

ART267

R U L E S O F

PENSHURST R.S.L. CLUB CO-OP LIMITED

REGISTERED UNDER THE CO-OPERATIVES ACT 1992 (N.S.W.)

**For a Non-Trading Non-Share Co-operative that is also a Club registered under the
Registered Clubs Act 1976 (NSW)**

REGISTRY OF CO-OPERATIVES

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(Amended 21 March 2010)

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DEFINITIONS

1. In these rules, unless the context otherwise requires:
 - (i) “**active member**” means a member who is in active membership within the provisions of Rule 17;
 - (ii) “**alter**” or similar word or expression used in relation to a rule amendment includes add to, substitute, and rescind;
 - (iii) “**annual general meeting**” means the annual general meeting held each year as required by the Act and these rules;
 - (iv) “**auditor**” means a Registered Company Auditor appointed in accordance with Rule 86;
 - (v) “Australian Defence Force” **has the meaning given by the Registered Clubs Act.**
 - (vi) “**by-laws**” means the by-laws of the co-operative that are currently in force;
 - (vii) “**banking account**” includes an account with a credit union or building society registered, or authorised to operate, under the Australian Prudential Regulation Authority Act and the Banking Act into which the co-operative’s monies may be paid;
 - (viii) “**business day**” means a day that is not a Saturday or Sunday or a public holiday or bank holiday in New South Wales;
 - (ix) “**chairperson**” includes deputy chairperson;
 - (x) “**director**” means any director of the co-operative for the time being;
 - (xi) “**financial year**” means the financial year of the co-operative as specified in Rule 83;
 - (xii) “**full member**” means a person who is an active member of the co-operative, and is either an ordinary or life member;
 - (xiii) “**may**” or a similar word or expression used in relation to a power of the Board indicates that the power may be exercised or not exercised at the Board’s discretion;
 - (xiv) “**month**” means calendar month;
 - (xv) “**notice board**” means the board or boards provided on the co-operative premises on which notices for the information of members is posted;
 - (xvi) “**officer**” includes the President, the Vice-President, Director, Chief Executive Officer, Secretary, Treasurer, duly appointed Manager or other person who is concerned or takes part in the management of the co-operative;
 - (xvii) “**ordinary member**” means a member of the co-operative, other than a life member, provisional member, honorary member or temporary member;

- (xviii) “**postal ballot**” includes a special postal ballot;
- (xix) “**prescribed**” means prescribed by the Act or under the Act by Regulation;
- (xx) “**provision**” in relation to the Act, means words or other matter that form or forms part of the Act, and includes:
 - (A) a chapter, part, division, subdivision, section, subsection, paragraph, subparagraph, sub-subparagraph or schedule of or to the Act; and
 - (B) a section, clause, subclause, item, column, table or form of or in a schedule to the Act; and
 - (C) the long title and any preamble to the Act;
- (xxi) “**regulation**” means a regulation made under the Act, and any regulation that applies to a co-operative by way of a transitional regulation made under the Act;
- (xxii) “**relevant interest**” has the same meaning as given in Schedule 2 of the Act;
- (xxiii) “**rules**” mean the registered rules of the co-operative as amended from time to time and reference to particular rules has a corresponding meaning;
- (xxiv) “**shall**” or a similar word or expression used in relation to a power of the Board indicates that the power must be exercised, subject to the Act or the rule granting the power;
- (xxv) “**special resolution**” means a resolution which is passed in accordance with Rule 58;
- (xxvi) “**the Act**” means the Co-operatives Act 1992;
- (xxvii) “**the Board**” means the members for the time being of the Board of Directors constituted in accordance with the provisions of these rules and who shall be directors of the co-operative for the purposes of the Act;
- (xxviii) “**the club**” means Peshurst R.S.L. Club Co-op Limited;
- (xxix) “**the co-operative**” means Peshurst R.S.L. Club Co-op Limited;
- (xxx) “**the Law**” means the Corporations Act;
- (xxxi) “**the Liquor Act**” means the Liquor Act, NSW 2007;
- (xxxii) “**the Registered Clubs Act**” means the Registered Clubs Act, NSW 1976;
- (xxxiii) “**the Registrar**” means the Registrar of Co-operatives or any person delegated the Registrar’s functions;
- (xxxiv) “**the secretary**” means any person appointed by the Board as secretary of the co-operative in accordance with the rules;
- (xxxv) “**the State**” means the State of New South Wales;

- (xxxvi) “**writing**” includes printing, typing, lithography and other modes of representing or reproducing words in a visible form and "written" has a corresponding meaning;
- (xxxvii) Words importing one gender include the other genders;
- (xxxviii) Words in the singular include the plural, and vice versa;
- (xxxix) Words or expressions used have the same meanings as those given to them by the Act.

DEFINITIONS - INTERPRETATION PROVISIONS

2. (a) A reference in these rules to “the Act” includes a reference to:
- (i) the Act as originally enacted, and as amended from time to time since its original enactment; and
 - (ii) if the Act has been repealed since the inclusion of the reference in these rules - the legislation enacted in substitution of the Act (whether legislation of the State or Federal Parliament) and as amended from time to time since its enactment;
- (b) A reference in these rules to a provision in “the Act” includes a reference to:
- (i) the provision as originally enacted, and as amended from time to time since the original enactment;
 - (ii) if the provision has been omitted and re-enacted (with or without modification) since the enactment of the reference - the provision as re-enacted and as amended from time to time since its re-enactment; and
 - (iii) if the provision has been omitted and replaced with a new provision dealing with the same area of law or procedure - the new provision as enacted and as amended from time to time since its enactment.
- (c) (i) In the interpretation of a rule, or paragraph of a rule, the interpretation that will best achieve the purpose of the rule is to be preferred to any other interpretation.
- (ii) This provision applies whether or not the purpose is expressly stated in the rule or paragraph of the rule.
- (d) In these rules, unless the context indicates a contrary intention, headings are for convenience and do not affect interpretation.

NAME

3. (a) The name of the co-operative shall be Penshurst R.S.L. Club Co-op Limited.
- (b) The co-operative may, in accordance with Section 259 of the Act, change its name by way of a special resolution to a name approved by the Registrar.

- (c) A change of name of the co-operative does not take effect until:
 - (i) the Registrar has noted the change on the Certificate of Incorporation of the Co-operative; or
 - (ii) the Certificate of Incorporation is surrendered to the Registrar and replacement Certificate of Incorporation is issued in the new name.

NON-TRADING CO-OPERATIVE

- 4. The co-operative is a non-trading co-operative within the meaning of Section 15 of the Act.

CONVERSION TO A CO-OPERATIVE WITHOUT SHARE CAPITAL

- 5. (a) On the registration of these rules:
 - (i) the co-operative shall convert from being a co-operative with a share capital to a co-operative without a share capital;
 - (ii) every person who was a member before the date of registration continues to be a member in accordance with these rules;
 - (iii) all shares in the co-operative held by any member before the registration, are cancelled;
 - (iv) the paid up share capital shall become part of the general reserves of the co-operative to be applied in accordance with the rules.
- (b) The conversion to a co-operative without a share capital shall not affect the obligation of a member to pay to the co-operative any amount which was payable, but unpaid by the member to the co-operative on or before the date of registration of these rules.
- (c) No member (including a deceased member, through their personal representative), admitted to membership of the co-operative prior to the date of registration of these rules, shall be entitled to the amount paid up on that member's share on the cancellation of membership, or on the member ceasing membership.

REGISTERED OFFICE

- 6. (a) The co-operative must cause a notice to be conspicuously and publicly displayed at the premises of registered office which states the name of the co-operative and identifies the premises as its registered office.
- (b) The Board shall notify the Registrar of any change of address of the registered office of the co-operative within 28 days after the change, and on the form approved by the Registrar.

REGISTERED CLUBS REQUIREMENTS

- 7. Subject to the provisions of the Registered Clubs Act:

- (i) a member of the co-operative, whether or not he is a member of the governing body or of any committee of the co-operative, shall not be entitled, under the rules of the co-operative or otherwise, to derive, directly or indirectly, any profit, benefit or advantage from the co-operative that is not offered equally to every full member of the co-operative;
- (ii) a person, other than the co-operative or its members, shall not be entitled, under the rules of the co-operative or otherwise, to derive, directly or indirectly, any profit, benefit or advantage from the grant to the co-operative of, or the fact that the co-operative has applied for, a licence under the Liquor Act or from any added value that may accrue to the premises of the co-operative because of the grant to the co-operative of, or the fact that the co-operative has applied for, such a licence;
- (iii) the Secretary or Manager, or any employee, or a member of the governing body or of any committee, of the co-operative shall not be entitled, under the rules of the co-operative or otherwise, to receive, directly or indirectly, any payment calculated by reference to the quantity of liquor purchased, supplied, sold or disposed of by the co-operative or the receipts of the co-operative for any liquor supplied or disposed of by the co-operative;
- (iv) liquor shall not be sold, supplied or disposed of on the premises of the co-operative to any person, other than a member, except on the invitation and in the company of a member. This paragraph does not apply if the co-operative is the holder of a club functions authorisation under the Registered Clubs Act in respect of the sale, supply or disposal of liquor to any person at a function;
- (v) liquor shall not be sold, supplied or disposed of on the premises of the co-operative to any person under the age of eighteen years;
- (vi) a person under the age of eighteen years shall not use or operate poker machines on the premises of the co-operative.

RULES

8. (a) The rules of the co-operative have the effect of a contract under seal:
- (i) between the co-operative and each member;
 - (ii) between the co-operative and each director; and
 - (iii) between a member and each other member.

Under the contract, each of those persons agrees to observe and perform the provisions of the rules as in force for the time being so far as those provisions are applicable to that person.

