

RULES
OF
RUMBALARA ABORIGINAL CO-OPERATIVE LTD

Dated 2019

Registered as a non-distributing co-operative without share capital
under the Co-operatives National Law

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Part 1 Preliminary

1 Application of these rules

These rules are the rules of the Rumbalara Aboriginal Cooperative Ltd.

2 Definitions

(1) In these rules:

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

basic minimum financial statements means the financial statement required of a under the Regulations.

board means the board of the co-operative.

boundary means the Municipality of the City of the Greater Shepparton and the Townships of Kyabram, Nathalia and Bearii in the State of Victoria.

CNL is a reference to the Co-operatives National Law as applying in this jurisdiction.

director means a director of the co-operative.

member means a member of the co-operative.

member director and **non-member director**—see section 174 of the Act and rule 37.

standard postal times means the times when properly addressed and prepaid letters would be delivered in the ordinary course of post.

the co-operative means the Rumbalara Aboriginal Cooperative Ltd.

the Act means the Co-operatives National Law as applying in this jurisdiction.

the Regulations means the Co-operatives National or Local Regulations as applying in this jurisdiction.

(2) Except so far as the contrary intention appears in these rules, words and expressions used in these rules have the same meanings as they have, from time to time, in the Act or relevant provisions of the Act.

3 Name of the co-operative (CNL ss220-222 & 224)

The name of the co-operative is Rumbalara Aboriginal Cooperative Ltd.

4 Members to abide by co-operative principles

The co-operative and the members must abide by the co-operative principles as defined in section 10 of the Act to the extent that they apply to them.

Part 2 Membership

Division 1 Membership generally

5 Active membership provisions (CNL ss112(2), 144, 148 & 156–166)

5.1 Primary activities

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

Health Services;
Aged Care Services;
Housing;
Youth Services;
Welfare Services;
Cultural Services; and
Family Support Services.

5.2 Active membership requirements

A member must to establish and maintain active membership of the co-operative meet one or more of the following criteria:

- a. attend or their children to attend the Rumbalara Health Centre;
- b. receive care via the Aged Care Programs;
- c. attend one elders luncheon per annum conducted by the HACC program;
- d. be a tenant of one of Rumbalara houses or units;

- e. be a client of Family and Community Services;
- f. be a Rumbalara employee;
- g. engages in other activities (as determined by the Board) that support or utilises services provided by Rumbalara;
- h. or pay an annual membership of \$5.00 on 1 July each year.

Note; Failure to maintain active membership may lead to cancellation of membership

6 Qualifications for membership (CNL s112)

A person qualifies for membership of the co-operative if the person is:

- a. able to use or contribute to the services of the co-operative;
- b. is an Aboriginal person or accepted by the Rumbalara Community as being Aboriginal;
- c. can otherwise meet (5.2) *Active membership requirements*; and
- d. resides within the boundary as defined in Part 1.

7 Membership applications

- (1) Applications for membership must be lodged at the registered office in the application form approved by the board, and should be accompanied by written proof of active membership requirements set under rule 5.2 .
- (2) Every application must be considered by the board.
- (3) If the board approves of the application, the applicant's name and any other information required under the Act must be entered in the register of members within 28 days of the board's approval.
- (4) The applicant must be notified in writing of the entry in the register and the applicant is then entitled to membership privileges .
- (5) The board may, at its discretion, accept or refuse an application for membership.
- (6) The board need not assign reasons for the refusal. On refusal any amounts accompanying the application for membership must be refunded within 28 days without interest.

8 Cessation of membership (CNL s117)

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

- a. if the membership ceases in any circumstances specified in section 117 of the Act;
- b. if the member no longer qualifies for membership under rule 5.
- c. If the member becomes bankrupt and the trustee of the members estate disclaims any debt, contract; duty or liability of the member with the co-operative;
- d. on the death of a member;
- e. if the contract of membership is rescinded on the ground of misrepresentation or mistake;
- f. on notice in writing given by the member to the Secretary, or the members resignation from membership; or
- g. in the case of a member that is a body corporate, if the body is dissolved.

9 Expulsion of members (CNL s117)

- (1) A member may be expelled from the co-operative by special resolution to the effect:
 - a. that the member has seriously or repetitively failed to discharge the member's obligations to the co-operative under these rules or a contract entered into with the co-operative under section 125 of the Act; or
 - b. that the member has acted in a way that has:
 - i. prevented or hindered the co-operative in carrying out its primary activity or one or more of its primary activities;
 - ii. brought the co-operative into disrepute; or
 - iii. been contrary to one or more of the co-operative principles as described in section 10 of the Act and has caused the co-operative harm.
- (2) Written notice of the proposed special 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.

- (3) At the general meeting when the special resolution for expulsion is proposed the following procedures apply:
 - a. the member must be afforded reasonable opportunity to be heard at the meeting;
 - b. the member is entitled to call witnesses and cross-examine witnesses called against the member;
 - c. if the member fails, without reasonable excuse, to attend at the time and place of which notice has been given, the co-operative may consider the matter in the absence of the member;
 - d. after considering the matter, the co-operative may by special resolution determine to expel the member;
 - e. the vote concerning the special resolution must be conducted by secret ballot of the members present in person and entitled to vote;
 - f. a motion for the decision is not taken to be passed unless two-thirds of the eligible members present in person vote in favour of the motion.
- (4) The expulsion of the member does not take effect until the special resolution is registered with the Registrar.
- (5) The expulsion of one joint member means expulsion of all members holding membership jointly with the expelled member.
- (6) An expelled member must not be re-admitted as a member unless the re-admission is approved by special resolution.

