YENDA PRODUCERS
CO-OPERATIVE
"Your Partners in Farming"®

Yenda Producers Co-operative Society Limited

Rules

Adopted September 2024

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Preliminary

1 Name

The name of the co-operative is Yenda Producers Co-operative Society Limited.

2 Definitions

(1) In these rules:

the Law means the Co-operatives National Law as applying in New South Wales.

the National Regulations means the Co-operatives National Regulations as applying in New South Wales.

(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 Purpose

(1) Our purpose is to encourage the building of wealth and sustainability for our members and their communities, by working in partnership with all our stakeholders.

(2) The co-operative achieves its purpose by:

(a) providing innovative and affordable solutions

(b) promoting sustainable agricultural practices

(c) providing a diverse and competitive business offering

(d) encouraging open and collaborative communication with all stakeholders.

Membership

4 Active membership provisions

(1) Primary activity

For the purposes of Part 2.6 of the Law, the primary activities of the co-operative are:

(a) the acquisition of commodities or animals for disposal or distribution among its members

(b) the acquisition of commodities or animals from its members for disposal or distribution

(c) the storage, marketing, packing or processing of commodities of its members

(d) the rendering of services to its members

(e) the supply of other agricultural or household goods to members.

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(2) **Active membership requirements**

A member must:

(a) acquire commodities, animals or other goods and services from the co-operative, or

(b) supply commodities or animals to the co-operative for disposal or distribution

to the value of $100 during each financial year in order to establish and maintain active membership.

5 Qualifications for membership

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.

6 Entry fees and regular subscriptions

There is no entry fee for an application for membership and no regular subscription.

7 Membership applications

(1) Applications for membership must be lodged in a form approved by the board and should be accompanied by payment for allotment of at least the minimum number of shares in the co-operative as specified in rule 16.

(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.

8 Cessation of membership

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

(a) if the membership ceases in any circumstances specified in section 117 of the Law

(b) if the member's total shareholding is transferred to another person and the transferee is registered as the holder of the shareholding

(c) if the member's total shareholding is forfeited under the Law or these rules

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(d) if the member's total shareholding is purchased by the co-operative under the Law or these rules

(e) if the member's total shareholding is sold by the co-operative under any power in the Law or these rules and the purchaser is registered as shareholder in the member's place.

9 Expulsion of members

(1) A member may be expelled from the co-operative by resolution of a general meeting of the co-operative that achieves at least a two-thirds majority in a vote conducted by secret ballot 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

(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 resolution must be given to the member at least 28 days before the date of the meeting at which the resolution is to be moved, and the member must be given a reasonable opportunity of being heard at the meeting.

(3) Expulsion of one joint member means expulsion of all members holding membership jointly with the expelled member.

(4) An expelled member must not be re-admitted as a member unless the re-admission is approved by resolution of a general meeting of the co-operative that also achieves at least a two-thirds majority in a vote conducted by secret ballot.

10 Resignation of members

A member may resign from a co-operative by giving 3 months' notice in writing in a form approved by the board.

11 Monetary consequences of expulsion or resignation

(1) In this rule:

deficiency means the amount of accumulated loss, deficiency or significant change disclosed in the last balance sheet of the co-operative, or later reported before expulsion.

(2) 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.

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(3) The shares of an expelled or resigning member must be cancelled as at the day of expulsion or resignation, and the cancellation must be noted in the register of shares.

(4) Subject to subrule (5) and the written terms of a class of share issued, the co-operative must, however, pay to the expelled or resigning member the amount of capital paid up on the former member's shares at the time of expulsion or resignation (less any amount owing by the former member to the co-operative).

(5) If a deficiency exists, an appropriate proportion of the loss, deficiency or significant change may be deducted from the amount of capital paid up on the shares of the expelled or resigning member. This is done having regard to the number of shares held by the expelled or resigning member immediately before expulsion or resignation in relation to the number of shares in the co-operative.

(6) 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.

12 Suspension of members

(1) The board of the co-operative may by resolution suspend a member for not more than one year, who does any of the following:

(a) contravenes any of these rules

(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.

