



**RULES OF  
MUNIONG SKI CLUB CO-OP. LTD.  
AS AMENDED MAY 2021  
REGISTERED UNDER THE CO-OPERATIVES  
NATIONAL LAW**

## **TABLE OF RULES**

### **PART 1 – PRELIMINARY**

1. Interpretation
2. Rules
3. Name
4. Registered office
5. Objects
6. Powers
7. Powers to make by-laws
8. Dealings of a member with the co-operative
9. Seal
10. Custody and inspection of records

### **PART 2 – MEMBERSHIP AND SHARES**

11. Capital and shares
12. Qualification for membership
13. Application for membership and share
14. Written notice of fees, charges and active membership
15. Certificate of share
16. Active membership provisions
17. Annual subscription
18. Life membership
19. One member one vote
20. Restriction on voting entitlement under power of attorney
21. Compulsory loan or levy by member
22. Liability of the member to the co-operative

### **PART 3 – CESSATION OF MEMBERSHIP**

23. Ceasing membership
24. Purchase of a members share
25. Charge on share
26. Forfeiture and cancellation – inactive member
27. Expulsion of member
28. Death of member
29. Bankruptcy of member
30. Incapacity of member
31. Transfer of share
32. Effect of surrender, transfer or forfeiture of share

#### **PART 4 - MEETINGS**

33. Annual general meetings
34. Special general meetings
35. Notice of annual general meeting
36. Business of general meetings
37. Quorum at general meetings
38. Chairperson at general meetings
39. Standing orders at general meetings
40. Attendance and voting at general meetings
41. Poll at general meetings
42. Postal ballot
43. Special resolution
44. Retirement and eligibility for re-election of returning officer

#### **PART 5 – BOARD OF DIRECTORS**

45. Board of directors
46. Qualification of directors
47. Retirement and eligibility for re-election of directors
48. Election of directors
49. Removal from office of director
50. Vacation of office of director
51. Filling of casual vacancy of director
52. Remuneration
53. Proceedings of the board
54. Transaction of business outside board meetings
55. Quorum for board meetings
56. Appointment of directors to satisfy quorum
57. Chairperson of board

#### **PART 6 – ADMINISTRATION OF BOARD**

58. Delegation of board committees
59. Other committees
60. Minutes
61. Notices
62. Officers
63. Fidelity bonds and insurance

## **PART 7 – FINANCIAL**

- 64. Financial year
- 65. Accounts
- 66. Banking
- 67. Audit
- 68. Co-operative funds
- 69. Provision for loss
- 70. Winding up

## **PART 8 - GENERAL**

- 71. Disputes
- 72. Suspension of members
- 73. Fines and penalties payable by a member
- 74. Schedule of charges

## **PART 1 - PRELIMINARY**

### **INTERPRETATION**

1. In these rules, unless the context otherwise requires:
  - (a) "active member" means a member who is in active membership in accordance with Rule 16;
  - (b) "alter" or similar word or expression used in relation to a rule amendment, includes add to, substitute, and rescind;
  - (c) "auditor" means auditor or auditors for the time being of the co-operative appointed in accordance with Rule 67;
  - (d) "banking account" includes an account with a credit union or building society;
  - (e) "director" means any director of the co-operative for the time being;
  - (f) "financial year" means the financial year of the co-operative in accordance with Rule 64;
  - (g) "may" or a similar word or expression, used in relation to a power of the board indicates that the power may be exercised or not in the board's discretion;
  - (h) "member" means a member of the co-operative;
  - (i) "month" means calendar month;
  - (j) "prescribed" means prescribed by the Act or under the Act by Regulation;
  - (k) "regulations" means regulations made under the Act;
  - (l) "rules" mean the registered rules of the co-operative as amended from time to time and reference to particular rules has a corresponding meaning;
  - (m) "shall" or a similar word or expression, used in relation to a power of the board indicates that the power must be exercised, subject to the Act or the Rule granting the power;
  - (n) "special resolution" means a resolution which is passed in accordance with Rule 43;

(o) "Act" or "Co-operatives Act" means the Co-operatives (Adoption of National Law) Act 2012 (NSW) and includes any amendment or re-enactment of that Act, or any Act, Code or other Statutory Instrument in substitution of that Act;

(p) "board" means the whole or any number of the directors assembled at a meeting of the directors or transacting business in accordance with Rule 54, not being less than a quorum or a majority as the case may be;

(q) "registrar" means the Registrar of Co-operatives or any person delegated the Registrar's functions;

(r) "share" means share in the capital of the co-operative;

(s) "State" means the State of New South Wales;

(t) "writing" includes printing, typing, lithography and other modes of representing or reproducing words in a visible form and "written" has a corresponding meaning;

(u) words importing one gender include the other gender;

(v) words importing persons include corporations;

(w) words in the singular include the plural, and vice versa; and

(x) words or expressions used have the same meanings as those given to them by the Act.

## **RULES**

2. (a) The rules of the co-operative have the effect of a contract under seal:
- (i) between the co-operative and each member;
  - (ii) between the co-operative and each director, the principal executive officer (President) and the secretary of the co-operative; and
  - (iii) between a member and each other member.

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

- (b) These rules may be altered by a special resolution, by a resolution of the board in accordance with Section 62 of the Act or as otherwise permitted by the Act. No alteration to these rules takes effect until it is registered by the Registrar.
- (c) Any person shall be entitled on demand to a copy of these rules upon payment of a sum not exceeding \$10 or such other amount as the board may from time to time determine. Any person may inspect a copy of these rules free of charge on the cooperative's website at [www.muniong.com.au](http://www.muniong.com.au) or at the registered office during business hours

## **NAME**

3. (a) The name of the co-operative shall be Muniong Ski Club Co-op. Ltd.
- (b) The co-operative may change its name in accordance with Section 224 of the Act.

## **REGISTERED OFFICE**

4. (a) The registered office of the co-operative shall be at:

Robert Walton & Associates

89/330 Wattle Street

Ultimo NSW 2007

or such other place as the board of the co-operative may determine. The board shall notify the registrar of any changes of address of the registered office within 14 days after the change, and on the form approved by the registrar.

- (b) (i) The board may, with the registrar's approval, pass a resolution to alter paragraph (a) to insert the new address of the registered office.
- (ii) An application for registration of the board resolution shall be forwarded to the registrar together with the approved form notifying the change of address, within 14 days of the passing of the board resolution altering paragraph (a).
- (iii) Notice of the registration of alteration shall be given to members in accordance with Section 62(2) of the Act.



## **OBJECTS**

5. The objects of the co-operative shall be:
- (a) To encourage, develop and promote snow sports, skiing, ski touring and other athletic sports and games.
  - (b) To provide, purchase, construct, maintain, sell, lease to let on hire any lodges, huts and other buildings and associated equipment for use in connection with the activities specified in paragraph (a) of this rule, to furnish, equip, repair and maintain the same and to make the same available for use by members of the co-operative, by members' guests, or by other persons nominated by a member and approved by the co-operative, either gratuitously or for payment.
  - (c) To abide by the regulations of the National Parks & Wildlife Service in respect of any activities of the co-operative within the boundaries of the Kosciuzsko or other National Park in the State of New South Wales.
  - (d) To do all other such lawful acts as are incidental or conducive to the attainment or maintenance of any of the above objects.

## **POWERS**

6. (a) The co-operative shall have, both within and outside the State, the legal capacity of a natural person and have all the powers allowed by or under the Act.
- (b) The powers of the co-operative to:
- (i) obtain financial accommodation; and
  - (ii) give security for the repayment of money, shall be exercised in accordance with the Act, but otherwise unlimited by these rules.

## **POWERS TO MAKE BY-LAWS**

7. (a) The board shall have power to make by-laws, not inconsistent with the Act, the regulations and these rules, establishing requirements for the conduct of members in relation to the operations of the co-operative or on the premises of the co-operative.

- (b) A breach of a by-law made in accordance with paragraph (a) shall be deemed to be a breach of these rules.

