secretary, duly appointed Manager or person who is concerned or takes part in the management of the co-operative;
- (24) **“ordinary member”** means a member of the Co-operative other than provisional, honorary or temporary member;
- (25) **“postal ballot”** includes a special postal ballot;
- (26) **“prescribed”** means prescribed by the Law or under the Law by regulation;
- (27) **“provision”** in relation to the Law, means words or other matter that form or forms part of the Law, and includes;
- (a) a chapter, part, division, subdivision, section, subsection, paragraph, subparagraph, sub-subparagraph, or schedule of or to the Law; and
 - (b) a section, clause, subclause, item. Column, table or form of or in a schedule to the Law and

- (c) the long title and any preamble to the Law;
- (28) **“provisional member”** means a person who has applied for admission as a bowling member of the co-operative, has paid the subscription appropriate for the membership applied for, and is awaiting a decision on the application;
- (29) **“regulation”** means a regulation made under the Law, and any regulation that applies to a co-operative by way of a transitional regulation made under the Law,
- (30) **“regulations”** means regulations made by the board that are currently in force;
- (31) **“rules”** mean the registered rules of the co-operative as amended from time to time and reference to particular rules has a corresponding meaning;
- (32) **“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 Law or the rule granting the power;
- (33) **“social member”** means a member who pays the appropriate membership fee for this category;
- (34) **“special resolution”** means a resolution which is passed in accordance with Rule 33;
- (35) **“temporary member”** means a person who, under the rules of the co-operative, is a temporary member of the club;
- (36) **“the club”** means the **ALDER PARK SPORTS CLUB CO-OPERATIVE LTD.**
- (37) **“the clubs act”** means the registered clubs act
- (38) **“the co-operative”** means the **ALDER PARK SPORTS CLUB CO-OPERATIVE LTD**
- (39) **“the law”** means the Co-operatives National Law as applying in this jurisdiction;
- (40) **“the national regulations”** means the Co-operatives National Regulations as applying in this jurisdiction;
- (41) **“the N.D.B.A.”** means the Newcastle District Bowling association incorporated;
- (42) **“the registrar”** means the Registrar of Co-operatives or any person delegated the Registrar’s functions;
- (43) **“the RNSWBA”** means the Royal New South Wales Bowling Association Incorporated;
- (44) **“the secretary”** means any person appointed by the Board as Secretary of the co-operative in accordance with the rules;
- (45) **“the state”** means the State of New South Wales;
- (46) **“writing”** includes printing, typing, lithography and other modes of representing or reproducing words in a visible form and written has a corresponding meaning;
- (47) **“words”** importing one gender include the other gender;

(48) “**words**” in the singular include the plural, and vice versa;

- (2) Except so far as the contrary intention appears in these rules, words and expressions used in these rules have the same meanings as they have, from time to time, in the Law or relevant provisions of the Law.

3 Name of the co-operative (CNL ss220-222 & 224)

The name of the co-operative is **ALDER PARK SPORTS CLUB CO-OPERATIVE LTD**

3A Objects

- (a) the provision and maintenance of buildings and grounds for recreation;
- (b) the provision of facilities for the playing of the game of bowls by its members and other persons as provided for in the regulations of these rules;
- (c) the provision of such other recreational facilities as the committee of management established under the regulations to these rules determine from time to time;

4 Registered Clubs Requirements

Subject to the provisions of the Clubs Act:

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

Part 2 Membership

Division 1 Membership generally

5 Active membership provisions (CNL ss112(2), 144, 148 & 156–166)

(1) **Primary activity**

For the purposes of Part 2.6 of the Law, the primary activities of the co-operative is the operation, maintenance and carrying on of a club for the promotion of the game of bowls or such other social and sporting activities.

(2) **Active membership requirements**

A member must:

- (a) Be an Ordinary member who pays an annual subscription in accordance with Rule 7;
- (b) Be awarded Life Membership in accordance with Rule 6, to establish and maintain active membership of the co-operative.

Note. Failure to maintain active membership may lead to cancellation of membership (see rule 16).

6 Qualifications for membership (CNL s112)

A person qualifies for membership of the co-operative if the person is able to use or contribute to the services of the co-operative.

- (a) A person shall not be admitted as a member of the co-operative unless;
 - (i) the board has reasonable grounds for believing that the person will be an active member under Part 2 Rule 5.2(a);
 - (ii) the person is over the age of eighteen (18) years; and
 - (iii) the applicant is an individual and not a body corporate.
- (c) Club membership shall consist of the following classes:
 - (i) Ordinary Members
 - (ii) Bowling members
 - (ii) Life members
 - (iii) Honorary members
 - (iv) Multi members
 - (v) Junior Members
 - (vi) Temporary members
 - (vii) Provisional members
 - (viii) Social members
 - (ix) Pensioner members

(d) The rights, duties and entitlements of the various classes of membership are as follows:

(i) Ordinary Members:

Ordinary Membership of the Club shall consist of the following classes:

Bowling Member
Life Member
Multi Member
Junior Member
Pensioner Member

(ii) Bowling Members:

(a) All bowling members must be registered with Bowls NSW regardless of whether the individual participates in Pennants or Championship events or not.

This entitles the member to play bowls on a regular basis.

(b) Bowling members are entitled to all rights and privileges of the co-operative, including social privileges, the right to vote at any general meeting of the co-operative, to nominate, vote at the elections of, and hold office as, directors of the co-operative

(iii) Life Members:

(a) A Life member is a person who has had life membership conferred on him/her by the co-operative at a general meeting.

(b) A proposal to elect a Life member shall be in writing, signed by a bowling member and seconded by at least two (2) other bowling members and the nomination to be handed to the Board.

(c) If the Board approves the nomination, it shall be submitted in the form of a resolution at the next annual general meeting.

(d) The board, of its own motions, may submit the name of any Bowling member of the club for election as a Life member.

(e) A nominee for Life membership must be a person who, in the opinion of the Board, has given exceptional, unusual or meritorious and outstanding service to the co-operative over and above the course of his/her normal duties as a member and who has been an Bowling member of the club for a continuous period of not less than ten (10) years.

(g) A life member shall;

(I) not be liable to pay an annual subscription; and

(II) enjoy all the privileges of any Bowling member, as determined by the Board.

(iv) **Honorary Members:**

- (a) The following may be made an Honorary member of the club:
- (I) the patron or patrons of the co-operative for the time being; and
 - (II) any prominent person visiting the co-operative for a special occasion.