(2) Written notice of the proposed resolution must be given to the member at least 7 days before the date of the board meeting at which the resolution is to be moved, and the member must be given a reasonable opportunity of being heard at the meeting.

(3) During the period of suspension, the member:

(a) loses any rights (except the right to vote) arising as a result of membership

(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.

13 Disputes and mediation

(1) The grievance procedure set out in this rule applies to disputes under these rules between:

(a) a member and another member, or

(b) a member (including a former member) and the co-operative.

(2) If a dispute arises, a party cannot commence any court or arbitration proceedings relating to the dispute unless it has complied with the provisions of this rule, except where a person seeks urgent interlocutory relief.

(3) The parties to the dispute must meet and discuss the matter in dispute, and, if possible, resolve the dispute within 14 days of:

(a) the dispute coming to the attention of each party, or

(b) a party giving notice, to each of the other parties involved, of the dispute or grievance.

(4) If the parties are unable to resolve the dispute at the meeting, or if a party fails to attend that meeting, the parties must, as soon as is practicable, hold a meeting in the presence of a mediator.

(5) The mediator is, where possible, to be a person chosen by agreement between the parties, but in the absence of agreement between the parties:

(a) for a dispute between a member and another member, a person appointed by the board, or

(b) for a dispute between a member (including a former member) and the co-operative, a person appointed by The Co-operative Federation Ltd.

(6) The mediator may (but need not) be a member of the co-operative, unless the member is a party to the dispute.

(7) The parties to the dispute must, in good faith, attempt to settle the dispute by mediation.

(8) The mediator, in conducting the mediation, must:

(a) give the parties to the mediation process every opportunity to be heard

(b) allow due consideration by all parties of any written statement submitted by any party, and

(c) ensure that natural justice is accorded to the parties to the dispute throughout the mediation process.

(9) The mediator cannot determine the dispute.

(10) The mediation must be confidential and without prejudice.

(11) The costs of the mediation are to be shared equally between the parties unless otherwise agreed.

(12) Nothing in this rule applies to any dispute as to the construction or effect of any mortgage or contract contained in any document other than these rules.

(13) Nothing in this rule applies to any dispute involving the expulsion or suspension of a member or the imposition of a fine.

(14) If the mediation process does not result in the dispute being resolved, each party may seek to resolve the dispute in accordance with the Law or otherwise at law.

14 Fines payable by members

The co-operative will not fine a member under any circumstances.

15 Liability of members to co-operatives

(1) A member is liable to the co-operative for 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 on shares and to any such charges mentioned in subrule (1).

16 Capital and shares

(1) The capital of the co-operative must be raised by the issue of shares of nominal value of $1 each.

(2) A member must hold at least 10 but no more than 100,000 shares in the co-operative.

(3) A member must also not hold or have a relevant interest in more than 20% of the nominal value of issued share capital of the co-operative unless permitted to do so under section 363 of the Law.

(4) No share is to be allotted unless 100% of the nominal value of the share has been paid.

(5) A share in the co-operative does not carry a vote.

(6) The right to vote in the co-operative is attached to membership and governed by section 228 of the Law.

17 Repurchase of members' shares

(1) Members' shares may be repurchased in accordance with the Law.

(2) A member who wishes the co-operative to repurchase any shares must do so by submitting a request to the board in a form approved by the board.

(3) The board of the co-operative must consider each request for repurchase in accordance with the Law and cancel any shares that have been repurchased.

18 Transfer of shares

(1) The instrument of transfer of a share must be signed by or for the transferor and the transferee.

(2) The transferor is taken to remain the holder of the share until the name of the transferee is entered in the register of members.

(3) Shares must be transferred using a form approved by the board.

(4) A share may not be sold or transferred except:

(a) with the consent of the board, and to a person who is qualified to be admitted to membership of the co-operative under rules 4 and 5, or

(b) as otherwise provided by these rules or the Law.

(5) The board may decline to register a transfer of shares to a person not qualified to be a member or of whom they do not approve. The board may also decline to register a transfer of shares on which the co-operative has a lien or charge. If the board refuses to register a transfer of shares it must send notice of the refusal to the transferee within 28 days after the day the board declined to register the transfer.