- (b) (i) A person shall be entitled on demand to a copy of the rules upon payment of a sum not exceeding that specified in Rule 95, Schedule of Fees.
- (ii) A person may inspect a copy of these rules free of charge at the office where the registers are kept, during all reasonable hours.
- (c) The rules shall be read and construed subject to the provisions of the Registered Clubs Act. To the extent that any of the provisions in the rules are

inconsistent therewith and might prevent the co-operative being registered under the provisions of the said Act, they shall be inoperative and have no effect.

RULE ALTERATIONS

9. (a) The rules may be altered by a special resolution, by a resolution of the Board in accordance with Section 112 of the Act or as otherwise permitted by the Act. No alteration to these rules takes effect until the alteration is registered by the Registrar.
- (b) Where any rule is altered, by way of a board resolution under Section 112 of the Act, the co-operative must cause the alteration to be notified, in writing, to members as soon as practicable after the alteration is registered and, in any event, not later than the date on which notice is given to the members of the next annual general meeting of the co-operative, following the registration of the alteration.

BY-LAWS

10. (a) The Board shall have power to make by-laws, not inconsistent with the Act, the Registered Clubs Act, the Regulations and the rules, governing the conduct of any operation of the co-operative and in particular:
- (i) the general management, control and trading activities of the club;
 - (ii) the control and management of the club premises;
 - (iii) the control and management of all competitions;
 - (iv) the conduct of members and guests;
 - (v) the relationship between members and club employees; and
 - (vi) the creation of committees of members to conduct sporting or social activities for the club;
 - (vii) the delegation of specified Board functions to a Committee or Committees of Directors.
- (b) The decision of the Board on the construction and interpretation of the co-operative's by-laws shall be conclusive and binding on all members.
- (c) Any by-law under these rules shall come into force and be duly operative upon the posting of an appropriate notice containing such by-law on the notice board.
- (d) A breach of a by-law shall be deemed to be an infringement of the rules for the purposes of Rules 42 and/or 43.

OBJECTS

11. The objects of the co-operative shall be:

- (i) the operation, maintenance and carrying on of a club registered pursuant to the provisions of the Registered Clubs Act, 1976 and the Co-operatives Act, 1992, to be known as Peshurst R.S.L. Club Co-op Limited;
- (ii) the provision and maintenance of club rooms, buildings, grounds, facilities and other amenities for the recreation of members and their guests;
- (iii) the provision and maintenance of other recreational facilities for social, literary and other lawful purposes for the benefit of members and their guests;
- (iv) to hold or arrange sporting matches, games and competitions and offer and grant to contribute towards the provision of trophies, awards and distinctions and the provision of such other recreational facilities as the Board may determine from time to time;
- (v) to hold a Club Certificate of Registration or other licence for the sale of spirits or other liquors and to carry on the business of restaurant keepers, wine and spirit merchants, licensed victuallers, sellers of tobacco, cigarettes and cigars;
- (vi) to hold any necessary authorities and licences to keep and operate poker machines and to conduct any other form of gaming permitted in the premises of a registered club including but without limiting the generality of this rule, Keno and TAB;
- (vii) the promotion and carrying out of such charitable activities or undertakings as the Board may determine from time to time;
- (viii) to carry on a Youth Club for the benefit of the youth of the district;
- (ix) to carry on a Senior Members Club for the benefit of the members and their families;
- (x) to further the objects of the Returned and Services League of Australia.
- (xi) to make such payments to community development and support as provided for in the Registered Clubs Act.

POWERS

12. (a) The co-operative shall have, both within and outside the State, the legal capacity of a natural person and have all the powers allowed by or under the Act including but not limited to:
- (i) the taking of deposits pursuant to Section 263A of the Act;
 - (ii) the erection of dwellings and buildings either on behalf of or for sale or letting to members;
 - (iii) the acquisition of land on which dwellings or buildings are being or have been erected and sell or let the same to members;
 - (iv) to sell or let land to its members or to any other co-operative;
 - (v) to sub-divide land, make and maintain private ways, bridges, culverts and drains and make, open and dedicate roads;

- (vi) to provide and maintain buildings and grounds for education, recreation or other community purposes, operate, maintain or carry on any club, or promote or assist clubs, for any such purpose.
- (b) The powers of the co-operative to:
 - (i) obtain financial accommodation; and
 - (ii) give security for the repayment of money,
 shall be exercised subject to the Act, but otherwise unlimited by the rules.
- (c) The co-operative shall not have the power to lend money to any of its employees or members.

SEAL

- 13. (a) The co-operative shall, as required by Section 258(1)(a) of the Act, have the name of the co-operative appear in legible characters on its Common Seal and on any Official Seal, and the Australian Registered Body Number of the co-operative if required under the Law. The design of the Common Seal shall have the name of the co-operative within two concentric circles encircling the word "Seal".
- (b) The Common Seal shall be kept at the registered office in such custody as the Board shall direct.
- (c) The Common Seal of the co-operative shall not be affixed to any instrument except by resolution of the Board. Two directors and the secretary must be present and must sign all instruments sealed while they are present. The Board may appoint a person other than the secretary to perform this function.
- (d) The person affixing the Official Seal must certify in writing on the instrument to which it is affixed, the date and place at which it is affixed.

CO-OPERATIVE MAY AUTHORISE AGENT OR ATTORNEY TO EXECUTE DEEDS

- 14. (a) The co-operative may, by writing under its Common Seal, empower its agent or attorney (either generally or in respect of a specified matter or specified matters) to execute deeds on its behalf.
- (b) A deed signed by such an agent or attorney on behalf of the co-operative and under the agent's or attorney's seal binds the co-operative and has effect as if it were under the Common Seal of the co-operative.
- (c) The authority of such an agent or attorney, as between the co-operative and a person dealing with the agent or attorney, continues during the period (if any) mentioned in the instrument conferring the authority or, if no period is so mentioned, until notice of the revocation or termination of the agent's or attorney's authority has been given to the person dealing with the agent or attorney.
- (d) Where an agent or attorney affixes an Official Seal to an instrument, the person must comply with Rule 13(d).

CUSTODY AND INSPECTION OF RECORDS AND REGISTERS

15. (a) The co-operative must have at the registered office, subject to Rule 16, and available during all reasonable hours for inspection by any member free of charge the following:
- (i) a copy of the Act, the Registered Clubs Act and the Regulations;
 - (ii) a copy of the rules of the co-operative;
 - (iii) a copy of the minutes of each general meeting of the co-operative;
 - (iv) a copy of the last annual report of the co-operative under Section 252 of the Act;
 - (v) a register of persons who are Full members of the co-operative. This register shall set forth the name in full and address of each Full member, the date the person became a member and, if the person is an Ordinary member, the date on which that person last paid the annual fee for membership;
 - (vi) A register of persons who are Honorary members. In respect of each person who is an Honorary member, this register shall set out the name in full, or the surname and initials, the address and, if the person is admitted to Honorary membership pursuant to Rule 24(a)(iii), the signature of that person;
 - (vii) a register of persons who are Temporary members other than Temporary members referred to in Rule 25(c). This register shall set out the name in full, or the surname and the initials, and the address of each such Temporary member, together with the person's signature and, where that member has been admitted to membership for a limited period, the dates on which the period commences and ends;
 - (viii) a register of persons who are guests of members. This register shall set out the name in full, or the surname and initials, the address of that guest, the date of that day and shall be countersigned by the members;
 - (ix) the register of directors;
 - (x) the register of names of persons who have given loans or deposits to or hold securities, debentures or CCUs given or issued by the co-operative;
 - (xi) the register of any loans made by or guaranteed by the co-operative, and of any securities taken by the co-operative;
 - (xii) the register of memberships cancelled under Part 6 of the Act;
 - (xiii) the register of notifiable interests required to be kept under Section 294 of the Act;
 - (xiv) the register of subordinated debt required to be kept under Clause 16(3)(b) of the Co-operatives Regulation 1997; and

- (xv) such other registers as the regulation provides are to be open for inspection.
- (b) A member is entitled to make a copy of entries in a register specified in subsection (a) and to do so free of charge or on the payment of a fee if required under Rule 95, Schedule of Fees.
- (c) The co-operative must have at the place where the registers are kept and available during all reasonable hours for inspection by any person:
 - (i) a copy of the Act, the Registered Clubs Act and the Regulations;
 - (ii) a copy of the rules of the co-operative;
 - (iii) a copy of the last annual report of the co-operative under Section 252 of the Act.

NOTIFICATION OF OFFICE ADDRESS AT WHICH REGISTERS ARE KEPT

16. If the registers required by Section 249(1) of the Act and Section 32(2) of the Registered Clubs Act to be kept by a co-operative are not kept at the registered office, the co-operative must lodge with the Registrar a notice of the address at which the register is kept within 28 days after the register is:
- (i) established at an office which is not the co-operative's registered office; or
 - (ii) moved from one office to another.

ACTIVE MEMBERSHIP PROVISION

17. In accordance with Part 6 of the Act:
- (i) The operation, maintenance and carrying on of a registered club known as the Penshurst R.S.L. Club Co-op Limited is a primary activity of the co-operative; and
 - (ii) a member shall:
 - (A) be an R.S.L. Member or an Associate Member and pay an annual subscription in accordance with Rule 33 of not less than the minimum subscription provided from time to time by the Registered Clubs Act; or
 - (B) be awarded Life Membership in accordance with Rule 23;
- in order to establish active membership of the co-operative.

CANCELLATIONS RELATING TO INACTIVE MEMBERS

18. (a) The Board shall, after giving notice in accordance with Section 132 of the Act, declare the membership of a member cancelled if:
- (i) the whereabouts of the member are not presently known to the co-operative and have not been known to the co-operative for a

continuous period of at least twelve (12) months before the date of cancellation; or

- (ii) the member is not presently an active member and has not been an active member at any time during the past twelve (12) months immediately before the date of cancellation.
- (b) The co-operative shall, in a form approved by the Registrar, keep a register of memberships cancelled pursuant to paragraph (a) of this rule, which shall specify the particulars prescribed in Clause 6 of Schedule 1 of the Co-operatives Regulation 1997.
- (c) The Board shall not be required to give notice, under this rule, if the member's whereabouts are unknown to the co-operative and the amount required to be repaid to the member in respect of the cancelled membership does not exceed \$50, or such other amount as may be prescribed.