(v) **Multi Members:**

- (1) Multi members are those persons who have attained the age of 18 years and have made application for and been elected to membership. They shall have the same rights and privileges as a Bowling Member.
- (2) An applicant for Multi membership must be a bowler who is registered with Bowls NSW or NSW Women's Bowling Association and a District Bowling Association at another bowling club.
- (3) Multi members are entitled to all rights and privileges of the co-operative, including social privileges, the right to vote at any general meeting of the co-operative, to nominate, vote at the elections of, and hold office as, directors of the co-operative

(vi) **Junior Members:**

Junior Members are those persons who have not attained the age of 18 years but who have attained the minimum age as determined from time to time by the Royal New South Wales Bowling Association or the New South Wales Women's Bowling Association. The board must receive written consent from the applicant's parent or guardian to that person becoming a junior member and taking part in the sporting activities of the Club.

(vii) **Temporary Members:**

- (a) A temporary Member shall be a person of or over the age of eighteen (18) years; and
- (I) a person whose ordinary place of residence is more than 5 kilometres from the premises of the registered club; or
 - (II) a person whose ordinary place of residence in New South Wales is less than 5 kilometres from the premises of the registered club and the person is;
 - (1) a member of another registered club with similar activities/objects to those of the co-operative; or
 - (2) a member of another registered club who is attending the premises of the co-operative for the purpose of an organised sport or competition to be conducted by the co-operative on that day.

- (b) Temporary members shall not be required to, nor permitted to vote at any meeting of the co-operative.
- (c) Temporary members shall not be eligible to hold office in the co-operative.
- (d) Temporary members shall otherwise be entitled to enjoy all the rights and privileges of, and be subject to the duties and obligations of, a member of the co-operative, during good behaviour, for the period of appointment.
- (e) The period of appointment of a Temporary member shall not exceed seven days and may be revoked at any time by the Board, or any member of the Board, without assigning reasons.

(viii) **Provisional Members:**

Any person who applies for admission as a member of the club, has paid the annual subscription appropriate for the membership applied for and is awaiting a decision on the application, shall be a Provisional member.

(ix) **Social Members:**

Social members are those persons who have attained the age of 18 years and have made application for and been elected to social membership.

(x) **Pensioner Members:**

Pensioner members shall have at least three years membership in a Bowling Club and who is in possession of a Pensioner/Health Benefit Card, or a member who reaches the age of sixty seven (67) and is retired.

On production of their Pensioner Health Benefits Card, or proof that they have reached the age of sixty seven (67) and is retired, to the secretary an eligible Member shall be transferred to Pensioner Member classification as from the first day of July next following from which date they shall pay the subscription as provided in Rule 7 (Subscriptions).

7 Entry fees and regular subscriptions (CNL s124)

- (1) A member shall in accordance with the Act, be liable to the club for any charges payable by the member to the club, as prescribed by these Rules.

Members may be required to pay an annual subscription which shall:

- (i) Determined by the Board of Directors for the ensuing financial year
- (ii) be in addition to any other charges payable under the rules
- (iii) be payable in advance within the period set by the board.

Notwithstanding sub-paragraph (iii) the board may either generally or in a specific case extend a period for the payment of the annual subscription, even though the previous period has expired. The extended period for payment shall not exceed 2 months.

If the subscription of any member shall not be paid within a period of one month from the date on which it shall fall due upon, the member shall be automatically suspended from all privileges of the club. The board may then remove the member's name from the register

(2) The regular subscription shall be set at a maximum fee of \$200.00.

8 Membership applications

- (1) Applications for membership must be lodged at the registered office in the application form approved by the board, and should be accompanied by payment of any applicable entry fee or subscription set under rule 6.
- (2) Every application must be considered by the board.
- (3) If the board approves of the application, the applicant's name and any other information required under the Law must be entered in the register of members within 28 days of the board's approval.
- (4) The applicant must be notified in writing of the entry in the register and the applicant is then entitled to the privileges attaching to membership.
- (5) The board may, at its discretion, refuse an application for membership.
- (6) The board need not assign reasons for the refusal. On refusal any amounts accompanying the application for membership must be refunded within 28 days without interest.

9 Cessation of membership (CNL s117)

A person ceases to be a member in either of the following circumstances:

- (a) if the membership ceases in any circumstances specified in section 117 of the Law;
- (b) if the member no longer qualifies for membership under rule 5.

10 DISCIPLINARY ACTION BY A CLUB, DISTRICT OR ZONE

10.1 For a Bowls Related Incident

- (a) If a Bowling Member, through the due process of a disciplinary hearing conducted by a Club, District or Zone, is found guilty of an incident of misconduct which;
 - (i) directly relates to the game of bowls; and/or
 - (ii) occurs during the course of an Association Event; and/or
 - (iii) is deemed by the hearing to have brought the game of bowls into disrepute;that Bowling Member shall be ineligible to play or officiate at any level of bowls at any Club for a period which shall be equal to the term of suspension imposed by the hearing up to a maximum period of one (1) year from the date of the disciplinary hearing, whichever is the earlier.

(b) A Bowling Member who is under an order of suspension or expulsion, or who has resigned their membership of a Club because of an impending disciplinary hearing or citation for a Bowls Related Incident shall not be eligible to apply for or receive a Club Clearance or transfer to another Club.

10.2 Notification of Bowls Related Incident

(a) A Disciplinary Notification Form must be completed and signed by the Club, District or Zone imposing the disciplinary penalty and sent to the Association Office (C/o the Chief Executive Officer) within fourteen (14) days from the date of the disciplinary hearing, or otherwise from the date of any subsequent appeals being resolved.

(b) Any notification received outside of a fourteen (14) day period shall not be accepted.

(c) Details which must be notified to the Association on the Disciplinary Notification Form are;

- (i) Full Name and Registration Number of the disciplined Bowling member/s;
- (ii) Date and venue of Disciplinary Hearing and/or Appeal Hearing if any;
- (iii) Confirmation that Disciplinary Hearing was conducted in compliance with the Club, District or Zone Constitution and the Disciplinary Policy;
- (iv) Name of Club, District or Zone that conducted the Hearing
- (v) Confirmation that the incident or misconduct was Bowls related in accordance with RNSWBA Regulation 8.1
- (vi) Any other documentation deemed relevant.

