

**RULES OF
TAMARA CO-OPERATIVE LTD**

REGISTERED AS A NON TRADING CO-OPERATIVE WITH SHARES
UNDER THE
CO-OPERATIVES ACT 1997 (NT)

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1. **Interpretation**

In these rules -

“active member” means a member who is in active membership under rule 5;

“director” includes deputy director;

“financial institution account” means an account with a financial institution into which the co-operative’s money may be paid;

“financial year” means the financial year of the co-operative specified in rule 57;

“member” means a member of the co-operative;

“notice” includes notice given personally by electronic mail;

“prescribed” means prescribed by the Act or under the Act by Regulation;

“special resolution” means a resolution which is passed under rule 42;

“the Act” or **“Co-operatives Act”** means the Co-operatives Act 1997 and includes any amendment or re-enactment of that Act, or any Act, Code or other Statutory Instrument in substitution of that Act;

“the co-operative” means the Tamara Co-operative Ltd;

“the registrar” means the Registrar of Co-operatives or any person delegated the Registrar's functions;

“the regulation” means *Co-operatives Regulation*;

“writing” includes printing, typing, lithography and other modes of representing or reproducing words in a visible form and shall include electronic means provided the same can be recorded in a permanent form, and **“written”** has a corresponding meaning.

2. **Rules**

- (1) The rules of the co-operative have the effect of a contract under seal between —
 - (a) the co-operative and each member; and
 - (b) the co-operative and each director, the principal executive officer and the secretary of the co-operative; and
 - (c) a member and each other member.
- (2) Under the contract, each of those persons agrees to observe and perform the rules as in force for the time being so far as those provisions are applicable to that person.
- (3) These rules may be altered by a special resolution, by a resolution of the board in accordance with section 109 of the Act or as otherwise permitted by the Act.
- (4) No alteration to these rules takes effect until it is registered by the registrar.
- (5) Any member is entitled on demand to a copy of the rules either by email free of charge, or a printed copy on payment of a sum of \$5 for the first page and \$1 for each additional page to a maximum of \$20.
- (6) Any person may obtain a copy of these rules from the registrar on payment of the prescribed fee.

3. Powers

The co-operative has the power of an individual and the ability to restrict or place additional powers in the rules.

4. Name

- (1) The name of the co-operative shall be Tamara Co-operative Ltd.
- (2) The co-operative may change its name under section 250 of the Act.
- (3) The co-operative may abbreviate its name under section 248 of the Act.

5. Active membership provisions

- (1) Under part 6 of the Act—

Primary activity

The primary activity of the co-operative is the provision and management of land for the benefit of members; and

Active membership requirements

a member shall pay an annual subscription of \$1,000 or such other amount as determined by members at a general meeting to establish active membership of the co-operative.

- (2) All members of a co-operative must be active members.
- (3) A member who fails to be or stops being an active member must, under the Act, have their shareholding cancelled and, subject to section 133 of the Act, their shares forfeited.

6. Qualifications for membership

- (1) A member must be a natural person and be at least 18 years of age.
- (2) A member must hold at least 15,000 shares.
- (3) A person is not qualified to be admitted to membership of the co-operative unless there are reasonable grounds for believing the person will be an active member of the co-operative.
- (4) Membership shall not be joint.
- (5) A corporation is not qualified to be a member of the co-operative.

7. Membership, annual subscription and shares

- (1) The co-operative must supply, with each application for membership, a written notice of the annual subscription and other fees a person will be liable to pay on becoming a member of the co-operative.
- (2) Applications for membership or additional shares must be lodged at the registered office in the application form, approved by the board, together with the amount required to pay the shares fully or, if the shares are to be issued partly paid, a deposit of 10% for each share applied for.
- (3) Every application must be considered by the board.
- (4) An application must be approved by a 2/3rds majority of the board.
- (5) If the board approves of the application, the board must allot the shares applied for.

- (6) The successful applicant's name together with the number of shares allotted, date of allotment and any other information required by or under the Act must be entered in the register of members.
- (7) The successful applicant must be notified in writing of the allotment and of the entry in the register and the applicant is then entitled to the privileges attaching to membership, or to the holding of shares or additional shares, as is appropriate.
- (8) The board may, at its discretion, refuse an application for membership or shares.
- (9) The board need not assign reasons for such refusal.
- (10) Upon refusal the applicant's deposit must be refunded without interest.

8. *Ceasing membership*

A person stops being a member in any of the following circumstances—

- (a) if the member's membership is cancelled under part 6 (Active membership requirements);
- (b) if the member is expelled under these rules;
- (c) if the member becomes bankrupt and the trustee of the member's estate disclaims any debt, contract, duty or liability of the member with the co-operative;
- (d) on death of the member;
- (e) if the contract of membership is rescinded on the ground of misrepresentation or mistake;
- (f) if the member's share is transferred to another person and the transferee is registered as the holder of the share;
- (g) if the member's share is forfeited under the Act or these rules;
- (h) if a member's share is sold by the co-operative under any power in these rules and the purchaser is registered as holder in the member's place;
- (i) if the amount paid up on the member's share is repaid to the member under these rules;
- (j) on written notice by the member to the secretary, of the member's resignation from membership.

