
Rules of The Ice Skating Club of New South Wales Co-operative Limited

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THESE RULES dated

2020

Part 1 Preliminary

1. Application of these rules

These rules are the rules of The Ice Skating Club of New South Wales Co-operative Limited.

2. Definitions

2.1 In these rules:

Ballot Paper means a ballot paper in paper or electronic form.

Basic Minimum Financial Statements means the financial statement required of a small co-operative under the National Regulations.

Board means the board of the Co-operative.

Co-operative means The Ice Skating Club of New South Wales Co-operative Limited.

Director means a director of the Co-operative.

Immediate Family Member means any of the following:

- (a) a spouse, ex-spouse, de-facto spouse;
- (b) child or step-child (whether natural or by adoption); or
- (c) parent, step-parent, parent-in-law;
- (d) grandparent, step-grandparent;
- (e) uncle, aunt, niece, nephew;
- (f) sibling, step-sibling, sibling-in-law; or
- (g) 1st cousin.

Member means a member of the Co-operative.

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

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

Registrar means the registrar of co-operatives or any person delegated the Registrar's functions.

Special Resolution means a resolution which is passed in accordance with **clause 41**.

Standard Postal Times means the times when properly addressed and prepaid letters would be delivered in the ordinary course of post.

- 2.2 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 National Law or relevant provisions of the National Law.

3. Name of the Co-operative

The name of the Co-operative is The Ice Skating Club of New South Wales Co-operative Limited.

4. Objects of the Co-operative

The objects of the Co-operative shall be:

- (a) to encourage, develop and promote ice sports including figure, hockey, speed skating and other athletic sports and athletic games in which human beings are the sole participants;
- (b) to provide, construct and maintain ice rinks and other buildings and equipment for use in connection with the activities specified in **clause 4(a)**, to furnish, equip, repair and maintain the same and to make the same available for use by the Members or by other persons approved by the Co-operative either gratuitously or for payment;
- (c) to promote, organise, hold sports meetings, championships, carnivals and competitions in connection with the activities specified in **clause 4(a)** for the Members and any other people the Co-operative thinks fit;
- (d) to promote the types of ice skating mentioned in **clause 4(a)** on a national and Olympic sport basis, to sponsor skaters and teams to represent Australia and New South Wales in all types of championships and competitions and tours, to provide instructions in the art of skating and to provide trophies for all types of competitive skating;
- (e) to provide and maintain buildings and grounds for education, recreation or other community purpose and to promote and assist clubs for any such purpose; and
- (f) to do all other such lawful acts as are incidental or conducive to the attainment or maintenance of the above objects.

Part 2 Membership

5. Active membership provisions

5.1 Primary activity

For the purposes of Part 2.6 of the National Law, the primary activities of the Co-operative are to promote, develop, encourage and facilitate all aspects of ice skating in which human beings are the sole participants.

5.2 Active membership requirements

A Member must pay an annual subscription of not less than \$10.00, and hold the qualifications for membership set out in clause 6.1, in order to establish and maintain active membership of the Co-operative.

6. Qualifications for membership

6.1 A person is qualified to be admitted to membership of the Co-operative if that person:

- (a) is a natural person or an incorporated body;
- (b) holds at least 5 shares in the Co-operative;
- (c) is a skating club based at an ice rink operated by the Co-operative, a member of such a skating club, or otherwise actively engaged in the primary activities of the Co-operative at an ice rink operated by the Co-operative; and
- (d) is reasonably believed to be able to contribute to or participate in the primary activities of the Co-operative.

6.2 For the purpose of clause 6.1, a person is considered to be actively engaged in the primary activities of the Co-operative at an ice rink operated by the Co-operative if that person:

- (a) is actively serving on a committee appointed pursuant to clause 54;
- (b) is contracted to provide coaching services at an ice rink operated by the Co-operative;
- (c) is an employee of the Co-operative;
- (d) has provided at least 10 hours in voluntary services to the Co-operative, or to a skating club based at an ice rink operated by the Co-operative, in the preceding 12 month period; or
- (e) has contributed to the primary activities of the Co-operative in another manner as determined by the Board from time to time.

7. Entry fees and regular subscriptions

7.1 A person applying to become a Member must pay an entry fee as determined by the Board from time to time.

7.2 Members must pay an annual subscription which:

- (a) is in addition to any other charges payable under the rules;
- (b) is determined by the Board from time to time; and
- (c) is payable in advance and shall become due and payable on the first day of January in each year.

7.3 The Co-operative must give:

- (a) any person applying to become a Member a written notice of the entry fee and the annual subscription payable by them before the person becomes a Member; and
- (b) any Member a written notice of the annual subscription imposed in accordance with these rules.

8. Membership applications

- 8.1 A person who wishes to become a Member of the Co-operative must submit an application for membership to the Co-operative at the registered office in the application form approved by the Board (including an electronic application form).
- 8.2 Every application must be considered by the Board.
- 8.3 If the Board approves of the application, the Co-operative will give the applicant a written notice of:
 - (a) the entry fees;
 - (b) the annual subscription; and
 - (c) payment for allotment of the shares subscribed by the applicant,
 which are payable by the applicant.
- 8.4 Once the Co-operative receives the payment under **clause 8.3**, the Co-operative will admit the applicant as a Member by entering the applicant's name and any other information required under the National Law in the register of Members within 28 days of receiving the payment.
- 8.5 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.
- 8.6 The Board may, at its discretion, refuse an application for membership. The Board needs not assign reasons for the refusal.