10.3 Disciplinary Action for Non-Bowls Related Incident

(a) If an Individual is suspended or expelled by a Club for an incident, which is deemed by a disciplinary hearing, not to be directly related to the game of bowls and/or not to bring the game of bowls into disrepute, it is at the discretion of that Club as to whether the Individual is permitted to play or officiate at their Club during the term of suspension.

(b) If an Individual Member is under a term of suspension at their Declared Club for a Non-Bowls Related Incident, the Individual Member may enter and play in any Association Events which are not played at their Declared Club.

(c) If a Registered Player is under a term of suspension at their Declared Club for a Non-Bowls Related Incident, it is at the discretion of their Declared Club as to whether the Registered Player is permitted to enter or play in Association Events, regardless of the venue.

10.4 Appeals

A Bowling Member has a right of appeal in accordance with the Club's By-Laws.

11 Expulsion of members (CNL s117)

- (1) A member may be expelled from the co-operative by special resolution to the effect:
 - (a) that the member has seriously or repetitively failed to discharge the member's obligations to the co-operative under these rules or a contract entered into with the co-operative under section 125 of the Law; or
 - (b) that the member has acted in a way that has:
 - (i) prevented or hindered the co-operative in carrying out its primary activity or one or more of its primary activities; or

- (ii) brought the co-operative into disrepute; or
 - (iii) been contrary to one or more of the co-operative principles as described in section 10 of the Law and has caused the co-operative harm.
- (2) Written notice of the proposed special resolution must be given to the member at least 28 days before the date of the meeting at which the special resolution is to be moved, and the member must be given a reasonable opportunity of being heard at the meeting.
- (3) At the general meeting when the special resolution for expulsion is proposed the following procedures apply:
 - (a) at the meeting, the member must be afforded a full opportunity to be heard and is entitled to call witnesses and cross-examine witnesses called against the member;
 - (b) if the member fails to attend at the time and place mentioned, without reasonable excuse, the member's alleged conduct must be considered and the co-operative may decide on the evidence before it, despite the absence of the member;
 - (c) once the alleged conduct is considered, the co-operative may decide to expel the member concerned;
 - (d) the co-operative must not make a decision on the alleged conduct or on expulsion, except by vote by secret ballot of the members present, in person or represented by proxy or by attorney, and entitled to vote;
 - (e) a motion for the decision is not taken to be passed unless two-thirds of the members present, in person or represented by proxy or by attorney, vote in favour of the motion.
- (4) Expulsion of one joint member means expulsion of all members holding membership jointly with the expelled member.
- (5) An expelled member must not be re-admitted as a member unless the re-admission is approved by special resolution.

12 Resignation of members (CNL s117)

A member may resign from a co-operative by giving seven (7) days notice in writing in the form approved by the board.

13 Monetary consequences of expulsion or resignation (CNL s128)

- (1) If a member is expelled or resigns from the co-operative, all amounts owing by the former member to the co-operative become immediately payable in full.
- (2) Subject to section 128 of the Law, payment to the expelled or resigning member of any amount owing by the co-operative to the former member:

- (a) must be made at the time decided by the board but within one year from the date of expulsion or resignation; or
- (b) may be applied at the time decided by the board, but within one year from the date of expulsion or resignation, in the manner set out in section 128 of the Law, if there is agreement by the board and former member or if the board considers that repayment would adversely affect the financial position of the co-operative.

14 Suspension of members

- (1) pending the meeting referred to in rules 11 & 14 a member cited to appear before the board shall be suspended from membership of the club from the date of the citation written by management until the meeting held in accordance with rule 11 & 14 of these rules.

The Board of the co-operative may suspend a member for not more than one year, who does any of the following:

- (a) contravenes any of these rules or regulations;
 - (b) fails to discharge obligations to the co-operative, whether under these rules or a contract;
 - (c) acts detrimentally to the interests of the co-operative.
 - (d) whose presence on the premise of the co-operative renders the co-operative or the secretary of the co-operative liable to a penalty under the NSW Government Legislation.
- (2) During the period of suspension, the member:
 - (a) loses any rights arising as a result of membership; and
 - (b) is not entitled to a refund, rebate, relief or credit for membership fees paid, or payable, to the co-operative; and
 - (c) remains liable for any fine that may be imposed.

Division 2 Members' liability

15 Fines payable by members (CNL ss56 & 126)

- (1) The board may impose on a member a maximum fine of \$ 100.00 for a contravention of these rules.

Note. The maximum amount to be inserted must not be more than \$1,000, or \$500 for a co-operative with a charitable purpose (see section 56 of the Law and National Regulation 2.1).

- (2) A fine must not be imposed on a member under sub-rule (1) unless:
 - (a) written notice of intention to impose the fine and the reason for it has been given to the member; and

- (b) the member has been given a reasonable opportunity to appear before the board in person (with or without witnesses), or to send to the board a written statement, to show cause why the fine should not be imposed.

16 Liability of members to co-operatives (CNL ss117(2) & 121)

- (1) A member is liable to the co-operative for the amount, if any, unpaid by the member in respect of entry fees and regular subscriptions, together with any charges, payable by the member to the co-operative under these rules.
- (2) Joint members are jointly and severally liable for any amount unpaid in respect of items mentioned in sub-rule (1).

Division 3 Member cancellations

17 Forfeiture and cancellations—inactive members (CNL ss156–163)

The board must declare the membership of a member cancelled if:

- (a) 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 year; or
- (b) the member is not presently active and has not been active within the meaning of rule 5 in the past Two years.

Division 4 Deceased or incapacitated members

18 Value of interest of deceased member (CNL ss102–105)

Note. Membership ceases on death (see section 117 of the Law and rule 8). Sections 102–104 of the Law deal with the transfer of shares and other interests on death. Section 105 of the Law requires the rules to determine the value of the deceased member's interest.

The value of the interest of a deceased member is the amount that would have been payable to the member if the member had resigned and includes any prepayments of regular subscriptions or other fees less any amounts owing to the co-operative by the member.

19 Rights and liabilities of members under bankruptcy or mental incapacity

- (1) If a person's membership ceases because of bankruptcy, the value of the person's membership interest calculated in accordance with rule 17 may be transferred to the Official Trustee in Bankruptcy.
- (2) A person appointed under a law of a State or Territory to administer the estate of a member who, through mental or physical infirmity, is incapable of managing his or her affairs, may be registered as the holder of the member's interest in the co-operative and the rights and liabilities of membership vest in that person during the period of the appointment.
- (3) Upon application by a person appointed to manage the affairs of a member referred to in sub-rule (2), the board may decide to suspend some or all active membership

obligations if there are grounds to believe that the member's physical or mental infirmity is temporary.