10 Resignation of members (CNL s117)

- (1) A member may resign from the co-operative by providing written notification to the secretary advising of the resignation.
- (2) If a member is expelled or resigns from the co-operative, all amounts owing by the former member to the co-operative become immediately payable in full.
- (3) Subject to section 163 of the Act, payment of any amount owing by the co-operative to the former member must be made at a time decided by the board but within one year from the date of expulsion or resignation.

11 Suspension of members

- (1) The co-operative through special resolution, may suspend a member for not more than one year, on the basis that the member:
 - a. has contravened these rules; or
 - b. failed to discharge member's obligations to the co-operative, whether under these rules or a contract; or
 - c. acted in a manner detrimental to the interests of the co-operative.
- (2) Written notice of the proposed special 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.
- (3) At the general meeting when the special resolution for suspension is proposed the following procedures apply:
 - g. the member must be afforded reasonable opportunity to be heard at the meeting;
 - h. the member is entitled to call witnesses and cross-examine witnesses called against the member;
 - i. if the member fails, without reasonable excuse, to attend at the time and place of which notice has been given, the co-operative may consider the matter in the absence of the member;
 - j. after considering the matter, the co-operative may by special resolution determine to suspend the member;
 - k. the vote concerning the special resolution must be conducted by secret ballot of the members present in person and entitled to vote;
 - l. a motion for the decision is not taken to be passed unless two-thirds of the eligible members present in person vote in favour of the motion.
- (4) The suspension of one joint member means suspension of all members holding membership jointly with the suspended member.
- (5) A member who is suspended ceases during the period of suspension, to have the rights of a member, except as otherwise provided for in the Act or these rules.

Division 2 Dispute resolution

12 Disputes and mediation (CNL s129)

- (1) The grievance procedure set out in this rule applies to disputes under these rules between:
 - a. a member and another member; or
 - b. a member and the co-operative.
- (2) The parties to the dispute must meet and discuss the matter in dispute, and, if possible, resolve the dispute within 14 days of:
 - a. the dispute coming to the attention of each party; or
 - b. a party giving notice, to each of the other parties involved, of the dispute or grievance.
- (3) If the parties are unable to resolve the dispute at the meeting, or if a party fails to attend that meeting, the parties must, as soon as is practicable, hold a meeting in the presence of a mediator.
- (4) The mediator must be:
 - a. a person chosen by agreement between the parties; or
 - b. in the absence of agreement;
 - (i) in the case of a dispute between a member and another member, a person appointed by the board; or
 - (ii) for a dispute between a member and the co-operative, a person who is a mediator with the Dispute Settlement Centre of Victoria (Department of Justice and Community Safety).
- (5) The mediator can (but need not) be a member of the co-operative.
- (6) The mediator cannot be a member who is party to the dispute.
- (7) The parties to the dispute must, in good faith, attempt to settle the dispute by mediation.

Division 3 Members' liability

13 Fines payable by members (CNL ss56 & 126)

- (1) The board may impose on a member for a contravention of these rules a fine that does not exceed **10%** of the maximum amount as prescribed in Regulation 2.1 of the *Co-operatives National Regulations*.

- (2) A fine must not be imposed on a member under sub-rule (1) unless:
- a. written notice of intention to impose the fine and the reason for it has been given to the member; and
 - b. the member has been given a reasonable opportunity to appear before the board in person (with or without witnesses), or to send to the board a written statement, to show cause why the fine should not be imposed.

14 Liability of members to co-operatives (CNL ss117(2) & 121)

- (1) A member is liable to the co-operative only for the amount, if any, unpaid by the member in respect of entry fees and regular subscriptions, together with any charges, payable by the member to the co-operative under these rules.

Division 4 Member cancellations

15 Forfeiture and cancellations—inactive members (CNL ss156–163)

- (1) The board after providing the required notice under the Act, must declare the membership of a member cancelled if:
- a. the whereabouts of the member is not presently known to the co-operative and has not been known to the co-operative for a continuous period of at least two (2) years; or
 - b. the member is not presently active and has not been active within the meaning of rule 4 in the past two (2) years.

Division 5 Deceased or incapacitated members

16 Value of interest of deceased member (CNL ss102–105)

- (1) The value of the interest of a deceased member is the amount that would have been payable to the member if the member had resigned and includes any prepayments of regular subscriptions or other fees less any amounts owing to the co-operative by the member.

17 Rights and liabilities of members under bankruptcy or mental incapacity

- (1) If a person's membership ceases because of bankruptcy, the value of the person's membership interest may be transferred to the Official Trustee in Bankruptcy.
- (2) A person appointed under a law of a State or Territory to administer the estate of a member who, through mental or physical infirmity, is incapable of managing his or her affairs, may be registered as the holder of the member's interest in the co-operative and the rights and liabilities of membership vest in that person during the period of the appointment.
- (3) Upon application by a person appointed to manage the affairs of a member referred to in sub-rule (2), the board may decide to suspend some or all active membership obligations if there are grounds to believe that the member's physical or mental infirmity is temporary.