9. *Expulsion of members*

- (1) Subject to division 4 of part 6 of the Act, a member may be expelled from the co-operative by special resolution to the effect—
 - (a) that the member has failed to discharge the member's obligations to the co-operative, whether under these rules or a contract; or
 - (b) that the member has acted in a way that has—
 - (i) prevented or hindered the co-operative in carrying out its primary activity or one or more of its primary activities; or
 - (ii) brought the co-operative into disrepute; or
 - (iii) been contrary to one or more co-operative principles, as described in section 6 of the Act, and in so acting has caused the co-operative harm.

- (2) Written notice of the proposed resolution must be given to the member at least 28 days before the date of the meeting at which the special resolution is to be moved, and the member must be given a reasonable opportunity of being heard at the meeting.
- (3) If a general meeting is to be called under this rule the following procedures apply—
 - (a) at the meeting, the member must be afforded a full opportunity to be heard, to call witnesses and to cross examine witnesses called against the member;
 - (b) if the member fails to attend at the time and place mentioned, without reasonable excuse, the act must be considered and the co-operative may decide on the evidence before it, in spite of the absence of the member;
 - (c) once the act is considered, the co-operative may decide to expel the member who committed the act;
 - (d) the co-operative must not make a decision on the act or on expulsion other than by vote by secret ballot of the members present and entitled to vote. A motion for the decision is not taken to be passed, unless two-thirds of the members present and entitled to vote, vote in favour of the motion.
- (4) If a member is expelled from the co-operative all moneys owing by the member to the co-operative are immediately payable in full.
- (5) The shares of a member expelled must be cancelled as at the day of expulsion and the cancellation must be noted in the register of shares unless there are specific written terms to the contrary for a class of share issued.
- (6) Subject to sub-rule (7) and the written terms of a class of share issued, the co-operative must, however, pay to the expelled member the amount of capital paid up on the member's shares at the time of expulsion (less any amount owing by the member to the co-operative).
- (7) For this rule - "deficiency" means the amount of accumulated loss or deficiency disclosed in the last balance sheet of the co-operative. If a deficiency exists an appropriate proportion of the loss or deficiency must be deducted from the amount of capital paid up on the shares of the expelled member. This is done having regard to the number of shares in relation to the number of shares in the co-operative.
- (8) Payment to the expelled member must be made at the time decided by the board but within 1 year from the day of expulsion.
- (9) An expelled member must not be re-admitted as a member unless the re-admission is approved by special resolution. A member re-admitted must not have restored to him or her any shares on his or her expulsion.

10. *Suspension of members*

- (1) A member may be suspended from membership of the co-operative for not more than 1 year if the co-operative by special resolution determines that the member should be so suspended on the ground that -
 - (a) the member has contravened any of these rules including by-laws;
 - (b) the member has failed to discharge the member's obligations to the co-operative, whether under these rules or a contract; or
 - (c) the member has acted detrimentally to the interests of the co-operative.

- (2) If in the opinion of the board, a member does an act mentioned in sub-rule (1), the board may call a special general meeting, if required, within 28 days of the occurrence of the act to consider it.
- (3) If a general meeting is to be called under this rule the procedure in rule 9(3) applies and all references to expulsion in rule 9(3) are taken to be references to suspension.

11. Disputes

- (1) If there is a dispute or grievance existing between members, a member or members and the co-operative (the "parties involved") -
 - (a) all parties must meet to discuss and if possible, resolve the dispute or grievance within 14 days of the dispute or grievance arising to the knowledge of all involved, or a party giving notice to the other party's involved of the dispute or grievance, whichever is the earlier; and
 - (b) if the matter is not resolved under the procedure in paragraph (a) then, within 10 days of the meeting required in that paragraph taking place, a further meeting must be held by all parties involved in the presence of a mutually agreed referee. In the absence of agreement as to a referee, the meeting must be held in the presence of a referee, whether a member of the co-operative or otherwise, appointed by the board of the co-operative.
- (2) The referee can not make a decision binding on the parties but must conciliate and mediate.
- (3) If the matter is not settled under sub-rule (1)(b) then all parties must agree to seek resolution within 10 days by the assistance and with the mediation of a mediator approved under Order 48.14(9) of the Supreme Court Rules.
- (4) If there is an entitlement to expel a member under the Act, rules, regulations or contract the grievance procedure shall not apply unless the members, by special resolution vote for that procedure to apply, or vote for it to apply whilst reserving the right to vote on expulsion if the matter is not resolved by the grievance procedure.
- (5) For sub-rule (1) "**members**" does not include independent directors, non-member employees or non-member officers.

12. Fines payable by members

The co-operative shall not impose on a member for a contravention of these rules or by-laws.

13. Capital and shares

- (1) The capital of the co-operative must be raised by the issue of shares of nominal value of \$1 each.
- (2) The share capital of the co-operative varies in amount according to the nominal value of shares from time to time subscribed.
- (3) Every member shall hold the same number of shares, but no member may hold more than 20% of the nominal value of issued share capital of the co-operative.
- (4) No share is to be allotted unless at least 10% of the nominal value of the share has been paid. A share can not be issued at a premium or discount.

14. *Liability of members to co-operatives*

- (1) A member is, under section 71 of the Act, liable to the co-operative for the amount, if any, unpaid on the shares held by the member, together with any charges, including entry and periodic fees, payable by the member to the co-operative as required by these rules.
- (2) On the death of a member, the member's estate is subject to the same liability as the member would have been until the member's personal representative or some other person is registered in the member's place.