9. Cessation of membership

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

- (a) if the Members' membership is cancelled under Part 2.6 of the National Law (active membership requirements);
- (b) if the Member is expelled or resigns under these rules;

- (c) if the Member becomes bankrupt or the Member's property become subject to the control under the law relating to bankruptcy;
- (d) on the death of the Member;
- (e) if the contract of membership is rescinded on the ground of misrepresentation or mistake;
- (f) if the Member's total shareholding is transferred to another person and the transferee is registered as the holder of the shareholding;
- (g) if the Member's total shareholding is forfeited under the National Law or these rules;
- (h) if the Member's total shareholding is purchased by the Co-operative under the National Law or these rules;
- (i) if the Member's total shareholding is sold by the Co-operative under any power in the National Law or these rules and the purchaser is registered as shareholder in the member's place; and
- (j) if the amount paid up on the Member's shares is repaid to the Member under these rules.

10. Expulsion of Members

10.1 A Member may be expelled from the Co-operative by Special Resolution to the effect:

- (a) that the Member has seriously or repetitively failed to discharge the Member's obligations to the Co-operative under these rules or a contract entered into with the Co-operative under section 125 of the National Law; or
- (b) that the Member has acted in a way that has:
 - (i) prevented or hindered the Co-operative in carrying out one or more of its primary activities; or
 - (ii) brought the Co-operative into disrepute; or
 - (iii) been contrary to one or more of the Co-operative principles as described in section 10 of the National Law and has caused the Co-operative harm.

10.2 Written notice of the proposed Special Resolution must be given to the Member at least 28 days before the date of the general meeting at which the Special Resolution is to be moved, and the Member must be given a reasonable opportunity of being heard at the general meeting. The Member is deemed suspended in accordance with the **clause 13** when the written notice aforementioned is given to the Member. The membership will be restored if the Special Resolution for expulsion is not passed at the general meeting.

- 10.3 At the general meeting when the Special Resolution for expulsion is proposed the following procedures apply:
- (a) at the general meeting, the Member must be afforded a full opportunity to be heard and is entitled to call witnesses and cross-examine witnesses called against the Member;
 - (b) if the Member fails to attend at the time and place mentioned, without reasonable excuse, the Member's alleged conduct must be considered and the Co-operative may decide on the evidence before it, despite the absence of the Member;
 - (c) once the alleged conduct is considered, the Co-operative may decide to expel the Member concerned;
 - (d) the Co-operative must not make a decision on the alleged conduct or on expulsion, except by vote by secret ballot of the Members present, in person, and entitled to vote;
 - (e) a motion for the decision is not taken to be passed unless two-thirds of the members present, in person, vote in favour of the motion.
- 10.4 An expelled Member must not be re-admitted as a Member unless the re-admission is approved by Special Resolution.
- 10.5 A Member re-admitted must not have restored to him or her any shares that were cancelled on his or her expulsion.

11. Resignation of Members

A Member may resign from the Co-operative by giving 28 days' notice in writing in the form approved by the Board.

12. Monetary consequences of expulsion or resignation

- 12.1 In this **clause 12**, **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 or resignation of a Member.
- 12.2 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.
- 12.3 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.
- 12.4 Subject to **clause 12.5** 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).
- 12.5 If a Deficiency exists, an appropriate proportion of Deficiency 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.

- 12.6 Subject to section 128 of the National 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 1 year from the date of expulsion or resignation; or
 - (b) may be applied at the time decided by the Board, but within 1 year from the date of expulsion or resignation, in the manner set out in section 128 of the National 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.

13. Suspension of Members

- 13.1 The Board may resolve to suspend a Member for not more than 1 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.
- 13.2 At least 14 days before the Board meeting at which a resolution under **clause 13.1** will be considered, the secretary must notify the Member in writing:
- (a) the Directors are considering a resolution to suspend the Member;
 - (b) that this resolution will be considered at a Board meeting and the date of that meeting;
 - (c) what the member is said to have done or not done; and
 - (d) that the Member may provide an explanation to the Directors, and details how to do so.
- 13.3 Before the Directors pass any resolution under **clause 13.1**, the Member must be given a chance to explain or defend themselves by:
- (a) Sending the Directors a written explanation before the Board meeting; and/or
 - (b) speaking at the meeting.
- 13.4 After considering any explanation under **clause 13.3**, the Directors may, at their sole discretion to:
- (a) take not further action;
 - (b) suspend the Member; or
 - (c) take any other reasonable disciplinary action.
- 13.5 The secretary must give written notice to the Member of the decision under **clause 13.4** as soon as possible. The Member is not entitled to reasons for decision.

- 13.6 There will be no liability for any loss or injury suffered by the Member as a result of any decision made in good faith under **clause 13**.
- 13.7 During the period of suspension, the Member:
- (a) loses any rights (except the right to vote) arising as a result of membership; and
 - (b) is not entitled to a refund, rebate, relief or credit for fees paid, or payable, to the Co-operative; and
 - (c) remains liable for any fine that may be imposed.

14. Disputes and mediation

- 14.1 The grievance procedure set out in **clause 14** 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.
- 14.2 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.
- 14.3 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.
- 14.4 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.
- 14.5 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 Resolution Institute (ABN 69 008 651 232).
- 14.6 The mediator may (but need not) be a Member of the Co-operative, unless the Member is a party to the dispute.
- 14.7 The parties to the dispute must, in good faith, attempt to settle the dispute by mediation.