#### **DEALINGS OF A MEMBER WITH THE CO-OPERATIVE**

- 8. (a) The co-operative may, in accordance with Section 125 of the Act, make a contract with a member requiring that member to have specified dealings with the co-operative for a fixed period.
- (b) The provisions of the contract may require a member:
  - (i) to sell products or services through or to the co-operative; or
  - (ii) to obtain supplies or services through or from the co-operative; or
  - (iii) to pay to the co-operative specified sums as liquidated damages for any failure to comply with a requirement authorised by Section 125 of the Act.
- (c) The sum, if any, specified as liquidated damages is to be considered as a debt due to the co-operative and in respect of such debt, the co-operative has, in accordance with Section 127 of the Act, a charge on the share or interest in the capital and the credit balance and deposits of the member or past member. The charge created in accordance with Section 127 of the Act shall be enforced in accordance with that Section and Rule 25.

#### **SEAL**

- 9. (a) The co-operative shall, in accordance with Section 223(1)(a) of the Act, have the name of the co-operative appear in legible characters on its common seal and on any official seal. The common seal shall be kept at the registered office or such other place and in such custody as the board shall direct.
- (b) (i) The seal of the co-operative shall not be affixed to any instrument except by resolution of the board. Two directors and the secretary shall be present and shall sign all instruments sealed while they are present. The board may appoint another director other than the secretary for this purpose.
- (ii) The person affixing the official seal shall certify in writing on the instrument to which it is affixed, the date and place at which it is affixed.

## CUSTODY AND INSPECTION OF RECORDS AND REGISTERS

10. (a) The co-operative shall have at its registered office, or such other office or place as permitted by Section 213(1) of the Act, and available during normal office hours for inspection by any member or creditor free of charge the following:
- (i) a copy of the Act and the Regulations;
  - (ii) a copy of the rules of the co-operative;
  - (iii) a copy of the accounts of the co-operative and of each subsidiary of the co-operative, in respect of the financial year of the co-operative or subsidiary then last past, together with any report of the auditors or directors of the co-operative or subsidiary concerning those accounts; the register of directors, members and shares;
  - (iv) the register of loans to, securities given by and deposits received by the co-operative; and
  - (v) such other registers as are required by the Act or the Regulations to be open for inspection.
- (b) Any person is entitled to inspect the register of members, directors and shares of the co-operative during normal office hours, and to make a copy of the entries therein for the fee of \$10.
- (c) The minutes of the meetings of the co-operative shall be kept at the office or place where the registers are kept and be available for inspection by any member free of charge.

## **PART 2 - MEMBERSHIP AND SHARES**

### **CAPITAL AND SHARES**

11. (a) The capital of the co-operative shall be raised by the issue of shares which shall be one class, all ranking equally, and be of nominal value of \$160 each.
- (b) The number of shares shall not exceed 225 unless otherwise determined by a special resolution at a general meeting. The shares shall be numbered sequentially from 1 to a number equal to the number of shares.
- (c) The capital shall vary in amount according to the nominal value of shares from time to time subscribed.
- (d) No share shall be allotted unless the nominal value of the share has been paid. A share shall not be issued at a discount.
- (e) Every member shall hold one and only one share.

### **QUALIFICATION FOR MEMBERSHIP**

12. In accordance with Part 2.5 (Division 1) of the Act:
  - (a) A body corporate shall not be admitted as a member.
  - (b) A person shall be admitted as a member only if that person undertakes to be an active member of the co-operative in accordance with Rules 16(a) and 16(b).
  - (c) A person shall be admitted as a member only if that person is 18 years of age or over.
  - (d) A person shall be admitted as a member only if that person is a husband or wife, father or mother, brother or sister, or son or daughter of an existing member, except as provided in Rules 12(e) and 12(f).
  - (e) The board may admit to membership such other person of good repute who does not otherwise satisfy the qualification requirements in accordance with Rule 12(d) provided that person has demonstrated support of the co-operative to the satisfaction of the board in the manner required by Rule 16(b).
  - (f) For every three persons admitted to membership under Rule 12(d), no more than one person shall be admitted to membership under Rule 12(e). Rule 12(f) shall not apply if there are no persons waiting to be admitted under Rule 12(d).

## APPLICATION FOR MEMBERSHIP AND SHARE

13. (a) Applications for membership shall be lodged at the registered office, or such other place as the board shall direct, in or to the effect of the form, approved by the board. Every such application shall be considered by the board.
- (b) If the board approves of the application, and if a share is available for allocation in accordance with Rules 12(a) to 12(e), the board shall offer membership to the applicant. In the circumstances where there are eligible applicants under both Rules 12(d) and 12(e), when a share is available for allocation, the board shall offer membership in alternate turns to the applicants from each of the qualifying Rules 12(d) and 12(e).
- (c) If the board approves of the application, but no share is available, the applicant's name shall be placed on the waiting list for membership and when a share is available for allocation, the board shall offer membership to the first person on the waiting list who satisfies the requirement of Rule 13(b).
- (d) An applicant may be approved and that person's name placed on the waiting list, notwithstanding that the applicant does not qualify in accordance with Rule 12(c), provided that person is at least 16 years of age. However such applicant cannot be allotted a share until that person qualifies in accordance with Rule 12(c).
- (e) Where an applicant is at the head of the waiting list but does not yet qualify in accordance with Rule 12(c), or a share cannot be allocated as it would contravene Rule 13(b), that person may keep their position on the waiting list, but that share which is available shall be offered to the next eligible person on the waiting list.
- (f) An applicant who has been offered membership may accept membership by remitting the amount required to fully pay:
- (i) the share in accordance with Rule 11;
  - (ii) a non refundable entry fee of \$1,500 for persons who qualify for membership in accordance with Rule 12(d) and a non refundable entry fee of \$5,000 for persons who qualify for membership in accordance with Rule 12(e);
  - (iii) the current annual subscription in accordance with Rule 17; and
  - (iv) any loan or levy in accordance with Rule 21
- (g) If membership is accepted the board shall allot the share applied for. The applicant's name, together with the number of the share allotted, date of allotment and any other information required by or under the Act and these rules shall be entered in

the register of members in accordance with Regulation 3.3 of Chapter 3 of the Co-operatives National Regulations. The applicant shall be notified in writing of the allotment and of the entry in the register. The new member shall then be entitled to the privileges attaching to membership resulting from the holding of that share.

- (h) The board may, in its discretion, refuse any application for membership and need assign no reasons for such refusal. Upon refusal, any payment made by the applicant shall be refunded without interest.

#### **WRITTEN NOTICE OF FEES, CHARGES AND ACTIVE MEMBERSHIP**

- 14. The co-operative shall, in accordance with Sections 112 and 124(3) of the Act, furnish to any person intending to become a member written notice of any entry, share, periodic or other fee or charge payable by a member to the co-operative and of the duties and provisions of active membership and the consequences of failure to comply with such duties and provisions by notifying that person in writing that the rules are accessible on the website of the co-operative and by specifying the direct address on the website where the documents may be accessed .

#### **CERTIFICATE OF SHARE**

- 15.
  - (a) Every person whose name is entered as a member in the register of members shall be given a certificate under the seal of the co-operative specifying the share held by that person and the amount paid on that share.
  - (b) The number of the certificate issued in accordance with Rule 15(a) shall be the next sequential number taking into account certificates already issued, which commenced with certificate number 1.
  - (c) If a share certificate is defaced, lost or destroyed, a duplicate may be issued by the co-operative on payment of a fee, not exceeding \$10, and on such terms as to evidence and indemnity as the board thinks fit.

## **ACTIVE MEMBERSHIP PROVISIONS**

16. In accordance with Part 2.6 (Divisions 1 and 2) of the Act, the primary activity of the co-operative is the ownership, operation, maintenance and carrying on of a club organisation to provide accommodation facilities for the promotion and development of snow sports and other athletic games and activities.
- (a) In order to establish active membership of the co-operative a member shall pay an annual subscription in accordance with Section 124 of the Act and Rule 17 of not less than \$10, unless that member is awarded honorary life membership in accordance with Rule 18.
  - (b) in order to establish active membership of the co-operative a member shall also support the primary and/or other activities of the co-operative in accordance with Section 145 of the Act on at least one occasion in three consecutive years of the co-operative by;
    - (i) using the accommodation and other facilities of the co-operative; or
    - (ii) assisting in the maintenance of the accommodation and other facilities of the co-operative; or
    - (iii) attending general and/or social meetings of the co-operative; or
    - (iv) performing such activity that is of benefit to the primary activity of the co-operative.
  - (c) The board can request a member of the co-operative who has not shown sufficient support of the club's primary activity, to furnish to the board their reasons for such inactivity.

