

RULES

The Narraburra Ski Club Co-Operative Limited

INDEX

		Rule No.
Accounts	Annual - preparation, supply and display inspection	62 63
Act	the, meaning of copy of, to be available	1 58
Additional	shares, compulsory acquisition of	18
Adjournment	of meetings - see Meeting	
Annual	meetings - see Meetings subscription	15 (a)
Arbitration	of disputes, provision for	73
Audit	of Society's accounts	65
Auditors	generally report available for inspection	65
Banking	account to be opened by Society	64
Bankruptcy	of director of member, result of service of notice, in case of transfer of shares on	48 (a) 16 (g) 74 (v) 25
Bonus		66
Books	and documents, custody of	12
Borrowing	power of	6
Calls		21 & 22
Capital	how raised	18-18(c)
Casual	vacancy of auditor vacancy of director	65 (g) 47
Certificate	of shares	19
Chairman	meetings of Society appointment of	33 53
Charge	on share, society has	24
Charges	members liable to pay	15 - 15 H
Cheques	how signed	64
Committee	of directors, appointment of	54
Contracts	by members with Society	10
Corporate	body as a member, dissolution of	16 (j)
Death	of member of member, service of notice on person entitled on	27 74 (v)
Default	in payment of calls on shares	22
Definitions		1
Delegation	of directors' powers	54

Deposits	power to receive	
Directors	act as agents of society	56
	Casual vacancy	47
	committees of	54
	continuing, may act during vacancy	52
	election of	39 to 44
	first appointment of	44
	meetings of	50
	meetings of, chairman to preside at	53
	meetings of, minutes of	57 (i)
	meetings of, names to be signed	57 (ii)
	number of	38
	qualification of	39
	quorum of	51
	register of, to be available	58
	removal of	46
	remuneration of	49
	to manage and control Society	55
	vacation of office, circumstances	48
Disputes	method of settlement	73
Dividend		66
Documents	and books, custody of	12
Employees	appointment	59
Expulsion	of members	17
Financial	statements to be displayed at office	62
	statements to be presented at annual meeting	31 (b)
	year, ending of	61
Forfeiture	shares to be cancelled	23
	of shares for non payment of calls	22
	of non-payment of Subscriptions	15 (b)
Funds	of Society, application of	66
Insurance	Fire and fidelity	60
Investments	powers of Society	9
Joint	holders of shares	14
Liability	of members	15
Loans	register of, to be available	58
Management	and control of directors	55
Meetings	annual business of	31
	annual, when to be held	28
	general, casting vote of chairman	35
	chairman to preside at	33
	minutes of, to be kept	57
	notice of, to whom given	30
	quorum of	32
	standing orders of	31
	voting at	35
	of directors	50
	special general	28
Members	accounts of, may be inspected by members	63
	charges payable by	15
	death of	27
	liability of, to Society	15
	register of, to be available	58
	rules bind	2
	service of notices on	74
Membership	allotment of shares and notification thereof	13 - 14
	application for	14
	cessation	16

	qualification for	13
Minutes	of meetings, to be kept	57
Nomination	by member	44
Notices	methods of service	74
Objects	of Society	5
Office	change of, to be notified to registrar registered	4
Powers	of society	6
Qualification	of directors	39
Rebates		66
Regulations	copy of, to be available	58
Requisition	for special general meeting	29
Reserve	fund, proportion of surplus to go to	66
Reserves	purchase of shares out of	8
Resolution	special, meaning of	37
Rules	bind Society and members	2
	copy to be available	58 (a)
	copy to be supplied	2
Seal		11
Set-Off	in payment of debts	24
Shares	all of one class and rank equally	18
	calls	21 -22
	certificate of	19
	forfeited to be cancelled	23
	maximum and minimum holding	18
	register of, to be available	58
	Society has charge over	24
	Society may purchase members	8
	transfer	25
Special	general meetings - see "meetings general"	
	resolution, meaning of	37
Standing Orders	general meetings	28
Stock Exchange	shares not to be quoted	18 (c)
Transmission	of shares	25
Transfer	of shares	25
Voting	at meetings - see "meetings general"	
Winding up	of Society procedure	75

RULES CO-OPERATIVE LIMITED

INTERPRETATION

1. In these rules, unless the context otherwise requires:
Expressions used have the same meanings as those ascribed to them by the Act.
"The Act" or "Co-operation Act" means the Co-operation Community Settlement and Credit Act, as amended. 'Month' means calendar month.
"The Law and CNL" each mean the Co-operative National Law (NSW) adopted by the Co-operative (Adopted National Law) Act 2012 (NSW).
"Special Resolution" means a resolution passed in the manner set forth in Section 80 of the Act.
Words in the singular include the plural, and vice versa.
Words importing masculine gender include females.
"Prescribed" means prescribed in the Act or by regulation.
"Regulation" means regulation under the Act.
"The Registrar" means the Registrar of Co-operative Societies or Deputy Registrar.

RULES

2. (i) In accordance with Section 73 of the Act, the rules of the Society shall bind the Society and all members thereof, and all persons claiming through them respectively, to the same extent as if each member has subscribed his name and affixed his seal thereto, and there were contained in the rules a covenant on the part of each member and his legal representatives to observe all the provisions of the rules, subject to the provisions of the Act.
- (ii) The rules of the Society shall not be altered unless the alteration has been approved by a special resolution. No such alteration shall have effect until the alteration has been registered by the Registrar. Alteration includes addition to a rule and rescission of a rule.
- (iii) Any person is entitled to download a copy of these rules from our web site at www.narraburra.org.au and or at any other web sites as the Board may nominate from time to time.