- 14.8 The mediator, in conducting the mediation, must:
- (a) give the parties to the mediation process every opportunity to be heard; and
 - (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.
- 14.9 The mediator cannot determine the dispute.
- 14.10 The mediation must be confidential and without prejudice.
- 14.11 The costs of the mediation are to be shared equally between the parties unless otherwise agreed.
- 14.12 Nothing in **clause 14** applies to any dispute as to the construction or effect of any mortgage or contract contained in any document other than these rules.
- 14.13 Nothing in **clause 14** applies to any dispute involving the expulsion or suspension of a Member or the imposition of a fine.
- 14.14 If the mediation process does not result in the dispute being resolved, each party may seek to resolve the dispute in accordance with the National Law or otherwise at law.

15. Fines payable by Members

- 15.1 The Board may impose on a Member a maximum fine of \$1000.00 for a contravention of these rules.
- 15.2 A fine must not be imposed on a Member under **clause 15.1** unless:
- (a) written notice of intention to impose the fine and the reason for it has been given to the Member; and
 - (b) the Member has been given a reasonable opportunity to appear before the Board in person (with or without witnesses), or to send to the Board a written statement, to show cause why the fine should not be imposed.

16. Liability of Members to Co-operatives

- 16.1 A Member is liable to the Co-operative for the amount, if any, unpaid on the shares held by the Member, together with any charges, including but not limited to entry fees and annual subscriptions, payable by the Member to the Co-operative under these Rules.
- 16.2 The Co-operative may, in accordance with section 125 of the National Law, make a contract with a Member requiring the Member to have specified dealings with the Co-operative for a fixed period.
- 16.3 The provisions of a contract made under **clause 16.2** may require a Member:
- (a) to sell products through or to the Co-operative;

- (b) to obtain supplies or services through or from the Co-operative; or
- (c) to pay to the Co-operative a stated amount as liquidated damages for any failure to comply with a requirement authorised by section 125 of the National Law.

16.4 Any amount required to be paid to the Co-operative as liquidated damages is, for the purpose of section 127 of the National Law, a debt payable by the Member to the Co-operative and is accordingly subject to that section.

17. Capital and shares

- 17.1 The capital of the Co-operative must be raised by the issue of shares of nominal value of \$2.00 each.
- 17.2 A Member must hold a minimum of 5 shares in the Co-operative and must 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 National Law.
- 17.3 No share (other than bonus shares) is to be allotted unless 10% of the nominal value of the share has been paid.
- 17.4 Shares of the Co-operative shall not be quoted for sale or purchase at any security exchange or in any other public manner.
- 17.5 A share in the Co-operative does not carry a vote.
- 17.6 The right to vote in the Co-operative is attached to membership and governed by section 228 of the National Law.
- 17.7 Shares may not be held by two or more persons jointly.

18. Calls on shares

- 18.1 The Board may from time to time make calls on the Members for any amounts unpaid on the shares of the Members (whether on the nominal value of the shares or by way of premium), regardless of the share subscription amount (if any) specified in the terms of issue of the shares. However, no call shall exceed $\frac{1}{4}$ of the nominal amount of the share or be payable at less than 1 month from the last call.
- 18.2 Each Member must, on receiving at least 14 days' notice of the time and the means of payment, pay to the Co-operative, at the time and via the means specified, the amount called on the shares.
- 18.3 The Directors may revoke or postpone a call.
- 18.4 A call is taken to have been made when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments.
- 18.5 If an amount called for a share is not paid before or on the day fixed for payment of the amount, the person from whom the amount is due must pay interest on the amount from the day fixed for the payment of the amount to the time of actual payment at the rate of 6% per annum, but the Directors may waive payment of all or part of the interest.

- 18.6 An amount that, under the terms of issue of a share, becomes payable on allotment or at a fixed date, whether on account of the nominal value of the share or by way of premium, is for these rules taken to be a call made and payable on the day that, under the terms of issue, the amount becomes payable. If the amount is not paid, all relevant provisions of these rules about payment of interest and expenses, forfeiture or otherwise apply as if the amount had become payable under a call properly made and notified.
- 18.7 The Board may, in relation to the issue of shares, differentiate between the holders in the amount of calls to be paid and the times of payment.
- 18.8 The Board may accept from a Member all or part of the money uncalled and unpaid on shares held by the Member.
- 18.9 The Board may authorise payment by the Co-operative of interest on all or part of an amount accepted under **clause 18.8** until the amount becomes payable, at a rate agreed between the Board and the Member paying the amount, of not more than 6% per annum or another rate fixed by the Co-operative by Special Resolution.

19. Repurchase of Members' shares

- 19.1 Members' shares may be repurchased by the Co-operative in accordance with the National Law.
- 19.2 A Member who wishes the Co-operative to repurchase any shares must do so by submitting a request to the Board in the following form:

I/We being Members of The Ice Skating Club of New South Wales Co-operative Limited (**Co-operative**) and the holders of(number of shares) in the Co-operative that are fully/partly paid, request that the Co-operative repurchase(number of shares). I/We are aware of the conditions of repayment under the Co-operatives National Law or relevant Act.

Signed.....

Dated.....

Witness (name and signature).....

- 19.3 The Board of the Co-operative must consider each request for repurchase in accordance with the National Law and cancel any shares that have been repurchased.

20. Transfer of shares

- 20.1 The instrument of transfer of a share must be signed by or for the transferor and the transferee.
- 20.2 The transferor is taken to remain the holder of the share until the name of the transferee is entered in the register of Members.

- 20.3 Shares must be transferred in the following form or another form approved by the Board:

I, A.B. (the transferor) of in the State/Territory of in consideration of the sum of \$ paid to me by C.D. (the transferee), of in the State/Territory of transfer to the transferee the share (or shares) numbered in The Ice Skating Club of New South Wales Co-operative Limited to hold for the transferee, the transferee's executors, administrators, and assigns, subject to the several conditions on which I hold the same at the time of the execution.