## **ANNUAL SUBSCRIPTION**

17. (a) Every member, except life members, shall pay to the co-operative an annual subscription which shall be fixed by the board of directors but such annual subscription shall not exceed \$400, excluding GST (if applicable).
- (b) The annual subscription shall be paid on or before 1st January in each year.

### **LIFE MEMBERSHIP**

18. (a) The co-operative at an annual general meeting may designate any member who has given long and meritorious service to the club, as a life member, who from the date of conferment of life membership shall not be required to pay an annual subscription, fee or charge. A life membership may be revoked by the co-operative in general meeting. A resolution to either grant or revoke a life membership shall be passed by a two thirds majority.
- (b) A life membership so conferred exempts the member from the provisions of Rule 16 and sufficiently establishes a person's active membership of the co-operative in accordance with Section 145 of the Act.
- (c) The number of life memberships at any one time shall not exceed 3 per cent of the total membership of the co-operative as permitted by Rule 11(b).
- (d) Life membership shall only apply to the member upon whom it is conferred until membership otherwise ceases in accordance with Rule 23 and may not be transferred to another person.

### **ONE MEMBER ONE VOTE**

19. (a) An active member of the co-operative shall have one vote only in respect of any question or motion arising at a general meeting or in a postal ballot of the co-operative.
- (b) A member's right to vote is a personal right and is attached to and conferred by the one and only share held by the member in the co-operative.

### **RESTRICTION ON VOTING ENTITLEMENT UNDER POWER OF ATTORNEY**

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

### **COMPULSORY LOAN OR LEVY BY MEMBER**

21. (a) The co-operative may, in accordance with Section 343 of the Act and this rule, subject to the provisions of Rule 18(a), require each member to contribute equally



to a loan or a levy to the co-operative in accordance with a proposal approved by a special resolution of the co-operative.

- (b) Such a proposal shall only be made for a major maintenance or improvement programme or other special circumstance and shall be for:
  - (i) a refundable loan, with or without security, for a term not exceeding 5 years or such other term as may be prescribed - if interest is to be payable by the co-operative to the member, the rate of interest is not to exceed the rate prescribed for this section, unless in a particular case, the Board approves of a higher rate being paid; or
  - (ii) a non refundable levy, in which case, no interest is to be payable by the co-operative to the member.
- (c) The proposal shall clearly show the specific purpose and total amount required by the co-operative from the members and shall specify the amount of the equal individual contribution of each member.
- (d) When approved, the proposal is binding on all members of the co-operative at the date of the passing of the special resolution.
- (e) A person becoming a member after the date of passing of the special resolution shall be equally liable to contribute to any loan or levy under the same conditions as were applicable to those persons who were members at the date of the passing of the special resolution except that, if the total amount of the loan has been raised, the person becoming a member after the relevant date shall not be so liable. The amount of any loan or levy shall be paid by any new member as an additional amount to any entry, share, periodic or other fee or charge in accordance with these rules.

#### **LIABILITY OF THE MEMBER TO THE CO-OPERATIVE**

- 22. (a) A member shall, in accordance with Section 121 of the Act, be liable to the co-operative for any unpaid part of the entry, share, periodic or other fee or charge payable by the member to the co-operative in accordance with these rules.
- (b) On the death, incapacity or bankruptcy of a member, the member's estate is subject to the same liability as the member would have been until the membership is cancelled in accordance with Rules 28, 29 or 30.
- (c) On the winding up of the co-operative, a member (or former member up to 2 years before the commencement of the winding up of the co-operative) shall in accordance with Section 450 of the Act, be liable for any unpaid part of the entry,

share, periodic or other fee or charge payable by the member or past member to the co-operative in accordance with these rules.

## **PART 3 - CESSATION OF MEMBERSHIP**

### **CEASING MEMBERSHIP**

23. A person shall cease to be a member in any of the following circumstances:
- (a) if the member's share is purchased by the co-operative in accordance with Rule 24;
  - (b) if the amount paid up on the members share is repaid to the member in accordance with Rule 25;
  - (c) if the members share is forfeited in accordance with the active membership provisions of Rule 26;
  - (d) if the member is expelled in accordance with Rule 27;
  - (e) on the death of a member in accordance with Rule 28;
  - (f) if the member becomes bankrupt and the trustee of the members estate disclaims the members property, including rights to membership, in accordance with the law relating to bankruptcy and the members share is purchased in accordance with Rule 29;
  - (g) if the member is incapacitated and the members share is purchased in accordance with Rule 30;
  - (h) if the contract of membership is rescinded on the ground of misrepresentation or mistake; or
  - (i) if the members share is transferred to another person in accordance with Rule 31 and the transferee is registered as the holder of the share.

### **PURCHASE OF A MEMBER'S SHARE**

24. The co-operative may, in accordance with Sections 107 and 450 of the Act:
- (a) (i) purchase the share of a member at the request of the member, and
  - (ii) repay to a member, with the member's consent, the whole or any part of the amount paid up on the share held by the member when the sum repaid is not required for the activities of the co-operative.

- (b) The co-operative shall cancel the membership of the member in respect of the share purchased or repaid in full by the co-operative and shall record such cancellation in a register kept in accordance with Section 212 of the Act.
- (c) If, in the opinion of the board, payment of the repurchase price would adversely affect the financial position of the co-operative, the board may, instead of paying the sum to the member, apply the amount as an interest bearing deposit by the member with the co-operative.
- (d) A deposit issued in accordance with paragraph (c) shall:
  - (i) bear interest during any period as determined in accordance with Section 108 of the Act;
  - (ii) be reviewed at least once in each financial year until the deposit is repaid; and
  - (iii) be repaid to the member as soon as repayment would not, in the opinion of the board, adversely affect the financial position of the co-operative, and in any case, within 10 years.

#### **CHARGE ON SHARE**

25. (a) The co-operative shall, in accordance with Section 127 of the Act, have a charge upon the share or interest in the capital, and on the credit balance and deposits of a member or past member, in respect of any debt due from the member or past member to the co-operative. The co-operative may also set off any amount paid on account of that share or otherwise or any amount credited or payable to such member or past member in or towards payment of the debt.
- (b) The charge may be enforced at any time after 7 days notice to the member or past member, via the appropriation by the co-operative of the capital, interest or deposit subject to the charge. Any share in respect of which capital has been appropriated, shall be forfeited and the corresponding membership cancelled.
- (c) The co-operative may sell, in accordance with these rules, any share on which the co-operative has a charge. However, no sale shall be made unless some sum in respect of which the charge exists is payable at the date of the sale. Also no sale shall be made until the expiration of 14 days after a notice in writing (stating, and demanding payment of, such part of the amount in respect of which the charge exists as is payable at the date when the notice is given) has been given to the registered holder of the share or the person entitled to deal with it by reason of death, incapacity or bankruptcy. The notice shall indicate that upon failure to make payment of the sum demanded within the time stipulated the share shall be sold by the board.

- (d) The board shall not sell any share at a discount.
- (e) From the proceeds of any such sale the co-operative shall deduct the expenses, if any, associated with the sale and shall apply the balance to reduce the liability of the member. However, if a surplus remains after such deduction the surplus shall be payable to the member whose share was sold.
- (f) A statutory declaration by a director of the co-operative stating that a share in the co-operative has been forfeited and a membership cancelled in accordance with this rule on a date stated in the declaration, shall be conclusive evidence of that fact as against all persons claiming to be entitled to the share or membership.