QUALIFICATIONS FOR MEMBERSHIP

- 19. (a) A person is not qualified to be admitted to membership of the co-operative unless:
 - (i) the Board has reasonable grounds for believing that the person will be an active member under Rule 17; and
 - (ii) the applicant is an individual and not a body corporate.
- (b) Club membership shall consist of the following classes:
 - (i) R.S.L. members;
 - (ii) Associate members;
 - (iii) Life members;
 - (iv) Honorary members;
 - (v) Temporary members; and
 - (vi) Provisional members.
- (c) All classes of membership are open to both sexes.
- (d) The maximum number of Full members of the club shall be as prescribed from time to time by the Registered Clubs Act.

ELIGIBILITY, RIGHTS AND ENTITLEMENTS OF MEMBERSHIP

- 20. The eligibility for entry to and the rights and entitlements of the various classes of membership are as set out in Rules 21 to 30 below.

R.S.L. MEMBERS

- 21. (a) Persons eligible for R.S.L. membership are those persons who have attained the age of eighteen (18) years, who are members of the Penshurst Sub-

Branch of the Returned and Services League of Australia and who are elected by the Board or transferred to R.S.L. membership of the Co-operative.

- (b) R.S.L. members shall, subject to Rule 33, pay an annual subscription as the Board may determine.
- (c) Subject to Rule 59(b) financial R.S.L. members shall have the right to attend and vote at Annual General Meetings and Special General Meetings of the co-operative, the right to nominate for, be elected to and to hold office on the Board, to vote at the election of the Board and to vote on any Special Resolution to amend these Rules.

ASSOCIATE MEMBERS

- 22. (a) Persons eligible for Associate membership are those persons who have attained the age of eighteen (18) years and who are elected by the Board to Associate membership of the club or transferred to Associate membership of the co-operative.
- (b) Associate members shall, subject to Rule 33, pay an annual subscription as the Board may determine.
- (c) Subject to Rule 59(b) financial Associate members shall have the right to attend and vote at Annual General Meetings and Special General Meetings of the co-operative, to vote at the election of the Board, to vote on any Special Resolution to amend these Rules and, subject to Rule 59, the right to nominate for, be elected to and to hold office on the Board.

LIFE MEMBERS

- 23. (a) A Life member shall be any member who:
 - (i) has been a member of the co-operative or an entity with which the co-operative has had an intimate and historical relationship for at least ten (10) years;
 - (ii) is of good standing; and
 - (iii) in consideration of long or meritorious service to the co-operative,

is elected at any general meeting by at least two-thirds of the members who, being present and entitled to vote, do so vote in favour of the member becoming a Life member of the co-operative.
- (b) To be eligible for Life membership, a member shall be nominated by a Club member or Life member and seconded by another Club member or Life member of good standing.
- (c) The nomination shall then be forwarded to the Board for consideration.
- (d) All such nominations will be assessed by the Board to confirm that they meet the criteria for Life membership and all that do so will be endorsed by the Board and referred to the next appropriate General Meeting of the club for final determination by the members. At the General Meeting a secret ballot will be conducted by the Returning Officer.

- (e) A candidate who receives a majority of two-thirds of the members votes present and voting at the Annual Meeting will be a Life member.
- (f) A Life member shall be relieved of the payment of annual subscriptions.
- (g) A Life member shall have the same rights and privileges as an R.S.L. member.

HONORARY MEMBERS

24. (a) The following may, in accordance with the procedures established by the Board, be made Honorary members of the co-operative:
- (i) The patron or patrons for the time being of the co-operative;
 - (ii) Any prominent citizen or local dignitary;
 - (iii) Any person who produces evidence that he or she is a member of the Australian Defence Force.
- (b) An Honorary member shall be entitled only to the social privileges of the co-operative and shall not have the right to stand for election to the board or to vote at any meeting of the co-operative.
- (c) Honorary members may be relieved of any obligation or liability with respect to the payment of entrance fees and/or subscriptions.
- (d) The Board shall have the power to cancel the membership of an Honorary member without notice and without assigning any reason therefor.

TEMPORARY MEMBERS

25. The following persons, in accordance with the procedures established by the Board, may be made Temporary members of the co-operative:
- (a) any visitor whose ordinary place of residence in New South Wales is not less than a distance of five (5) kilometres from the co-operative;
 - (b) Full members (as defined in the Registered Clubs Act) of other clubs which are registered under the Registered Clubs Act and which have objects similar to those of the co-operative;
 - (c) a Full member (as defined in the Registered Clubs Act) of any registered club who, at the invitation of the Board of the co-operative or a full member of the co-operative, attends on any day at the premises of the co-operative for the purpose of participating in an organised sport or competition to be conducted by the co-operative on that day from the time on that day when he so attends the premises of the co-operative until the end of that day;
 - (d) any interstate or overseas visitor.
26. (a) Temporary members shall not be required to pay an entrance fee or annual subscription.
- (b) Temporary members shall not be entitled to vote at any meeting of the co-operative, nominate or be elected to the Board or any office of the co-

operative or participate in the management, business and affairs of the co-operative in any way.

- (c) Temporary members shall not be permitted to introduce guests into the co-operative other than a minor in accordance with Rule 40.
- (d) A director or the Secretary of the co-operative may terminate the membership or any Temporary member at any time without notice and without having to provide any reason therefor.
- (e) No person under the age of eighteen (18) years may be admitted as a Temporary member of the co-operative
- (f) When a Temporary member, other than a Temporary member admitted pursuant to paragraph (c) of Rule 25, first enters the co-operative premises on any day, the following particulars shall be entered in the co-operative's Register of Temporary Members:
 - (i) the name of the Temporary member in full;
 - (ii) the residential address of the Temporary member;
 - (iii) the date on which Temporary membership is granted;
 - (iv) the signature of the Temporary member.

PROVISIONAL MEMBERS

- 27. Any person who has lodged with the Secretary a proposal form, duly completed in accordance with these rules, seeking membership of the co-operative and pays to the co-operative the subscription appropriate to the class of membership referred to in the nomination form may be granted Provisional membership of the co-operative while awaiting the decision of the board in relation to that person's application for membership.
- 28. Should a person who is admitted as a Provisional member not be elected to membership of the co-operative within six weeks from the date of lodging the nomination form with the Secretary, or should that person's application for membership be refused (whichever is sooner), that person shall cease to be a Provisional member and the annual subscription submitted with the nomination shall be forthwith returned to that person.
- 29. Provisional members shall be entitled only to the social facilities and amenities of the co-operative and shall not be entitled to attend or vote at any meeting of the co-operative, nominate or be elected to the Board or any office of the co-operative or to participate in the management, business and affairs of the co-operative in any way.

TRANSFER OF MEMBERSHIP

- 30. The Board shall have power to grant written requests from members to change from any class of membership to another (other than Life membership) without the formality of a fresh election, provided that a member changing his or her class shall not be entitled to any refund or reduction of any annual subscription paid or payable for the current financial year but shall pay such additional annual subscription and entrance fee to the amount of the annual subscription and entrance fee for the class applied for.

APPLICANTS FOR MEMBERSHIP TO BE GIVEN NOTICE OF ENTRY AND PERIODIC FEES

31. The co-operative must supply, with each application for membership, a written notice of any intending or prescribed entry or periodic fees that a person will be liable to pay on becoming a member of the co-operative.

APPLICATION FOR MEMBERSHIP

32. (a) The Board must provide each person intending to become a member of the co-operative with:
- (i) a consolidated copy of the rules of the co-operative; and
 - (ii) a copy of all special resolutions applicable to the member passed by the members of the co-operative, except special resolutions providing for an alteration of the rules of the co-operative; and
 - (iii) a copy of the last annual report of the co-operative under Section 252 of the Act.
- (b) The Board may comply with Rule 32(a) by:
- (i) giving the person intending to become a member notice that the documents referred to in that sub-rule may be inspected by that person at the registered office of the co-operative; and
 - (ii) making those documents available for inspection.
- (c) A person shall not be admitted to the co-operative other than as an Honorary member, Temporary member or Provisional member, unless the person is elected to membership at a meeting of the Board, or an election committee appointed in accordance with Rule 72. The names of the members present and voting at the meeting are to be recorded by the secretary.
- (d) In respect of every application for membership, there shall be completed a proposal form which shall be in a form and containing such particulars as are from time to time prescribed by the Board, including the full name and address of the candidate and a statement that the candidate, if admitted, will be bound by the rules of the co-operative.
- (e) The proposal form shall be signed by the candidate.
- (f) The proposal form shall be lodged with the Secretary of the co-operative who shall forthwith cause the name and address of the candidate to be exhibited in a conspicuous place on the premises of the co-operative for a continuous period of not less than seven (7) days before the election of the candidate.
- (g) An interval of at least fourteen (14) days shall elapse between the proposal of a person for election as an Ordinary member of the co-operative and his or her election.
- (h) During such time any objection to the application may be lodged in writing with the Board.

- (i) After the expiration of the period of fourteen (14) days, the application shall be considered by the Board.
- (j) If elected, the applicant's name and any other information required by or under the Act shall be entered in the register of members. The applicant shall be notified in writing of the entry in the register and with such notice shall receive a copy of the rules and by-laws of the co-operative. The person shall then be entitled to the privileges attaching to membership.
- (k) The board, or committee, may, at their discretion, refuse any application for membership and need not give any reasons to the unsuccessful applicant. Upon refusal the applicant's deposit shall be refunded without interest.
- (l) Every person who has been elected to membership and notified of such election shall be deemed to have agreed to pay all fees and subscriptions due and payable under these rules and to be bound by the rules and by-laws of the co-operative from time to time in force.
- (m) There shall be no joint members.