NAME

3. The name of the society shall be **NARRABURRA SKI CLUB CO-OPERATIVE LIMITED**.

REGISTERED OFFICE

4. The registered office of the Society shall be at:

Mawby Cowper Meares & Co.
4/47 Neridah Street
Chatswood NSW 2067

or such other place as the Board of the Society may determine. The Board shall, in accordance with Section 261(3) of the Co-operative Act 1992, cause notice of any change thereof to be transmitted to the Registrar in the form prescribed within twenty-eight (28) days after the change.

OBJECTS

5. The objects of the society shall be :
 - (a) To encourage, develop and promote snow sports, skiing, boarding, ski touring and other athletic sports in which human beings are the sole participants.
 - (b) 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 the 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.
 - (c) To provide any service or services that may assist, promote or encourage the activities specified in paragraph (a) of this rule.

- (d) To promote, organize and hold sports meetings, gymkhanas or carnivals in connection with the activities specified in paragraph (a) of this rule for members of the Society and any other people the Society shall think fit.
- (e) To abide by the Lease, Regulations and decision of the Kosciuszko National Parks and NSW National Park and Wildlife Service in respect of the establishment, construction and maintenance of any facility on the Kosciuszko National Park.
- (f) To do all other such lawful acts as are incidental or conducive to the attainment or maintenance of any of the above objects.

POWERS

6. The Society shall have power to do the following things as incidental to its objects :
- (a) To acquire by purchase or otherwise, shares or stock in any other Society or Societies or Associations.
 - (b) To raise money on loan or such terms and conditions as are prescribed in Sections 65 and 66 of the Act and of such an amount as is thereby authorised, this should be a maximum of \$30,000.00
 - (c) To publish and circulate documents, circulars and magazines on subjects of interest to Members.

POWER TO ACQUIRE PROPERTY

7. The Society may in accordance with Section 64 of the Act, acquire by lease, purchase, donations, devise, bequest or otherwise any real or personal property for any objects of the society and may sell or lease any such real or personal property.

SOCIETY MAY PURCHASE MEMBERS' SHARES

8. The Society may in accordance with Section 52 of the Act purchase any share of a member in the Society provided that the shares so purchased in any year shall not exceed one-twentieth of the paid up capital of the Society.

INVESTMENTS

9. The funds of the Society may in accordance with Section 68 of the Act be invested in any of the following ways :
- (a) any securities authorised by law for the investment of trust funds;
 - (b) deposit in any bank prescribed by the regulations or in any society which is authorised to receive deposits;
 - (c) any securities prescribed by regulation;
 - (d) any other securities allowed by the Act.

DEALING OF MEMBERS WITH SOCIETY

10. The Society may in accordance with Section 77 of the Act, make a contract with a member requiring him to have any specified dealings with the Society for a fixed period.

The Society may by a special resolution from time to time require members to enter into such contracts as may be determined by such special resolution and within the time therein specified and neglect by a member to do so shall be deemed to be conduct detrimental to the Society, and he shall be liable to expulsion as provided in these rules.

SEAL

11. The Society shall, as required by Section 72 (3) of the Act, have its name inscribed in legible characters upon a seal. The seal shall be kept at the registered office in such custody as the Board shall direct.

The device of the seal shall be the name of the Society within two concentric circles and encircling the word "Seal".

The seal of the Society shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and in the presence of two Directors and the Secretary or such other person as the Board may appoint for the purpose and such two Directors and Secretary or such other person shall sign every instrument to which the seal of the Society is so affixed in their presence.

CUSTODY OF BOOKS AND DOCUMENTS

12. All books of accounts, securities, documents and papers of the Society, other than such (if any) as the board may direct to be kept elsewhere, shall be kept at the registered office, in such manner and with such provision for their security as the Board shall direct. In giving any direction the Board shall comply with Section 75 of the Act.

QUALIFICATION FOR MEMBERSHIP

13. (a) Every member shall hold at least one hundred and sixty shares.
(b) Corporations sole or aggregate of any description shall not be eligible for membership.
(c) Joint ownership by two or more persons shall not be eligible for membership.

ACTIVE MEMBERSHIP PROVISIONS

- 13A The number of members of the Co-operative shall not exceed 110.
- 13B (i) In accordance with Part IIIA of the Act:
(a) Provision of Ski Lodge accommodation is a chief primary object of the Society; and
(b) A member shall pay an Annual Subscription in accordance with Rule 15A, but at no time shall the Annual Subscription be less than ten dollars (\$10.00), in order to establish active membership of the Society.

MEMBERSHIP AND SHARES

14. Applications for membership, shares and additional shares shall be lodged at the registered office of the Society in or to the effect of the prescribed form together with, as a deposit, the full amount to which the shares applied for are to be paid. Every such application shall be considered by the Board and if approved by it the applicant shall pay to the Society the amount required by the Board to be paid up on the shares applied for, credit being given for the amount of the deposit paid by the applicant, together with the premium determined pursuant to Rule 18A and thereupon the shares applied for shall be allotted to the applicant. Upon allotment of shares applied for, the applicant's name together with the number of shares allotted, date of allotment and any other information required by regulation 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 and he shall thereupon be entitled to the privileges of membership.