#### **FORFEITURE AND CANCELLATION - INACTIVE MEMBER**

26. In accordance with Part 2.6 (Division 4) of the Act:

- (a) As at 1st February of any year, a member who has not complied with the active membership provisions of Rules 16(a) and 16(b) shall be given notice in accordance with Section 161 of the Act and these rules, that the share shall be forfeited and the membership of the member shall be cancelled one month after the issue of such notice of forfeiture and cancellation if:
  - (i) the annual subscription to the co-operative remains unpaid; and/or
  - (ii) a satisfactory reason has not been given for the failure to support the primary and/or other activities of the co-operative.
- (b) If before the expiration of such notice of the intention to forfeit and cancel the share and membership of the member, the reason for the notice being given is corrected by the member, then the notice shall be withdrawn, but the member shall be deemed to be in breach of the Act and these rules and may be subject to such fines and penalties as are contained within Rules 72 and 73 and as the board may consider necessary to ensure the compliance of the co-operative with the Act.
- (c) The board must ensure that 1 month's notice of its intention to declare the share to be forfeited and the membership of the member to be cancelled is given to the member:
  - (i) by notice in writing sent to the member by post or email; or
  - (ii) if the member's whereabouts are unknown to the co-operative, by notice published in a newspaper circulating in

the district in which the registered office of the co-operative is situated.

No notice is required to be given under this paragraph if the member's whereabouts are unknown to the co-operative and the amount required to be repaid to the member in respect of the forfeited membership does not exceed \$100.

- (d) If the board fails to cancel the membership of a member as required by this Rule, any director who did not use all due diligence to prevent that failure is guilty of an offence in accordance with Section 158 of the Act.
- (e) Forfeiture of the share and cancellation of the membership of a member shall be recorded in a register kept in accordance with Section 212 of the Act.
- (f) The co-operative shall, in accordance with Rule 25, have a charge upon the paid up amounts of the forfeited share and may appropriate those amounts in accordance with paragraph (b) of that Rule.
- (g) Subject to paragraph (h), the co-operative shall however pay to the forfeited member the amount of capital paid up on the member's share at the time of forfeiture less any unpaid part of the entry, share, periodic or other fee or charge payable by the member to the co-operative as at the date of forfeiture in accordance with Section 163 of the Act and these rules.
- (h) Where an accumulated loss or deficiency is disclosed in the last preceding balance sheet of the co-operative an appropriate proportion of the loss or deficiency shall be deducted from the amount of the capital paid up on the share of the forfeited member. This is done having regard to such share in relation to the number of shares in the co-operative.
- (i) Payment to the forfeited member shall be made at such time as shall be determined by the board in its discretion but not later than 6 months from the date of forfeiture.
- (j) A person whose share has been forfeited and membership cancelled in accordance with these rules shall cease to be a member.
- (k) A forfeited member shall not be re-admitted as a member unless such re-admission is approved by a two-thirds majority of the board or a special resolution of the co-operative.
- (l) A statutory declaration by a director of the co-operative stating that a share in the co-operative has been forfeited and a membership cancelled in accordance with this rule on a date stated in the declaration, shall be conclusive evidence of that fact as against all persons claiming to be entitled to the share or membership.

## EXPULSION OF A MEMBER

27. (a) A general meeting of the co-operative may expel a member by special resolution to the effect that:
- (i) the member has failed to discharge the obligations of membership, whether prescribed by these rules or arising out of any contract; or
  - (ii) the member has been guilty of conduct detrimental to the co-operative.
- (b) In either case written notice of the proposed resolution and the grounds upon which the resolution is based, shall be forwarded to the member not less than 21 days before the date of the meeting at which the special resolution is to be moved and the member shall be given a reasonable opportunity of appearing before the meeting (with or without witnesses) or to send to the meeting a written statement for the purpose of showing cause why the expulsion should not be imposed.
- (c) The share of any member expelled shall be forfeited and the membership cancelled as at the date of expulsion and the forfeiture and cancellation shall be recorded in a register kept in accordance with Section 212 of the Act.
- (d) Subject to paragraph (e), the co-operative shall however pay to the expelled member the amount of capital paid up on the members share at the time of expulsion less any unpaid part of the entry, share, periodic or other fee or charge payable by the member to the co-operative in accordance with Section 128 of the Act and these rules.
- (e) For the purpose of this rule, deficiency as referred to in Section 128 of the Act, shall mean the amount of accumulated loss or deficiency disclosed in the last preceding balance sheet of the co-operative. Where such a deficiency exists an appropriate proportion of the loss or deficiency shall be deducted from the amount of capital paid up on the share of the expelled member. This is done having regard to such share in relation to the number of shares in the co-operative.
- (f) Payment to the expelled member shall be made at such time as shall be determined by the board in its discretion but not later than 12 months from the date of expulsion.
- (g) An expelled member shall not be re-admitted as a member unless such readmission is approved by a special resolution of the co-operative
- (h) A statutory declaration by a director of the co-operative stating that a share in the co-operative has been forfeited and a membership cancelled in accordance with this rule on a date stated in the declaration, shall be conclusive evidence of that fact as against all persons claiming to be entitled to the share or membership.

## **DEATH OF MEMBER**

28. (a) On the death of a member, the board shall purchase the deceased members share in the co-operative in accordance with Rules 24 and 25 and make any payment to the trustee, executor or administrator of the estate of the deceased member, or
- (b) The board may transfer the deceased members share in the co-operative, to such person as the deceased's personal representative may specify, in an application made to the co-operative within 3 months after the death of the member, in accordance with Rule 31.

## **BANKRUPTCY OF MEMBER**

29. If a member becomes bankrupt and the trustee of the member's estate disclaims the members property including rights to membership in accordance with the law relating to bankruptcy, the trustee shall not be registered as the holder of the bankrupt member's share, but the board shall purchase the share of the bankrupt member in accordance with Rules 24 and 25 and make any payment to the trustee of the estate of the bankrupt member.

## **INCAPACITY OF MEMBER**

30. A person appointed under a law of a State or Territory to administer the estate of a person who, through mental or physical infirmity is incapable of managing their own affairs, shall not be registered as the holder of a share held by the person whose estate the appointed person is administering, but the board shall purchase the incapacitated member's share in the co-operative in accordance with Rules 24 and 25 and make any payment to the administrator of the estate of the incapacitated member.

## **TRANSFER OF SHARE**

31. (a) The instrument of transfer of any share shall be executed by or on behalf of the transferor and the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members.



- (b) Shares shall be transferred in the following form or in a usual or common form which the board shall approve:

I, A.B. of .....  
(hereinafter called "the transferor")  
do hereby transfer the share numbered ..... in Muniong Ski Club Co-op. Ltd.  
to C. D. of .....  
(hereinafter called "the transferee")  
to hold unto the transferee, the transferee's executors, administrators, and assigns, subject to the several conditions on which I hold the same at the time of the execution thereof; and I, the transferee, do hereby agree to take the said share subject to the conditions aforesaid.  
As witness our hands, the ..... day of ..... 20 ....  
Signed by  
..... transferor.  
In the presence of ..... witness.  
Signed by  
..... transferee.  
In the presence of .....witness.

- (c) A share shall not be transferred except with the consent of the board, and to a person who is qualified to be admitted to membership of the co-operative under Rules 12(a) to 12(d).
- (d) The board shall decline to register any transfer of a share to a person not qualified in accordance with these rules to be a member or of whom they do not approve. The board may also decline to register any transfer of a share on which the co-operative has a lien or charge. If the board refuses to register the transfer of a share 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.
- (e) The board may decline to recognise any instrument of transfer unless:
- (i) a fee of \$200 is paid to the co-operative for the transfer; and
  - (ii) the instrument of transfer is accompanied by the certificate of the share 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.
- (f) All transfers shall be recorded in a register kept in accordance with Section 212 of the Act.

- (g) The board may suspend the registration of transfers during the 28 days immediately preceding the annual general meeting in each year.

#### **EFFECT OF SURRENDER, FORFEITURE OR TRANSFER OF SHARE**

- 32. A member who has surrendered, forfeited, transferred, or otherwise disposed of the beneficial interest in, that member's share, or has agreed to do any of those things, shall not be entitled to vote at any meeting of the co-operative.

## **PART 4 - MEETINGS**

### **ANNUAL GENERAL MEETINGS**

33. (a) A general meeting of the co-operative to be known as the "annual general meeting" shall, in accordance with Section 252 of the Act, be held each year on a date and a time determined by the board as long as it is within 5 months after the close of the financial year of the co-operative or such time as may be prescribed by regulation or permitted by the registrar.
- (b) All general meetings of the co-operative other than the annual general meeting shall be special general meetings.
- (c) If an annual general meeting is not held in accordance with paragraph (a) of these rules, the members may, in accordance with Section 257 of the Act and Rule 34, requisition such a meeting.