Part 3 General meetings, resolutions and voting

20 Annual general meeting (CNL s252)

An annual general meeting must be held each year, at a place and on a date and a time decided by the board, within 5 months after the close of the financial year of the co-operative or within the further time allowed by the Registrar.

21 Members' power to requisition a general meeting (CNL s257)

- (1) The board may, whenever it considers appropriate, call a special general meeting of the co-operative.
- (2) The board must call a general meeting of the co-operative on the requisition in writing by members who together are able to cast at least 20% (*maximum 20%*) of the total number of votes able to be cast at a meeting of the co-operative.
- (3) The provisions of section 257 of the Law apply to a meeting requisitioned by members.

22 Notice of general meetings (CNL ss239, 254 & 611)

- (1) At least 14 days' notice of a general meeting (not including the day on which the notice is served or taken to be served, but including the day for which notice is given) must be given.
- (2) Notice must be given to each member of the co-operative and any other persons who are, under these rules or the Law, entitled to receive notices from the co-operative.
- (3) The notice must state the place, day and hour of the meeting and include ordinary business as specified in rule 22 and, for special business, the general nature of any special business.
- (4) The notice must also include any business members have notified their intention to move at the meeting under sub-rule (6) (but only if the members' notification has been made under these rules and within time).
- (5) The notice must be served in the manner provided in the Law or rule 52.

Note 1. Section 611 of the Law makes provision for the service of notices on members of the co-operative. Rule 52 makes additional provision for notice by electronic transmission.

Note 2. Non-receipt of the notice does not invalidate the proceedings at the general meeting.

- (6) Members who together are able to cast at least 20% (*maximum 20%*) of the total number of votes that are able to be cast at a meeting of the co-operative and who have a resolution to submit to a general meeting must give written notice of it to the co-operative at least 45 days before the day of the meeting.

Note. A co-operative can limit an individual member from proposing a resolution to

the general meeting by requiring that there be a minimum number of members proposing the resolution before the matter can be considered. This does not prevent an individual member from requesting that the board propose a particular resolution at the next meeting.

23 Business of general meetings

- (1) The ordinary business of the annual general meeting of a large co-operative must be:
 - (a) to confirm minutes of the last preceding general meeting (whether annual or special); and
 - (b) to receive from the board, auditors or officers of the co-operative:
 - (i) the financial reports of the co-operative for the financial year;
 - (ii) a report on the state of affairs of the co-operative; and
 - (c) to approve any payments of fees to directors.
- (2) The ordinary business of the annual general meeting of a small co-operative must be:
 - (a) to confirm minutes of the last preceding general meeting (whether annual or special); and
 - (b) to receive from the board, auditors or officers of the co-operative:
 - (i) the basic minimum financial statements for the co-operative for the financial year;
 - (ii) a report on the state of affairs of the co-operative;
 - (iii) a directors' solvency resolution as to whether or not, in their opinion, there are reasonable grounds to believe that the co-operative will be able to pay its debts as and when they become due and payable; and
 - (c) to approve any payments of fees to directors.

Note 1. A small co-operative must prepare and send to members' minimum financial statements that are specified in regulation 3.10 of the National Regulations (these are referred to as "basic minimum financial statements"). A co-operative may require more than the basic minimum financial statements to be provided to members and, if so, the additional financial statements should be specified in this rule.

Note 2. If the small co-operative has consolidated gross assets of less than \$250,000 and consolidated revenue of less than \$750,000, the financial statement for the small co-operative need not include a cash flow statement (as provided in regulation 3.10 of the National Regulations).

Note 3. A small co-operative may decide whether its financial statements are to be either audited or reviewed, or neither.

- (3) The annual general meeting may also transact special business of which notice has been given to members under these rules.
- (4) All business of a general meeting, other than business of the annual general meeting that is ordinary business, is special business.

24 Quorum at general meetings

- (1) An item of business cannot be transacted at a general meeting unless a quorum of members is present when the meeting is considering the item.
- (2) Unless these rules state otherwise **25** members present in person, each being entitled to exercise a vote, constitute a quorum.
- (3) If a quorum is not present within half an hour after the appointed time for a meeting, the meeting, if called on the requisition of members, must be dissolved. In any other case it must be adjourned to the same day, time and place in the next week.
- (4) If a quorum is not present within half an hour after the time appointed for an adjourned meeting, the members present constitute a quorum.

25 Chairperson at general meetings

- (1) The chairperson, if any, of the board may preside as chairperson at every general meeting of the co-operative.
- (2) If there is no chairperson, or if at a 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, the members present must choose someone from their number to be chairperson (until the chairperson attends and is willing to act).
- (3) The chairperson may, with the consent of a meeting at which a quorum is present (and must if 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 an 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 must be given just as for the original meeting. Apart from this it is not necessary to give notice of an adjournment or the business to be transacted at an adjourned meeting.

26 Attendance and voting at general meetings (CNL ss228 & 256)

- (1) The right to vote attaches to membership.
- (2) Joint members have only one vote between them.
- (3) Every joint member is entitled to attend and be heard at a general meeting.
- (4) In the event of a dispute between joint members as to which member will vote (subject to the grant of any proxy or power of attorney), the joint member whose name appears first in the register of members is entitled to vote.
- (5) A resolution, other than a special resolution, must be decided by simple majority.

Note. The requirements for a special resolution are in section 239 of the Law.

- (6) Subject to sub-rules (7) and (8), a question for decision at any general meeting must be decided on a show of hands of members present at the meeting.
- (7) A poll may be demanded on any question for decision.

- (8) If before a vote is taken or before or immediately after the declaration of the result on a show of hands:
- (a) the chairperson directs that the question is to be determined by a poll; or
 - (b) at least 5 members present in person or represented by proxy demand a poll, the question for decision must be determined by a poll.
- (9) The poll must be taken when and in the manner that the chairperson directs.
- (10) A poll on the election of a chairperson or on the question of adjournment must be taken immediately and without debate.
- (11) Once the votes on a show of hands or on a poll have been counted then, subject to Sub-rule (8), a declaration by the chairperson that a resolution has been carried (unanimously or by a particular majority) or lost is evidence of that fact.
- (12) The result of the vote must be entered in the minute book.