The Board may at its discretion refuse any application for membership or shares and need assign no reasons for such refusal. Upon refusal the applicant's deposit shall be refunded without interest.

If two or more persons are the joint owners of any share or shares such persons shall be deemed to be one shareholder only and the senior of such joint shareholders shall have the right and privileges of a shareholder in the Society to the exclusion of the other or others of such joint shareholders and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

LIABILITY OF A MEMBER TO SOCIETY

15. (a) A member shall in accordance with Section 50 of the Act be liable to the Society for the amount, if any, unpaid on the shares held by him, together with any charges payable by him to the Society, as prescribed by these rules.

ANNUAL SUBSCRIPTION

- 15A. (i) Members may be required to pay an annual subscription which shall:
(a) Be in addition to any other charges payable under the rules;
(b) Be determined by the Board from time to time;
(c) Be payable, in advance, within the period set by the Board;
(d) Not exceed three hundred dollars, (\$300) plus GST in any financial year.
- (ii) Members who do not pay any subscription determined under this rule within the period set by the Board, or any extension which may be given by the Board, may have their share forfeited by resolution of the Board as provided by these rules.

FORFEITURE OF NON-PAYMENT OF SUBSCRIPTIONS

- 15 B. (i) The shares of a member whose subscription under Rule 15A has not been paid may be forfeited by resolution of the

- Board.
- (ii) Written notice of the proposed forfeiture shall be forwarded to the member not less than fourteen (14) days before the date of the Board meeting at which the resolution for forfeiture of the shares is to be moved, and he shall be given an opportunity of being heard at the meeting.
 - (iii) Upon forfeiture the amount paid up on the shares shall be repaid to the member. The provisions of Rule 17 inclusive shall apply mutatis mutandis to any such repayments.
 - (iv) Shares so forfeited shall be cancelled and a notation of the cancellation entered in the register of members and shares.
- 15C. (i) Members shall be required to pay a levy for fire safety and protection work which shall:
- (a) be in addition to any other charges payable under the rules;
 - (b) be determined by the Board;
 - (c) be payable in advance within the period set by the Board; and
 - (d) not exceed one hundred dollars (\$100).
- (ii) Members who do not pay the levy determined under this rule within the period set by the Board, or any extension which may be given by the Board, may have their share forfeited by resolution of the Board as provided by these rules.
- 15D. (i) The shares of a member whose levy under Rule 15C has not been paid may be forfeited by resolution of the Board.
- (ii) Written notice of the proposed forfeiture shall be forwarded to the member not less than fourteen days before the date of the Board Meeting at which the resolution for forfeiture of the shares is to be moved, and he shall be given an opportunity of being heard at the meeting.
- (iii) Upon forfeiture the amount paid up on the shares shall be repaid to the member. The provisions of Rule 17 inclusive shall be mutatis mutandis to any such repayments.
- (iv) Shares so forfeited shall be cancelled and a notation of the cancellation entered in the register of members and shares.

UPGRADING LEVY

- 15E. (i) Members shall be required to pay a levy for upgrading of the Lodge which shall:
- (a) be in addition to any other changes payable under the Rules;
 - (b) be not exceeding \$500, as determined by the Board; and
 - (c) be payable in advance within the period set by the Board.
- (ii) Members who do not pay the levy determined under this Rule within the period set by the Board, or any extension which may be given by the Board, may have their Share forfeited by Resolution of the Board as provided by these Rules.

FORFEITURE OF NON-PAYMENT OF UPGRADING LEVY

- 15F. (i) The Shares of a Member whose levy under Rule 15E has not been paid may be forfeited by Resolution of the Board,
- (ii) Written Notice of the proposed forfeiture shall be forwarded to the Member not less than fourteen days before the date of the Board Meeting at which the Resolution for forfeiture of the Shares is to be Moved, and he shall be given an opportunity of being heard at the Meeting,
- (iii) Upon forfeiture the amount paid up on the Shares shall be repaid to the Member. The provisions of Rule 17 inclusive shall apply mutatis mutandis to any such repayments,
- (iv) Shares so forfeited shall be cancelled and a notation of the cancellation entered in the Register of Members and Shares.

MAINTENANCE LEVY

- 15G. (i) Members admitted before 1/10/90 shall be required to pay a levy for the upgrading of the Lodge which shall:
- (a) be in addition to any other charges payable under the rules;
 - (b) be an amount determined by the Board not exceeding \$750.00; and
 - (c) be payable within the period set by the Board or such extended period as the Board may grant.

- (ii) Members who do not pay the levy determined under this Rule within the period set by the Board, or within any extended period which may be granted by the Board, may have their shares forfeited by resolution of the Board as provided by these rules.

FORFEITURE OF NON-PAYMENT OF MAINTENANCE LEVY

- 15H.
- (i) The Shares of a Member whose levy under Rule 15G has not been paid may be forfeited by Resolution of the Board,
 - (ii) Written Notice of the proposed forfeiture shall be forwarded to the Member not less than fourteen days before the date of the Board Meeting at which the Resolution for forfeiture of the Shares is to be Moved, and he shall be given an opportunity of being heard at the Meeting,
 - (iii) Upon forfeiture the amount paid up on the Shares shall be repaid to the Member. The provisions of Rule 17 inclusive shall apply mutatis mutandis to any such repayments.
 - (iv) Shares so forfeited shall be cancelled and a notation of the cancellation entered in the Register of Members and Shares.