15. *Calls on shares*

- (1) The board may from time to time make calls on the members for amounts unpaid on the shares of the members and not by the terms of issue of those shares made payable at fixed times.
- (2) Each member must, on receiving at least 14 days' notice of the time and place of payment, pay to the co-operative at the time or times and place fixed the amount called on the shares.
- (3) The directors may revoke or postpone a call.
- (4) A call is taken to have been made at the time when the resolution of the directors authorising the call was passed and may be required to be paid by instalment.
- (5) If an amount called for a share is not paid before or on the day appointed for payment of the amount, the person from whom the amount is due must pay interest on the amount from the day appointed for the payment of the amount to the time of actual payment at the rate not more than 8% per annum the directors decide, but the directors may waive payment of all or part of the interest.
- (6) An amount that, by the terms of issue of a share, becomes payable on allotment or at a fixed date is for these rules taken to be a call made and payable on the day that under the terms of issue the amount becomes payable, and, if the amount is not paid, all the relevant provisions of these rules as to payment of interest and expenses, forfeiture or otherwise apply as if the amount had become payable because of a call duly made and notified.
- (7) The board may, with respect to the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
- (8) The board may accept from a member all or part of the money uncalled and unpaid on any shares held by that member.
- (9) The board may authorise payment by the co-operative of interest on all or part of an amount so accepted under sub-rule 8, until the amount becomes payable, at a rate agreed as between the board and the member paying the sum, with the rate not more than 8%, or a rate not more than any amount fixed by the co-operative by special resolution.

16. *Forfeiture of shares*

- (1) If a member fails to pay a call or instalment of a call by the day appointed for payment, the board may serve a notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

- (2) The notice must name a further day (not earlier than 14 days after the date of the notice) on or before which the payment required by the notice is to be made and must state that, in the event of non-payment at or before the time appointed, the shares for which the call was made will be liable to be forfeited.
- (3) If the requirements of the notice served under this rule are not complied with, any share in respect of which the notice has been given, may at any time (but before the payment required by the notice has been made), be forfeited by a resolution of the board.

17. Certificate of shares

- (1) Every person whose name is entered as a member in the register of members must be given, after application by the member, and without payment, a certificate under the seal of the co-operative specifying the shares held by him or her and the amount paid up on those shares.
- (2) If a share certificate or certificate of shares is defaced, lost or destroyed a duplicate may be issued by the co-operative on payment of a fee, not more than \$10 and on the terms as to evidence and indemnity as the board considers appropriate.

18. Sale of members' shares

A member's share may be sold by the co-operative at the request of the member if the share has not been forfeited by the member under the Act.

19. Transfer and transmission of shares

- (1) The instrument of transfer of any share must be executed by or on behalf of the transferor (the "giver") and the transferee (the "receiver").
- (2) The transferor is taken to remain the holder of the share until the name of the transferee is entered in the register of members.
- (3) Shares must be transferred in a form approved by the board.
- (4) A share may not be sold or transferred except -
 - (a) with the consent of the board, and to a person who is qualified to be admitted to membership of the co-operative under rules 5 and 6; or
 - (b) as otherwise provided by these rules or the Act.
- (5) The board may decline to register any transfer of shares to a person not qualified to be a member or of whom they do not approve. The board may also decline to register any transfer of shares on which the co-operative has a lien or charge. If the board refuses to register a transfer of shares it shall send notice of the refusal to the transferee within 2 weeks after the date on which the board declined to register the transfer.
- (6) The board of the co-operative shall not consent to the sale or transfer of shares which would result in excess of the nominal value of shares permitted under section 275 to be held by a member.
- (7) The board may decline to recognise any instrument of transfer unless -
 - (a) a fee of \$20 is paid to the co-operative for the transfer; and
 - (b) the instrument of transfer is accompanied by the certificate (if any) of the shares to which it relates, and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer.

- (8) The board shall maintain a record of all transfers made in the proper books of the co-operative.
- (9) The board may suspend the registration of transfers during the 14 days immediately preceding the annual general meeting in each year.

20. *Effect of sale, transfer or disposal of shares*

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

21. *Forfeiture and cancellations—inactive members*

- (1) The board shall, after giving notice under section 131 of the Act, declare the membership of a member who was a member for the period stated cancelled if -
 - (a) the whereabouts of the member are not presently known to the co-operative and have not been known to the co-operative for a continuous period of at least 1 year before that date; or
 - (b) the member is not presently an active member and has not been an active member at any time during the past year immediately before that time.
- (2) The board is to declare the shares of a member forfeited at the same time as the membership is cancelled and the amounts payable for the cancellation and forfeiture must be dealt with and repaid under section 133 of the Act.
- (3) The co-operative must, in the approved form, keep a register of memberships cancelled under sub-rule (1), which shall specify the particulars in schedule 2 of the regulation.
- (4) A member may cease his or her membership by service of written notice to the secretary of the member's resignation from membership and the amounts due in respect of member's share are to be repaid to the member in a way adopted for repayment for forfeited shares under section 133 of the Act.