27 Voting on a show of hands (CNL ss234 & 256)

On a show of hands at a general meeting, each member:

- (a) present; or
 - (b) represented by a non-member acting under a power of attorney; or
 - (c) represented by a non-member appointed under the provisions of the Law; or
 - (d) represented by a proxy (but only if proxies are allowed under these rules);
- may exercise only one vote.

28 Voting on a poll

On a poll called at a general meeting, each member:

- (a) present; or
- (b) represented by a person acting under a power of attorney; or
- (c) represented by a person appointed under the provisions of the Law; or
- (d) represented by a proxy (but only if proxies are allowed under these rules)

has one vote.

Note 1. A person can hold an unlimited number of proxies unless the rules restrict the number of proxies any one person can hold. If the vote on a show of hands is likely not to represent the views of the members who have given a proxy, a poll may be demanded. Section 256(2) of the Law provides that a question is to be decided by a poll if a poll is required by the chairperson of the meeting or by any 5 members present at the meeting or represented at the meeting by proxy.

Note 2. Most decisions are made by ordinary resolution, but in certain cases the Law requires a special resolution.

29 Determining the outcome where equality of votes (s228)

- (1) This rule applies where the votes in favour and against a resolution are equal.
- (2) If the chairperson of the meeting is a member of the co-operative, he or she may exercise a second or casting vote.
- (3) If the chairperson is not a member of the co-operative or decides not to exercise a second or casting vote, the outcome of an equality of votes is taken to have been decided in the negative.

30 Proxy votes (s229)

Voting by proxy is not permitted at a general meeting.

31 Postal ballots (other than special postal ballots) (CNL ss247 & 250)

Note 1. The rules may require some decisions to be made by postal ballot.

Note 2. Section 250 of the Law provides that members may require a matter to be decided by a postal ballot. The following rule will facilitate a postal ballot in these situations.

- (1) A postal ballot must be held in respect of a special resolution where members who together are able to cast at least 20% (*or a lesser percentage which may be substituted here*) of the total number of votes able to be cast at a meeting of the cooperative may requisition the board to conduct the special resolution by postal ballot.

Note. Requisitioning members may be liable for the cost of a postal ballot if the special resolution is not passed. See section 250 of the Law.

- (2) If a postal ballot is requisitioned by members under sub rule (1), the requisition should specify whether the postal ballot is to be a secret ballot.
- (3) A postal ballot requisitioned under sub rule (1) is to be conducted in accordance with the National Regulations and in the form and manner determined by the board.
- (4) The board may determine in a particular case whether the special resolution by postal ballot should be a secret ballot and whether votes may be returnable by fax or other electronic means or both.
- (5) If the board decides to conduct a secret postal ballot, it must ensure that the method used to conduct the ballot will ensure that votes can be counted without identifying the way each member has voted.
- (6) The board is to appoint a returning officer to conduct the postal ballot. In default of such an appointment, the secretary is the returning officer.
- (7) Ballot papers (in such form and with such content as the board may approve) must be sent to all voting members giving:
 - (a) particulars of the business in relation to which the postal ballot is being conducted; and

- (b) an explanation of how to lodge a valid vote and the majority required to pass the vote; and
- (c) notice of the closing date and closing time of the postal ballot;

and must be sent to members so that they arrive (assuming standard postal times) at least 21 days before the closing date of the postal ballot.

- (8) This rule does not apply in relation to special postal ballots.

32 Special postal ballots (CNL ss248 & 249)

Note. A special postal ballot is required by the Law for certain specified decisions. The majority required to pass a special postal ballot is 75%. A special postal ballot is governed by the provisions of the Law and the National Regulations as well as these rules.

- (1) This rule applies where a special postal ballot is required.
- (2) Ballot papers (in such form and with such content as the board may approve) must be sent to all voting members so that they arrive (assuming standard postal times) at least 28 days before the closing date of the special postal ballot.
- (3) The board may determine in a particular case whether the special resolution by postal ballot should be a secret ballot and whether votes may be returnable by fax or other electronic means or both.
- (4) If the board decides to conduct a secret postal ballot, it must ensure that the method used to conduct the ballot will ensure that votes can be counted without identifying the way each member has voted.

33 Special resolutions (CNL ss238–241)

- (1) A special resolution is a resolution that is passed:
 - (a) by a two-thirds majority at a general meeting; or
 - (b) by a two-thirds majority in a postal ballot (other than a special postal ballot) of members; or
 - (c) by a three-quarters majority in a special postal ballot of members.
- (2) A notice of special resolution is required to be given to members at least 21 days before the vote or ballot time (or 28 day's notice in the case of a special postal ballot).
- (3) The notice of special resolution must state:
 - (a) the intention to propose the special resolution; and
 - (b) the reasons for proposing the special resolution; and
 - (c) the effect of the special resolution being passed.

Note. Voting majorities for ordinary and special resolutions and special postal ballots are defined in the Law along with how a majority is counted and the requirements for registration of special resolutions.

Part 4 Board of directors

34 Board (CNL s172)

- (1) The board must have nine (9) directors one of whom shall be the President/chairperson.
 - (a) The board shall consist of the following: **1 President/chairperson, 1 Vice President, 1 Secretary, 1 Treasurer, 1 Assistant Secretary, 1 Assistant Treasurer, 3 Directors.**
 - (b) In applying for the position of President, the applicant must have served as a Director of Alder Park Sports Club for a period of twelve months.
 - (c) The Board shall consist of 5 Bowling Members. Should there not be 5 Bowling Members willing to stand for the position of Director then other classes of Members will make up the Board.
 - (d) Any member that resigns, shortly after being elected as Director is excluded from nominating for a position on the Board for the next 2 terms.
- (2) The business of the co-operative is to be managed by or under the direction of the board of directors, and for that purpose the board has and may exercise all the powers of the co-operative that are not required to be exercised by the co-operative in general meeting.
- (3)
 - (a) The board and the members at a general meeting shall have power to make regulations, not inconsistent with the law, the regulations and these rules, relating to the conduct of members on the premises of the co-operative or the operation of the co-operative;
 - (b) A breach of a regulation shall be deemed to be an infringement of the rules for the purpose of rules 9 & 12;
 - (c) In lieu of such fine, or in addition to such fine, the board may suspend a member from the use of part or all of the facilities of the co-operative for a period not exceeding twelve (12) months.

Note. The rules of the co-operative may restrict the power of the board, but an exercise of power by the board in excess of the restriction in these rules may still be a valid act. See section 45 of the Law.