And I, the transferee, agree to take the said share (or shares) subject to the conditions previously mentioned in this document.

Dated this day of 20

Signed by transferor.

In the presence of witness.

Signed by transferee.

In the presence of witness.

- 20.4 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 **clauses 5 and 6**; or
- (b) as otherwise provided by these rules or the National Law.

- 20.5 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.

- 20.6 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 National Law.

- 20.7 The Board may decline to recognise an instrument of transfer unless:

- (a) a fee of \$ 2.00 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.

- 20.8 The Board must maintain a record of all transfers made in the proper books of the Co-operative.

- 20.9 The Board may suspend the registration of transfers during the 45 days immediately before the annual general meeting in each year.

21. 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.

22. Forfeiture and 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 2 years; or
- (b) the Member is not presently active and has not been active within the meaning of **clause 5** in the past 2 years.

23. Forfeiture of shares

- 23.1 If a Member fails to pay a call or instalment of a call by the day appointed for payment, the Board may, at any time that any part of the call or instalment remains unpaid, serve a notice on the Member requiring payment of so much of the call or instalment as is unpaid, together with any interest that may have accrued.
- 23.2 The notice must name a further day (not earlier than 14 days after the date of the notice) on or before which the payment required by the notice is to be made and must state that, in the event of non-payment at or before the time appointed, the shares for which the call was made will be liable to be forfeited.
- 23.3 If the requirements of the notice served under **clause 23** are not complied with, any share in respect of which the notice has been given may at any time (but before the payment required by the notice has been made) be forfeited by a resolution of the Board.
- 23.4 Forfeited shares must be cancelled.

24. Forfeited shares—liability of members

- 24.1 A person whose shares have been forfeited under these rules stops being a Member if membership is conditional on the holding of the shares or membership has otherwise been cancelled under the National Law. The person nevertheless remains liable to pay to the Co-operative all amounts that are (as at the date of forfeiture) payable by him or her to the Co-operative for the shares.
- 24.2 A statutory declaration in writing by a Director of the Co-operative stating that a share in the Co-operative has been forfeited and cancelled on a date stated in the declaration, is proof of that fact as against all persons claiming to be entitled to the share.
- 24.3 The Co-operative has set-off rights against share capital as specified in section 127 of the Law.

25. 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 the following form:

I,, am the legal personal representative of
(a Member of the Co-operative) who died on

Copies of my appointment as executor/administrator of the estate are attached.

I request that the Board transfer all shares attaching to the membership of
.....being shares numbered in the
Co-operative, to me.

A. I intend to hold the shares subject to the deceased member's last will and testament / letters of administration and will notify the Board of any proposal to transfer the shares to any beneficiary/ies OR

B. I am also the beneficiary of the estate of the deceased member and I am aware of the requirements for active membership under the rules of the Co-operative.

(Include any additional information to enable the Board to consider whether the transferee is likely to be an active member of the Co-operative.)

Dated

Signed by

Legal personal representative

In the presence of witness.

26. Rights and liabilities of members under bankruptcy or mental incapacity

- 26.1 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 National Law.
- 26.2 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.
- 26.3 The liabilities attaching to the shares of a person under bankruptcy or mental incapacity continue in accordance with section 96 of the National Law.
- 26.4 Upon application by a person appointed to manage the affairs of a Member referred to in **clause 26.2**, 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.

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

- 27.1 A person becoming entitled to a share because of the death, bankruptcy or incapacity of the holder is entitled to 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.
- 27.2 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.
- 27.3 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.

28. Transfer and transmission of debentures

- 28.1 On the written request of the transferor of a debenture, the Co-operative must enter in the appropriate register the name of the transferee in the same way and on the same conditions as if the application for entry were made by the transferee.
- 28.2 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.
- 28.3 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.
- 28.4 The Board may decline to recognise an instrument of debenture and may decline to register a debenture unless:
- (a) a fee of \$ 2.00 is paid to the Co-operative for the transfer of registration;
 - (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); and
 - (c) any government stamp or transfer duty payable is paid.
- 28.5 Debentures must be transferred in the following form or in a form approved by the Board:

I, A.B. (the transferor) of in the State/Territory of in consideration of the sum of \$ paid to me by C.D (the transferee), of in the State/Territory of transfer to the transferee the debenture(s) numbered to be held by the transferee, the transferee's executors, administrators and

assigns, subject to any conditions on which I hold the debenture(s) and any other conditions being terms of the transfer of the debenture(s).

And I, the transferee, agree to take the debenture(s) subject to the conditions mentioned.

Dated this day of20

Signed by transferor.

In the presence ofwitness.

Signed by..... transferee.

In the presence ofwitness.

Part 3 General meetings, resolutions and voting

29. Annual general meeting

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.

30. Members' power to requisition a general meeting

- 30.1 The Board may, whenever it considers appropriate, call a special general meeting of the Co-operative.
- 30.2 The Board must call a general meeting of the Co-operative on the requisition in writing by active Members who together are able to cast at least 5% of the total number of votes able to be cast at a meeting of the Co-operative.
- 30.3 The provisions of section 257 of the National Law apply to a meeting requisitioned by members.