22. *Forfeited shares*

- (1) A person whose shares have been forfeited under these rules stops being a member if membership is conditional on the holding of the shares or membership has otherwise been cancelled under the Act. The person nevertheless remains liable to pay to the co-operative all amounts which (as at the date of forfeiture) were payable by him or her to the co-operative for the shares. (This is apart from calls in default.)
- (2) A statutory declaration in writing by a director of the co-operative stating that a share in the co-operative has been forfeited on a date stated in the declaration, is conclusive evidence of that fact as against all persons claiming to be entitled to the share.

23. *Forfeiture for non-payment of subscription*

- (1) The shares of a member whose annual subscription under rule 5 has not been paid may be forfeited by resolution of the board.
- (2) Written notice of the proposed forfeiture must be given to the member at least 14 days before the date of the board meeting at which the resolution for forfeiture of the shares is to be moved and the member must be given an opportunity of being heard at the meeting.

- (3) Rule 22 applies to the forfeiture.
- (4) Subject to section 133 of the Act and sub-rule (5) payment to the member of any amount due under this section must be made at the time decided by the board, but within 1 year from the date of forfeiture.
- (5) Instead of payment of an amount due to a member whose membership is cancelled, subject to section 133 of the Act, the amount due may be allotted or issued as debentures in satisfaction of the amount, or if the member consents in writing the amount may be appropriated as a donation.

24. Death of member

- (1) Subject to section 168(1) of the Act the board must transfer the deceased member's share or interest in the co-operative to -
 - (a) the personal representative of the deceased, that is, an executor or administrator of the estate of a deceased member; or
 - (b) to such person the deceased's personal representative may specify, in an application made to the co-operative within 3 months after the death of the member.
- (2) The board may approve the transfer of a share to a person other than the executor or administrator and in considering whether to approve the transfer the board must consider whether -
 - (a) there are reasonable grounds for believing the proposed transferee will be an active member of the co-operative; and
 - (b) the proposed transferee is qualified to be a member of the co-operative under these rules; and
 - (c) if the transfer would increase the proposed transferee's holding in the co-operative beyond that allowed by the Act or these rules.
- (3) If the total value of the deceased member's share in the co-operative is less than \$10,000 or such other amount prescribed in the regulation the board may transfer the share under section 80 of the Act if there has not been a grant of letter of administration or of probate of the deceased's will.
- (4) In accordance with section 81 of the Act, the board must decide the value of the shares and interest of a deceased member as the amount paid up on the shares together with any other amounts due to the deceased member less any amounts owing to the co-operative by the deceased member. If the shares are forfeited the amounts due for the forfeiture must be dealt with and repaid within 1 year.

25. Dealings of members with co-operative

- (1) The co-operative may under section 74(1) of the Act require a member to have any specified dealings with the co-operative for a fixed period and to enter into a contract for that purpose.
- (2) The co-operative may, under section 74(2) of the Act, make a contract with a member requiring the member to have specified dealings with the co-operative for a fixed period.

26. Registration of official trustee in bankruptcy

- (1) If a member is declared bankrupt, the Official Trustee in Bankruptcy may be registered as the holder of the share held by the bankrupt member.
- (2) The board may register the Official Trustee in Bankruptcy as the holder of a share in which a bankrupt member has an entitlement in equity, with the consent of the holder of the share.

27. Registration as administrator of estate on incapacity of member

A person appointed under a law of a State to administer the estate of a member who, through mental or physical infirmity is incapable of managing his or her affairs, may be registered as the holder of that member's share.

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

Subject to the Act, a person registered pursuant to section 161, 162 or 163 of the Act and rule 27 is, while so registered -

- (a) entitled to the same benefits; and
- (b) in accordance with section 164 of the Act, subject to the same liabilities and only those liabilities -

in respect of the share as those to which the person would have been subject if the share had remained, or had been, registered in the name of the dead person, the incapable person or the bankrupt.

29. Transfer and transmission of debentures

- (1) On the written request of the transferor (the "giver") of a debenture, the co-operative must enter in the appropriate register the name of the transferee (the "receiver") in the same way and subject to the same conditions as if the application for entry were made by the transferee.
- (2) If the co-operative refuses to register a transfer of debentures it must, within 28 days after the day the transfer was lodged with it, send to the transferee notice of the refusal.
- (3) An instrument of transfer of a debenture must be executed by or on behalf of the transferor and the transferee.
- (4) The transferor is taken to remain the holder of the debenture until the debenture in the name of the transferee is entered in the register of debentures.
- (5) The board may decline to recognise any instrument of debenture and may decline to register any debenture unless -
 - (a) a fee of \$20 (or such lesser sum as may be decided by the board from time to time) is paid to the co-operative for the transfer registration; and
 - (b) the instrument of transfer is accompanied by the relevant debenture/s and other evidence as the board may reasonably require, in particular evidence that shows the right of the transferor to make the transfer; and
 - (c) any government stamp duty payable is paid.
- (6) Debentures must be transferred in a form approved by the board.

30. Annual general meetings

- (1) An annual general meeting must, under section 199 of the Act, be held each year at a place and on a date and a time decided by the board, within 5 months after the close of the financial year of the co-operative or the further time allowed by the registrar or prescribed by regulation.
- (2) All general meetings of the co-operative other than the annual general meeting are special general meetings.
- (3) If an annual general meeting is not held under sub-rule (1), the members may, under section 204 of the Act and rule 31 of these rules, requisition such a meeting.