ENTRANCE FEES AND ANNUAL SUBSCRIPTIONS

- 33. Entrance fees, subscriptions or other payments payable by members of the co-operative and the time and manner of payment thereof and all other matters pertaining thereto not especially provided for by these Rules shall be such as the Board may from time to time prescribe provided that the annual subscription for any class of ordinary member shall not be less than Two Dollars (\$2.00) or such other amount of subscription provided from time to time by the Registered Clubs Act and not more than One Hundred Dollars (\$100.00) each in any financial year.
- 34. If the subscription of any member shall not be paid within a period of one month from the date on which it shall fall due upon, the member shall be automatically suspended from all privileges of the co-operative and the person's membership shall be cancelled in accordance with Rule 18.

MEMBERS OF THE CO-OPERATIVE

- 35. The members of the co-operative are:
 - (a) those persons who, at the date of the special resolution adopting these rules, are entered in the Register of Members of the co-operative; and
 - (b) those persons admitted to membership in accordance with these Rules; and
 - (c) those persons who become members by a transfer of engagements to the co-operative.

EMPLOYEE MEMBERS

- 36. An employee may be a member of the co-operative in accordance with the Registered Clubs Act, however the following restrictions apply:
 - (a) the employee member is not entitled to vote at any meeting of the co-operative, meeting of the Board or at any election of the Board; and

- (b) the employee member shall not hold office as a member of the Board of the co-operative.

RIGHTS AND LIABILITIES OF MEMBERS TO THE CO-OPERATIVE

37. (a) A member shall not, as a member of the co-operative, be under any personal liability to a creditor of the co-operative.
- (b) A member shall, in accordance with Section 76 of the Act, be liable to the co-operative for any charges, including entry and periodic fees, payable by the member to the co-operative as required by these rules.
- (c) On the death of a member, the member's estate is subject to the same liability as the member would have had prior to death.
- (d) The rights of members to use the facilities and amenities of the co-operative are as the Board may determine from time to time, by by-law or otherwise.
- (e) Without derogating from the general powers of the Board conferred in paragraph (d) of this rule, all members hereby acknowledge and accept that the Board has the power from time to time to organise and enforce the exclusion from the club's premises of any member or other person (either with or without that member's or person's agreement) in accordance with:
- (i) the club's responsible service of alcohol policy (as adopted and amended by the Board from time to time); or
- (ii) the club's responsible gaming policy (as adopted and amended by the Board from time to time).

PROHIBITION ON CONTROL OF VOTING RIGHTS

38. (a) Subject to Rules 19 to 30, an active member of the co-operative shall have one vote only in respect of any question or motion arising at a general meeting of the co-operative.
- (b) (i) A person must not directly or indirectly control the right to vote of a member.
- (ii) If a person controls the exercise of the right to vote of a member at a meeting of the co-operative:
- (A) the vote of that member; and
- (B) the vote of that person, if that person is a member,
- are invalid.
- (c) Voting by proxy is not permitted.
- (d) The Full members of the co-operative entitled to vote at the annual election of the Board of the co-operative shall at all times comprise a majority of the Full members of the co-operative.

RESTRICTION ON VOTING ENTITLEMENT UNDER POWER OF ATTORNEY

39. A person is not entitled to exercise a member's right to vote under a power of attorney.

GUESTS

40. (a) (i) All members, other than Temporary members, shall have the privilege of introducing guests to the co-operative and (unless the guest is a minor) on each day a members first brings a guest into the co-operative, that member shall enter in the Register of Guests the name and address of the guest and that member shall countersign that entry.
- (ii) No member shall introduce guests more frequently or in greater number than may for the time being be provided by by-law, nor shall a member introduce any person as a guest who has been expelled or is the under suspension from the co-operative pursuant to Rule 42.
- (iii) Members shall be responsible for the conduct of any guests they may introduce to the co-operative.
- (iv) The Board shall have the power to make by-laws from time to time, not inconsistent with these rules or the Registered Clubs Act, regulating the terms and conditions on which guests may be admitted to the co-operative.
- (b) (i) No guest shall be supplied with liquor on the premises of the co-operative except on the invitation of and in the company of a member.
- (ii) A guest shall at all times remain in the reasonable company of the member who countersigned the entry in the Register of Guests in respect of that guest.
- (iii) A guest shall not remain on the premises of the co-operative any longer than the member who countersigned the entry in the Register of Guests in respect of that guest.
- (c) A Temporary member may bring into the co-operative premises as the guest of that Temporary member a minor:
- (i) who at all times while on the co-operative's premises remains in the company and immediate presence of that Temporary member;
- (ii) who does not remain on the co-operative premises any longer that that Temporary member;
- (iii) in relation to whom the member is a responsible adult, that is, a person over the age of eighteen (18) years who is:
- (A) a parent, step-parent or guardian of the minor;
- (B) the minor's spouse or any person who, although not legally married to the minor, ordinary lives with the minor as the minor's spouse on a permanent and domestic basis;
- (C) a person who, for the time being, has parental responsibility for the minor.

PATRONS

41. Patrons may be appointed from time to time by the members in general meeting and they shall thereupon be deemed to be Honorary members of the co-operative, provided that any patron who is a Full member of the co-operative shall also be entitled to exercise all the privileges and advantages of such membership.

DISCIPLINARY PROCEEDINGS

42. (a) The Board may, by resolution of a simple majority, reprimand, impose a fine up to a maximum of Fifty Dollars (\$50.00), suspend, or require an apology from any member or members who do any of the following acts:
- (i) infringe any of the rules or by-laws of the co-operative;
 - (ii) fail to discharge obligations to the co-operative, whether prescribed by these rules or arising out of contract; or
 - (iii) conduct themselves in a manner which:
 - (A) is considered unbecoming of a member;
 - (B) shall render the member unfit for membership; or
 - (C) may be deemed prejudicial or detrimental to the interests of the co-operative.
- (b) At least fourteen (14) days written notice stating the date, time and place of the meeting shall be given to any member whose act is to be considered by the Board. The written notice shall also state the nature of the act which, in the Board's opinion, has been committed by the member.
- (c) At the meeting, the member shall be afforded a full opportunity to be heard. If the member fails to attend at the time and place mentioned, without reasonable excuse, the act shall be considered and the Board may decide on the evidence before it, in spite of the member's absence, but having regard to any representations made to it in writing by the member charged.
- (d) No motion by the Board to reprimand, fine, suspend a member or require an apology shall be deemed to be passed unless at least a simple majority of the members of the Board present vote in favour of such a motion.
- (e) After the Board has considered all the evidence put against the member, it must come to a decision as to the member's guilt or innocence in relation to the charge. Once it has decided the issue of guilt or innocence, the Board must inform the member (provided the member is in attendance at the meeting) prior to considering any penalty.
- (f) Provided that the member is in attendance at the meeting, he must be given a further opportunity at the hearing to address the Board in relation to the penalty appropriate to the charge of which the member has been found guilty.
- (g) Any decision of the Board at such meeting shall be final and take effect immediately. The Board shall not be required to assign any reason for its decision.

- (h) The Board's powers under this Rule may be delegated by the Board to a Judicial Sub-Committee of Board members.
- (i) In the event that a notice of charge is issued to a member pursuant to this Rule, the Board or the Secretary (independently of the Board) shall have power to suspend that member from all the rights and privileges as a member of the club until the charge is heard and determined or five (5) weeks, whichever is the sooner. Such suspension shall be promptly notified in writing to the member concerned.

EXPULSION OF MEMBERS BY BOARD

43. (a) The Board may, by resolution of a two-thirds majority, expel members who do any of the following acts:
- (i) infringe any of the rules or by-laws of the co-operative;
 - (ii) fail to discharge obligations to the co-operative, whether prescribed by these rules or arising out of contract; or
 - (iii) conduct themselves in a manner which:
 - (A) is considered unbecoming of a member;
 - (B) shall render the member unfit for membership; or
 - (C) may be deemed prejudicial or detrimental to the interests of the co-operative.
- (b) In either case, written notice of the proposed resolution shall be forwarded to the member not less than 14 days before the date of the board meeting at which the special resolution is to be moved, and the member shall be given a reasonable opportunity of being heard at the meeting.
- (c) Upon the expulsion of any member pursuant to Rule 43(a), the Board shall give notice in writing of the outcome to the member concerned.
- (d) Within fourteen (14) days after receipt of a notice under 43(c), the person to whom the notice was addressed may give to the Board notice in writing of his or her intention to appeal against such determination to a special general meeting of members.
- (e) Upon receipt of such notice, the Board shall convene a special general meeting of members to be held not less than twenty-one (21) days or more than twenty-eight (28) days after the date upon which he received such notice for the purpose of considering the appeal.
- (f) At the meeting, the appellant shall be given a full opportunity to be heard. If the appellant fails to attend at the time and place mentioned, without reasonable excuse, the act which resulted in the expulsion shall be considered and the co-operative may decide on the evidence before it, in spite of the absence of the appellant. Once the act has been considered, the co-operative may decide to expel the appellant or uphold the appeal.

- (g) Until the final determination of the appeal, the appellant shall be deemed to have been expelled pursuant to (a) but shall be entitled to vote at the special general meeting.
- (h) If a quorum is not present after the lapse of thirty (30) minutes from the advertised time of the special general meeting, the meeting shall be dissolved and the appeal deemed to have been dismissed.
- (i) If the appeal is upheld, the appellant's membership shall be restored immediately.
- (j) For the purposes of Section 190B(2)(b), a Board's resolution to expel a member under Rule 43(a) shall be treated as a special resolution, such that the expulsion does not have effect until registered.