CEASING MEMBERSHIP

16. A person shall cease to be a member in any of the following circumstances :
- (a) Where his share is transferred in accordance with these rules and the transferee is registered as holder in his place;
 - (b) Where his share is forfeited in accordance with these rules;
 - (c) Where his share is sold by the Society under the power conferred by these rules and the purchaser is registered as holder in his place;
 - (d) Where his share is purchased by the Society in accordance with the Act and these rules;
 - (e) Where he is expelled in accordance with these rules;
 - (f) Where the amount paid upon his shares is repaid to him in accordance with these rules;
 - (g) Where he becomes bankrupt and the trustee of his estate disclaims any of his property in accordance with the law relating to bankruptcy;
 - (h) On death, provided that his estate shall remain liable until his nominee, executor or administrator or some other person is registered as holder in his place, or until the Society pays the value of his share in accordance with the provisions of the Act
 - (i) Where the contract of membership is rescinded on the ground of misrepresentation or mistake;
 - (j) In the case of a corporate body, where the corporate body is dissolved.

EXPULSION OF MEMBERS

17. (i) A member may be expelled from the Society by special resolution to the effect :
- (a) that he has failed to discharge his obligations to the society, whether prescribed by these rules or arising out of any contract;
 - (b) that he has been guilty of conduct detrimental to the society.
- In either case written notice of the proposed resolution shall be forwarded to the member fourteen (14) days before the date of the meeting at which the special resolution is to be moved and he shall be given an opportunity of being heard at the meeting.
- (ii) 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. The society shall however pay to the expelled member the amount of capital paid up on his shares at the time of expulsion unless the accounts of the society disclose a deficiency.
- For the purpose of this rule "deficiency" shall mean the amount of loss or deficiency shown in the last preceding balance sheet of the Society. Where such a deficiency exists there shall be deducted from the amount of capital paid up on the shares of the expelled member the proportion of the loss or deficiency appropriate having regard to the number of such shares in relation to the number of shares in the society.
- (iii) Payment to such expelled member shall be made at such time as shall be determined by the Board in its discretion but not later than twelve months from the date of expulsion.
 - (iv) Upon expulsion the relevant shares shall be cancelled.
 - (v) No expelled member shall be readmitted except by special resolution.

A member so readmitted shall not have restored to him any shares which were cancelled on his expulsion.

For the purpose of this rule the value of net assets shall be as taken from the value of the assets and liabilities disclosed in the last balance sheet of the society.

CAPITAL AND SHARES

18. (a) The capital of the Society shall be raised by the issue of shares which shall be of one class, all ranking equally, and be of the nominal value of \$2 each.
- The capital shall vary in amount according to the nominal value of shares from time to time subscribed.
- Every member shall hold at least One hundred and sixty shares, but no member shall hold shares exceeding the nominal value of Ten thousand dollars nor shall any member hold more than one-fifth of the shares in the Society.
- (b) The Board may require a member to take or subscribe for additional shares in accordance with any proposal approved and consented to in accordance with the provisions of Section 47A of the Act.
- (c) The shares of the Society shall not be quoted for sale or purchase at any stock exchange or in any other public manner whatever within the meaning of the Income Tax Assessment Act, 1936 of the Commonwealth of Australia or any amendment thereof.
- (d) 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 sub clause a person and his relatives and his nominees or the nominees of any his relatives shall be deemed to be one person.

SHARE PREMIUM

- 18A No longer valid since 1 December 1997. The Co-operative Amendment Act 1997 precluded Non Distributing Co-operative from including Share Premiums.

SHARE PREMIUM RESERVE

- 18B. No longer valid since 1 December 1997. The Co-operative Amendment Act 1997 precluded Non Distributing Co-operative from including Share Premiums.

INTERPRETATION / SHARE PREMIUM

- 18C. No longer valid since 1 December 1997. The Co-operative Amendment Act 1997 precluded Non Distributing Co-operative from including Share Premiums.

CERTIFICATION OF SHARES

19. Every person whose name is entered as a member in the register of members shall, without payment, be entitled upon application to a certificate under the seal of the society specifying the shares held by him and the amount paid up thereon. If a share certificate is defaced, lost or destroyed a duplicate thereof may be issued by the society on payment of such fee, not exceeding fifty cents, and on such terms as to evidence and indemnity as the Board thinks fit.

REPAYMENT OF SHARE CAPITAL

20. (a) The Society may in accordance with Section 54 of the Act repay to a member, with his consent, the whole or any part of the amount paid up on any share held by him at any time when the money is not required for the purposes of the Society.
- (b) The Society may not, except with the consent of the Registrar, make any such repayment, if it has received from any person who is not a member any money on loan or deposit, which is not secured by mortgage and is still unpaid.
- (c) All such repayments shall be made on resolution of the Board, which shall be noted in the register of shares, and thereupon the shares, in respect of which such payments are made, shall be cancelled.
21. (a) The Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares, provided that no call shall be payable at less than one month from the last call; and each member shall (subject to receiving at least fourteen (14) days notice specifying the time or times of payment) pay to the Society at the time or times so specified the amount called on his shares.
- (b) Deleted.
- (c) If a sum in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of twelve dollars per cent per annum from the day appointed for the payment

thereof to the time of the actual payment, but the Board shall be at liberty to waive payment of that interest wholly or in part.