31. Special general meetings

- (1) The board may, whenever it considers appropriate, call a special general meeting of the co-operative.
- (2) The board must call a general meeting of the co-operative on the requisition in writing by any active members who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the co-operative.
- (3) The requisition must—
 - (a) state the objects of the meeting; and
 - (b) be signed by the requisitioning members (and may consist of several documents in like form each signed by 1 or more of the requisitioning members); and
 - (c) be lodged at the registered office of the co-operative.
- (4) A meeting requisitioned by members under these rules must be called within 21 days with the meeting being fixed to be held as soon as practicable and held within 2 months after the requisition is served.
- (5) If the board does not call a meeting 21 days after the requisition is served, the following provisions apply -
 - (a) the requisitioning members (or any of them representing at least half their aggregate voting rights) may call the meeting in the same way as nearly as possible as meetings are called by the board;
 - (b) for that purpose they may require the co-operative to supply a written statement of the names and addresses of the persons entitled when the requisition was served to receive notice of general meetings of the co-operative;
 - (c) the board must send the statement to the requisitioning members within 7 days after the request for the statement is made;
 - (d) the meeting called by the requisitioning members must be held within 3 months after the requisition is served;
 - (e) any reasonable expenses incurred by the requisitioning members because of the board's failure to call the meeting must be paid by the co-operative;
 - (f) any 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 for their services to such of the directors as were in default.

32. Notice of general meetings

- (1) At least 14 days notice (not including the day on which the notice is served or taken to be served, but including the day for which notice is given) must be given of a general meeting in the way stipulated in rule 65.
- (2) Notice must be given to the persons who are, under these rules entitled to receive notices from the co-operative, but the non-receipt of the notice by any member does not invalidate proceedings at a general meeting.
- (3) The notice must specify the place, the day, and the hour of the meeting and, for special business, the general nature of that business.
- (4) For a special resolution, notice to members must be given at least 21 days before the meeting.
- (5) Any member who has a special resolution to submit to a general meeting must give written notice of it to the co-operative at least 28 days before the date of the meeting.
- (6) Any member who has an ordinary resolution to submit to a general meeting must give written notice of it to the co-operative at least 16 days before the date of the meeting.
- (7) The board must have inserted in any notice calling a general meeting any business a member has raised, before the notice calling the meeting is issued, his or her intention to move at the meeting (and the notification has been made under these rules).

33. Business of general meetings

- (1) The ordinary business of the annual general meeting is -
 - (a) to confirm minutes of the last general meeting (whether annual or special); and
 - (b) to receive from the board, auditors, or any officers of the co-operative reports on the transactions of the co-operative during the financial year, including balance sheet, profit and loss account and the state of affairs at the end of that year; and
 - (c) to elect and decide the remuneration (if any) of directors.
- (2) The annual general meeting may also transact special business of which notice has been given to members under these rules.
- (3) All business of a general meeting, other than business of the annual general meeting that is by this rule termed ordinary business, is special business.

34. Quorum at general meetings

- (1) No item of business may be transacted at a general meeting unless a quorum of members is present when the meeting is considering the item.
- (2) Unless these rules otherwise provide, the quorum at a general meeting of the co-operative is at least 60% of the members entitled to vote at the meeting.
- (3) If within half an hour after the appointed time for the meeting a quorum is not present, the meeting, if called on the requisition of members, must be dissolved. In any other case it must be adjourned to a day, time and place as agreed by the members present. If at the adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting the members present constitute a quorum.

35. Chairperson at general meetings

- (1) The chairperson, if any, of the board shall preside as chairperson at every general meeting of the co-operative.
- (2) If there is no chairperson, or if at a meeting he or she is either not present within 15 minutes after the time appointed for holding the meeting or is unwilling to act as chairperson, then the members present shall choose someone from their number to be chairperson (until the chairperson attends and is willing to act).
- (3) The chairperson may, with the consent of a meeting at which a quorum is present (and must if directed by the meeting) adjourn the meeting from time to time and from place to place.
- (4) However, the only business that can be transacted at an adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.
- (5) When a meeting is adjourned for 14 days or more, notice of the adjourned meeting must be given just as for the original meeting. Apart from this it is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

36. Standing orders at general meetings

- (1) The following standing orders must be observed at the co-operative's meetings, subject to any suspension of, amendment of, or addition to, these orders adopted for the meeting by the members present at a meeting -
 - (a) the mover of a proposition must not speak for more than 10 minutes, subsequent speakers are 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;
 - (b) whenever an amendment to an original proposition is proposed, no second amendment may be considered until the first amendment is disposed of;
 - (c) if an amendment is carried, the proposition as amended displaces the original proposition and may itself be amended;
 - (d) if an amendment is defeated, a further amendment may be moved to the original proposition. However, only 1 amendment may be submitted to the meeting for discussion at a time;
 - (e) the mover of every original proposition, but not of an amendment, has the right to reply. Immediately after this the question must be put from the chair. No other member may speak more than once on the same question, unless permission is given for an explanation, or if the attention of the chairperson is called to a point of order;
 - (f) propositions and amendments must be submitted in writing, if asked by the chairperson;
 - (g) any discussion may be closed by a resolution 'that the question be now put' being moved seconded and carried. The resolution must be put to the meeting without debate;

(h) 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 chairperson provided that the permission may be conditional.