35 Qualifications of directors (CNL s174)

A person is not qualified to be a director of the co-operative unless the person is an individual over the age of 18 years and is an active member of the co-operative or a representative of a corporation that is an active member of the co-operative.

36 Chief executive officer (CNL ss172 & 178)

- (1) The board may, if it considers appropriate, appoint a person to be responsible for the day to day management of the co-operative. The person may be a director or the secretary or a member of the co-operative or some other person.
- (2) The appointed person is the chief executive officer of the co-operative, and may be

called the chief executive officer or (if a director of the board) the managing director.

- (3) The conditions and the period of appointment including termination must be decided by the board.
- (4) The chief executive officer is not entitled to be present or to vote at a meeting of directors on a motion concerning the conditions of his or her own appointment, conditions of service or termination of service.
- (5) The chief executive officer cannot be required to be an active member of the co-operative.
- (6) In the event of any conflict between the terms of the appointment of a person as the chief executive officer and that person's obligations or privileges under the Law, the terms of the Law prevail over the terms of appointment.

37 First directors and election of directors (CNL ss173 & 179)

- (1) The first directors are elected by poll at the formation meeting of the co-operative (except as provided by section 173(2)(b) of the Law).

Note. Under section 173(2)(b) of the Law, the first directors of a transferred cooperative are the directors in office at the date of registration under the Law.

- (2) The term of office of the first directors is to be not more than 2 years ending on the day of the second annual general meeting after the formation meeting.

Note. The rules may require that directors' terms are of different length to enable rotational retirement.

- (3) The term of office of directors elected thereafter, is to commence from the annual general meeting at which they are elected and ends on the day of the second annual general meeting thereafter.

- (4) The members of the board are to be elected in the manner specified in this rule.

(a) at the general meeting in the year all the directors shall retire.

(b) a retiring director shall be eligible for re-election subject to the person holding the qualifications specified in rule 35.

- (5) At an annual general meeting at which a director retires or a casual vacancy occurs, the vacated office may be filled in the following manner:

(a) At least 6 weeks before an annual general meeting, the board must;

(i) notify all members of the number of directors retiring at the annual general meeting; and

(ii) advise the members of:

(A) their eligibility to nominate as a director; and

(B) the duties and responsibilities of a director; and

(C) the anticipated remuneration (if any); and

- (D) the nomination and election procedures.
- (b) A notice must also be displayed at the place of business of the co-operative inviting nominations of nominees to serve as directors.
- (c) A nomination must:
 - (i) be signed by 2 or more Bowling members; and
 - (ii) provide details of the qualifications and experience of the person nominated; and
 - (iii) be accompanied by a notice in writing signed by the nominee consenting to their nomination.
- (d) The nomination and the notice of consent must be lodged with the secretary of the co-operative at least 30 days before the annual general meeting.
- (e) The secretary, or an officer nominated by the board, must give details of each person who has been nominated to members with the notice of the annual general meeting. Details to be provided to members must include:
 - (i) the nominee's name; and
 - (ii) the nominee's qualifications and experience; and
 - (iii) the nominee's length of any previous service as a director of the co-operative or with any other co-operative.
- (f) members who are employees of the co-operative are not permitted to stand for the position of director of the co-operative; and
 - (i) former employees are not permitted to stand for election to the board of directors for a period of five (5) years after ceasing employment;
- (6) nominations for candidates to fill the vacant positions shall be sought in such a manner as the board determines, notwithstanding that members eligible for election to the board may be nominated for more than one position and in the event of their being elected to that position they shall be deemed to have been eliminated from candidature for election to any other position.
- (7) If the number of nominees equals the number of vacancies, the nominees must be declared elected at the annual general meeting.
- (8) If there are insufficient nominees to fill all vacancies, the nominees to be declared elected at the annual general meeting and nominations for people to fill the remaining vacancies are to be called from the floor and a ballot held if required.
- (9) If the number of nominees exceeds the number of vacancies, the election of directors must be conducted prior to the meeting by ballot as follows:
 - (a) If a returning officer is elected at the meeting. The directors, the secretary and anyone who has an interest in the election are not eligible to be the returning officer.

- (b) the order of all nominees are to be listed on the ballot form as determined by lot.
 - (c) The returning officer is responsible for determining the validity of and counting of the votes.
 - (d) If there is an equality of votes, the outcome must be determined by lot.
 - (e) The returning officer is to declare the election results.
- (10) If any vacancies remain at the end of the meeting, the vacancies are to be casual vacancies and must be filled in accordance with rule 40.

38 Removal from office of director (CNL s180)

The co-operative may by resolution under section 180 of the Law, with special notice as required by that section, remove a director before the end of the director's period of office, and may by a simple majority appoint another person in place of the removed director. The person appointed must retire when the removed director would otherwise have retired.

39 Vacation of office of director (CNL s179)

In addition to the circumstances set out in the Law, a director vacates office if the director dies or resigns his/her position.

40 Casual vacancies and alternate directors (CNL ss173 & 177)

- (1) The board may appoint a qualified person to fill a casual vacancy in the office of director until the next annual general meeting.
- (2) The board may appoint a person to act as a director (an *alternate director*) in the place of an absent director.
- (3) A person is not qualified to be appointed as an alternate director for:
 - (a) a member director—unless the person is qualified for appointment as a member director; or
 - (b) a non-member director—unless the person is qualified for appointment as a non-member director.
- (4) An alternate director holds office until the next annual general meeting or until the next general meeting held to elect directors to fill any vacancies (whichever is earlier).
- (5) An alternate director for a director (the *principal director*) vacates office:
 - (a) in similar circumstances or cases to those in which the principal director would vacate office (and for that purpose the provisions of these rules and Division 1 of Part 3.1 of the Law accordingly apply in relation to the alternate director); or
 - (b) if the alternate director is removed from office by the board as alternate director for failure, without its leave, to attend a meeting of the board at which the principal director is absent (and for that purpose the provisions of section

179(2)(b) of the Law do not apply in relation to the alternate director).

41 Remuneration of directors (CNL s203)

Directors' shall receive such remuneration for their services as shall be determined at a general meeting, and all necessary expenses incurred by them in the business of the co-operative shall be refunded to them & must comply with the provisions of the Law.

Note 1. Remuneration for directors is strictly controlled under the Law and requires the approval of the co-operative in general meeting. However, it is possible for a co-operative to specify in its rules that a director will receive particular remuneration if this is appropriate. It may still be necessary to obtain ratification or approval at a general meeting even in respect of specified remuneration under the rules.