### **SPECIAL GENERAL MEETINGS**

34. (a) The board may, whenever it thinks fit, convene a special general meeting of the co-operative.
- (b) (i) The board shall convene a general meeting of the co-operative on the requisition in writing by:
- (A) any 50 or more active members of the co-operative; or
  - (B) any active members who together are able to cast at least 5 per cent of the total number of votes able to be cast at a meeting of the co-operative,
- (ii) The requisition shall:
- (A) state the objects of the meeting;
  - (B) be signed by the requisitioning members (and may consist of several documents in like form each signed by one or more of the requisitioning members); and
  - (C) be served on the co-operative by being lodged at the registered office of the co-operative.

- (iii) A meeting requisitioned by members in accordance with these rules shall be convened and held as soon as practicable and be held within 2 months after the requisition is served.
- (iv) Where the board does not convene 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 convene the meeting in the same manner as early as possible as meetings are convened by the board;
  - (B) for that purpose they may request the co-operative to supply a written statement setting out the names and addresses of the persons entitled when the requisition was served to receive notice of general meetings of the co-operative;
  - (C) the board shall send the requested statement to the requisitioning members within 7 days after the request for the statement is made;
  - (D) the meeting convened by the requisitioning members shall be held not later than 3 months after the requisition is served;
  - (E) any reasonable expenses incurred by the requisitioning members because of the board's failure to convene the meeting shall be paid by the co-operative.

#### **NOTICE OF GENERAL MEETINGS**

- 35. (a) At least 14 days' notice (not including the day on which the notice is served or deemed to be served, but including the day for which notice is given) shall be given of any general meeting in accordance with Rule 61. Notice shall be given to those persons who are, under these rules entitled to receive such notices from the co-operative, but the non-receipt of the notice by any such person shall not invalidate the proceedings at such general meeting. The notice shall specify the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.
- (b) In the case of a special resolution, notice shall be given at least 21 days before the meeting.
- (c) Any member who has a resolution to submit to a general meeting shall give written notice of it to the co-operative not less than 35 days prior to the date of the meeting.

- (d) The board shall have inserted in any notice convening a general meeting any business which a member has notified an intention to move (and that notification has been made in accordance with these rules).

#### **BUSINESS OF GENERAL MEETINGS**

- 36. (a) The ordinary business of the annual general meeting shall be:
  - (i) to confirm minutes of the past preceding annual general meeting and any subsequent special general meetings;
  - (ii) to receive from the board, auditors, or any officers of the co-operative reports upon the transactions of the co-operative during the financial year, including balance sheet, trading account, profit and loss account, statement of source and application of funds, and the state of affairs at the end of that year;
  - (iii) to elect directors;
  - (iv) to elect a returning officer;
  - (v) to appoint or confirm a solicitor; and
  - (vi) to appoint or confirm an auditor, if required.
- (b) The annual general meeting may also transact special business of which notice has been given to members in accordance with these rules.
- (c) All business of a general meeting, other than business of the annual general meeting that is by this rule termed ordinary business, should be deemed special business.

#### **QUORUM AT GENERAL MEETINGS**

- 37. (a) No item of business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting is considering that item.
- (b) Except where these rules state otherwise, members present in person or via telephone conference or video conference and entitled to exercise a total of 10 votes constitute a quorum.
- (c) If within 30 minutes after the appointed time for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be

dissolved. In any other case it shall be adjourned to the same day in the next week at the same time and place. If at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting the members present shall constitute a quorum.

- (d) The board may, in its absolute discretion, determine that the annual general meeting or a special general meeting be held via telephone conference or video conference or in person with members being able to attend via telephone or video conference.

#### **CHAIRPERSON AT GENERAL MEETINGS**

- 38. (a) At every general meeting of the co-operative, the president in accordance with Rule 57, shall preside as chairperson and in the absence of the president, the vice president or any other director shall preside as chairperson.
- (b) If there is no such chairperson, or if at any meeting such chairperson 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 such time as the chairperson attends and is willing to act).
- (c) The chairperson may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place. However, the only business that can be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 14 days or more notice of the adjourned meeting shall be given just as in the case of the original meeting. Apart from this it is not necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

#### **STANDING ORDERS AT GENERAL MEETING**

- 39. The following standing orders shall be observed at a meeting of the co-operative subject to any suspension of, or amendment of, or addition to, these orders adopted for the purpose of that meeting by the members present at that meeting:
  - (a) The mover of a proposition shall not speak for more than 10 minutes. Subsequent speakers shall be allowed 5 minutes, and the mover of the proposition 5 minutes to

reply. The meeting may however by simple majority extend in a particular instance any time permitted by this rule;

- (b) Whenever an amendment to an original proposition is proposed, no second amendment shall be considered until the first amendment is disposed of. If an amendment is carried, the proposition as so amended shall displace the original proposition and may itself be amended;
- (c) If any amendment is defeated, then a further amendment may be moved to the original proposition. However, only one amendment shall be submitted to the meeting for discussion at one time;
- (d) The mover of every original proposition, but not of an amendment, shall have the right to reply. Immediately after this the question shall be put from the chair. No other member shall speak more than once on the same question, unless permission is given for an explanation, or where the attention of the chairperson is called to a point of order;
- (e) Propositions and amendments shall be submitted in writing, if requested by the chairperson;
- (f) Any discussion may be closed by an ordinary resolution "that the question be now put" being moved, seconded, and carried. Such resolution shall be put to the meeting without debate;
- (g) 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;
- (i) Standing orders may be suspended for any period by an ordinary resolution.

#### **ATTENDANCE AND VOTING AT GENERAL MEETINGS**

- 40. (a) At any meeting of the co-operative a member who has been given notice that the member's share is required to be forfeited under the active membership provisions of the Act is not entitled to attend.
- (b) A person is not entitled to vote at a meeting of the co-operative unless that person is an active member of the co-operative;
- (c) At any general meeting a resolution put to the vote of the meeting shall, in accordance with Section 256 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 a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the co-operative shall be evidence of the fact. No proof is needed of the number or proportion of the votes recorded in favour of, or against, that resolution.

- (d) On a show of hands, or on a poll, every member who is present in person at a meeting shall have one vote. However, no member shall have a vote, or be entitled or eligible to vote, contrary to the Act or these rules.
- (e) In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
- (f) A special resolution shall be determined by a majority of not less than two-thirds of the members present and voting.
- (g) All other resolutions shall be determined by simple majority of the members present and voting.

#### **POLL AT GENERAL MEETINGS**

- 41. (a) If a poll is duly demanded it shall be taken in a manner which the chairperson directs. Unless the meeting is adjourned the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (b) A poll demanded on the election of a chairperson, or on a question of adjournment, shall be taken immediately.

#### **POSTAL BALLOT**

- 42. The co-operative may hold a postal ballot to determine any issue or proposal by the members in the following manner:
  - (a) (i) The board shall cause the details of the proposal upon which the ballot is to be held to be set in a statement and fix the dates for the forwarding of ballots to members and the closing of the ballot.
  - (ii) The annually elected returning officer may be assisted in the performance of any duties or powers under this rule by such persons (who would be eligible to be returning officers) as the returning officer appoints.



- (b) (i) The returning officer shall prepare a roll of the full names and addresses of the members of the co-operative as disclosed by the register of members and shares.
- (ii) A person whose name is on the roll, shall be entitled to vote in a postal ballot, and no person shall otherwise be so eligible or so entitled.
- (c) (i) The returning officer shall cause ballot papers to be prepared in or to the following effect:

Name of Co-operative .....

Ballot of members to determine the following proposal:

.....  
 .....

The ballot will close at noon on .....