- (d) The Board may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be made and times of payment.
- (e) The Board may, if they think fit, receive from any member willing to advance the same all or any part of the monies uncalled and unpaid upon any shares held by him; and upon all or any of the monies so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of the Society in general meeting, six per cent) as may be agreed upon between the member paying the sum in advance and the Board.

DEFAULT IN PAYMENT OF CALLS

- 22. (a) If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the board may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with interest which may have accrued.
- (b) The notice shall name a further day (not earlier than the expiration of fourteen (14) days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not complied with by the member, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect.

FORFEITED SHARE

- 23. A person whose shares have been forfeited for a default in payment of calls shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Society all monies which, at the date of forfeiture, were presently payable by him to the society in respect of the shares.

A statutory declaration in writing that the declarant is a Director of the Society, and that a share in the Society has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Shares forfeited for default in payment of calls shall be cancelled and a notation of the cancellation entered in the share register.

CHARGE ON SHARES

- 24. (a) The Society shall as provided in Section 57 of the Act, have a charge upon the share or interest in the capital and on the credit balance of a member or past member, and in respect of any debt due from the member or past member to the society, may set off any sum credited or payable to such member or past member in or towards payment of the debt.
- (b) The Society may sell in such manner as the Directors think fit all or any shares on which the Society has a charge but no sale shall be made unless some sum in respect of which the charge exists is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. The said 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.

Where the highest offer received by the Board is less than the amount paid up on the shares to be sold the Board shall before accepting the offer give notice in writing to the member of the receipt of such offer and the amount thereof and of the Board's intention to accept the same at the expiration of fourteen (14) days in default of payment to the Society prior to such date of all monies in respect of which the charge subsists.

From the proceeds of any such sale the society may deduct the expenses, if any, associated with the sale and apply the balance in reduction of the liability of the member provided however that should a surplus remain after such deduction the same shall be payable to the member whose shares were so sold.

For giving effect to any such sale the Board may authorise some person to transfer the shares sold to the Purchaser thereof.

TRANSFER AND TRANSMISSION OF SHARES

- 25. The instrument of transfer of any share shall be executed by or on behalf of the Transferor and Transferee and 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 in respect thereof.

Shares shall be transferred in the following form or in any 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 share (or shares) numbered in the to hold unto the said Transferee, his executors, administrators,

and assigns, subject to the several conditions on which I hold the same at the time of the execution hereof; and I, the said Transferee, to hereby agree to take the said share (or shares) subject to the conditions aforesaid.

As witness our hands, the day of, 20....

Signed by, Transferor. In the presence of, witness.

Signed by, Transferee. In the presence of, witness.

A share may not be sold or transferred without the consent of the Board. 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 and may also decline to register any transfer of shares on which the Society has a lien or charge. If the Directors refuse to register a transfer of shares they shall within one month after the date on which the transfer was lodged with the Society, send to the Transferee notice of refusal.

The Board may decline to recognise any instrument of transfer unless :

- (a) a fee of 10% of the consideration therefore is paid to the Society in respect thereof;
- (b) the instrument of transfer is accompanied by the certificate 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; and
- (c) such other evidence as the Board may reasonably require, is provided to verify the full consideration paid for the shares the subject of the transfer.

The Board shall cause a record of all transfers to be made in the proper books of the Society.

The Board may suspend the registration of transfers during the fourteen (14) days immediately preceding the annual general meeting in each year.

Any person becoming entitled to a share in consequence of the bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the Board, if qualified, be registered as a member in respect of the share, or, instead of being registered himself, may make such transfer of the share as the bankrupt person could have made; but the Board shall in either case, have the same right to decline registration as they would have had in the case of a transfer of the share by the bankrupt person before bankruptcy.

A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the share, except that he shall not before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Society.

26. OMITTED

DEATH OF MEMBER

27. On the death of a member any share or interest contingent or otherwise he may have in the Society shall be dealt with in accordance with Sections 93 and 102 to 106 (inclusive) of the Law. The value of the share or interest of the deceased member shall be as determined by a chartered accountant or certified public accountant who shall give his opinion in writing. Otherwise the membership may be transferred to a person nominated in his will or sold on the open market by negotiation and transferred in accordance with Rule 25. When the membership is transferred at no consideration no transfer fee is applicable.

GENERAL MEETINGS

28. A general meeting of the Society to be known as the "Annual General Meeting" shall be provided in Section 85 of the Act, be held each year on such date and at such time being within four months after the close of the financial year or within such further time as may be prescribed and at such place as the Board may determine. All other general meetings of the Society shall be Special General Meetings.
29. The Board may, whenever it thinks fit, convene a Special General Meeting of the Society.
 - (a) The Board shall, on requisition of the lesser of one-tenth of the members or ten (10) members being the holders of shares upon which calls or other sums then due have been paid forthwith proceed to convene a Special General Meeting.
 - (b) DELETED
 - (c) A requisition for a Special General Meeting shall state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Society, and may consist of several documents in the like form, each signed by one or more requisitionists.
 - (d) If the Board does not within twenty-one (21) days from the date of deposit of the requisition proceed duly to convene a meeting to be held within forty-two (42) days from such date the requisitionists or any of them may convene the meeting but any meeting so convened shall not be held after the expiration of three (3) months from the date of such deposit.
 - (e) A meeting convened by requisitionists in pursuance of these rules shall be convened in the same manner as nearly as possible as that in which such meetings are convened by the Board.