Part 3 General meetings, resolutions and voting

18 Annual general meeting (CNL s252)

- (1) An annual general meeting must be held each year, at a place and on a date and a time decided by the board, within:
 - a. 5 months after the close of the financial year of the co-operative or within the further time allowed by the Registrar; or
 - b. Any further time that may be allowed by the Register or is prescribed.

19 Special general meeting (CNL s253)

- (1) A special general meeting of the co-operative may be convened at any time by the board of directors.

20 Members' power to requisition a general meeting (CNL s257)

- (1) In accordance with section 257 of the Act, the board must convene a general meeting of the co-operative on written requisition of 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
- (2) The provisions of section 257 of the Act apply to a meeting requisitioned by members.

21 Notice of general meetings (CNL ss239, 254 & 611)

- (1) The board must give each member at least 14 days notice of each general meeting.
- (2) The notice may be given in accordance with section 611 of the Act.
- (3) The notice must specify the place, day and the time of the meeting and include ordinary business as specified in rule 25 and if special business is to be transacted, set out the general nature of the special business.
- (4) If a special resolution is to be proposed at the meeting at least 21 days notice of that special resolution must be given to the members of the co-operative in accordance with section 239 of the Act.
- (5) A member of the cooperative who wishes to propose a resolution at a general meeting must give the co-operative written notice of the resolution.
- (6) If notice of an ordinary resolution is given under sub-rule (5) at least 14 days before the board gives notice of the meeting, the board must include details of that resolution in the notice of the meeting.

22 Business of general meetings

- (1) The ordinary business of the annual general meeting must be:
 - a. to confirm minutes of the last preceding annual general meeting; and
 - b. to receive from the board, auditors or any officers of the co-operative, reports upon the transactions of the cooperative during the financial year, including:
 - i. the full audited financial statements reports of the co-operative for the financial year;
 - ii. a report presenting a true and fair view on the state of affairs of the co-operative;
 - c. to elect and determine the remuneration (if any) of directors.
- (2) The annual general meeting may also transact special business of which notice has been given to members in accordance with these rules.
- (3) All business of a general meeting, other than business of the annual general meeting that is ordinary business, is special business.

23 Quorum at general meetings

- (1) An item of business must not be transacted at a general meeting unless a quorum of members entitled to vote is present during the transaction of that item.
- (2) Subject to sub-rule (3) the quorum of the co-operative is 15 members entitled to vote at a meeting of the co-operative.
- (3) If within half an hour after the appointed time for the meeting, a quorum is not present;
 - a. the meeting, if called on the requisition of members, is abandoned; and
 - b. in any other case, is to be adjourned to the same day and time in the next week at the same location.
- (4) If at an adjourned meeting, under sub-rule (3) (b), a quorum is not present within half an hour after the time appointed for the meeting, the meeting must be abandoned.

24 Presiding at general meetings

- (1) Subject to this rule, the chairperson of the board presides at every general meeting of the co-operative.
- (2) If the chairperson of the board is unable or unwilling to preside or is not present within 15 minutes after the time appointed for the meeting, the members present must select one of their numbers to preside.
- (3) The person selected under sub-rule (2) presides at that meeting until the time that the chairperson attends and is willing to act.

25 Adjournment of meetings

- (1) The person presiding may, with the consent of a majority of members present at the meeting, adjourn the meeting from time to time and from place to place.
- (2) The person presiding must, if directed by a majority of members present at the meeting, adjourn the meeting to a date and time agreed.
- (3) No business may be transacted at an adjourned meeting other than business unfinished at the meeting that was adjourned.
- (4) This rule only applies if there is a quorum at the meeting to be adjourned.

26 Standing orders at meetings

- (1) Subject to sub-rule (3), the following standing orders must be observed at general meetings of the co-operative -
 - (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) If 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 so amended displaces the original proposition and may itself be amended.
 - (d) If an amendment is defeated, then a further amendment may be moved to the original proposition. However, only one amendment may be submitted to the meeting for discussion at one 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 the attention of the chairperson is called to a point of order.
 - (f) Propositions and amendments must be submitted in writing, if requested by the chairperson.
 - (g) Any discussion may be closed by a resolution "that the question be now put" being moved, seconded, and carried. That resolution must be put to the meeting without debate.
- (2) 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 subject to any conditions imposed by the chairperson.
- (3) The standing orders may be suspended for any period by ordinary resolution.

27 Attendance and voting at general meetings (CNL ss228 & 256)

- (1) The right to vote attaches to membership not shareholding.
- (2) A member of the co-operative is not entitled to vote at a meeting of the co-operative unless that person is an active member of the co-operative.