How to Vote

1. Read these directions and the ballot paper carefully.
2. Complete and sign the details on the reverse side of the middle envelope.
3. If you are in favour of the proposal insert the word "YES" in the square in the ballot paper hereunder. If you are not in favour of the proposal, insert the word "NO".
4. After marking the ballot paper fold it and place it in the small envelope provided and seal the envelope. Then place this envelope in the middle envelope and place the middle envelope in the envelope addressed to the returning officer. Forward this envelope either by post or personal delivery so as to reach the returning officer no later than noon on .....
5. Unless the ballot paper is marked as indicated in 3 above and the details referred to in 2 above are complete in full and signed, your vote may be rejected as informal.

Initials of Returning Officer

BALLOT PAPER

Are you in favour of the proposal as referred to above?

(ii) Each ballot paper shall be initialled by the returning officer. The returning officer shall, at least 21 days prior to the date fixed for the closing of the ballot, transmit by post or otherwise deliver to every member entitled to vote in a ballot, one set of the following material:

- (1) one ballot paper,
- (2) an unsealed envelope (in this rule referred to as the outer envelope) addressed to the returning officer;
- (3) a smaller envelope (in this rule referred to as the middle envelope) into which the voter shall enclose the envelope containing the ballot paper, the reverse side of which shall be printed in or to the following effect:

Full Name: .....

Address:

Signature: .....

Please use capital letters.

(4) a small envelope (in this rule referred to as the inner envelope) into which the ballot paper is enclosed; and

(5) a copy of the statement (prepared by the board) setting out the details of the proposal upon which the decision of the members is to be sought.

(d) Every member desiring to vote in the ballot should complete the details on the reverse side of the middle envelope and after marking their vote on the ballot paper according to the instructions on the ballot paper, seal the ballot paper in the inner envelope provided. The inner envelope containing the ballot paper should then be placed in the middle envelope and the middle envelope placed in the outer envelope addressed to the returning officer. The outer envelope should then be posted or personally delivered to the returning officer not later than noon on the date fixed for the closing of the ballot.

(e) (i) The returning officer shall provide a ballot box.

(ii) The ballot box shall be locked immediately before the ballot papers are delivered in accordance with paragraph (c)(ii) and remain locked until the close of the ballot.

(f) Ballots shall be completed not less than 21 days before an annual general meeting.

(g) The returning officer shall place the outer envelopes containing the ballot papers in the ballot box not later than noon on the day fixed for the closing of the ballot.

- (h) Upon a member making and transmitting to the returning officer a declaration that the member has not received the ballot paper, or that the ballot papers received by the member have been lost, spoilt or destroyed, and that the member has already voted, the returning officer may issue a duplicate set of the material required under paragraph (c)(ii), having endorsed any duplicate outer envelope with the word "duplicate". Any member who makes a declaration under this paragraph, which is false, in any particular material, shall be guilty of a breach of these rules.
- (i) Ballot papers received after noon on the date fixed for the closing of the ballot shall not be taken into account at the ballot.
- (j) As soon as practicable after noon on that date, the returning officer in the presence of such scrutineers as may be appointed by the board shall open the ballot box and deal with the contents in accordance with paragraphs (k) and (l).
- (k) The returning officer shall:
  - (i) remove from the envelope the outer envelope;
  - (ii) according to the information of the middle envelope, mark for each set of voting papers returned, the voter's name on the roll by drawing a line through the name;
  - (iii) where a member's name has already been crossed out on the roll, reject the postal vote and mark it "rejected";
  - (iv) where a duplicate outer envelope has been issued and the original outer envelope is received, reject the original envelope and mark it "rejected";
  - (v) if the middle envelope has not been signed, or if the details shown on the envelope are not sufficient to disclose by whom the vote is being exercised, reject the envelope and mark it "rejected";
  - (vi) extract or cause to be extracted the inner envelopes containing the ballot papers from all unrejected middle envelopes, separating the contents from the middle envelopes in such a way that no inner envelope could subsequently be identified with any particular voter, and
  - (vii) when all the middle envelopes have been dealt with, in the above manner, cause all the inner envelopes not rejected to be opened and the ballot papers to be taken from them.
- (l) The ballot papers shall be scrutinised under the returning officer who should supervise and reject as informal any ballot paper that:
  - (i) is not duly initialled by the returning officer;

- (ii) is so imperfectly marked that the intention of the voter cannot be ascertained by the returning officer;
  - (iii) has any mark or writing not authorised by this rule which, in the opinion of the returning officer will enable any persons to identify the voter, or
  - (iv) has not been marked as prescribed on the ballot paper itself.
- (m) The decision of the returning officer as to the formality of any ballot paper shall be final and there shall be no appeal from the decision.
- (n) The returning officer shall count votes cast and make out and sign a statement of:
- (i) the number of formal votes cast in favour of the proposal;
  - (ii) the number of formal votes cast against the proposal;
  - (iii) the number of informal votes cast;
  - (iv) the number of inner envelopes marked "rejected"; and
  - (v) the proportion of the formal votes polled which were in the affirmative.

On the declaration of the returning officer of the result of the postal ballot the secretary of the co-operative is to make an entry in the minute book showing all the particulars in the statement of the returning officer.

- (o) The returning officer shall forward the statement to the chairperson of the co-operative who shall announce the result of the ballot at the next general meeting.
- (p) The proposal which received the required majority of votes cast shall be declared won, in the case of an ordinary resolution by a simple majority and in the case of a special resolution by a three quarters majority.
- (q) The returning officer shall retain all ballot papers (whether formal or otherwise) and rejected outer envelopes and rolls used in connection with the conduct of the ballot, locked in the ballot box until the returning officer has been directed by the board, in writing, that they may be destroyed.
- (r) Notification of the result of the ballot (other than a ballot conducted to alter these rules) shall be displayed on the notice board at the registered office of the co-operative.
- (s) in case of a postal ballot altering the rules, the co-operative must cause the alteration to be notified in writing to its members as soon as practicable after the alteration takes effect and, in any event, not later than the date on which notice is given to the members of the next annual general meeting of the co-operative,

following the taking effect of the alteration.

#### **SPECIAL RESOLUTION**

43. (a) A special resolution means a resolution of which notice has been given of the intention to propose the resolution as a special resolution and which is passed either by a two-thirds majority at a general meeting or by a three quarters majority in a postal ballot of members.
- (b) A special resolution shall have no effect until registered by the registrar.

#### **RETIREMENT AND ELIGIBILITY FOR RE-ELECTION OF RETURNING OFFICER**

44. At each annual general meeting of the co-operative, the returning officer shall retire after conducting the election of directors. The returning officer shall be eligible for re-election and shall be nominated and elected in the same manner as are the directors in accordance with the relevant parts of Rules 46 and 48.

## **PART 5 - BOARD OF DIRECTORS**

### **BOARD OF DIRECTORS**

45. (a) There shall be a board of at least 6 and no more than 9 directors, all of whom shall be a natural person and at least 21 years old. In accordance with Section 174(4) of the Act, an employee of the co-operative may be nominated by the directors for election to the board of directors of the co-operative and if so nominated, may be elected by the members as a director of the co-operative provided that such employee director shall not be eligible for election to the position of president or vice presidents of the board of directors.
- (b) The business and operations of the co-operative are to be managed and controlled by the board of directors, and for that purpose the board has and may exercise the powers of the co-operative as if they had been expressly conferred on the board by a general meeting of the co-operative.
- (c) The powers of the board are subject to any restrictions imposed by the Act, the Regulations or these rules.
- (d) The acts of a director are valid despite any defect that may afterwards be discovered in his or her appointment or qualification.

### **QUALIFICATION OF DIRECTORS**

46. A person shall not be eligible to be elected as a director of the co-operative unless that person has been an active member of the co-operative in accordance with Rules 16(a) and 16(b) for not less than 2 years or is an employee in accordance with Rule 45(a).

### **RETIREMENT AND RE-ELECTION OF DIRECTORS**

47. At each annual general meeting of the co-operative all of the directors shall retire but all such retiring directors shall be eligible for re-election.