- (f) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists by the Society, and any sum so repaid shall be retained by the Society out of any sums due or to become due from the Society 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

- 30. (a) Seven (7) days notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and in case of special business the general nature of that business shall be given of any general meeting in manner hereinafter mentioned, to such persons as are, under these rules, entitled to receive such notices from the Society; but the nonreceipt of the notice by any member shall not invalidate the proceedings at such general meeting.
- (b) In the case of special resolutions the giving of notice shall conform to Rule 37 hereof.
- (c) Any member, having a resolution to submit to a general meeting shall give written notice thereof to the Society not less than twenty-one (21) days prior to the date of the meeting.
- (d) The Board shall cause to be inserted in any notice convening a general meeting any business of which notice of his intention to move has been given by a member in accordance with these rules provided that notice from the member shall have been received before the notice of the meeting has been issued.

PROCEEDINGS AT GENERAL MEETINGS

- 31. (i) The ordinary business of the Annual General Meeting shall be :
 - (a) to confirm minutes of the last preceding general meeting whether the Annual General Meeting or Special General Meeting;
 - (b) to receive from the Board, Auditors, or any officers of the Society reports upon the transactions of the Society during the financial year, including balance-sheet, trading account and profit and loss account, and the state of affairs at the end thereof;
 - (c) to elect Directors and Auditors.
- (ii) The Annual General Meeting may also transact such special business of which notice has been given to members in accordance with these rules.
- (iii) All business shall be deemed special business other than such business of the Annual General Meeting as is by this rule termed ordinary business.
- 32. (a) No item of business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting is considering that item.
- (b) Save as herein otherwise provided, ten members personally present shall be a quorum. If within half an hour of 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 stand adjourned to the same day in the next week at the same time and place and 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 be a quorum.
- 33. (a) The Chairman, if any, of the Board shall preside as chairman at every general meeting of the Society.
- (b) If there is not such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose someone from their number to be chairman.

The chairman 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, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen (14) days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.
- 34. The following standing orders shall be observed at the Society's meetings :
 - (a) the Mover of a proposition shall not speak for more than ten minutes; subsequent speakers shall be allowed five minutes, and the mover of the proposition five minutes to reply. The meeting may however by simple majority extend in a particular instance the time permitted by this rule;
 - (b) whenever an amendment is proposed upon an original proposition, no second amendment shall be taken into consideration until the first amendment shall have been disposed of;
 - (c) if an amendment be carried, it shall displace the original proposition and become itself the proposition to which any further amendment may be moved;

- (d) if an amendment be negative, then a further amendment may be moved to the original proposition; but only one amendment shall be submitted to the meeting for discussion at one time;
- (e) the mover of every original proposition, but not of an amendment, shall have the right to reply, immediately after which the question shall be put from the chair, but no other member shall speak more than once on the same question, unless permission be given to explain, or the attention of the chairman be called to point of order;
- (f) propositions and amendments shall be submitted in writing, when requested by the chairman;
- (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.

VOTING

35. At any general meeting a resolution put to the vote of the meeting, shall, as provided in Section 86 of the Act, be decided on a show of hands unless a poll is (before or on declaration of the result of the show of hands) demanded by at least five members and, unless a poll is demanded, a declaration by the chairman that a resolution has on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and the entry to that effect in the book of the proceedings of the society shall be evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against that resolution.
- (a) On show of hands or on a poll every member, not being under the age of eighteen, present in person at any meeting shall have one vote.
 - (b) All resolutions shall be determined by simple majority except in the case of special resolutions or as otherwise provided in these rules.

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman 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.

36. (a) If a poll is duly demanded it shall be taken in a manner which the chairman directs and 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.
- (b) A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith.

SPECIAL RESOLUTION

37. (a) A special resolution means a resolution which is passed by a majority of not less than two-thirds of the members as being entitled so to do vote in person at any general meeting of which notice specifying the intention to propose the resolution has been duly given in accordance with these rules.
- (b) A special resolution shall have no effect until registered by the Registrar.

BOARD OF DIRECTORS

38. There shall be a Board of ten Directors all of whom shall be at least twenty-one years of age.
39. The qualification of a Director shall be the holding of not less than One hundred and sixty shares in the Society.
40. OMITTED
41. All Directors (ten) shall retire at such Annual General Meeting.
42. OMITTED
43. A retiring Director shall be eligible for re-election.
44. The Society at the general meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto. Nominations for candidates to fill the vacant positions shall be sought in such manner as the Board determines.
45. If at any general meeting at which an election of Directors ought to take place the places of the retiring Directors or any of them shall not be filled, the meeting shall stand adjourned till the same day in the next week at the same time and place, and such adjourned meeting may receive nominations and elect Directors to the vacancies. If at the adjourned meeting the places of the retiring Directors are not filled, the retiring Directors or such of them as have not had their places filled shall be deemed to have been re-elected at the adjourned meeting.
46. The Society may by resolution remove any Director before the expiration of his period of office, and may by a simple majority appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.
47. Any casual vacancy occurring on the Board may be filled by the Board, but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