31. Notice of general meetings

- 31.1 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.
- 31.2 If there is to be a Special Resolution proposed at the general meeting, there is a requirement for at least 21 days' notice of the Special Resolution.
- 31.3 If there is a resolution proposed for the removal of a Director, section 180 of the National Law requires special notice of the resolution and 21 days' notice of the meeting.
- 31.4 Notice must be given to each Member of the Co-operative and any other persons who are, under these rules or the National Law, entitled to receive notices from the

Co-operative, including the auditor (if any) and the trustee for debenture holders (if any).

- 31.5 The notice must state the place, day and hour of the general meeting and include ordinary business as specified in **clause 32** and, for special business, the general nature of any special business.
- 31.6 The notice must also include any business that Members have notified their intention to move at the general meeting (but only if the Members' notification has been made under these rules and within time).
- 31.7 The notice must be served in the manner provided in the National Law or **clause 60**. For the avoidance of doubt, non-receipt of the notice does not invalidate the proceedings at the general meeting.
- 31.8 Any Member who has a resolution to submit to a general meeting shall give written notice of it to the Co-operative not less than 28 days prior to the date of the general meeting.

32. Business of general meetings

- 32.1 The ordinary business of the annual general meeting of the Co-operative must be:
- (a) to confirm minutes of the last preceding general meeting (whether annual or special);
 - (b) to receive from the Board, auditors or officers of the Co-operative:
 - (i) the basic minimum financial statements of the Co-operative for the financial year;
 - (ii) a report on the state of affairs of the Co-operative; and
 - (iii) a Directors' solvency resolution as to whether or not, in their opinion, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable; and
 - (c) to elect Directors.
- 32.2 The annual general meeting may also transact special business of which notice has been given to Members under these rules.
- 32.3 All business of a general meeting, other than business of the annual general meeting that is ordinary business, is special business.

33. Quorum at general meetings

- 33.1 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.
- 33.2 Unless these rules state otherwise, 10 members present in person, each being entitled to exercise a vote, constitute a quorum.
- 33.3 If a quorum is not present within 30 minutes after the appointed time for a general meeting, the general meeting, if called on the requisition of Members, must be

dissolved. In any other case it must be adjourned to the same day, time and place in the next week.

- 33.4 If a quorum is not present within 30 minutes after the time appointed for an adjourned meeting, the Members present constitute a quorum.

34. Chairperson at general meetings

- 34.1 The chairperson, if any, of the Board may preside as chairperson at every general meeting of the Co-operative.
- 34.2 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).
- 34.3 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.

35. Attendance and voting at general meetings

- 35.1 An active Member of the Co-operative shall have 1 vote only in respect of any question or motion arising at a general meeting of the Co-operative.
- 35.2 The right to vote attaches to membership and not shareholding.
- 35.3 A person is not entitled to exercise a Member's right to vote under a power of attorney, if that person has a power of attorney to vote in respect of another Member.
- 35.4 A resolution, other than a Special Resolution, must be decided by simple majority.
- 35.5 Subject to **clauses 35.6** and **35.7**, a question for decision at any general meeting must be decided on a show of hands of Members present at the meeting.
- 35.6 A poll may be demanded on any question for decision.
- 35.7 If before a vote is taken or before or immediately after the declaration of the result on a show of hands:
- (a) the chairperson directs that the question is to be determined by a poll; or
 - (b) at least 5 Members present in person demand a poll,
- the question for decision must be determined by a poll.
- 35.8 The poll must be taken when and in the manner that the chairperson directs.
- 35.9 A poll on the election of a chairperson or on the question of adjournment must be taken immediately and without debate.

35.10 Once the votes on a show of hands or on a poll have been counted then, subject to **clause 35.7**, a declaration by the chairperson that a resolution has been carried (unanimously or by a particular majority) or lost is evidence of that fact.

35.11 The result of the vote must be entered in the minute book.

36. Voting on a show of hands

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

- (a) present; or
- (b) represented by a non-member acting under a power of attorney; or
- (c) represented by a non-member appointed under the provisions of the National Law,

may exercise only one vote.

37. Voting on a poll

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

- (a) present; or
- (b) represented by a person acting under a power of attorney; or
- (c) represented by a person appointed under the provisions of the Law,

has one vote.

38. Determining the outcome where equality of votes

In the case of an equality of votes, the chairperson of the meeting may exercise a second or casting vote.

39. Postal ballots (other than special postal ballots)

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

- 39.1 A postal ballot must be held in respect of a Special Resolution where active Members who together are able to cast at least 20% of the total number of votes able to be cast at a general meeting of the Co-operative may requisition the Board to conduct the Special Resolution by postal ballot.
- 39.2 If a postal ballot is requisitioned by Members under **clause 39.1**, the requisition should specify whether the postal ballot is to be a secret ballot.
- 39.3 A postal ballot requisitioned under **clause 39.1** is to be conducted in accordance with the National Regulations and in the form and manner determined by Board.

- 39.4 The Board may determine in a particular case whether the Special Resolution by postal ballot should be a secret ballot and whether votes may be returnable by fax or other electronic means or both.
- 39.5 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.
- 39.6 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.
- 39.7 Ballot papers (in such form and with such content as the Board may approve) must be sent to all voting members giving:
- (a) particulars of the business in relation to which the postal ballot is being conducted; and
 - (b) an explanation of how to lodge a valid vote and the majority required to pass the vote; and
 - (c) notice of the closing date and closing time of the postal ballot,
- and must be sent to Members so that they arrive (assuming standard postal times) at least 21 days before the closing date of the postal ballot.
- 39.8 **Clause 39** does not apply in relation to special postal ballots.