REMOVAL OF PERSONS FROM THE CLUB

44. (a) In accordance with Section 77 of the Liquor Act the Secretary, or, subject to paragraph (b) of this rule, an employee of the club may refuse to admit to the club and may turn out, or cause to be turned out, of the premises of the club any person including any member:
- (i) who is then intoxicated, violent, quarrelsome or disorderly; or
 - (ii) who, for the purposes of prostitution, engages or uses any part of the premises of the club; or
 - (iii) whose presence on the premises of the club renders the club or the Secretary liable to a penalty under the Registered Clubs Act; or
 - (iv) who hawks, pedals or sells any goods on the premises of the club; or
 - (v) who uses, or has in his or her possession, while on the premises of the club, any substance that the Secretary suspects of being a prohibited drug or prohibited plant.
- (b) Without limiting the provisions of Section 77 of the Liquor Act, the employee who under these rules is entitled to exercise the powers set out in this rule shall be:
- (i) in the absence of the Secretary from the premises of the club, the senior employee then on duty; or
 - (ii) any employee authorised in writing by the Secretary to exercise such power.

CEASING MEMBERSHIP

45. (a) A person shall cease to be a member in any of the following circumstances:
- (i) if the member's membership is cancelled under Rule 18;
 - (ii) if the member is expelled in accordance with Rule 43;
 - (iii) on death of the member;

- (iv) if the contract of membership is rescinded on the ground of misrepresentation or mistake;
 - (v) on the expiration of one months notice in writing of the member's intention to resign from membership given by the member, to the Secretary.
- (b) A person shall not cease to be a member upon becoming bankrupt.

GENERAL MEETINGS

46. (a) A general meeting of the co-operative to be known as the "annual general meeting" shall, as provided in Section 198 of the Act, be held each year on a date and a time determined by the Board as long as it is within five (5) months after the close of the financial year of the co-operative, or within such further time as may be allowed by the Registrar.
- (b) All general meetings of the co-operative other than the annual general meeting shall be special general meetings.
- (c) If an annual general meeting is not held in accordance with paragraph (a) of this rule, the members may, in accordance with Section 202 of the Act and Rule 48, requisition such a meeting.
- (d) The annual report must be sent to the members as required by Rule 84(d) at least 21 days before the date of the annual general meeting.

CONVENING SPECIAL GENERAL MEETINGS

47. The Board may, whenever it thinks fit, convene a special general meeting of the co-operative.

REQUISITION OF GENERAL MEETINGS

48. (a) The Board must convene a general meeting of the co-operative on the requisition in writing by active members who together are able to cast at least 20% of the total number of votes to be cast at a meeting of the co-operative.
- (b) The requisition must:
- (i) be in writing; and
 - (ii) state the objects of the meeting; and
 - (iii) be signed by the requisitioning members and may consist of several documents in like form each signed by one or more of the requisitioning members; and
 - (iv) be served on the co-operative by being lodged at the registered office of the co-operative.

REQUISITIONED MEETING MUST BE CONVENED AS SOON AS PRACTICAL

49. (a) A meeting requisitioned by members in accordance with Rule 48 must be convened and held as soon as practicable and, in any case, must be held within two (2) months after the requisition is served.
- (b) Where the Board does not convene a meeting twenty one (21) days after the requisition is served, the following provisions apply :
- (i) the requisitioning members (or any of them representing at least half their aggregate voting rights) may convene the meeting in the same manner as nearly as possible as meetings are convened by the Board;
 - (ii) for that purpose they may request the co-operative to supply a written statement setting out the names and addresses of the persons entitled when the requisition was served to receive notice of general meetings of the co-operative;
 - (iii) the Board must send the requested statement to the requisitioning members within 7 days after the request for the statement is made.
 - (iv) the meeting convened by the requisitioning members must be held not later than 3 months after the requisition is served;
 - (v) any reasonable expenses incurred by the requisitioning members because of the Board's failure to convene the meeting must be paid by the co-operative;
 - (vi) any such amount required to be paid by the co-operative is to be retained by the co-operative out of any money due from the co-operative by way of fees or other remuneration in respect of their services to such of the directors as were in default.

NOTICE OF GENERAL MEETINGS

50. (a) Subject to Rules 46 and 51, at least 14 days notice (not including the day on which the notice is served or deemed to be served, but including the day for which notice is given) shall be given of any general meeting in the manner stipulated in Rule 92.
- (b) Notice must be given to those persons who are, under these rules entitled to receive such notices from the co-operative, but the non-receipt of the notice by any member shall not invalidate the proceedings at such general meeting. The notice must specify the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.
- (c) Any member who has a resolution or a statement to submit to a general meeting must do so in accordance with Section 197 of the Act.
- (d) The Board shall have inserted in any notice convening a general meeting any business which a member has notified of intention to move and for which notification has been given in accordance with this rule.
- (e) Notice of every general meeting shall be given in the same manner as authorised in Rule 92 to:

- (i) every member of the co-operative, except those members who have not supplied to the co-operative an address or facsimile number for the giving of notices to them; and
 - (ii) the auditor or auditors of the co-operative.
- (f) Except as provided in this rule, no other persons shall be entitled to receive notices of general meetings.

NOTICE OF SPECIAL RESOLUTIONS

51. Notice of a special resolution shall be given to those persons, entitled to receive notice under Rule 50, at least 21 days before the general meeting. The notice shall specify:
- (i) the intention to propose the resolution as a special resolution at that meeting;
 - (ii) the reason for the making of the special resolution; and
 - (iii) the effect of the special resolution if passed.

BUSINESS OF GENERAL MEETINGS

52. (a) The ordinary business of the annual general meeting shall be :
- (i) to confirm minutes of the last preceding general meeting (whether annual or special); and
 - (ii) for the Board, auditors, or any officers of the co-operative to present reports upon the transactions of the co-operative during the financial year, including balance sheet, trading account, profit and loss account, statement of source and application of funds, and the state of affairs at the end of that year; and
 - (iii) to declare the result of the election of Office Bearers and directors and if necessary elect the directors to hold office in accordance with these rules;
 - (iv) to elect (if necessary) an auditor, or to determine the auditor's remuneration, or both;
 - (v) to approve any honorariums for directors in accordance with Section 10(6)(b) of the Registered Clubs Act; and
 - (vi) to allow members a reasonable opportunity to ask questions about or comment on the management of the co-operative and to ask the auditor or their representative questions relevant to the conduct of the audit and the preparation and content of the auditor's report.
- (b) The annual general meeting may also transact special business of which notice has been given to members in accordance with these rules.
- (c) All business of a general meeting, other than business of the annual general meeting that is by this rule termed ordinary business, should be deemed special business.

QUORUM AT GENERAL MEETINGS

53. (a) No item of business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting is considering that item.
- (b) Except where these rules state otherwise, thirty (30) active R.S.L., Associate or Life members, present in person and entitled to vote, constitute a quorum.
- (c) If within fifteen (15) minutes after the appointed time for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall be adjourned to the same day in the next week at the same time and place. If at the adjourned meeting a quorum is not present within fifteen (15) minutes after the time appointed for the meeting the members present shall constitute a quorum.

CHAIRPERSON AT GENERAL MEETINGS

54. (a) The President shall preside as chairperson at every general meeting of the co-operative.
- (b) If at any meeting the President is not present or is unwilling or unable to act as Chairperson, the Vice President shall act as Chairperson. If the Vice President is not present or is unwilling or unable to act then the meeting shall elect a member of the Board to be Chairperson of the meeting. Any person acting as Chairperson of a general meeting shall have the voting powers provided in these Rules for the President.
- (c) The chairperson may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place. The only business that can be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for 14 days or more notice of the adjourned meeting shall be given just as in the case of the original meeting. Apart from this requirement it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

STANDING ORDERS AT GENERAL MEETINGS

55. (a) The following standing orders shall be observed at the co-operative's meetings, subject to any suspension of, or amendment of, or addition to, these orders adopted for the purposes of that meeting by the members present at a meeting:
- (i) the mover of a motion shall not speak for more than 10 minutes. Subsequent speakers shall be allowed 5 minutes, and the mover of the proposition 5 minutes to reply. The meeting may however by simple majority extend in a particular instance the time permitted by this rule;
- (ii) whenever an amendment to an original motion is proposed, no second amendment shall be considered until the first amendment is disposed of;

- (iii) if an amendment is carried, the motion as so amended shall displace the original motion and may itself be amended;
 - (iv) if an amendment is defeated, then a further amendment may be moved to the original motion. However, only one amendment shall be submitted to the meeting for discussion at one time;
 - (v) the mover of every original motion, but not of an amendment, shall have the right to reply. Immediately after this the question shall be put from the chair. No other member shall speak more than once on the same question, unless permission is given for an explanation, or where the attention of the chairperson is called to a point of order;
 - (vi) any discussion on a motion or amendment may be closed by a resolution "that the question be now put" being moved seconded, and carried. Such resolution shall be put to the meeting without debate.
- (b) Motions and amendments shall be submitted in writing, if requested by the chairperson.
 - (c) Any member, or visitor invited to attend the meeting by the Board, may speak on any issue at a meeting with the permission of the chairman provided that the permission may be conditional.
 - (d) Standing orders may be suspended for any period by ordinary resolution.

ATTENDANCE AND VOTING AT GENERAL MEETINGS

56. (a) At any meeting of the co-operative a member, whose membership is required to be forfeited under Rule 18, is not entitled to attend.
- (b) A member of the co-operative is not entitled to vote at a meeting of the co-operative:
- (i) if the person is not an active member of the co-operative;
 - (ii) the person is excluded from voting under the Act or these rules.
- (c) At any general meeting a resolution put to the vote of the meeting shall (as provided in Section 201 of the Act) be decided on a show of hands. This is unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least 5 members. If no poll is demanded, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the co-operative shall be evidence of the fact. No proof is needed of the number or proportion of the votes recorded in favour of, or against, that resolution.
- (d) If a poll is demanded, in accordance with Rule 56(c), it shall be taken in a manner which the chairperson directs. Unless the meeting is adjourned the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

A poll demanded on the election of a chairperson, or on a question of adjournment, shall be taken immediately.