Note 2. An alternate director is treated as a director under the Law, and remuneration of an alternate director is subject to the same restrictions under the Law.

42 Proceedings of the board (CNL ss175 & 176)

- (1) Meetings of the board (including meetings conducted outside board meetings pursuant to section 176 of the Law) are to be held as often as may be necessary for properly conducting the business of the co-operative and must be held at least every 3 months.
- (2) A meeting may be held with one or more of the directors participating by using a form of communication that allows reasonably contemporaneous and continuous communication between the directors taking part in the meeting.
- (3) Questions arising at a meeting must be decided by a majority of votes.
- (4) If votes are equal, the chairperson, if a member director, has a second or casting vote.
- (5) Other than in special circumstances decided by the chairperson, at least 48 hours notice must be given to the directors of all meetings of the board, without which the meeting cannot be held.

43 Quorum for board meetings (CNL s175)

- (1) The quorum for a meeting of the board is 50% of the number of directors (or if that percentage of the number of directors is not a whole number, the whole number next higher than one half).

Note. The co-operative may specify in the rules a greater percentage than 50% for a quorum.

- (2) For a quorum, the number of member directors must outnumber the non-member directors by at least one.

Note. The co-operative may specify in the rules another number by which the number of member directors must outnumber the non-member directors.

44 Chairperson of board

- (1) The president of the board shall act as the chairperson at any meeting of the board.
- (2) If no chairperson is elected or the chairperson is not present within 15 minutes after

the time fixed 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 the chairperson attends and is willing to act as chairperson.

(3) The chairperson may be removed, and a new chairperson elected, by:

(a) ordinary resolution of the board,

Note. Sub-rule (3) does not affect the requirements of section 180 of the Law in respect of the removal of a director.

45 Delegation and board committees (CNL s178)

(1) The board may by resolution delegate to:

(a) a director; or

(b) a committee of 2 or more directors; or

(c) a committee of members of the co-operative; or

(d) a committee of members of the co-operative and other persons if members form the majority of persons on the committee; or

(e) a committee of directors and other persons;

the exercise of the board's powers (other than this power of delegation) specified in the resolution. The co-operative or the board may by resolution revoke all or part of the delegation.

(2) A power delegated under this rule may, while the delegation remains unrevoked, be exercised from time to time in accordance with the delegation.

(3) A delegation under this rule may be given on conditions limiting the exercise of the power delegated, or time or circumstances.

(4) Despite any delegation under this rule, the board may continue to exercise the power delegated.

(5) If a power is exercised by a director (alone or with another director) 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, the power is taken 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 mentioned in sub-rule (3) were observed by the director exercising the powers.

(6) A committee may elect a chairperson of their meetings. If no chairperson is elected, or, if at a meeting the chairperson is not present within 15 minutes after the time appointed for holding the meeting, the members present may choose one of their number to be chairperson of the meeting.

(7) A committee may meet and adjourn as it thinks appropriate. Questions arising at a meeting must be decided by a majority of votes of the members present and voting and if the votes are equal, the chairperson has a second or casting vote.

46 Other committees

- (1) The board may by resolution appoint committees of members or other persons or both, to act in an advisory role to the board and to committees of directors.
- (2) Rule 45 (6) and (7) apply to committees appointed under this rule, with the changes approved by the board.
- (3) The quorum for a meeting of the committee is half the number of committee members (or if half is not a whole number the whole number next higher than one half).

47 Minutes

- (1) The board must keep minutes of meetings and, in particular, of:
 - (a) all appointments of officers and employees made by the directors; and
 - (b) the names of the directors present at each meeting of the board and of a committee of the board; and
 - (c) all resolutions and proceedings at all meetings of the co-operative and of directors and of committees of directors.

Note. Section 209 of the Law also requires any declarations of interest by directors to be recorded in the minutes.

- (2) Minutes must be entered in the appropriate records within 28 days of the meeting to which they relate was held.
- (3) The minutes are to be signed within a reasonable time after the meeting to which they relate by either the chairperson of that meeting or the chairperson of the next meeting.
- (4) All minutes are to be kept in the English language.

Part 5 Rules

48 Amendments and copies of rules (CNL ss57 & 60–63)

- (1) Any amendment of the rules must be approved by special resolution. However, if model rules are adopted in the manner specified under section 65(a) of the Law, any amendments to the model rules as notified by the Registrar are included in the co-operative's rules without the need for a special resolution.

Note. Section 60 of the Law permits the Registrar to specify classes of rules that must not be changed without first obtaining the approval of the Registrar. A co-operative should check whether any prior approval is required before the change is put to a special resolution vote.

- (2) A proposal to amend the rules of the co-operative must be made in a form approved by the board which clearly shows the existing rule or rules concerned and any proposed amendment to the rules.
- (3) A member is entitled to a copy of the rules upon payment of the amount of \$5 to the

co-operative.

Note. The rule could instead provide that the fee payable by a member for a copy of the rules is nil (for example, for a copy that is provided electronically to the member). In any case, the fee cannot be greater than the fee that would be charged if the member obtained a copy from the Registrar.

Part 6 Administrative matters

49 Seal (CNL ss49 & 223)

- (1) This rule applies if the co-operative chooses to authenticate a document under the common seal of the co-operative.
- (2) The co-operative's name and registration number must appear on its common seal and any official seal. The common seal must be kept at the registered office in the custody that the board directs.
- (3) The co-operative may have one or more official seals for use outside the State or Territory in place of its common seal. 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.
- (4) The seal of the co-operative must not be affixed to an instrument other than under a resolution of the board. Two directors, or one director and the secretary, must be present and must sign all instruments sealed while they are present.

50 Inspection of records and registers (CNL ss214 & 215)

- (1) Members of the co-operative have free access to the records and registers referred to in section 214 (1) of the Law and they may make a copy of any entry in the registers free of charge.

Note 1. The rule may instead specify an amount payable for making an entry in the registers. The amount cannot exceed the amount set down in either the National Regulations applying in this jurisdiction or in local regulations.

Note 2. Members and other persons accessing records and registers under section 214 of the Law are restricted in the use of any information obtained.

- (2) Members do not have access to the minutes of board or committee meetings, but may request access to any such minutes in writing addressed to the board.

51 Safe keeping of Records

Registers and any other certificates or documents or duplicates of them pertaining to records must be safely kept by the co-operative in the way and with the provision for their security as the board directs.