40. Special postal ballots

- 40.1 **Clause 40** applies where a special postal ballot is required.
- 40.2 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.
- 40.3 The Board may determine in a particular case whether the Special Resolution by postal ballot should be a secret ballot and whether votes may be returnable by fax or other electronic means or both.
- 40.4 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.

41. Special resolutions

- 41.1 A Special Resolution is a resolution that is passed:
- (a) by a two-thirds majority at a general meeting; or
 - (b) by a two-thirds majority in a postal ballot (other than a special postal ballot) of Members; or
 - (c) by a three-quarters majority in a special postal ballot of Members.

- 41.2 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).
- 41.3 The notice of Special Resolution must state:
- (a) the intention to propose the Special Resolution; and
 - (b) the reasons for proposing the Special Resolution; and
 - (c) the effect of the Special Resolution being passed.

Part 4 Board of directors

42. Board

- 42.1 The business of the Co-operative are 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.
- 42.2 The Board must have 7 Directors.

43. Qualifications of Directors

- 43.1 A person is not qualified to be a Director of the Co-operative unless the person is:
- (a) an individual over the age of 18 years;
 - (b) an active Member of the Co-operative;
 - (c) not an owner, operator, or management of any ice rink other than the one or ones operated by the Co-operative or an Immediate Family Member of the aforementioned person;
 - (d) holds a current NSW Government Working With Children Check (WWCC) clearance, or obtains a WWCC clearance within two months of being elected as a Director; and
 - (e) has undergone a National Police Check, conducted by an agency approved by the Board and with results satisfactory to the Board, within six months prior to, or two months subsequent to, being elected or re-elected as a Director.
- 43.2 An employee of the Co-operative may be nominated by a two-thirds majority of the Directors for election to the Board and if so nominated may be elected by the Members as a Director of the Co-operative, provided that such employee Director shall not be eligible for election to the position of chairperson or deputy chairperson of the Board.

44. Nomination of Directors

- 44.1 Any 2 active Members (including a Representative of an active Member) may nominate a person (other than an employee of the Co-operative) who has the qualifications in **clause 43.1** for election as a Director.
- 44.2 The nomination form must be sent to the Co-operative at least 30 days prior to the annual general meeting at which the relevant election will take place. For the avoidance of doubt, no nomination form will be accepted if sent to the Co-operative less than 30 days prior to the relevant annual general meeting.
- 44.3 If the number of nominations received in accordance with **clause 44.2** (and clause 43.2) is equal to or less than the number of the vacancies, the nominees shall be deemed to be elected. If the nominations are more than the number of vacancies, the nominated members are subject to an election in accordance with **clause 45**.
- 44.4 If 2 or more nominees for election as Directors are Immediate Family Members, only 1 will be eligible for election as Director. In the case of a ballot held in accordance with **clause 45.9**, the nominee who received the highest number of votes at the relevant annual general meeting will be eligible for election as a Director. If 2 or more nominees have the same number of votes, or in the case where no ballot is held, then the nominee who is to be elected as a Director shall be determined by lot conducted by or under the direction of the chairperson at the meeting.

45. Election of Directors

- 45.1 The term of office of Directors elected is to commence from the annual general meeting at which they are elected and ends on the day of the annual general meeting at which they retire.
- 45.2 Each Director must retire at least once every 2 years. At each annual general meeting, the Directors shall retire in rotation of 3 and 4.
- 45.3 The Directors to retire in any year shall (subject to the provisions as to filling casual vacancies) be those who have been longest in office since their last election. As between persons who became Directors on the same day to retire shall (unless they otherwise agree among themselves) be determined by lot. In such case, the order for retirement shall be the order in which the names are drawn.
- 45.4 A retiring Director shall be eligible for re-election subject to **clause 45.5**.
- 45.5 A Director who has held office for a continuous period of 4 terms or more may only be re-elected by a Special Resolution.
- 45.6 At an annual general meeting at which a Director retires, the vacated office may be filled in the following manner:
 - (a) At least 6 weeks before an annual general meeting, the Board must:
 - (i) notify all Members of the number of Directors retiring at the annual general meeting; and
 - (ii) advise the Members of:
 - (A) their eligibility to nominate as a Director;

- (B) the duties and responsibilities of a Director; and
 - (C) the nomination and election procedures.
- (b) A notice must also be displayed at the place of business of the Co-operative inviting nominations of nominees to serve as Directors.
- (c) A nomination must:
 - (i) be signed by 2 or more Members; and
 - (ii) provide details of the qualifications and experience of the person nominated; and
 - (iii) be accompanied by a notice in writing signed by the nominee consenting to their nomination.
- (d) The nomination and the notice of consent must be lodged with the secretary of the Co-operative at least 30 days before the annual general meeting.
- (e) The secretary, or an officer nominated by the Board, must give details of each person who has been nominated to Members with the notice of the annual general meeting. Details to be provided to Members must include:
 - (i) the nominee's name; and
 - (ii) the nominee's qualifications and experience; and
 - (iii) the nominee's length of any previous service as a Director of the Co-operative or with any other co-operative.
- 45.7 If the number of nominees equals the number of vacancies, the nominees must be declared elected at the annual general meeting.
- 45.8 If there are insufficient nominees to fill all vacancies, the nominees are 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.
- 45.9 If the number of nominees exceeds the number of vacancies, the election of Directors must be conducted at the meeting by ballot as follows:
 - (a) A returning officer is elected at the meeting. The Directors, the secretary and anyone who has an interest in the election are not eligible to be the returning officer;
 - (b) All nominees are to be listed on the ballot form in alphabetical order;
 - (c) The returning officer is responsible for determining the validity of and counting of the votes;
 - (d) If there is an equality of votes, the outcome must be determined by lot; and
 - (e) The returning officer is to declare the election results.
- 45.10 If any vacancies remain at the end of the meeting, the vacancies are to be casual vacancies and must be filled in accordance with **clause 48**.