## **ELECTION OF DIRECTORS**

48. (a) At an annual general meeting at which a director is to retire the vacated office may be filled by electing a person to it.
- (b) Nominations for members to be candidates to fill the vacant positions shall be called for by notice to each such person as is entitled to receive such notice, not less than 50 days before the annual general meeting. Nominations for candidates shall be received up to 35 days before the annual general meeting and the names of the nominated candidates shall be included with the notice of the annual general meeting.
- (c) Where there are more nominated candidates than the number of vacant positions, an election of directors shall be conducted at the annual general meeting by the returning officer in a usual and proper manner and in accordance with the relevant parts of Rules 35 to 40.
- (d) Where the number of nominated candidates is equal to or less than the number of vacant positions, the nominated candidates shall be deemed elected and nominations to fill any remaining vacant positions shall be called for from the floor by the chairperson. When no further nominations are forthcoming, the chairperson shall close nominations. Where the number of persons nominated from the floor to fill the remaining vacancies is equal to, or is less than, the remaining vacancies, they too shall be deemed elected and the still remaining vacancies shall be dealt with in accordance with Rule 51. Where there are more nominations from the floor than vacant positions, an election of those persons thus nominated from the floor shall be conducted in accordance with paragraph (c).

## **REMOVAL FROM OFFICE OF DIRECTOR**

49. The co-operative may by ordinary resolution in a general meeting remove any director before the expiration of that person's period of office, and may by an ordinary resolution appoint another person in that director's place. The person so appointed shall retire at the same time as the removed director would have done if not removed.

## **VACATION OF OFFICE OF DIRECTOR**

50. A director vacates office in such circumstances (if any) in accordance with these rules and in any of the following cases:

- (a) if the director is an insolvent under administration (as defined in the Corporations Law);
- (b) if the director is mentally incapacitated or the subject of an order under a law of another State or of a Territory relating to mental health;
- (c) if the director has been convicted of an offence and that conviction disqualifies a person from being a director, as provided by Section 182 of the Act;
- (d) if the director is absent from 3 consecutive ordinary meetings of the board without its leave;
- (e) if the director resigns the office of director by notice in writing given by the director to the co-operative;
- (f) if the director is removed from office by ordinary resolution of the co-operative;
- (g) if the director ceases to hold the qualification by reason of which the person was qualified to be a director;
- (i) if an administrator of the co-operative's affairs is appointed under Part 4.1 of the Act; or
- (j) as provided by Section 180 of the Act.

#### **FILLING OF CASUAL VACANCY OF DIRECTOR**

51. (a) Subject to Rule 56, a casual vacancy on the board of a co-operative shall be filled by election by the members held:
- (i) at a meeting of the co-operative;
  - (ii) by means of a postal or email ballot;
  - (iii) in accordance with the rules for the ordinary election of directors; or
  - (iv) in such other manner as the Registrar may approve in a particular case.
- (b) The person so chosen shall retire at the same time as the director who vacated the office would have done if that director had not vacated it.
- (c) For the purpose of this rule, a casual vacancy shall arise where the office of a director is vacated in accordance with Rule 50.



## REMUNERATION

52. The directors shall not receive any remuneration for their services but all necessary expenses incurred by them in the business of the co-operative shall be refunded to them.

## PROCEEDINGS OF THE BOARD

53. (a) Meetings of the board shall be held as often as may be necessary for properly conducting the business and operations of the co-operative and shall in any case be held at least quarterly.
- (b) Questions arising at any meeting shall be decided by a simple majority of votes.
- (c) In the case of an equality of votes, the chairperson shall have a second or casting vote.
- (d) The chairperson or any 2 directors may, and the secretary shall, if requested by the chairperson or any 2 directors at any time, summon a meeting of the board.
- (e) Except in special circumstances determined by the chairperson, at least 48 hours notice shall be given to the directors of all meetings of the board.

## TRANSACTION OF BUSINESS OUTSIDE BOARD MEETINGS

54. (a) The board may, in accordance with Section 176 of the Act, transact any of its business:
- (i) by the circulation of papers among all the members of the board, and a resolution in writing by a majority of those members shall be taken to be a decision of the board; or
- (ii) 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.
- (b) For the purpose of this rule the chairperson of the board and each member of the board have the same voting rights as they have at an ordinary meeting of the board.
- (c) A resolution approved under paragraph (a) (i) is to be recorded in the minutes of the meetings of the board.
- (d) The secretary may circulate papers among members of the board for the purposes of paragraph (a)(i) by facsimile or other transmission of the

information in the papers concerned.

#### **QUORUM FOR BOARD MEETINGS**

55. The quorum for a meeting of the board shall be one half (or where one half is not a whole number, the whole number next higher than one half) of the number of members of the board but at no time shall be less than 3 directors.

#### **APPOINTMENT OF DIRECTORS TO SATISFY QUORUM**

56. If at any time the number of directors is the same or less than the number of directors required to constitute a quorum of the board:
- (a) the board may appoint sufficient directors so that the number of directors is one more than a quorum; and
  - (b) for the purpose only of enabling the board to make such an appointment, the number of directors required to constitute a quorum is the number of directors at that time.

#### **CHAIRPERSON OF BOARD**

57. The board shall elect a president who shall be the chairperson of each meeting of the board. The board shall also elect a vice president. If at any meeting the president not be present within 15 minutes after the time appointed for holding the meeting, the meeting shall be chaired by the vice president or otherwise the directors present may choose one of their number to be chairperson of the meeting.

## PART 6 - ADMINISTRATION BY BOARD

### DELEGATION AND BOARD COMMITTEES

58. (a) The board may, in accordance with Section 178 of the Act, by resolution delegate to a director or committee of 2 or more directors the exercise of such of the board's powers (other than this power of delegation) as are specified in the resolution. The co-operative or the board may by resolution revoke wholly or in part any such delegation.
- (b) A power, the exercise of which has been delegated under this rule may, while the delegation remains unrevoked, be exercised from time to time in accordance with the terms of the delegation.
- (c) 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.
- (d) Notwithstanding any delegation under this rule, the board may continue to exercise all or any of the powers delegated.
- (e) Where a power is exercised by a director (either alone or with other directors) and the exercise of the power is evidenced in writing, signed by the director in the name of the board or in that person's own name on behalf of the board, then the power shall be deemed to have been exercised by the board. This is so whether or not a resolution delegating the exercise of the power to the director was in force when the power was exercised, and whether or not any conditions or limitations referred to in paragraph (c) of this rule were observed by the director exercising the powers.
- (f) An instrument purporting to be signed by a director shall in all courts and before all persons acting judicially be received in evidence as if it were an instrument executed by the co-operative under seal. Furthermore, until the contrary is proved, it shall be deemed to be an instrument signed by a delegate of the board under Section 178 of the Act.
- (g) A committee may elect a chairperson of their meetings. If no such chairperson is elected, or, if at any meeting the chairperson is not present within 15 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.
- (h) A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a simple majority of votes of the members present and voting and in case of an equality of votes the chairperson shall have a second or

casting vote.

## **OTHER COMMITTEES**

59. (a) The board may by an ordinary resolution appoint committees comprising of members or other persons or both, to act in an advisory role to the board and to any committees of directors.
- (b) The provisions of Rules 58(g) and 58(h) apply to committees appointed under this rule, subject to any variations approved of by the board.
- (c) The quorum for any meeting shall be one half (or where one half is not a whole number, the whole number next higher than one half) of the number of committee.

## **MINUTES**

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

## **NOTICES**

61. (a) A notice may be given by the co-operative to any member either personally or by sending it by post to the member at the registered address of the member, or where the member has notified the co-operative of an email address, by email to the email address notified, or where the member has notified the co-operative of a facsimile number, by facsimile transmission to the number notified. If the member has no registered address then the notice can be sent to any address supplied by the member to the co-operative for the giving of notices to the member.
- (b) Where a notice is sent by post, service shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice. In the case of a notice of a meeting service is deemed to be effected at the expiration of 24 hours after the letter containing the notice is posted. In every other case service is deemed to be effected at the time at which the letter would be delivered in the ordinary course of post and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
- (c) If a member has no registered address (and has not supplied to the co-operative an address for the giving of notices to the member) a notice addressed to the member and advertised in the newspaper circulating in the neighbourhood of the registered office of the co-operative shall be deemed to be duly given to the member on the date on which the advertisement appears.
- (d) A notice sent by email shall be deemed to have been served, unless a message failure email is received, on the day of sending if sent during a business day, otherwise on the next following business day.
- (e) A notice forwarded by facsimile transmission shall be deemed to have been served, unless the sender's facsimile machine indicates a malfunction in transmission, on the day of transmission if transmitted during a business day, otherwise on the next following business day.
- (f) A notice may be given by the co-operative to the person entitled to deal with 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. The address should be that supplied for the purpose by the person claiming to be entitled. Alternatively, 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.
- (g) Notice of every general meeting shall be given in some manner as authorised above, to every member of the co-operative except those members who have not supplied to the co-operative an address for the giving of notices to them.