(6) The board of the co-operative must not consent to the sale or transfer of shares that would result in more than the nominal value of shares permitted under section 363 of the Law.

(7) The board may decline to recognise an instrument of transfer unless:

(a) a fee as determined from time to time by the board is paid to the co-operative for the transfer, and

(b) the instrument of transfer is accompanied by any evidence the board may require to show the right of the transferor to make the transfer.

(8) The board must maintain a record of all transfers made in the proper books of the co-operative.

(9) The board may suspend the registration of transfers during the 45 days immediately before the annual general meeting in each year.

19 Effect of sale, transfer or disposal of shares

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

20 Cancellations—inactive members

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 3 years, or

(b) the member is not presently active and has not been active within the meaning of rule 4 in the past 3 calendar years.

21 Death of member

The legal personal representative of a deceased member may apply to the board for a transfer of the deceased member's shares in a form approved by the board.

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22 Rights and liabilities of members under bankruptcy or mental incapacity

(1) A person's membership ceases upon bankruptcy and that person's shares may be transferred to the Official Trustee in Bankruptcy and dealt with under the provisions of section 95 of the Law.

(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 shares and the rights and liabilities of membership vest in that person during the period of the appointment.

(3) The liabilities attaching to the shares of a person under bankruptcy or mental incapacity continue in accordance with section 96 of the Law.

(4) Upon application by a person appointed to manage the affairs of a member referred to in subrule (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.

23 Entitlements and liabilities of person registered as trustee, administrator etc.

(1) A person becoming entitled to be a shareholder because of the death, bankruptcy or incapacity of the holder is entitled to the dividends and other advantages to which the person would be entitled if he or she were the registered holder of the share or shares. However, before being registered as a member, the person is not entitled to exercise any right conferred by membership in relation to meetings of the co-operative.

(2) A person registered as holder of the shares of a member who has died, or is bankrupt or incapable of managing his or her affairs, has the same liabilities in relation to the share or shares as those to which the deceased, bankrupt or incapable person would have been liable if he or she had remained a member with full legal capacity.

(3) The board has the same right to decline or to suspend registration of a share as it would have had for a transfer of a share by the bankrupt or incapacitated person before the bankruptcy or incapacity.

24 Debentures and subordinated debt

(1) The board may issue debentures in accordance with the relevant provisions of the Law.

(2) The board may issue subordinated debt where that debt ranks after all other debts of the co-operative but immediately before share capital. Complying subordinated debt may be treated as Tier 2 capital.

25 Transfer and transmission of debentures

(1) On the written request of the transferor (the giver) of a debenture, the co-operative must enter in the appropriate register the name of the transferee (the receiver) in the same way and on the same conditions as if the application for entry were made by the transferee.

(2) If the co-operative refuses to register a transfer of debentures, it must, within 28 days after the date on which the transfer was lodged with it, send to the transferee notice of the refusal.

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(3) An instrument of transfer of a debenture must be executed by or on behalf of the transferor and the transferee. The transferor is taken to remain the holder of the debenture until the debenture in the name of the transferee is entered in the register of debentures.

(4) The board may decline to recognise an instrument of debenture and may decline to register a debenture unless:

(a) a fee as determined from time to time by the board is paid to the cooperative for the transfer of registration, and

(b) the instrument of transfer is accompanied by the relevant debenture(s) and any other evidence the board reasonably requires (in particular, evidence showing the right of the transferor to make the transfer).

(5) Debentures must be transferred in a form approved by the board.

26 Issue of CCUs

(1) The board may confer an interest in the capital of the co-operative by issuing CCUs in accordance with the Law.

(2) Each holder of a CCU is entitled to one vote per CCU held at a meeting of the holders of CCUs.

(3) The rights of the holders of CCUs may be varied only in the way and to the extent provided by their terms of issue and only with the consent of at least 75% of those holders of CCUs who, being entitled to do so, cast a formal vote to accept the variation at a meeting.

(4) The holder of a CCU has, in the person's capacity as a holder of a CCU, none of the rights or entitlements of a member of the co-operative.