- (3) Subject to the Act and this rule, every member of the co-operative has only one vote at a meeting of the cooperative.
- (4) A member of a co-operative who is under 18 years of age is not entitled to vote.
- (5) In the case of joint membership;
 - a. the joint members have only one vote between them, and
 - b. that vote may be exercised by the member whose name appears first in the register of members unless the other joint members otherwise direct.
- (6) Subject to the Act and rules, a question for decision at any general meeting must be determined by a majority of members present at the meeting and voting.
- (7) In accordance with section 256(1) of the Act, a question for decision at a general meeting of a co-operative is to be decided by a show of hands, unless a poll is required by the chairperson of the meeting or by any 5 members present at the meeting.
- (8) In the case of an equality of votes at a meeting of the cooperative, whether on show of hands or on a poll. The chairperson shall declare the motion lost.
- (9) The result of the vote must be entered in the minute book.

28 Voting on a show of hands (CNL ss234 & 256)

On a show of hands at a general meeting each member present may exercise only one vote.

29 Poll at general meetings

- (1) If a poll (or ballot) is demanded by at least five (5) members, it must be conducted in a manner specified by the person presiding and the result of the poll is the resolution of the meeting on that question.
- (2) A poll demanded for the election of a person presiding, or on a question of adjournment must be taken immediately, but any other poll may be conducted at any time before the close of the meeting.

30 Determining the outcome where equality of votes (CNL s228)

- (1) This rule applies where the votes in favour and against a resolution are equal.

- (2) If the chairperson of the meeting is a member of the co-operative, he or she may exercise a second or casting vote.
- (3) If the chairperson is not a member of the co-operative or decides not to exercise a second or casting vote, the outcome of an equality of votes is taken to have been decided in the negative.

31 Proxy votes (CNL s229)

Voting by proxy is not permitted at a general meeting.

32 Postal ballots (other than special postal ballots) (CNL ss247 & 250)

- (1) A postal ballot must be held in respect of a special resolution where members who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the cooperative may requisition the board to conduct the special resolution by postal ballot.
- (2) If a postal ballot is requisitioned by members under sub-rule (1), the requisition should specify whether the postal ballot is to be a secret ballot.
- (3) A postal ballot requisitioned under sub-rule (1) is to be conducted in accordance with the Regulations and in the form and manner determined by the board.
- (4) The board may determine in a particular case whether the special resolution by postal ballot should be a secret ballot and whether votes may be returnable by fax or other electronic means or both.
- (5) If the board decides to conduct a secret postal ballot, it must ensure that the method used to conduct the ballot will ensure that votes can be counted without identifying the way each member has voted.
- (6) If electronic facilities for the postal ballot are to be used:
 - (i) members who have limited or no access to electronic facilities must not be prejudiced in their ability to be advised of the postal ballot and to consider, record and return their vote; and
 - (ii) accordingly, facilities must be reasonably available for members to be advised of the postal ballot, and to consider, record and return their vote, otherwise than by the use of electronic facilities;
- (7) The board is to appoint a returning officer to conduct the postal ballot. In default of such an appointment, the secretary is the returning officer.

- (8) Ballot papers (in such form and with such content as the board may approve) must be sent to all voting members giving:
 - a. particulars of the business in relation to which the postal ballot is being conducted;
 - b. an explanation of how to lodge a valid vote and the majority required to pass the vote;
 - c. notice of the closing date and closing time of the postal ballot; and
 - d. must be sent to members so that they arrive (assuming standard postal times) at least 21 days before the closing date of the postal ballot.
- (9) This rule does not apply in relation to special postal ballots.

33 Special postal ballots (CNL ss248 & 249)

- (1) This rule applies where a special postal ballot is required.
- (2) Ballot papers (in such form and with such content as the board may approve) must be sent to all voting members so that they arrive (assuming standard postal times) at least 28 days before the closing date of the special postal ballot.
- (3) The board may determine in a particular case whether the special resolution by postal ballot should be a secret ballot and subject to rule 34 (6) (i) & (ii), whether votes may be returnable by fax or other electronic means or both.
- (4) If the board decides to conduct a secret postal ballot, it must ensure that the method used to conduct the ballot will ensure that votes can be counted without identifying the way each member has voted.

34 Special and ordinary resolutions (CNL ss238–243)

- (1) A special resolution is a resolution that is passed:
 - a. by a two-thirds majority at a general meeting;
 - b. by a two-thirds majority in a postal ballot (other than a special postal ballot) of members; or
 - c. by a three-quarters majority in a special postal ballot of members.
- (2) An ordinary resolution is a resolution passed by a simple majority at a general meeting or in a postal ballot by members.

- (3) A notice of special resolution is required to be given to members at least 21 days before the vote or ballot time (or 28 days notice in the case of a special postal ballot).
- (4) The notice of special resolution must state:
 - a. the intention to propose the special resolution;
 - b. the reasons for proposing the special resolution; and
 - c. the effect of the special resolution being passed.
- (5) A special resolution has effect from the date that it is passed, unless it is required to be registered under section 243 of the Act.

Part 4 Board of directors

35 Board of directors (CNL s172)

- (1) The business of the co-operative is to be managed in accordance with the Act and these rules, by a board of seven (7) directors who are all member directors (as defined in rule 38).
- (2) The board of directors 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.
- (3) The board may appoint up to two independent non-member directors (as defined in rule 38) with skills identified by the board that are required, lacking or considered at the board's discretion appropriate to assist the board in the management of the affairs of the co-operative.