A poll demanded in accordance with Rule 56(c) may be withdrawn.

- (e) On a show of hands, or on a poll, every member who is present at a meeting in person shall have one vote. However, no member shall have a vote, or be entitled to vote, contrary to the Act.
- (f) In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
- (g) All resolutions, except special resolutions, shall be determined by a simple majority of the votes from those members who, being eligible to do so, vote in person at the meeting.

POSTAL BALLOT

57. The co-operative may hold a postal ballot to determine any issue or proposal by the members in the manner prescribed in Schedule 2 of the Co-operatives Regulation 1997.

SPECIAL RESOLUTION

58. (a) A special resolution means a resolution of which notice has been given of the intention to propose the resolution as a special resolution and which is passed either by two-thirds of the members who vote at a general meeting in person or in a postal ballot; or by three quarters of the members who cast votes in a special postal ballot of members.
- (b) A special postal ballot for the purposes of passing a special resolution must be conducted in relation to the following matters:
- (i) a conversion of a trading co-operative to a non-trading co-operative and vice versa;
 - (ii) transfer of incorporation;
 - (iii) an acquisition or disposal of assets referred to in Section 285 of the Act;
 - (iv) takeover;
 - (v) merger;
 - (vi) transfer of engagements;
 - (vii) members' voluntary winding up.
- (c) A special resolution has effect from the date it is passed except in the following circumstances:
- (i) the removal of an auditor;
 - (ii) the expulsion of a member;
 - (iii) the alteration of a rule;

- (iv) any matter for which a special resolution is required to be passed by special postal ballot (other than a special postal ballot in favour of a voluntary winding up).

in which case it has effect from the time it is registered by the Registrar.

BOARD OF DIRECTORS

- 59. (a) There shall be a board of directors which shall consist of a President, a Vice President and five (5) Ordinary Board members.
- (b) A person shall not be entitled to be elected or appointed to hold office on the Board unless that person has been a member of the Club for a continuous period of at least five (5) years at the time of their election or appointment.
- (c) The business of the co-operative is to be managed by the board of directors, and for that purpose the Board may exercise all the powers of the co-operative that are not, by the Act or these rules, required to be exercised by the co-operative in general meeting.
- (d) The acts of a director are valid despite any defect that may afterwards be discovered in the appointment or qualification of the director.

QUALIFICATIONS OF DIRECTORS

- 60. (a) A person shall not be elected as director of the co-operative unless the person is an active member of the co-operative and is eligible under these Rules.
- (b) A member who is an employee of the co-operative is not eligible to hold office as a director.

RETIREMENT AND ELECTION OF DIRECTORS

- 61. At the annual general meeting in each year all the directors shall retire.
- 62. A retiring director shall be eligible for re-election, subject to the person holding the qualifications specified in Rule 59.
- 63. (a) Nomination for election of the Board shall be in writing and shall be signed by two R.S.L., Associate or Life members of the club and by the nominee who shall signify his/or consent to the nomination.
- (b) Nominations shall be lodged with the Secretary of the club not less than twenty-eight (28) days before the day fixed for the annual general meeting of the club.
- (c) The Secretary shall immediately after the closing date for nominations list nominations and/or names of the candidates on the notice board.
- 64. (a) The ballot for the election of the President, Vice President and five (5) Ordinary Board members shall be conducted in such manner and shall commence and close at a time and place determined by the Board provided that every member entitled to vote shall be given notice of the date, time and place of voting.

- (b) The voting paper shall contain the names of all duly nominated candidates. The position of candidates' names on the ballot paper shall be determined by lot by the Returning Officer or Deputy Returning Officer after nominations are closed.
- (c) The ballot shall be conducted by the Secretary or other authorised person assisted by two scrutineers to be appointed by the Returning Officer or Deputy Returning Officer. Proxy voting is not permitted.
- (d) At the closing of the poll, the Returning Officer or other authorised person shall proceed with the examination of the voting papers and shall report the result to the Chairperson of the meeting who shall then declare elected such candidates who receive the greatest number of votes.
- (e) In any case of doubt as to the formality of the voting paper the matter shall be referred to the Returning Officer whose decision shall be final.
- (f) In the event of an equality of votes in favour of two or more candidates the Returning Officer shall determine by lot the candidate or candidates to be elected.
- (g) If the number of candidates is less than the number of persons required to fill all vacancies then those nominated shall be declared elected and nominations for the positions which remain vacant shall be called at the meeting, provided that any member nominated must consent to his nomination. If necessary separate ballots will be held to make up the deficiency.

DIRECTORS' REMUNERATION

65. (a) The directors shall receive such remuneration by way of honorarium for their services as shall be determined at a general meeting in accordance with Section 10(6)(b) of the Registered Clubs Act. All necessary reasonable expenses incurred by them in the business of the co-operative shall be refunded to them.
- (b) For the purposes of this rule "remuneration" means any money, consideration or benefit but does not include amounts in payment or reimbursement of out-of-pocket expenses incurred for the benefit of the co-operative or any subsidiary of the co-operative.

REQUISITION AND NOTICE OF BOARD MEETINGS

66. (a) A meeting of the board of directors may be called by a director giving notice individually to every other director.
- (b) Except in special circumstances determined by the President, at least 48 hours notice shall be given to the directors of all meetings of the Board.
- (c) Meetings of the Board (including those conducted in accordance with Rule 68) must be held at least once every month and may be held as often as may be necessary for properly conducting the business and operations of the co-operative.

PROCEEDINGS OF THE BOARD

67. (a) Questions arising at any meeting shall be decided by a majority of votes.
- (b) In the case of an equality of votes, the chairperson shall have a casting vote.
- (c) If a director of the co-operative becomes in any way, whether directly or indirectly, interested in any contract or proposed contract with the co-operative, the director must declare the nature and extent of that interest to the Board.
- (d) The declaration must be made at the meeting of the Board at which the question of entering into the contract is first considered, or, if the director was not at that time interested, at the next meeting of the Board after the director becomes interested in the proposed contract.
- (e) Within 48 hours of a declaration being made and for a continuous period of 14 days, the particulars of the declaration specifying the name of the board member who made the declaration and the nature of the interest declared is to be exhibited in a conspicuous position on the premises of the club.
- (f) A director shall not vote in respect of any contract or proposed contract in which the director is interested. If the director votes in contravention of this rule, the director's vote shall not be counted.

TRANSACTION OF BUSINESS OUTSIDE BOARD MEETINGS

68. (a) The Board may in accordance with Section 210 of the Act transact any of its business:
- (i) by the circulation of papers among all the members of the Board, and a resolution in writing by a majority of those members is to be taken to be a decision of the Board;
- (ii) at a meeting at which board members (or some board members) participate by telephone, closed-circuit television or other means, but only if any board member who communicates on a matter before the meeting, can be understood by the other members of the Board.
- (b) For the purposes of this rule the chairperson of the Board and each member of the Board have the same voting rights as they have at an ordinary meeting of the Board.
- (c) A resolution approved under Rule 68(a)(i) is to be recorded in the minutes of the meetings of the Board.
- (d) The secretary may circulate papers among members of the Board for the purposes of Rule 68(a)(i) by facsimile or other transmission of the information in the papers concerned.

QUORUM FOR BOARD MEETINGS

69. The quorum for a meeting of the Board shall be four (4) directors, being 50% or more of the number of directors, in accordance with Section 209(4) of the Act.

APPOINTMENT OF DIRECTORS TO CONSTITUTE A QUORUM

70. (a) The Board may act notwithstanding any vacancy in their body but, if as long as their number is reduced below the number fixed by or pursuant to these rules as the necessary quorum of directors, the continuing directors may act only for the purpose of increasing the number of directors to one (1) more than a quorum or of summoning a general meeting of the co-operative.
- (b) For the purpose of enabling the board to make such appointment(s), the number of directors at that time is deemed to be a quorum.
- (c) In all other circumstances where a casual vacancy occurs, Rule 76 applies.

CHAIRPERSON OF THE BOARD

71. (a) The President shall, if present, preside as chairperson at all meetings of the Board.
- (b) If the President is not present or being present is unwilling or unable to act as Chairperson of the meeting, a Vice President shall act as Chairperson.
- (c) If a Vice President is not present or is unwilling to act then the Board may elect a Chairperson of the meeting, but if no such Chairperson is elected or if at any meeting the Chairperson is not present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairperson of the meeting until such time as the Chairperson being in attendance is willing to act.

DELEGATION AND BOARD COMMITTEES

72. (a) The Board may (in accordance with Section 213 of the Act) by resolution delegate the exercise of such of the Board's functions (other than this power of delegation) as are specified in the resolution:
- (i) to a director; or
 - (ii) to a committee of 2 or more directors; or
 - (iii) to a committee of members of the co-operative; or
 - (iv) to a committee of members of the co-operative and other persons if members comprise the majority of persons on the committee.
- (b) The co-operative or the Board may by resolution revoke wholly or in part any such delegation.
- (c) A power, the exercise of which has been delegated under this rule may, while the delegation remains unrevoked, be exercised from time to time in accordance with the terms of the delegation.
- (d) A delegation under this rule may be made subject to conditions or limitations as to the exercise of any of the powers delegated, or as to time or circumstance.
- (e) Notwithstanding any delegation under this rule, the Board may continue to exercise all or any of the powers delegated.