(5) The holder of a CCU is entitled to receive notice of all relevant meetings of the co-operative and all other documents in the same manner as the holder of a debenture of the co-operative.

27 Transfer and transmission of CCUs

(1) Subject to subrule (2), the transfer and transmission of a CCU is to follow the same process as for a debenture under rule 25.

(2) If the terms of issue of a CCU differ from rule 25 in respect of the manner of transfer or transmission, the terms of its issue prevail.

General meetings, resolutions and voting

28 General meetings

(1) General meetings may be held in person or using technology that permits a member to participate contemporaneously in the meeting and enables the member to hear proceedings, ask questions and cast a vote.

(2) 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.

(3) The board may, whenever it considers appropriate, call a special general meeting of the co-operative.

29 Members' power to requisition a general meeting

(1) 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% of the total number of votes able to be cast at a meeting of the co-operative.

(2) The provisions of section 257 of the Law apply to a meeting requisitioned by members.

30 Notice of general meetings

(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 31 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 subrule (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 56.

(6) Members who together are able to cast at least 50 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.

31 Business of annual general meetings

(1) The ordinary business of the annual general meeting of the co-operative is to:

(a) confirm minutes of the last preceding general meeting (whether annual or special)

(b) receive from the board, auditors or officers of the co-operative:

(i) a report on the state of affairs of the co-operative, and

(ii) the appropriate financial reports of the co-operative for the financial year, and

(c) elect directors to fill any vacancies on the board.

(2) The annual general meeting may also transact other business of which notice has been given to members, if required, under the Law or these rules.

32 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, 10 members present, 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 for a minimum of 30 minutes and the number of members present then constitute a quorum.

33 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.

34 Attendance and voting at general meetings

(1) The right to vote attaches to membership and not shareholding.

(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.

(6) Subject to subrules (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:

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(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) The outcome of an equality of votes is taken to have been decided in the negative.

(12) Once the votes on a show of hands or on a poll have been counted then, subject to subrule (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.

35 Proxy votes

Voting by proxy is not permitted at a general meeting.

36 Postal ballots (other than special postal ballots)

(1) A postal ballot must be held in respect of a special resolution where members who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the co-operative may requisition the board to conduct the special resolution by postal ballot.

(2) If a postal ballot is requisitioned by members under subrule (1), the requisition should specify whether the postal ballot is to be a secret ballot.

(3) A postal ballot requisitioned under subrule (1) is to be conducted in accordance with the National Regulations and in the form and manner determined by 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 electronic means.

(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

(b) an explanation of how to lodge a valid vote and the majority required to pass the vote, and

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(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.

37 Special postal ballots

(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 electronic means.

(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.

38 Special resolutions

(1) A special resolution is a resolution that is passed:

(a) by a two-thirds majority at a general meeting

(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 days' 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

(b) the reasons for proposing the special resolution, and

(c) the effect of the special resolution being passed.

Board of directors

39 Board

(1) 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.

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(2) The board must have 7 directors or, if the chief executive officer is a director, 8 directors.

40 Qualifications of directors

(1) 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 either:

(a) an active member of the co-operative or a representative of a corporation that is an active member of the co-operative, or

(b) not an active member but who possesses special skills in management or other technical areas of benefit to the co-operative as specified by the board from time to time.

(2) A person qualified to be a director under subrule (1)(a) is known as a "member director". A person qualified under subrule (1)(b) is known as a "non-member director".

(3) The board of directors must have a majority of member directors.

41 Chief executive officer

(1) The board may, if it considers it 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. The appointed person is the chief executive officer of the co-operative.

(2) The board may also, if it considers it appropriate, appoint the chief executive officer as a director of the co-operative. They may then be called the managing director. Their position as a director must then be confirmed or not by resolution of the next annual general meeting, rather than in accordance with rule 42.

(3) The conditions and the period of appointment including termination of the chief executive officer 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.

42 Election of directors

(1) Directors are elected at annual general meetings.

(2) Subject to subrule (3), the term of office of directors commences from the annual general meeting at which they are elected and ends on the day of the third annual general meeting thereafter.