52 Notices to members (CNL s611)

- (1) This rule applies in addition to section 611 of the Law regarding how a notice or other document may be given to a member of the co-operative.

- (2) A notice or other document required to be given to a member of the co-operative may be given by the co-operative to any member by any form of technology (for example, by fax or email), where the member has given consent and notified the co-operative of the relevant contact details.

Note. Legislation relating to electronic transactions may also be relevant to the giving of notices or other documents.

- (3) If a notice is sent by post, service is taken to be effected at the time at which the properly addressed and prepaid letter would be delivered in the ordinary course of post. In proving service by post, it is sufficient to prove that the envelope containing the notice was properly addressed and posted.
- (4) A notice forwarded by some other form of technology is taken 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.
- (5) 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.
- (6) A notice may be given by the co-operative to the person entitled to a share in consequence of the death, incapacity or bankruptcy of a member by sending it through the post in a prepaid letter addressed to that person by name. Alternatively, it can be addressed to the person by the title of representative of the deceased or incapacitated person, or trustee of the bankrupt, or by any like description, and:
 - (a) the address should be that supplied for the purpose by the person claiming to be entitled; or
 - (b) if no such address has been supplied, the notice can be given in the manner in which it could have been given if the death, incapacity or bankruptcy had not occurred.

Part 7 Accounting and financial matters

53 Financial year

The financial year of the co-operative ends on 30 June.

54 Accounts

- (1) The board must have at least one financial institution account, electronic or otherwise, in the name of the co-operative, into which all amounts received by the co-operative must be paid as soon as possible after receipt.
- (2) All cheques drawn on the accounts, and all drafts, bills of exchange, promissory notes and other negotiable instruments, of the co-operative must be signed by 3 authorised persons.
- (3) The operation of any electronic accounts must be restricted so that there is a requirement for authorisation by 3 authorised persons.
- (4) For the purposes of this rule, an *authorised person* is:
 - (a) a director; or

(b) a person approved by the board.

55 Appointing an auditor or reviewer for small co-operative (optional rule) (CNL s298)

Note 1. If a co-operative is a small co-operative in a particular financial year, there is no requirement to appoint an auditor, unless the co-operative is directed to prepare audited or reviewed financial statements by its members or by the Registrar. A small co-operative may choose to appoint an auditor or a reviewer to have its financial statements to members either audited or reviewed each financial year where there is no direction from members or the Registrar.

Note 2. A review may be carried out by a person who:

- is a member of the Institute of Chartered Accountants in Australia and holds a Certificate of Public Practice issued by that body
- is a member of CPA Australia Ltd and holds a Public Practice Certificate issued by that body
- is a member of the Institute of Public Accountants and holds a Professional Practice Certificate issued by that body

Note 3. Large co-operatives are required to appoint an auditor in accordance with the procedures under the Law. A large co-operative is one that is not classified as a small co-operative under the National Regulations.

Note 4. The following rule is suitable for a small co-operative that wishes to require its financial statements be either audited or reviewed.

- (1) The co-operative must appoint an auditor in respect of its financial statements.
- (2) An auditor appointed under this rule is to conduct an audit of the co-operative's financial statements as presented to members.
- (3) The appointment of an auditor under this rule is to be made at an annual general meeting.
- (4) The co-operative may appoint another auditor at a subsequent annual general meeting if there is a vacancy in the office of the auditor.
- (5) The provisions of section 300(2) of the Law apply to an auditor appointed under this rule in the same way (but with any necessary adaptations) as they apply to an auditor appointed for a large co-operative.

Note. See section 310 of the Law regarding the removal and resignation of auditors.

56 Appointing an auditor or reviewer for a small co-operative if there is a direction under the Law (CNL ss271 & 272)

- (1) If a small co-operative is directed to prepare a financial report under section 271 or 272 of the Law and the direction requires that the financial report be audited or reviewed, the board must appoint an auditor or reviewer (as the case may) within one month of the direction.
- (2) An auditor or reviewer appointed under this rule holds office until the financial report prepared as a result of the direction has been audited or reviewed and sent to members.

57 Disposal of surplus funds during a financial year (CNL ss19, 355 & 356)

- (1) The board may retain all or part of the surplus arising in any year from the business of the co-operative, to be applied for the benefit of the co-operative.
- (2) No part of the surplus may be paid or transferred directly or indirectly, by way of profit, to members of the co-operative.

58 Provision for loss

The board must make appropriate provision for losses in the co-operative's accounts and when reporting to members is to indicate whether the loss is expected to continue and whether there is any real prejudice to the co-operative's solvency.

59 Financial reports to members (CNL Part 3.3)

The co-operative must prepare financial reports and statements in accordance with the Law, the National Regulations and these rules.

Note. The financial reports or statements required by the Law to be given to members vary according to the size of a co-operative in a given year. Large co-operatives are required to prepare and lodge with the Registrar full audited financial reports as set out in Part 3.3 of the Law. Small co-operatives are not required to lodge financial reports with the Registrar but are required to lodge an annual return under section 293 of the Law and provide members with basic minimum financial statements set out in the National Regulations. If the basic minimum reports prescribed in the National Regulations are not considered sufficient for a particular co-operative, the rules may include additional financial statements or information.

Part 8 Winding up

60 Winding up (CNL Part 4.5)

- (1) The winding up of the co-operative must be in accordance with Part 4.5 of the Law.
- (2) If, on the winding up or dissolution, there remains any property after the satisfaction of all its debts and liabilities, this must not be paid to or distributed among the members of the co-operative but must be given or transferred to an institution or institutions:
 - (a) with objects similar to those of the co-operative; and
 - (b) whose constitution prohibits the distribution of its property among its members; and
 - (c) chosen by the members of the co-operative at or before the dissolution or, in default, by a judge of the court with jurisdiction in the matter.

61 By-Laws

The Board shall have the 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 the operations of the co-operative.

62 Returning Officer

- (a) The Returning Officer and the Assistant Returning Officer shall be elected in the same year as the Board of Directors.
- (b) The Returning Officer and the Assistant Returning Officer shall both serve the same 2 year period as the Board of Directors.

63 Schedule of Charges

(a) Charges for the following items:

Copy of the Rule Book, Copy of the Register and duplicated confirmation of share statement will be determined by the Board from time to time.

(b) Entry Fees are as per Rule 7.

(c) The nominal value of shares will be one dollar (\$1.00).