EXERCISE OF DELEGATED POWER BY DIRECTORS

73. (a) Where a delegated power is exercised by a director (either alone or with other directors) and the exercise of the power is evidenced in writing, signed by the director in the name of the Board or in the director's own name on behalf of the Board, then the power shall be deemed to have been exercised by the Board.
- (b) Rule 73(a) applies whether or not a resolution delegating the exercise of the power to the director was in force when the power was exercised, and whether or not any conditions or limitations referred to in Rule 72(d) were observed by the director exercising the powers.
- (c) An instrument purporting to be signed by a director as referred to in Rule 73(a) shall in all courts and before all persons acting judicially be received in evidence as if it were an instrument executed by the co-operative under seal. Furthermore, until the contrary is proved, it shall be deemed to be an instrument signed by a delegate of the Board under this rule.
- (d) A committee may elect a chairperson of their meetings. If no such chairperson is elected, or, if at any meeting the chairperson is not present within 5 minutes after the time appointed for holding the meeting, then the members present may choose one of their number to be chairperson of the meeting.
- (e) A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and voting and in case of an equality of votes the chairperson shall have a second or casting vote.

REMOVAL OF DIRECTOR FROM OFFICE

74. The co-operative may, by ordinary resolution, remove any director before the expiration of the director's period of office, and may by a simple majority appoint another person in place of the director. The person so appointed shall retire at the next annual general meeting.

VACATION OF OFFICE OF DIRECTOR

75. The office of a Director shall be vacated in the circumstances set out in Section 218 of the Act and, in particular:
- (i) if the person is an insolvent under administration (as defined in the Law);
 - (ii) if the person becomes a mentally ill person or a mentally disordered person within the meaning of the Mental Health Act, 1990 or a protected person within the meaning of the Protected Estates Act, 1983;
 - (iii) if the person has been convicted of an offence and that conviction disqualifies a person from being a director, as provided by Section 208 of the Act;
 - (iv) if the director absents himself/herself from 3 consecutive ordinary meetings of the Board without its leave;
 - (v) if the director resigns from office by notice in writing given by the director to the co-operative;

- (vi) if the director is removed from office by ordinary resolution of the co-operative;
- (vii) if the person ceases to hold the qualification by reason of which the person was qualified to be a director;
- (viii) if the director becomes an employee of the co-operative;
- (ix) if an administrator of the co-operative's affairs is appointed under Division 6 of Part 12 of the Act;
- (x) if the director is directly or indirectly interested in any contract or proposed contract with the co-operative and fails to declare his/her interest as required under Section 234 of the Act;
- (xi) if the director who holds an office or has an interest in property whereby, whether directly or indirectly, duties or interests might be created that could conflict with the director's duties or interests as a director and the director fails to declare the fact and the nature, character and extent of the conflict;
- (xii) if the director is removed from office, by a voluntary administrator of the co-operative appointed under Part 5.3A of the Law, as applying under Section 332 of the Act;
- (xiii) if the person is prohibited from being a director of the club by order under the Registered Clubs Act.
- (xiv) if the Director dies.

FILLING OF CASUAL VACANCIES

76. (a) Notwithstanding Rule 70, a casual vacancy of the Board is to be filled:
- (i) by election by the members held in accordance with these Rule; or
 - (ii) by appointment by the directors; or
 - (iii) in such other manner as the Registrar may approve in a particular case.
- (b) The person elected pursuant to Rule 76(a) shall retire at the same time as the director who vacated the office would have done if that director had not vacated it.
- (c) For the purposes of this rule, a casual vacancy shall arise where the office of a director is vacated in accordance with Rule 75.

OTHER COMMITTEES

77. (a) The Board may by resolution appoint committees comprising of members or other persons or both, to act in an advisory role to the Board and to any committees of directors.
- (b) The provisions of Rules 72(d) and (e) apply to committees appointed under this rule, subject to any variations approved of by the Board.

- (c) The quorum for any meeting of the committee shall be one-half (or where one-half is not a whole number the whole number next higher than one-half) of the number of members in the committee.

MINUTES OF MEETINGS

78. (a) The Board shall have minutes of meetings made in books provided for the purpose, and, in particular:
- (i) of all appointments of officers and employees made by the directors;
 - (ii) of the names of the directors present at each meeting of the Board and of any committee of the Board;
 - (iii) of all resolutions and proceedings at all meetings of the co-operative and of directors and of committees.
- (b) Minutes must be recorded in the minute book within fourteen (14) days of the date of the meeting to which they relate.
- (c) The confirmation of such minutes, signed by the chairperson, shall be taken as the first business at the next succeeding meeting of the co-operative, Board or committee to which the minutes relate. If it is impracticable for the minutes to be confirmed at that meeting, then the minutes shall be confirmed at the next succeeding meeting.
- (d) Every director present at any meeting shall sign their name in a book to be kept for that purpose.
- (e) The minutes are to be kept in the English language.

OFFICERS

79. (a) Without prejudice to the general powers conferred on the Board by the Act or these rules, the Board shall, subject to any applicable Industrial Award or Agreement, have power to appoint, remove or suspend employees, servants, agents and contractors, and to fix their powers, duties and remuneration.
- (b) For the purposes of this rule:
- (i) "Industrial Award or Agreement" means an Award or Enterprise Agreement made or approved under a State or Federal Act regulating industrial relations; and
 - (ii) "Enterprise Agreement" includes an Australian Workplace Agreement, Certified Agreement or Enterprise Flexibility Agreement.

APPOINTMENT OF SECRETARY

80. (a) The Board shall appoint a secretary who shall perform all the functions and duties required by the Act, the Regulations, the Registered Clubs Act, the rules and the Law to be performed or undertaken by the secretary of the co-operative.

- (b) A secretary shall:
 - (i) be appointed to the office on such terms and conditions as the Board may determine; and
 - (ii) hold office until death, or removed by the Board, or resignation from office.
- (c) In accordance with the Registered Clubs Act the Secretary must be approved by the Licensing Court of New South Wales and is the Chief Executive Officer of the co-operative.

INDENIMTY AND INSURANCE

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

INDEMNITY FOR OFFICERS

- 82. (a) The co-operative may indemnify an officer of the co-operative against any liability incurred by the officer in defending any proceedings, whether civil or criminal, in which judgment is given in the officer's favour or in which the officer is acquitted or in connection with any application in relation to any such proceedings in which relief is, under Section 228 of the Act, granted to the officer by the court.
- (b) The co-operative will pay the cost of directors' and officers' liability insurance for the Board of the co-operative.

FINANCIAL YEAR

- 83. The financial year of the co-operative commences on the 1st day of January in each year and ends on the last day of December in the same year.

ACCOUNTS

- 84. (a) The Board shall have prepared the accounts, statements and directors' report in accordance with the Corporations Act, as adopted by the Co-operatives Regulation 2005.
- (b) The Board shall submit those accounts, statements and report, together with the auditors' report on those accounts, to the annual general meeting of the co-operative, in accordance with Section 317 of the Corporations Act as adopted by the Co-operatives Regulation 2005.

- (c) The Board shall also have a copy of everything required to be submitted under paragraph (b) displayed at the registered office of the co-operative for a period of not less than 21 days before the date of the annual general meeting of the co-operative.
- (d) The Board shall report to members in accordance with Division 4 of the Corporations Act as adopted by the Co-operatives Regulation 2005.
- (e) The books of account shall be kept at the Registered Office of the club or at such other place as the Board thinks fit. The club shall at all reasonable times make its accounting records available in writing for the inspection of members of the Board and any other persons authorised or permitted by or under the Act to inspect such records.

BANKING

85. (a) The Board shall have a banking account or accounts in the name of the co-operative, into which all monies received shall be paid as soon as possible after receipt.
- (b) All cheques drawn on such accounts and all drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the co-operative, shall be signed by 2 directors or by any 2 persons authorised by the Board.

APPOINTMENT, DUTIES AND RESPONSIBILITIES OF AUDITORS

86. (a) One or more auditors shall be appointed, hold office, be remunerated, be removed and have qualifications, duties and responsibilities as provided in these rules or as otherwise provided in, or permitted by, the Corporations Act as adopted by Clause 15 of the Co-operatives Regulation 1997, or any order made by the Registrar pursuant to that Regulation or Section 244(1) of the Act.
- (b) At each annual general meeting, if there is a vacancy in the office of auditor, the co-operative shall appoint an auditor to fill the vacancy.
- (c) An auditor appointed under paragraph (b) of this rule shall hold office until death or removal or resignation from office or until ceasing to be capable of acting as auditor in accordance with the Corporations Act as adopted by Clause 15 of the Co-operatives Regulation 1997.
- (d) The Board shall fill any vacancy in the office of auditor, other than a vacancy caused by the removal of an auditor from office, within one month of such vacancy occurring, unless the co-operative at a general meeting has already appointed an auditor to fill the vacancy. A person or firm appointed as Auditor of the co-operative pursuant to this paragraph holds office, subject to the Corporations Act as adopted by Clause 15 of the Co-operatives Regulation 1997 until the next Annual General Meeting of the co-operative

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

- (e) An auditor filling a vacancy caused by the removal of the previous auditor shall be appointed by a three-quarter ($\frac{3}{4}$) majority of members at the same general meeting at which the previous auditor is removed, as long as notice of

the nomination has been sent at least 7 days before the meeting to the members and nominated and current auditors. If the notice of nomination was not sent in accordance with Rule 86(g) or the resolution to appoint a new auditor is not passed, then the meeting may be adjourned 20 to 30 days later. At the adjourned meeting, the co-operative may appoint an auditor by ordinary resolution as long as notice of the nomination is received by the board from a member at least 14 clear days before the date of the adjourned meeting and the board gives notice of the nomination at least 7 days before the meeting to the members and nominated and current auditors. The auditor appointed under this sub-Rule holds office until the next AGM.