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(3) A director elected at an annual general meeting to fill a vacant position arising from a casual vacancy shall retire at the same time as the director who vacated the office would have done.

(4) Retiring directors are eligible for re-election without further nomination.

(5) At least 6 weeks before an annual general meeting, a notice must be placed on the co-operative's website and displayed at its places of business inviting nominations for candidates to fill vacant positions as a director.

(6) A nomination must:

(a) be signed by 2 or more members

(b) provide details of the qualifications and experience of the person nominated, and

(c) be accompanied by a notice in writing signed by the nominee consenting to their nomination.

(7) Nominations must be received by the secretary of the co-operative at least 30 days before the annual general meeting.

(8) The secretary must then give the details of each person who has been nominated to members with the notice of the annual general meeting.

(9) If the number of nominees equals the number of vacancies, the nominees must be declared elected at the annual general meeting.

(10) 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.

(11) If the number of nominees exceeds the number of vacancies, the election of directors must be conducted at the annual general meeting by ballot as the board directs.

(12) If there is an equality of votes in a director election, the outcome must be determined by lot.

43 Removal from office of director

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.

44 Vacation of office of director

In addition to the circumstances set out in the Law, a director vacates office if the director dies.

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45 Casual vacancies

The board may appoint a qualified person to fill a casual vacancy in the office of director until the next annual general meeting.

46 Remuneration of directors

Director remuneration must be approved at a general meeting of the co-operative, other than travelling and other expenses incurred in attending board or general meetings of the co-operative.

47 Proceedings of the board

(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.

48 Quorum for board meetings

(1) The quorum for a meeting of the board is 50% of the number of directors (rounded up, if necessary).

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

49 Chairperson of board

(1) The chairperson of the board is to be elected by 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 ordinary resolution of the board.

50 Minutes

(1) The board must keep minutes of meetings and, in particular, of:

(a) all appointments of officers and employees made by the directors

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(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.

(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.

Rules

51 Amendments and copies of rules

(1) Any amendment of the rules must be approved by special resolution.

(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 an electronic copy of the rules free of charge.

Administrative matters

52 Policy

(1) The board may make policies for the co-operative, not inconsistent with the Law, the National Regulations, the rules or any other law, to govern the co-operative's activities, conduct and dealings generally.

(2) A breach of a co-operative policy will be deemed to be a contravention of the rules.

53 Execution of documents

Documents of the co-operative are authenticated or executed by two directors, or a director and the secretary.

54 Inspection of records and registers

(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.

(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.

55 Safe keeping of securities

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

56 Notices to members

(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.

(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.

Accounting and financial matters

57 Financial year

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

58 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 2 authorised persons.

(3) The operation of any electronic accounts must be restricted so that there is a requirement for authorisation by:

(a) 2 authorised persons, or

(b) 1 authorised person for smaller transactions up to a limit set by the board.

(4) For the purposes of this rule, an ***authorised person*** is:

(a) a director, or

(b) a person approved by the board.

59 Appointing an auditor

(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.

(5) The provisions of section 300(2) of the Law apply to an auditor appointed under this rule (with any necessary adaptations if the co-operative is a small co-operative).

60 Disposal of surplus funds during a financial year

(1) The co-operative may dispose of any surplus arising in a financial year arising from the business of the co-operative in the manner authorised under the Law as determined by the board.

(2) A part of the surplus, but not more than 10%, arising in any year from the business of the co-operative may be applied for:

(a) charitable purposes, or

(b) supporting any activity approved by the co-operative.

61 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.

62 Financial reports to members

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

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Winding up

63 Winding up

(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 the co-operative's debts and liabilities (including the refund of the amounts paid up on the shares), this must be paid to, or distributed among, the members of the co-operative in proportion to the amount of business conducted with the co-operative over the past 3 years.

(3) If on the winding up or dissolution there is a deficiency, members are liable to contribute towards the deficiency to the extent of any amount unpaid on the shares held by the member and any charges payable by the member to the co-operative as required by these rules.

REGISTERED
02 Oct 2024