36 Qualifications of directors (CNL s174)

- (1) A person is not qualified to be a director of the co-operative unless the person is an individual over the age of 18 years, is not an employee of the co-operative and is either:
 - a. an active member of the co-operative or a representative of a corporation that is an active member of the co-operative; or
 - b. not an active member but who possesses special skills in management or other technical areas of benefit to the co-operative as specified by the board from time to time.

- (2) A person qualified to be a director under sub-rule (1)(a) is known as a “member director”. A person qualified under sub-rule (1)(b) is known as a “non-member director”.
- (3) A person must not act as a director if the person is disqualified under Division 2 of Part 3.1 of the CNL.
- (4) In addition to the other requirements of this rule, a Director must:
 - a. not be an insolvent under administration.
 - b. not be a represented person within the meaning of the Guardianship and Administration Act 1986
 - c. not be an employee of the co-operative
 - d. have completed, or commit to completing within 6 months of their appointment or election as a director, certified directors governance training or as approved by the Registrar.
 - e. have a current criminal record check from police or an ACIC agency issued no more than 6 months prior to the date of their nomination or appointment as a director.

37 Appointment of independent non-member directors

- (5) The member directors may appoint up to two (2) independent non-member directors by resolution.
- (6) Non-member directors are appointed because they are independent and have skills in financial management, corporate governance, accounting, law or a field relating to the corporation’s business or activities.
- (7) The independent non-member directors role is to provide advice and mentorship to the other directors and proactively seek to develop the capability of the board, and they:
 - a. do not have voting rights at directors’ meetings.
 - b. must give the co-operative their written consent to become a director before being appointed.
- (8) Independent non-member directors are appointed for the term specified by the board. Independent non-member directors can be appointed for a term of up to two (2) years, and they can be reappointed.

38 Chief executive officer

- (1) The board is to appoint a person to be responsible for the day to day management of the co-operative.
- (2) The appointed person is the chief executive officer of the co-operative, and may be called the chief executive officer (CEO).
- (3) Before an appointment is made, the Board must conduct a proper merit selection process, including, but not limited to, seeking independent advice on the selection process from an appropriately qualified and experienced party.
- (4) The conditions and the period of appointment including remuneration must be decided by the board.
- (5) The chief executive officer is not entitled to be present or to vote at a meeting of directors on a motion concerning the conditions of his or her own appointment, conditions of service or termination of service.
- (6) The chief executive officer cannot be required to be an active member of the co-operative.

39 Retirement of directors

- (1) At the first annual general meeting held following the end of the 2019 – 20 financial year of the co-operative 3 of the directors must retire and at the next annual general meeting 4 of the directors must retire and this pattern of rotation is to continue in ensuing years.
- (2) A retiring director retains office until the close of the meeting at which his or her successor is elected.
- (3) The directors to retire in any one year are, subject to the provisions as to the filling of casual vacancies, those that have been longest in office since their last election and if there are 2 or more directors who became directors on the same day, those who retire must be determined by lot unless they otherwise agree among themselves.
- (4) A retiring director is eligible for re-election.

40 Election of directors (CNL ss173 & 179)

- (1) All member directors of the board are to be elected in the manner specified in this rule.
- (2) At an annual general meeting at which a director retires, the vacated office may be filled in the following manner:
 - a. At least 6 weeks before an annual general meeting, the board must:

- (i) notify all members of the number of directors retiring at the annual general meeting; and
 - (ii) advise the members of:
 - 1. their eligibility to nominate as a director;
 - 2. the duties and responsibilities of a director;
 - 3. the anticipated remuneration (if any); and
 - 4. the nomination and election procedures.
 - b. A notice must also be displayed at the place of business of the co-operative inviting nominations of nominees to serve as directors.
 - c. A nomination must:
 - (i) be signed by 2 or more members;
 - (ii) provide details of the qualifications and experience of the person nominated; and
 - (iii) be accompanied by a notice in writing signed by the nominee consenting to their nomination.
 - d. The nomination and the notice of consent must be lodged with the secretary of the co-operative at least 21 days before the annual general meeting.
 - e. The secretary, or an officer nominated by the board, must give details of each person who has been nominated to members with the notice of the annual general meeting. Details to be provided to members must include:
 - (i) the nominee's name;
 - (ii) the nominee's qualifications and experience; and
 - (iii) the nominee's length of any previous service as a director of the co-operative or with any other co-operative.
- (3) If the number of eligible nominees equals the number of vacancies, the nominees must be declared elected at the annual general meeting.
- (4) If at an annual general meeting at which an election of directors ought to take place, the place of any retiring directors is not filled, the meeting stands adjourned until the same day and time in the next week and at the same place unless another place is specified by the chairperson or a responsible officer of the co-operative:

- a. At the time of adjournment; or
 - b. by written notice to members given before the day to which the meeting is adjourned.
- (5) At the resumption of the adjourned meeting, nominations for any unfilled positions of director are to be received and an election may be held. Any unfilled vacancies at this point may be filled as casual vacancies, in accordance with rule 45.
- (6) If the number of nominees exceeds the number of vacancies, the election of directors must be conducted at the meeting by ballot as follows:
- c. A returning officer is elected at the meeting. The directors, the secretary and anyone who has an interest in the election are not eligible to be the returning officer.
 - d. All nominees are to be listed on the ballot form in alphabetical order.
 - e. The returning officer is responsible for determining the validity of and counting of the votes.
 - f. If there is an equality of votes, the outcome must be determined by lot.
 - g. The returning officer is to declare the election results.