46. Removal from office of Director

The Co-operative may by resolution under section 180 of the National 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.

47. Vacation of office of Director

A Director vacates office:

- (a) if the Director dies;
- (b) if the Director becomes bankrupt or mentally incapacitated;
- (c) if the Director is a disqualified person under section 181 of the National Law;
- (d) if the Director absents himself or herself from 3 consecutive ordinary meetings of the Board without its leave;
- (e) if the Director resigns the office by written notice given to the Co-operative;
- (f) if the person ceases to hold the qualification because of which the person was qualified to be a Director;
- (g) if an administrator of the Co-operative's affairs is appointed under Part 4.1 of the National Law;
- (h) if the Director becomes an employee of the Co-operative unless nominated and elected under **clause 43.2**; and
- (i) if the Director is removed from office under section 180 of the National Law.

48. Casual vacancies and alternate Directors

- 48.1 The Board may appoint a qualified person to fill a casual vacancy in the office of Director until the next annual general meeting.
- 48.2 The Board may appoint a person to act as a Director (an alternate Director) in the place of an absent Director.
- 48.3 A person is not qualified to be appointed as an alternate Director unless the person is qualified for appointment as a Director:
- 48.4 An alternate Director holds office until the next annual general meeting or until the next general meeting held to elect Directors to fill any vacancies (whichever is earlier).
- 48.5 An alternate Director for a Director (the principal Director) vacates office:
 - (a) in similar circumstances or cases to those in which the principal Director would vacate office (and for that purpose the provisions of these rules and

Division 1 of Part 3.1 of the National Law accordingly apply in relation to the alternate Director); or

- (b) if the alternate Director is removed from office by the Board as alternate Director for failure, without its leave, to attend a meeting of the Board at which the principal Director is absent (and for that purpose the provisions of section 179(2)(b) of the National Law do not apply in relation to the alternate Director).

49. Remuneration of directors

The Directors shall not receive remuneration for their services as Directors but all necessary expenses incurred by them in the business of the Co-operative shall be reimbursed to them

50. Proceedings of the Board

- 50.1 Meetings of the Board (including meetings conducted outside Board meetings by the circulation of papers among all of the Directors pursuant to section 176 of the National 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.
- 50.2 The chairperson or any 2 Directors may, and the secretary shall, if requested by the chairperson or any 2 Directors at any time, summon a meeting of the Board.
- 50.3 A meeting may be held with 1 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.
- 50.4 Questions arising at a meeting must be decided by a majority of votes.
- 50.5 If votes are equal, the chairperson has a second or casting vote.
- 50.6 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.

51. Quorum for Board meetings

- 51.1 The quorum for a meeting of the Board is 4 Directors.
- 51.2 If at any time the number of Directors is the same or less than the number of Directors required to constitute a quorum of the Board:
 - (a) the Board may appoint sufficient Directors so that the number of Directors is 1 more than a quorum; and
 - (b) for the purpose only of enabling the Board to make such an appointment, the number of Directors required to constitute a quorum is the number of Directors at that time.

52. Chairperson of Board

- 52.1 The chairperson of the Board is to be elected by the Board.
- 52.2 If no chairperson is elected or the chairperson is not present within 5 minutes after the time fixed for holding a meeting of the Board 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.
- 52.3 The chairperson may be removed, and a new chairperson elected by an ordinary resolution of the Board.

53. Delegation and Board committees

- 53.1 The Board may by resolution delegate to:
- (a) a Director; or
 - (b) a committee of 2 or more Directors;
- the exercise of the Board's powers (other than this power of delegation) specified in the resolution. The Co-operative or the Board may by resolution revoke all or part of the delegation.
- 53.2 A power delegated under **clause 53.1** may, while the delegation remains unrevoked, be exercised from time to time in accordance with the delegation.
- 53.3 A delegation under this rule may be given on conditions limiting the exercise of the power delegated, or time or circumstances.
- 53.4 Despite any delegation under **clause 53**, the Board may continue to exercise the power delegated.
- 53.5 If a power is exercised by a Director (alone or with another Director) and the exercise of the power is evidenced in writing, signed by the Director in the name of the Board or in his or her own name on behalf of the Board, the power is taken to have been exercised by the Board. This is so whether or not a resolution delegating the exercise of the power to the Director was in force when the power was exercised, and whether or not any conditions mentioned in **clause 53.3** were observed by the director exercising the powers.
- 53.6 A committee may elect a chairperson of their meetings. If no chairperson is elected, or, if at a meeting the chairperson is not present within 5 minutes after the time appointed for holding the meeting, the members present may choose one of their number to be chairperson of the meeting.
- 53.7 A committee may meet and adjourn as it thinks appropriate. Questions arising at a meeting must be decided by a majority of votes of the members present and voting and if the votes are equal, the chairperson has a second or casting vote.

54. Other committees

- 54.1 The Board may by resolution appoint committees of Members or other persons or both, to act in an advisory role to the Board and to committees of Directors.
- 54.2 **Clauses 53.6 and 53.7** apply to committees appointed under **clause 54.1**, with any changes approved by the Board.
- 54.3 The quorum for a meeting of the committee is half the number of committee members (or if half is not a whole number the whole number next higher than one half).