(2) The standing orders may be suspended for any period by ordinary resolution.

37. Attendance and voting at general meetings

(1) At any meeting of the co-operative a member who has been given notice that the members' shares are required to be forfeited under the active membership provisions of the Act can not attend.

(2) A member of the co-operative can not vote at a meeting of the co-operative unless the person is an active member of the co-operative.

(3) At any general meeting a resolution put to the vote of the meeting must (as provided in section 203 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 is evidence of the fact. No proof is needed of the number or proportion of the votes recorded in favour of, or against, that resolution.

(4) On a show of hands or on a poll, every member (not under the age of 18), who is present at a meeting in person or represented by proxy or attorney, subject to sub-rule (5), has 1 vote. However, no member may vote, or be entitled or eligible to vote, contrary to the Act.

(5) If the votes are equal, 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, does not have a second or casting vote.

(6) All resolutions, except special resolutions, shall be decided by a simple majority.

(7) A member's right to vote is a personal right, it is a right to 1 vote (subject to sub-rule (5)) and is not attached to, or conferred by, any share held by the member in the co-operative.

38. Proxy votes

(1) Voting may be by proxy at a general meeting.

(2) The instrument appointing a proxy must be in writing and signed by the appointee or of the appointee's duly authorised attorney.

(3) An instrument appointing a proxy may state the way in which the proxy is to vote in relation to a particular resolution and, if an instrument of proxy so provides, the proxy can not vote on the resolution other than as stated in the instrument.

(4) No person can act as a proxy unless the person is an active member of the co-operative.

(5) No person can act as proxy for more than 10 members, unless the proxy acts under an instrument of proxy mentioned in sub-rule (3).

(6) An instrument appointing a proxy may be in a form which the board approves.

- (7) An instrument appointing a proxy must not be treated as valid until the instrument, and the power of attorney or other authority (if any) under which the instrument is signed, or a notarially certified copy of the power or authority, is or are deposited, at least 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, for a poll, at least 24 hours before the time appointed for the taking of the poll, at the registered office of the co-operative.
- (8) A vote given under the terms of an instrument of proxy or of a power of attorney is valid despite the previous death or unsoundness of mind of the principal, the revocation of the instrument (or of the authority under which the instrument was executed) or the power, if no intimation in writing of the death, unsoundness of mind or revocation has been received by the co-operative at the registered office before the start of the meeting or adjourned meeting at which the instrument is used or the power is exercised.

39. *Restriction on voting entitlement under power of attorney*

A person can not exercise a member's right to vote under a power of attorney, if that person has a power of attorney to vote in respect of another member.

40. *Postal ballot*

- (1) Voting must not be by fax or electronic means.
- (2) The manner of voting by postal ballot shall be in accordance with the Act and regulation.
- (3) A special postal ballot or a postal ballot must be held -
 - (a) when required by the Act; or
 - (b) in accordance with section 197 of the Act, on the written requisition of the number of active members of the co-operative who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the co-operative; or
 - (c) if approved by the members by ordinary resolution.

41. *Poll at general meetings*

- (1) If a poll is duly demanded it must be taken in the way the chairperson directs. Unless the meeting is adjourned the result of the poll is taken to be the resolution of the meeting at which the poll was demanded.
- (2) A poll demanded on the election of a chairperson, or on a question of adjournment, must be taken immediately.

42. *Special and ordinary resolutions*

- (1) 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 in person or by proxy or attorney, at a general meeting, or by a two-thirds majority in a postal ballot, or by three-quarters of the members who cast formal votes in a special postal ballot of members.
- (2) A special resolution has effect from the date it is passed, however a special resolution by special postal ballot has no effect until registered by the registrar.
- (3) An ordinary resolution is one passed by a simple majority and has effect from the date it is passed.

43. Board of directors

- (1) The board must have five elected directors all of whom must be an individual and at least 18 years old.
- (2) The powers of the board are subject to any restrictions imposed by the Act or by these rules.

44. Qualifications of directors

A person is not qualified to be a director of a co-operative unless the person is a member of the co-operative.

45. First and subsequent directors

- (1) The first directors must be elected at the meeting for the formation of the co-operative.
- (2) At the first annual general meeting of the co-operative one of the directors must retire.
- (3) At the annual general meeting in each subsequent year the directors retire in rotation of two, two and one.
- (4) If two or more candidates receive an equal number of votes, the candidate to be appointed must be decided by lot.
- (5) The directors to retire in any year shall (subject to provision as to filling casual vacancies) be those who have been longest in office since their last election. As between persons who became directors on the same day those to retire must (unless they otherwise agree among themselves) be decided by lot. The order for retirement is the order in which the names are withdrawn.
- (6) A retiring director is eligible for re-election.
- (7) Nominations for candidates to fill the vacant positions must be sought in the way the board decides.
- (8) The election of directors must be conducted at the meeting in the usual and appropriate way the board directs.
- (9) If, at the annual general meeting at which an election of directors ought to take place, the place of any retiring directors is not filled, the board shall treat any place not filled as a casual vacancy and shall be filled in accordance with rule 48 of these rules.

46. Removal from office of director

The co-operative may by special resolution remove a director before the end of the director's term of office, and may by a simple majority appoint another person in place of the director. The person appointed must retire when the removed director would have done if not removed.