41 Removal from office of director (CNL s180 - 187)

- (1) The co-operative may by ordinary resolution under section 180 of the Act, with special notice as required by that section, remove a director before the end of the director's period of office, and appoint another person in place of the removed director. The person appointed must retire when the removed director would otherwise have retired.
- (2) The notice of intention to move the resolution must be given to the co-operative two (2) months before the meeting.
- (3) At least 21 days notice must be given of a meeting of the members of the co-operative at which a resolution will be moved:
- a. To remove a director from office; or
 - b. appoint a director in place of a director removed from office.

- (4) A person must be removed as a director of the cooperative if that person is disqualified under the provisions outlined in Division 2 ss182 - 187 of the Act.

42 Vacation of office of director (CNL s179)

In addition to the circumstances set out in the Act, a director vacates office if that person voluntarily resigns or is deceased.

43 Casual vacancies and alternate (deputy) directors (CNL ss173 & 177)

- (1) The board may appoint a qualified person to fill a casual vacancy in the office of director until the next annual general meeting, at which time that person must retire from the board.
- (2) The board may appoint a person to act as deputy for a director (an *alternate director*) in the place of a director (the *principal director*) absent from a meeting of the board.
- (3) A person is not qualified to be appointed as an alternate director for:
 - a. a member director—unless the person is qualified for appointment as a member director; or
 - b. a non-member director—unless the person is qualified for appointment as a non-member director.
- (4) Other members of the board may by a majority vote remove an alternate director from office.
- (5) An alternate director for a principal director vacates office:
 - a. in similar circumstances or cases to those in which the principal director would vacate office (and for that purpose the provisions of these rules and Division 1 of Part 3.1 of the Act accordingly apply in relation to the alternate director); or
 - b. if the alternate director is removed from office by the board as alternate director for failure, without its leave, to attend a meeting of the board at which the principal director is absent (and for that purpose the provisions of section 179(2)(b) of the Act do not apply in relation to the alternate director).

44 Remuneration of directors (CNL s203)

- (1) Directors' remuneration must comply with the provisions of section 203 (a) & (b) of the Act.
- (2) A director must not be paid any remuneration for services as a director other than fees, concessions and other benefits that are approved at a general meeting of the cooperative.

45 Proceedings of the board (CNL ss175 & 176)

- (1) Only member directors are permitted to vote at board meetings.
- (2) Meetings of the board (including meetings conducted outside board meetings pursuant to section 176 of the Act) are to be held as often as may be necessary for properly conducting the business of the cooperative and must be held at least every 3 months.
- (3) A meeting may be held with one or more of the directors participating by using a form of communication that allows reasonably contemporaneous and continuous communication between the directors taking part in the meeting.
- (4) Questions arising at a meeting must be decided by a majority of votes.
- (5) If votes are equal, the chairperson, if a member director, has a second or casting vote.
- (6) A director may call a meeting of the board of directors by giving notice individually to every other director.
- (7) Other than in special circumstances decided by the chairperson, at least 48 hours' notice must be given to the directors of all meetings of the board, without which the meeting cannot be held.

46 Quorum for board meetings (CNL s175)

The quorum for a meeting of the board is four (4) voting member directors.

47 Chairperson of board

- (1) A chairperson of the board shall be elected by the board in the last month of each financial year.
- (2) If the chairperson is not present within 15 minutes after the time fixed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present must select one of their number to be chairperson of the meeting until the chairperson attends and is willing to act as chairperson.

- (3) The chairperson may be removed, and a new chairperson elected, by ordinary resolution of the board

48 Committees

- (1) The board may by resolution appoint committees of members or other persons or both, to act in an advisory role to the board.
- (2) The board will determine the membership, governance structure, and terms of reference that apply to the said committees appointed under this rule.

49 Minutes

- (1) The board must keep minutes of meetings and, in particular, of:
 - a. all appointments of officers and employees made by the directors;
 - b. the names of the directors present at each meeting of the board and of a committee of the board; and
 - c. all resolutions and proceedings at all meetings of the co-operative and of directors and of committees of directors, including any declarations of interest by the directors.
- (2) Minutes must be entered in the appropriate books within 28 days of the meeting to which they relate was held.
- (3) The minutes are to be signed, subject to any amendments required, by either the chairperson of that meeting or the chairperson of the next meeting and subsequently entered in the appropriate books.

Part 5 Rules

50 Amendments and copies of rules (CNL ss57 & 60–63)

- (1) These rules may be amended by special resolution in accordance with section 60(4)(a) of the Act or by resolution to the board in accordance with section 60(4)(b) of the Act.
- (2) A proposed amendment of the rules must be approved by the Registrar under section 60(3) before the resolution amending the rules is passed.