55. Minutes

- 55.1 The Board must keep minutes of meetings and, in particular, of:
- (a) all appointments of officers and employees made by the Directors; and
 - (b) the names of the Directors present at each meeting of the Board and of a committee of the Board; and
 - (c) all resolutions and proceedings at all meetings of the Co-operative and of Directors and of committees of Directors.
- 55.2 Minutes must be entered in the appropriate records within 28 days of the meeting to which they relate was held.
- 55.3 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.
- 55.4 The minutes are to be kept in the English language.

Part 5 Rules

56. Amendments and copies of rules

- 56.1 Any amendment of the rules must be approved by Special Resolution and does not take effect unless and until it is registered by the Registrar.
- 56.2 A Member is entitled to a copy of the rules upon payment of the amount of \$5.00 to the Co-operative.

Part 6 Administrative matters

57. Seal

- 57.1 **Clause 57** applies if the Co-operative chooses to authenticate a document under the common seal of the Co-operative.

- 57.2 The Co-operative's name and registration number must appear on its common seal and any official seal. The common seal must be kept at the registered office in the custody that the Board directs.
- 57.3 The Co-operative may have one or more official seals for use outside the State or Territory in place of its common seal. Each of the additional seals must be a facsimile of the common seal with the addition on its face of the name of the place where it is to be used.
- 57.4 The seal of the Co-operative must not be affixed to an instrument other than under a resolution of the Board. Two Directors, or one Director and the secretary, must be present and must sign all instruments sealed while they are present.

58. Inspection of records and registers

Members of the Co-operative have free access to the records and registers referred to in section 214 (1) of the National Law and the Co-operative will provide the members a copy (electronic or otherwise) of any entry in the registers free of charge upon request.

59. 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.

60. Notices to Members

- 60.1 **Clause 60** applies in addition to section 611 of the National Law regarding how a notice or other document may be given to a Member of the Co-operative.
- 60.2 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 notified the Co-operative of the relevant contact details.
- 60.3 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.
- 60.4 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.
- 60.5 A notice may be given by the Co-operative to the person entitled to a share in consequence of the death, incapacity or bankruptcy of a member by sending it through the post in a prepaid letter addressed to that person by name. Alternatively, it can be addressed to the person by the title of representative of the deceased or incapacitated person, or trustee of the bankrupt, or by any like description, and:

- (a) the address should be that supplied for the purpose by the person claiming to be entitled; or
- (b) if no such address has been supplied, the notice can be given in the manner in which it could have been given if the death, incapacity or bankruptcy had not occurred.

Part 7 Accounting and financial matters

61. Financial year

The financial year of the Co-operative ends on the thirty first day of December in each year.

62. Accounts

- 62.1 The Board must have at least 1 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.
- 62.2 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.
- 62.3 The operation of any electronic accounts with financial institutions must be restricted so that there is a requirement for authorisation by 2 authorised persons.
- 62.4 For the purposes of **clause 62**, an authorised person is:
 - (a) a Director (other than a Director that is an employee of the Co-operative); or
 - (b) a person (other than an employee of the Co-operative) approved by the Board.

63. Appointing an auditor

- 63.1 The Co-operative must appoint an auditor in respect of its financial statements by a resolution at the general meeting.
- 63.2 An auditor appointed under **clause 63** is to conduct an audit of the Co-operative's financial statements as presented to Members.
- 63.3 The Directors may appoint an auditor for the Co-operative if an auditor has not been appointed by the Co-operative in general meeting. An auditor appointed under this clause holds office until the Co-operative's next annual general meeting.
- 63.4 The provisions of section 300(2) of the National Law apply to an auditor appointed under **clause 63** in the same way (but with any necessary adaptations) as they apply to an auditor appointed for a large Co-operative.

64. Co-operative's Funds

- 64.1 The income and property of the Co-operative however derived must be applied solely towards the promotion of the objects of the Co-operative and no portion thereof shall be paid or transferred directly or indirectly by way of discount, rebate or otherwise by way of profit to the Members of the Co-operative.
- 64.2 Payment may be made in good faith of:
- (a) any commensurate remuneration of any Member or servant of the Co-operative or other person in return for any services actually rendered to the Co-operative;
 - (b) reasonable interest on money lent or reasonable or proper rent for property or premises demised, or let by any Member to the Co-operative.
- 64.3 The Board may retain all or part of the surplus arising in any year from the business of the Co-operative, to be applied for the benefit of the Co-operative.
- 64.4 No part of the surplus may be paid or transferred directly or indirectly, by way of profit, to Members of the Co-operative.
- 64.5 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 charitable purposes.

65. Provision for loss

The Board must make appropriate provision for losses which may result from the transactions of the Co-operative as the National Law requires or allows.

66. Financial reports to members

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

Part 8 Winding up

67. Winding up

Note. A non-distributing co-operative is prohibited from distributing any surplus to members either during its operations or when it is wound up. If there are surplus funds after winding up, those funds must be given to another entity that also prevents distribution to its members. The co-operative may specify this entity in its rules and if the entity, for some reason, no longer exists when the co-operative is wound up, then the rule can provide a process for determining an alternative recipient of the funds.

- 67.1 The winding up of the Co-operative must be in accordance with Part 4.5 of the National Law.
- 67.2 If, on the winding-up or dissolution, there remains after the satisfaction of all its debts and liabilities any property, this must not be paid to or distributed among the

Members of the Co-operative but must be given or transferred to an institution or institutions:

- (a) with objects similar to those of the Co-operative; and
- (b) whose constitution prohibits the distribution of its property among its members; and
- (c) chosen by the Members of the Co-operative at or before the dissolution or, in default, by a judge of the court with jurisdiction in the matter.