47. Vacation of office of director

A director vacates office—

- (a) if disqualified or otherwise unable to be a director under section 209 of the Act; or
- (b) if the director absents himself from 3 consecutive ordinary meetings of the board without its leave; or
- (c) if the director resigns the office of director by written notice given by the director to the co-operative; or

- (d) if the director is removed from office by special resolution of the co-operative; or
- (e) if the person ceases to hold the qualification because of which the person was qualified to be a director; or
- (f) if an administrator of the co-operative's affairs is appointed under division 5 of part 12 of the Act.

48. *Filling of casual vacancies*

- (1) The board may appoint a qualified person to fill a casual vacancy in the office of director until the next annual general meeting.
- (2) For this rule, a casual vacancy arises if the office of director is vacated under rule 47.

49. *Remuneration*

- (1) Under section 224 of the Act, a director must not receive remuneration for services as a director other than fees, concessions and other benefits approved at a general meeting of the co-operative.
- (2) All necessary expenses incurred by the board members in the business of the co-operative must be refunded to them.

50. *Deputy directors*

- (1) In the absence of a director from a meeting of the board, the board may appoint a qualified person to act as a deputy for the director and to accordingly act in the director's place on the board.
- (2) A deputy director appointed by the board is entitled to notice of meetings of the directors and to attend and vote at those meetings and to sign resolutions and to exercise the powers, authorities and discretions vested in or otherwise exercisable by the director he or she is deputy for.
- (3) A deputy director shall vacate office if the director he or she acts in place of as a deputy ceases to be a director or on a majority of the other directors removing him or her from office.
- (4) An appointment or removal under this rule must be in writing and notice of it must be served on the deputy director and the appointment or removal takes effect immediately on its service. Service of the notice may be affected under rule 65.
- (5) The remuneration of a deputy director is payable out of the remuneration payable to the director he or she acts in place of as a deputy and consists of the portion of the director's remuneration agreed between the deputy director and the director. The attendance of the deputy director at a meeting of the board is taken to be attendance by the nominating director.
- (6) For this rule, a meeting of the directors includes a meeting conducted under rule 52.

51. *Proceedings of the board*

- (1) Meetings of the board (including those conducted under rule 52) are to be held as often as may be necessary for properly conducting the business of the co-operative and must be held at least quarterly.
- (2) Questions arising at any meeting must be decided by a majority of votes.

- (3) If the votes are equal, the chairperson does not have a second or casting vote.
- (4) The chairperson or a director may, and the secretary must, if required by the chairperson or a director at any time, call a meeting of the board.
- (5) Except in special circumstances decided by the chairperson, at least 48 hours notice must be given to the directors of all meetings of the board.

52. *Transaction of business outside board meetings*

- (1) The board may under section 211 of the Act transact any of its business -
 - (a) 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;
or
 - (b) at a meeting at which members (or some members) participate by telephone, closed-circuit television or other means, but only if any member who speaks on a matter before the meeting, can be heard by the other members.
- (2) For 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.
- (3) A resolution approved under sub-rule (1)(a) is to be recorded in the minutes of the meetings of the board.
- (4) The secretary may circulate papers among members of the board for sub-rule (1)(a) by any practical written means.

53. *Quorum for board meetings*

- (1) The quorum for a meeting of the board is 3 directors.
- (2) If at any time the number of directors is the same or less than the number of directors required to constitute a quorum of the board -
 - (a) the board may appoint enough directors so the number of directors is 1 more than a quorum; and
 - (b) for the purpose only of enabling the board to make such an appointment, the number of directors required to constitute a quorum is the number of directors at the time.

54. *Chairperson of board*

- (1) The chairperson of the board shall be elected by the board at the first board meeting following each annual general meeting.
- (2) If at any meeting the chairperson is not present within 5 minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present may choose one of their number to be chairperson of the meeting until the chairperson attends and is willing to act.
- (3) The chairperson may be removed, and a new chairperson elected by ordinary resolution of the board.

55. *Delegation and board committees*

- (1) The board may, under section 213 of the Act, by resolution delegate to a director or committee of 2 or more directors the exercise of the powers specified in the resolution. The co-operative or the board may by resolution revoke all or part of a delegation.
- (2) A power, the exercise of which has been delegated under this rule may, while the delegation remains unrevoked, be exercised from time to time under the terms of the delegation.
- (3) A delegation under this rule may be made subject to conditions or limitations as to the exercise of any of the powers delegated, or as to time or circumstances.
- (4) Despite any delegation under this rule the board may continue to exercise all or any of the powers delegated.
- (5) If a power is exercised by a director (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 his or her own name on behalf of the board, then the power is taken to have been exercised by the board. This is so whether or not a resolution delegating the exercise of the power to the director was in force when the power was exercised, and whether or not a condition or limitation mentioned in sub-rule (3) was observed by the director exercising the powers.
- (6) An instrument purporting to be signed by a director under a delegation as mentioned in section 213 of the Act is in all courts and before all persons acting judicially to be received in evidence as if it were an instrument executed by the co-operative under seal. Furthermore, until the contrary is proved, it is taken to be an instrument signed by a delegate of the board under section 213 of the Act.
- (7) A committee may elect a chairperson of its meetings. If no chairperson is elected, or, if at a meeting the chairperson is not present within 5 minutes after the time appointed for holding the meeting, then the members present may choose one of their number to be chairperson of the meeting.
- (8) A committee may meet and adjourn as it considers appropriate. Questions arising at a meeting must be decided by a majority of votes of the members present and voting and if the votes are equal the chairperson has a second or casting vote.