- (3) A proposed amendment must be in accordance with section 56 of the Act and, be in a form that may reasonably be approved and, be accompanied by a statement stating the reasons for the amendment.
- (4) A member is entitled to a copy of the rules by receiving the copy:
 - a. electronically; or
 - b. by a hard copy upon payment of the amount of \$5 to the co-operative.

Part 6 Administrative matters

51 Seal (CNL ss49 & 223)

- (1) This rule applies if the co-operative chooses to authenticate a document under the common seal of the co-operative.
- (2) The co-operative's name and registration number must appear on its common seal and any official seal. The common seal must be kept at the registered office in the custody that the board directs.
- (3) The co-operative may have one or more official seals for use outside the State or Territory in place of its common seal. Each of the additional seals must be a facsimile of the common seal with the addition on its face of the name of the place where it is to be used.
- (4) The seal of the co-operative must not be affixed to an instrument other than under a resolution of the board. Two directors, or one director and the secretary, must be present and must sign all instruments sealed while they are present.

52 Inspection of records and registers (CNL ss214 & 215)

- (1) Members of the co-operative have free access to the records and registers referred to in section 214 (1) of the Act and they may make a copy of any entry in the registers upon payment of the maximum fee as prescribed by the Regulations from time to time.
- (2) Members do not have an automatic entitlement to access the minutes of board or committee meetings but may request access to any such minutes in writing addressed to the board.

53 Safe keeping of securities

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

54 Notices to members (CNL s611)

- (1) This rule applies in addition to section 611 of the Act regarding how a notice or other document may be given to a member of the co-operative.
- (2) A notice or other document required to be given to a member of the co-operative may be given by the co-operative to any member by any form of technology (for example, by fax or email), where the member has given consent and notified the co-operative of the relevant contact details.
- (3) If a notice is sent by post, service is taken to be effected at the time at which the properly addressed and prepaid letter would be delivered in the ordinary course of post. In proving service by post, it is sufficient to prove that the envelope containing the notice was properly addressed and posted.
- (4) A notice forwarded by some other form of technology is taken to have been served, unless the sender is notified of a malfunction in transmission, on the day of transmission if transmitted during a business day, otherwise on the next following business day.
- (5) A notice may be given by the co-operative to joint members by giving the notice to the joint member named first in the register of members.
- (6) A notice may be given by the co-operative to the person entitled to a share in consequence of the death, incapacity or bankruptcy of a member by sending it through the post in a prepaid letter addressed to that person by name. Alternatively, it can be addressed to the person by the title of representative of the deceased or incapacitated person, or trustee of the bankrupt, or by any like description, and:
 - a. the address should be that supplied for the purpose by the person claiming to be entitled; or
 - b. if no such address has been supplied, the notice can be given in the manner in which it could have been given if the death, incapacity or bankruptcy had not occurred.

Part 7 Accounting and financial matters

55 Financial year

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

56 Accounts

- (1) The board must have at least one financial institution account, electronic or otherwise, in the name of the co-operative, into which all amounts received by the co-operative must be paid as soon as possible after receipt.
- (2) All cheques drawn on the accounts, and all drafts, bills of exchange and other negotiable instruments, of the co-operative must be signed by two (2) authorised persons.
- (3) The operation of any electronic accounts must be restricted so that there is a requirement for authorisation by 2 authorised persons.
- (4) For the purposes of this rule, an **authorised person** is:
 - a. a director; or
 - b. a person approved by the board.

57 Audit (CNL ss 297 - 309)

- (1) The accounts of the co-operative must be audited in accordance with Division 12 Subsection 2 of the Act.
- (2) Auditors must be appointed in accordance with section 299 of the Act to audit the accounts of the co-operative.
- (3) Audits must be carried out annually.

58 Co-operative funds (CNL s355)

- (1) The funds and property of the co-operative must be applied solely towards the carrying out and promotion of its objects and no part may be paid or transferred directly or indirectly by way of discount, rebate, or otherwise by way of profit to members of the cooperative.
- (2) No part of the surplus may be distributed or transferred directly or indirectly, to members of the co-operative. There must be no return or distribution on surplus to members.
- (3) Subject to section 355 of the Act, the board may resolve to retain all or part of the surplus arising in any year from the business of the co-operative, to be applied for the benefit of the co-operative.

59 Provision for loss

The board must make appropriate provision for losses in the co-operative's accounts and when reporting to members is to indicate whether the loss is expected to continue and whether there is any real prejudice to the co-operative's solvency.

60 Financial reports to members (CNL Part 3.3)

The co-operative must prepare financial reports and statements in accordance with the Act, the Regulations and these rules. The reports must present a true and fair view of the financial position of the co-operative.

Part 8 Winding up

61 Winding up (CNL Part 4.5)

- (1) The winding up of the co-operative must be in accordance with Part 4.5 of the Act.
- (2) Subject to Rules 59 and 60, if, on the winding up or dissolution, there remains any property after the satisfaction of all its debts and liabilities, this must not be paid to or distributed among the members of the co-operative but must be given or transferred to an institution or institutions:
 - a. with objects similar to those of the co-operative;
 - b. whose constitution prohibits the distribution of its property among its members; and
 - c. chosen by the members of the co-operative at or before the time of dissolution.