VACATION OF OFFICE OF DIRECTOR

48. The office of a Director shall be vacated in the circumstances set out in Section 84 (H) of the Act, and in particular:-
- (a) if he becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration's for their benefit;
 - (b) if he becomes a temporary patient, a continued treatment patient, a protected person or an incapable person within the meaning of the Mental Health Act, 1958, or a person under detention under Part VII of the Act;
 - (c) if he is convicted of any offence under the Act, or is convicted of any offence and sentenced to any period of imprisonment without the option of a fine;
 - (d) if he absents himself from three consecutive ordinary meetings of the Board without its leave;
 - (e) if he ceases to be a member of the Society;
 - (f) on the expiration of one month's notice in writing of his intention to resign office, given by him to the Board;
 - (g) if he is removed from office by resolution of a general meeting of the Society;
 - (h) if excepted as provided for in Section 84 of the Act, he or his employer, employee or partner is an employee of or acts as a Solicitor, Valuer, Auditor or Accountant to the Society.
49. The Directors shall not receive remuneration.

PROCEEDINGS OF THE BOARD

50. The Board may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings, as they think fit, providing a meeting of the Board shall be held at least once quarterly. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. The Chairman or any two Directors may, and the Secretary on requisition of the Chairman or any two Directors shall, at any time, summon a meeting of the Board. Except in special circumstances determined by the Chairman 48 hours notice shall be given of all meetings of the Board.
51. The quorum for any meeting of the Board shall be five.
52. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to these rules as the necessary quorum of Directors, the continuing Directors may act only for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Society, but not for any other purpose.
53. The Board may elect a chairman of their meetings and determine the period for which he is to hold office, but if no such chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
54. (a) The Board may, in accordance with Section 84B of the Act, by resolution, delegate to a Director or Committee of two or more Directors, the exercise of such of the Board's powers, (other than this power of delegation) as are specified in the resolution and the Society or the Board may by resolution revoke wholly or in part any such delegation.
- (b) A power, the exercise of which has been delegated under this rule may, while the delegation remain unrevoked, be exercised from time to time in accordance with the terms of the delegation.
- (c) A delegation under this rule may be made subject to conditions or limitations as to the exercise of any of the powers delegated, or as to time or circumstances.
- (d) Notwithstanding any delegation under this rule, the Board may continue to exercise all or any of the powers delegated.
- (e) Where a power is exercised by a Director either alone, or with another Director, or 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 own name on behalf of the Board, the power shall be deemed to have been exercised by the Board, whether or not any conditions or limitations referred to in Paragraph (c) of this rule were observed by the Director exercising the power.
- (f) An instrument purporting to be signed by a Director as referred to in Section 84B (5) 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 Society under seal and until the contrary is proved, shall be deemed to be an instrument signed by a delegate of the Board under the Section 84 (B) of the Act.
- (g) A Committee may elect a chairman of their meetings. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
- (h) A Committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the chairman shall have a second or casting vote.

DUTIES AND POWERS OF THE BOARD

55. (a) The business and operations of the Society shall, in accordance with Section 84 (1) and (2) of the Act, be managed and controlled by the Board, and for that purpose the Board, except as hereinafter provided, shall have and may exercise the powers of the Society as if they had been expressly conferred on the Board at a general meeting of the Society.
- (b) The powers of the board shall be subject to any restrictions imposed thereon by the Act or by these rules.
56. Every Director acting in the business or operations of the Society in pursuance of a resolution duly passed by the Board shall, in accordance with Section 84 (3) of the Act, be deemed to be the agent of the Society for all purposes within the objects of the Society.
57. (i) The Board shall cause minutes of meetings to be made in books provided for the purpose, and, in particular:
- (a) of all appointments of officers and employees made by the Directors;
 - (b) of the names of the Directors present at each meeting of the Board and of any Committee on the Board;
 - (c) of all resolutions and proceedings at all meetings of the Society and of Directors and of Committees of Directors.
- Such minutes shall be recorded in the minute book within fourteen (14) days of the date of the meeting the proceedings of which they record.
- The confirmation of such minutes shall be taken as the first business at the next succeeding meeting of the Society, Board or Committee as the case may be.
- (ii) Every Director present at any meeting shall sign his name in a book to be kept for that purpose.
58. The Board shall, in accordance with Section 75 of the Act, cause to be kept at the registered office of the Society, and open at all reasonable hours to inspection
- (a) by any member or creditor without fee:
 - (i) a copy of the Act and the regulations
 - (ii) a copy of the rules of the Society
 - (iii) a copy of the last balance sheet and profit and loss account for the time being, together with the Auditor's report
 - (iv) the prescribed register of Directors, Members and shares
 - (v) the prescribed register of loans raised, securities given, and bonds issued by the Society
 - (vi) the prescribed register of stock and,
 - (b) by any member without fee:
 - a copy of the minutes of general meetings of members of the Society.
59. 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, clerks, agents and servants, and to fix their powers, duties and remuneration.

FIDELITY BONDS AND INSURANCES

60. The Board shall cause every officer or person, having the receipt or charge of any money of the Society, to give security as prescribed in such amount as the Board shall determine. The Society shall pay all premiums in respect of any such security.
- The Board shall arrange insurance against loss, damage to or liability of the Society by reason of fire, accident, or otherwise.

FINANCIAL YEAR

61. The financial year of the Society shall end on the 30th September.

ACCOUNTS

62. The Board shall cause to be prepared a statement of the accounts of the Society up to the end of the financial year, and shall submit it, with the Reviewer's report thereon, to the Annual General Meeting of the Society. The Board shall also cause a copy of such statement to be displayed at the registered office of the Society for a period of not less than fourteen days before the date of such meeting and a copy to be sent to each member with the notice of the meeting in accordance with Section 284 of the Law.