56. *Minutes*

The board shall record and file minutes of meetings, and, in particular—

- (a) of all appointments of officers made by the directors; and
- (b) of the names of the directors present at each meeting of the board and of any committee of the board; and
- (c) of all resolutions and proceedings at all meetings of the co-operative and of directors and of committees of directors.

57. *Financial year*

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

58. Seal

- (1) The co-operative must, as required by section 249(1)(a) of the Act, have the name of the co-operative appear in legible characters on its common seal. The common seal must be kept at the registered office in the custody the board directs.
- (2) The seal of the co-operative must not be attached to an instrument other than by resolution of the board. Two directors and the secretary must be present and must sign all instruments sealed while they are present.

59. Custody and inspection of records and registers

- (1) The co-operative must have at its registered office and available during normal office hours for inspection by any member free of charge the following—
 - (a) a copy of the Act and the regulation;
 - (b) a copy of the rules of the co-operative and any attachments under section 340 of the Act;
 - (c) a copy of the last annual report of the co-operative under section 244 of the Act;
 - (d) the register of directors, members and shares;
 - (e) the register of names of persons who have given loans or deposits to or hold securities or debentures given or issued by the co-operative;
 - (f) the register of memberships cancelled under part 6 of the Act, required to be kept under section 239(1)(e) of the Act;
 - (g) the register of notifiable interests required to be kept under section 280 of the Act;
 - (h) a copy of the minutes of each general meeting;
 - (i) the other registers required under the Act to be open for inspection.
- (2) A member may make a copy of the entries in a register mentioned in sub-rule (1) during normal office hours for the fee of \$5 for the first page and \$1 for each additional page.

60. Accounts

- (1) The board must have a financial institution account, electronic or otherwise, in the name of the co-operative, into which all amounts received must be paid as soon as possible after receipt.
- (2) All cheques and electronic funds transfers drawn on the accounts and all drafts, bills of exchange, promissory notes, and other negotiable instruments for the co-operative, must be signed by 2 directors or by a director and a person authorised by the board.

61. Safe keeping of securities

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

62. Audit

- (1) The accounts of the co-operative must be audited in accordance with section 233 of the Act and the regulation made under that section.
- (2) Auditors must be appointed in accordance with the regulation under section 233 of the Act to audit the accounts of the co-operative.

(3) An audit must be carried out annually.

63. Co-operative funds

- (1) The board may resolve to retain all or any part of the surplus arising in any year from the business of the co-operative to be applied for the benefit of the co-operative.
- (2) No part shall be paid or transferred directly or indirectly by way of discount, rebate or otherwise by way of profit to members of the co-operative; provided however that nothing herein contained shall prevent the payment in good faith of any commensurate remuneration to any member or servant of the co-operative or other persons in return for any service actually rendered to the co-operative nor prevent the payment of reasonable interest on money lent or proper rent from property or premises or lent by any member of the co-operative.
- (3) There must be no return or distribution on surplus or share capital to members other than any entitlement they have to the nominal value of shares at winding up.
- (4) A part of the surplus not exceeding 10% arising in any year from the business of the co-operative may be applied for a charitable purpose.

64. Provision for loss

The board must make provision for loss that may result from transactions of the co-operative.

65. Notices

A notice required under this Act shall be given to a member in accordance with 456 of the Act.

66. Winding up

- (1) The co-operative must be wound up under part 12 of the Act.
- (2) If, on the winding up or dissolution of the co-operative, any property remains after the satisfaction of all its debts and liabilities and the costs, expenses and charges of the winding up, that property -
 - (a) must not be paid to or distributed among the members; and
 - (b) must be given or transferred to an institution -
 - (i) which has objects similar to those of the co-operative; and
 - (ii) whose constitution prohibits the distribution of property among its members; and
 - (iii) which has been chosen by the members of the co-operative at or before the time of dissolution.

67. By-Laws

- (1) The members at a general meeting shall have the power to make by-laws, not inconsistent with the Act, the regulation and these rules, relating to the conduct of members and visitors on the premises of the co-operative or to the operations of the co-operative.
- (2) A breach of a by-law shall be deemed to be an infringement of these rules.

68. Application of Goods and Services Tax (GST)

In these rules, all fees, charges, and subscriptions are GST exclusive.

69. Schedule of charges

Copy book of rules	rule 2(5),(6)
Nominal value of shares	rule 13(1)
Duplicate share certificate	rule 17(2)
Transfer of shares	rule 19(7)
Transfer/register of debenture	rule 29(5)
Inspection of register	rule 59(2)

Certificate

We the undersigned, certify that this is a copy of the rules presented to the formation meeting on (date) at for forming a co-operative to be known as—

.....

(name of co-operative)

..... chairperson of formation meeting

(signature)

..... secretary of formation meeting

(signature)

Note:

This certificate is signed at the formation meeting which is held after the rules have been approved by the registrar and returned to the sponsors of the proposed co-operative.