- (f) The co-operative or the Board shall not appoint as auditor a person who has not consented in writing to the appointment or who has withdrawn such consent, or a person of whose nomination notice has not been given in accordance with Rules 86(e) or (g).
- (g) Not being a meeting at which an auditor is removed from office, a co-operative is not entitled to appoint an auditor at its annual general meeting unless notice in writing of the nomination of the auditor was given to the board by a member before the meeting was convened or at least 21 days before the meeting. The board must have then given notice to the nominated and current auditors and members not less than 7 days before the meeting or at the time notice of the meeting is given.
- (h) A person is not qualified to be appointed auditor of the co-operative if:
 - (i) the person is not a registered company auditor;
 - (ii) the person or body corporate in which the person is a substantial shareholder, is indebted for an amount exceeding \$5,000 to the co-operative, to a related body corporate or to an entity that the co-operative controls; or
 - (iii) the person is:
 - (A) an officer of the co-operative;
 - (B) a partner, employer or employee of an officer of the co-operative;
 - (C) a partner of an employee of an officer of the co-operative; or
 - (D) an employee of an employee of an officer of the co-operative.
- (i) A firm is not qualified to be appointed auditor of the co-operative unless:
 - (i) at least 1 member of the firm is a registered company auditor who is ordinarily resident in Australia;
 - (ii) no member of the firm or a body corporate in which the firm is a substantial shareholder, is indebted for an amount exceeding \$5,000 to the co-operative, to a related body corporate or to an entity that the co-operative controls; or
 - (iii) no member of the firm is:

- (A) an officer of the co-operative;
 - (B) a partner, employer or employee of an officer of the co-operative;
 - (C) a partner of an employee of an officer of the co-operative; or
 - (D) an employee of an employee of an officer of the co-operative.
- (iv) no officer of the cooperative receives any remuneration from the firm for acting as a consultant to it on accounting or auditing matters; and
 - (v) the business name under which the firm is carrying on business is registered under a law of a State or Territory relating to the registration of business names or a return in the prescribed form has been lodged, showing, in relation to each member of the firm, the member's full name and address at the time when the firm so consents, acts or prepares a report.
- (j) All reasonable fees and expenses of the auditor are payable by the co-operative.
 - (k) The Board shall enable the auditor to have access to all books, accounts, vouchers, securities and documents of the co-operative, and to be furnished with such information and explanation by the board members or any other officers as may be necessary for the performance of the duties of the auditor.
 - (l) The auditor is entitled to attend any general meeting of the co-operative and to receive all notices of and other communications relating to any general meeting which any member of the co-operative is entitled to receive. The auditor is also entitled to be heard, at any general meeting which the auditor attends, on any part of the business of the meeting of concern to the auditor.

REMOVAL OF AUDITORS

87. (a) The auditor may be removed from office by special resolution at a general meeting.
- (b) Notice of intention to move the resolution must be given to the co-operative not less than 2 months before the meeting at which the resolution is moved. However, if the co-operative convenes a meeting after the notice of intention is given, the resolution may be passed at the meeting even if the meeting is held less than 2 months after the notice is given.
- (c) Where special notice of a resolution to remove an auditor is received by the co-operative, it shall as soon as possible send a copy of the notice to the auditor and lodge a copy of the notice with the Registrar.
- (d) The co-operative shall give at least 21 days notice of a resolution to remove the auditor to persons entitled to be given notice of a meeting of the co-operative.
- (e) Within 7 days after receiving a copy of the notice, the auditor may make representations in writing, not exceeding a reasonable length, to the co-operative and request that before the meeting at which the resolution is to be

considered, a copy of the representations be sent by the co-operative at its expense to every member of the co-operative to whom notice of the meeting is sent.

- (f) Unless the Registrar on the application of the co-operative otherwise orders, the co-operative shall send a copy of the representations in accordance with the auditor's request. The auditor may require that the representations be read out at the meeting and may also speak at the meeting.
- (g) Within 14 days after the removal from office of the auditor, the co-operative shall lodge with the Registrar a notice of the removal on the prescribed form, and, where there is a trustee for the holders of debentures of the co-operative, give to the trustee a copy of the notice lodged with the Registrar.

RESIGNATION OF AUDITOR

88. (a) The auditor may, by notice in writing given to the co-operative, resign as auditor of the co-operative if:
- (i) the auditor has, by notice in writing given to the Registrar, applied for consent to resign and stated the reasons and, at or about the same time, notified the co-operative in writing of the application; and
 - (ii) the auditor has received the consent of the Registrar.
- (b) The resignation of the auditor takes effect:
- (i) on the date (if any) specified for the purpose in the notice of resignation;
 - (ii) on the date on which the Registrar consents to the resignation; or
 - (iii) on the date (if any) fixed by the Registrar for the purpose,
- whichever last occurs.
- (c) Within 14 days after the receipt of a notice of a resignation from an auditor, the co-operative shall lodge with the Registrar a notice of the resignation on the prescribed form, and, where there is a trustee for the holders of debentures of the co-operative, give to the trustee a copy of the notice lodged with the Registrar.

CO-OPERATIVE FUNDS

89. (a) The income and property of the co-operative however derived shall 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.
- (b) Payment shall be made in good faith of:
- (i) 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;

- (ii) reasonable interest on money lent by members to the co-operative; or
 - (iii) reasonable or proper rent for property or premises demised, or let, by any member to the co-operative.
- (c) Any surplus resulting from the co-operative's operation during a financial year, after providing for depreciation in value of the co-operative's property or for contingent liability for loss, shall be applied to carrying out the co-operative's objects.
 - (d) An amount not exceeding ten percent (10%) of the surplus may be applied to any charitable purpose, or for promoting co-operation or any community advancement object.

PROVISION FOR LOSS

90. The board shall account for any loss which may result from the transactions of the co-operative in accordance with Accounting Standards as adopted by the Regulation.

DISPUTES

91. (a) In this rule:
- (i) "party" includes:
 - (A) a full member of the co-operative;
 - (B) any aggrieved person who has ceased to be a full member in the last six months;
 - (C) any person claiming through or under a member or any aggrieved person referred to in Rule 91(a)(i)(B); and
 - (D) the co-operative, including the Board or any other officer of the co-operative.
 - (ii) "dispute" may only refer to a matter affecting a person of the type mentioned above in (A) - (C).
- (b) If a dispute arises a party may not commence any court or arbitration proceedings relating to the dispute unless it has complied with the following paragraphs of this rule except where the person seeks urgent interlocutory relief.
 - (c) A party claiming that a dispute has arisen must give written notice to the other party or parties specifying the nature of the dispute.
 - (d) On receipt of that notice by that other party or parties, the parties must endeavour to resolve the dispute expeditiously, using the mediation rules of the NSW Law Society (a copy is available from the Registry of Co-operatives on 1800 502 042).

- (e) If the parties do not agree within seven days of receipt of the notice (or such further period as agreed in writing between them) as to:
- (i) the timetable for all steps in the procedures; and
 - (ii) the selection and compensation of the independent person required for mediation,
- then the dispute shall be settled by arbitration in accordance with the Commercial Arbitration Act 1984.
- (f) Nothing in this rule shall extend to any dispute as to the construction or effect of any mortgage or contract contained in any document other than these rules.
- (g) The provisions of this Rule shall not apply in respect of disciplinary proceedings taken pursuant to these Rules except after the Board has made a decision on any penalty to be imposed upon a member including expulsion or suspension from membership in accordance with Rule 42 and 43.

NOTICES

92. (a) A notice may be given by the co-operative to any member entitled to vote either:
- (i) personally;
 - (ii) by post to the member's registered address or an alternate address supplied by the member;
 - (iii) by some other form of technology, for example by facsimile or email, where the member has notified the co-operative of the relevant contact details; or
 - (iv) by publishing the notice in a newspaper circulating generally in New South Wales or in the area served by the co-operative.
- (b) A notice may be given to all other members by placing an advertisement in a newspaper which is circulated in the neighbourhood of the registered office of the co-operative and shall be deemed to have been duly given to the member on the date on which the advertisement appears.
- (c) Where a notice is sent by post, service shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice. In the case of a notice of a meeting, service is deemed to be effected at the expiration of 24 hours after the letter containing the notice is posted. In every other case service is deemed to be effected at the time at which the letter would be delivered in the ordinary course of post and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.

- (d) If a member has no registered address (and has not supplied to the co-operative an address for the giving of notices) a notice addressed to the member and advertised in a newspaper circulating in New South Wales or in the neighbourhood of the registered office of the co-operative shall be deemed to be duly given to the member on the date on which the advertisement appears.
- (e) A notice forwarded by another form of technology shall be deemed 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.
- (f) For the purpose of this rule "registered address" means the address of the member as appearing in the register of members and shares.

WINDING UP

- 93. (a) The winding up of the co-operative shall be in accordance with Part 12 of the Act.
- (b) If on the winding up or dissolution of the co-operative there remains after the satisfaction of all its debts and liabilities any property, this shall not be paid or distributed amongst the members of the co-operative but shall be given or transferred to some other non-profit institution or organisation which shall prohibit the distribution of its income and property amongst its members to an extent at least as great as is imposed on the co-operative under or by virtue of these Rules, such institution or organisation to be determined by the members before the time of the dissolution or in default thereof by the Chief Judge in Equity of the Supreme Court of New South Wales or such other Judge of that Court as may have or require jurisdiction in the matter or for some other charitable purpose.

FINES PAYABLE BY MEMBERS

- 94. (a) The board may impose on a member a maximum fine in accordance with Rule 95, Schedule of Charges, for any infringement of the rules or by-laws.
- (b) A fine exceeding \$20 shall not be imposed on a member pursuant to Paragraph (a) unless:
 - (i) written notice of intention to impose the fine and the reason for it has been given to the member; and
 - (ii) 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, for the purpose of showing cause why the fine should not be imposed.

SCHEDULE OF CHARGES

95.	Copy Book of Rules:.....\$	Prescribed fee not exceeding\$1.00 for each page up to a maximum of \$50.00 Rule 8(b)
	Copy of Register:.....\$Nil	Rule 15(b)
	Entrance Fee Maximum:.....\$100	Rule 33
	Annual Subscription Maximum:.....\$100	Rule 33
	Maximum Fine:.....\$50	Rule 94