MEMBERS' ACCOUNTS

63. The Board shall, in accordance with Section 75 of the Act, so provide that any member may inspect his own account in the books of the Society at any reasonable time on payment of such fee, not exceeding twenty cents as may be determined by the Board from time to time.

BANKING

64. The Board shall cause to be opened a banking account or accounts in the name of the Society, into which all monies received shall be paid as soon as possible after receipt.
All cheques drawn on such accounts and all drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the Society, shall be signed by one or more of the Directors authorized by the Board as signatories with the bank.
An internet banking account shall operate on the afore mentioned bank account or accounts and an administrator to the accounts shall be appointed by the Board who will be authorized by the bank to appoint and delete other Directors to either view the transactions only or view and make transactions. The administrator may appoint other persons to view the transactions only. Such operators authorized to make transactions will be limited to a daily transaction total of \$5,000 unless otherwise authorized.
The Treasurer or his nominee shall present to each Board meeting a list of transactions made since the previous meeting for verification. This list will be signed by two Directors other than those authorized to make transactions to declare the transactions are bona fide and the signed list is to be included in the accounting records made available for annual review.

AUDIT

65. OMITED

REVIEWER

- 65A. **Appointing a reviewer for a small co-operative (CNL s298)**

Note 1. While ever the society is classified as a small co-operative in a particular financial year, there is no requirement to appoint an auditor, unless the society is directed to prepare audited financial statements by its members or by the Registrar. A small co-operative may choose to appoint a reviewer to have its financial statements to members 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
- (1) The society must appoint a reviewer in respect of its financial statements.
 - (2) A reviewer appointed under this rule is to conduct a review of the cooperative's financial statements as presented to members.
 - (3) The appointment of a reviewer under this rule is to be made at an annual general meeting.
 - (4) The society may appoint another reviewer at a subsequent annual general meeting if there is a vacancy in the office of the reviewer.
 - (5) The provisions of section 300(2) of the Law apply to a reviewer 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.

65B. Appointing an auditor for a small co-operative if there is a direction under the Law (CNL ss271 & 272)

- (1) If the society 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, the board must appoint an auditor) within one month of the direction.
- (2) An auditor appointed under this rule holds office until the financial report prepared as a result of the direction has been audited and sent to members.

SOCIETY FUNDS

66. Except as otherwise provided in this rule the income and property of the Society whencesoever derived shall be applied solely towards 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 discount rebate 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 commensurate remuneration of any member, or servant of the Society or other person in return for any services actually rendered to the Society, nor prevent the payment of reasonable interest on money lent or reasonable or proper rent for property or premises demised, or let by any member to the Society. Any surplus resulting from the Society's operation during a financial year, after providing for depreciation in value of the Society's property or for contingent liability for loss, shall be applied in carrying in reserve such amount as the board may determine. After the provision for a reserve any remaining surplus may be applied in payment not exceeding ten (10) per cent of the surplus to any charitable purpose, or for promoting co-operation or any community advancement.
67. DELETED
68. DELETED
69. DELETED
70. DELETED
71. DELETED

PROVISION FOR LOSS

72. The Board shall make such provision for loss as the Act requires or allows.

DISPUTES

73. (a) Disputes between a member in his capacity of member and the Society shall be settled by arbitration in accordance with the Arbitration Act, 1902, as amended, from time to time.
- (b) Notwithstanding the above, any party may in accordance with Section 91 (3) of the Act refer the dispute to the Registrar, provided that the dispute has not been referred to arbitration in accordance with these rules or provided that, if the dispute has been so referred, one month has elapsed without an award being made.
- (c) Nothing in this rule shall extend to any dispute as to the construction or effect of any mortgage or of any contract contained in any document other than these rules.

NOTICES

74. (a) A notice may be given by the Society to any member either personally or by sending it by post to him, to his registered address, or (if he has no registered address in the State) to the address, if any, within the State supplied by him to the Society for the giving of notices to him.
- (b) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 24 hours after the letter containing the same is posted and in every other case at the time at which the letter would be delivered in the ordinary course of post.
- (c) If a member has no registered address in the State and has not supplied to the Society an address within the State for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the Society shall be deemed to be duly given to him on the date on which the advertisement appears.
- (d) OMITTED
- (e) OMITTED
- (f) A notice may be given by the Society to the person entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, in the State, supplied for the purpose by the person claiming to be so entitled or (until such address has been supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- (g) Notice of every general meeting shall be given in some manner hereinbefore authorised to:
- (a) every member of the Society except those members who (having no registered address within the State) have not supplied to the Society an address within the State for the giving of notices to them, and
- (b) every person entitled to a share in consequence of the death or bankruptcy of a member, who, but for his death or bankruptcy, would be entitled to receive notice of the meeting.
- Except as provided in Rule 65 (j) no other persons shall be entitled to receive notices of general meetings.
- (h) For the purposes of this rule "registered address" means the address of the member as appearing in the register of members and shares.

WINDING UP

75. (a) the winding up of the Society shall be in accordance with Part V of the Act.
- (b) On the winding up of the Society a member shall not in respect of any shares held by him be entitled to receive any amount in excess of the amount paid thereon. Any 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.