62 Non-Profit Clause

"The assets and income of the co-operative shall be applied solely in furtherance of its objects and no portion shall be distributed directly or indirectly to the members of the co-operative except as bona fide compensation for services rendered or expenses incurred on behalf of the co-operative."

Rumbalara Aboriginal Co-operative

2019 Rules - Comparative analysis with the old superseded 2008 rules

2019 Rules Clause No.	2008 Rules Clause No.	Cluses 2019 rules	Comments
1		Application of these rules	Format adjustment
2	1	Definitions	Further clarification
3	4	Name of the co-operative	No Change
4	2	Members to abide to co-operative principles	No Change
5	5	Active Membership provisions	Further clarification of active membership (g)
6	6	Qualifications required for membership	No Change
7	7	Membership applications	No Change
8	8	Ceasing of members	No Change
9	9	Expulsion of members	Added Clause (6) expelled member reinstatement
10		Resignation of members	New – reflecting the CNL
11	10	Suspensions of members	Include reference to joint membership (4)
12	11	Disputes and mediation	Added clause (7) 'good faith' requirement
13	12	Fine payable by members	Limit fine to 10% (\$50) of max \$500 allowed Added a member protection clause (2)
14	13	Liability of members to co-operative	Removal of estate liability upon death.
15	14	Forfeitures and cancellations – Inactive members	Old rules inconsistent - Aligned to (2) years
16	15	Value of interest of deceased member	Removal of reference to distribution to members – has no relevance
17		Rights and liabilities of members under bankruptcy or mental incapacity	Clarification of members rights and obligations
18	17	Annual general meetings	Remove reference to the 'first' AGM – no longer relevant.
19	18	Special general meetings	Remove reference to members requisition – see clause (20)
20	18	Members' power to requisition a general meeting	New clause specifically addressing members requisition of an SGM
21	19	Notice of general meetings	No change apart from updating the legislation
22	20	Business of general meetings	No change
23	21	Quorum at general meetings	No change
24	22	Presiding orders at meetings	No change
25	23	Adjournment of meetings	No change
26	24	Standing orders at meetings	No change

Rumbalara Aboriginal Co-operative

2019 Rules - Comparative analysis with the old superseded 2008 rules

27	25	Attendance and voting at general meetings	No change apart from adding a requirement to minute the decision (9)
28		Voting on a show of hands	Clarification - one vote per person
29	27	Poll at General Meeting	No change
30		Determining the outcome where equality of votes	Clarification of process under the CNL
31		Proxy votes	Clarification of the requirements under the CNL
32	26	Postal ballot	Clarification of the process under the CNL – include member protections for electronic voting clause (6)
33	26	Special postal ballots	Clarification of the process under the CNL
34	28	Special and ordinary resolutions	Additional clarification of notice requirements clause (3) & (4)
35	29	Board of directors	Further clarification under the CNL
36	30	Qualifications of directors	Further clarification under the CNL
37		Appointment of independent non-member directors	Addition of Non Member (non voting) directors
38		Chief executive officer	Requirements and obligations for recruitment of a CEO
39	31	Retirement of directors	Addition of clause (3) clarification of process for selecting retiring director
40	32 & 33	Elections of directors	No change – with the exception of the requirement to publish the directors age in the AGM nomination notice
41	35	Removal from office of director	Correction – from special resolution to ordinary resolution as per the CNL. Specified notification dates required under the CNL.
42		Vacation of office of director	Clarification if a director voluntarily resigns or passes away.
43	34 and 37	Casual vacancies and alternate (deputy) directors	Clarification of non-member and alternate (deputy) director roles
44	36	Remuneration of directors	No change apart from additional reference to the CNL clause(1)
45	38	Proceedings of the board	No change apart from the addition of clause (1) only member directors permitted to vote at board meetings.
46	39	Quorum for board meetings	Clarification the quorum is four (4) voting member directors
47	40	Chairperson of the board	No change
48		Committees	Provision for the board to appoint an advisory committee
49		Minutes	Clarification of the requirements for the board to keep minutes
50	3	Amendments and copies of rules	Clarification of the requirements under the CNL
51	42	Seal	No change apart from removal of the requirement to certify in writing on the seal - CNL

Rumbalara Aboriginal Co-operative

2019 Rules - Comparative analysis with the old superseded 2008 rules

52	43	Inspection of records and registers	Addition of clause (2) for clarification of members rights to access to records under the CNL.
53	45	Safekeeping of securities	No change
54		Notices to members	Clarification under the CNL. Includes technology references
55	41	Financial year	No change
56	44	Accounts	No change apart from updating 'authorised persons' roles to meet current requirements.
57	46	Audit	No change
58	47	Co-operative funds	No change
59	48	Provision of loss	Clarification of the requirements of the CNL
60		Financial reports to members	Requirement to present financial statements to members CNL
61	49	Winding up	No Change
62	51	Non Profit Clause	No Change
		Redundant Clauses (old rules)	
	50	Dissolution Clause	Not applicable – covered by clause 61
	16	Transfer and transmission of debentures	Not applicable for a non-distributive co-operative