- (h) Except as provided in this rule and in Rule 67 (l) no other persons shall be entitled to receive notices of general meetings.
- (i) For the purpose of this rule "registered address" means the address of the member as appearing in the register of members and shares in accordance with Section 212 of the Act.

## **OFFICERS**

62. Without prejudice to the general powers conferred on the board by the Act or these rules, the board shall have power to appoint and, at its discretion, remove or suspend officers, servants, agents and contractors, and to fix their powers, duties and remuneration.

## **FIDELITY BONDS AND INSURANCE**

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

## **PART 7 - FINANCIAL**

### **FINANCIAL YEAR**

64. The financial year of the co-operative shall end on the 31st day of December of each year.

### **ACCOUNTS**

65. (a) Each year the board shall have prepared such accounts, statements and reports as are required by the Act and the regulations.
- (b) The board shall submit those accounts, statements and reports, together with the auditor's report on those accounts (if required), to the annual general meeting of the co-operative, in accordance with the Act and the regulations.
- (c) The board shall also have a copy of everything required to be submitted under paragraph (b) displayed at the registered office of the co-operative or on the website of the co-operative for a period of not less than 14 days before the date of the annual general meeting of the co-operative.
- (d) The board shall send a copy of everything required to be submitted under paragraph (b) to each such person as is entitled to receive notice of the annual general meeting of the co-operative.

### **BANKING**

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

### **AUDIT**

67. (a) One or more auditors may be appointed, hold office, be remunerated, be removed and have duties and responsibilities as provided in this rule, or as otherwise provided in, or permitted by, the Act or the regulations, or any order made by the Registrar.

- (b) Subject to paragraph (e), the co-operative may at each annual general meeting appoint an auditor, if there is a vacancy in the office of auditor, or confirm the continuing appointment of the existing auditor.
- (c) An auditor appointed under paragraph (b) of this rule shall hold office until death or removal or resignation from office or until ceasing to be capable of acting as auditor in accordance with the Act and the regulations.
- (d) The co-operative must appoint an auditor or a reviewer (whichever is applicable) in respect of its financial statements.
- (e) An auditor or a reviewer appointed under this rule is to conduct an audit or a review of the co-operative's financial statements as presented to members.
- (f) The appointment of an auditor or a reviewer under this rule is to be made at an annual general meeting.
- (g) The co-operative may appoint another auditor or reviewer at a subsequent annual general meeting if there is a vacancy in the office of the auditor or reviewer.
- (h) The provisions of section 300(2) of the Act apply to an auditor or a reviewer appointed under this rule in the same way (but with any necessary adaptations) as they apply to an auditor appointed for a large co-operative.

#### **CO-OPERATIVE FUNDS**

- 68.
- (a) The income and property of the co-operative however derived shall be applied solely towards the promotion of the objects of the co-operative and no portion thereof shall be paid or transferred directly or indirectly by way of discount, rebate or otherwise by way of profit to the members of the cooperative.
  - (b) Payment may be made in good faith of:
    - (i) any commensurate remuneration of any member or servant of the co-operative or other person in return for any services actually rendered to the co-operative; or
    - (ii) reasonable interest on money lent or reasonable or proper rent for property or premises demised, or let by any member to the co-operative.
  - (c) Any surplus resulting from the co-operative's operations during a financial year, after providing for depreciation in value of the co-operative's property or for contingent liability for loss, shall be applied to carrying out the co-operative's objects.
  - (d) An amount not exceeding 10 percent of the surplus may be applied to any charitable purpose, or for promoting co-operation or any community advancement object.



## PROVISION FOR LOSS

69. The board shall make such provisions for loss which may result from the transactions of the co-operative as the Act requires or allows.

## WINDING UP

70. (a) The winding up of the co-operative shall be in accordance with Part 4.5 of the Act.
- (b) At any postal ballot held in accordance with the Act, not less than four fifths of the formal votes cast must be in favour of winding up if the requirement under the Act is to be regarded as satisfied.
- (c) If upon the winding up or dissolution of the co-operative, there remains after the satisfaction of all its debts and liabilities any property, this shall not be paid to or distributed among the members of the co-operative but shall be given or transferred to an institution:
- (i) which has objects similar to those of the co-operative;
  - (ii) whose constitution prohibits the distribution of its property among its members;
  - (iii) which has been chosen by the members of the co-operative at or before the time of dissolution or in default thereof by the Chief Judge of such Court as may have or acquire jurisdiction in the matter;
  - (iv) which satisfies the relevant sub-section of Section 23 of the income Tax Assessment Act.
- (d) In paragraph (c), the expression "institution" includes an institution or institutions.

## PART 8 - GENERAL

### DISPUTES

71. (1) The grievance procedure set out in this rule applies to disputes under these rules between:
- (a) a member and another member; or
  - (b) a member (including a former member) and the co-operative.
- (2) If a dispute arises, a party cannot commence any court or arbitration proceedings relating to the dispute unless it has complied with the provisions of this rule, except where a person seeks urgent interlocutory relief.
- (3) The parties to the dispute must meet and discuss the matter in dispute, and, if possible, resolve the dispute within 14 days of:
- (a) the dispute coming to the attention of each party; or
  - (b) a party giving notice, to each of the other parties involved, of the dispute or grievance.
- (4) If the parties are unable to resolve the dispute at the meeting, or if a party fails to attend that meeting, the parties must, as soon as is practicable, hold a meeting in the presence of a mediator.
- (5) The mediator is, where possible, to be a person chosen by agreement between the parties, but in the absence of agreement between the parties:
- (a) for a dispute between a member and another member, a person appointed by the board; or
  - (b) for a dispute between a member (including a former member) and the co-operative, a person appointed by the Australian Mediation Association.
- (6) The mediator may (but need not) be a member of the co-operative, unless the member is a party to the dispute.
- (7) The parties to the dispute must, in good faith, attempt to settle the dispute by mediation.
- (8) The mediator, in conducting the mediation, must:
- (a) give the parties to the mediation process every opportunity to be heard; and

- (b) allow due consideration by all parties of any written statement submitted by any party; and
  - (c) ensure that natural justice is accorded to the parties to the dispute throughout the mediation process.
- (9) The mediator cannot determine the dispute.
- (10) The mediation must be confidential and without prejudice.
- (11) The costs of the mediation are to be shared equally between the parties unless otherwise agreed.
- (12) Nothing in this rule applies to any dispute as to the construction or effect of any mortgage or contract contained in any document other than these rules.
- (13) Nothing in this rule applies to any dispute involving the expulsion or suspension of a member or the imposition of a fine.
- (14) If the mediation process does not result in the dispute being resolved, each party may seek to resolve the dispute in accordance with the Law or otherwise at law.
- (15) A dispute which cannot be resolved by mediation may be settled by arbitration in accordance with the Commercial Arbitration Act 2010 (NSW).
- (16) Nothing in this rule shall extend to any dispute as to the construction or effect of any mortgage or contract contained in any document other than these rules.

## **SUSPENSION OF MEMBER**

- 72. (a) A member may be suspended from the co-operative for a maximum period of 12 months in such circumstances as:
  - (i) the member has failed to discharge the obligations of membership, whether prescribed by these rules or arising out of any contract; or
  - (ii) the member has been guilty of conduct detrimental to the co-operative.
- (b) The suspension of a member shall be resolved by:
  - (i) a simple majority of all members of the board excluding the casting vote of the chairperson; or
  - (ii) if so demanded by the member, a simple majority at a general meeting called in accordance with Rule 35(a).

- (c) In either case in both paragraphs (a) and (b), written notice of the proposed resolution and the grounds upon which the resolution is based, shall be forwarded to the member not less than 21 days before the date of the meeting at which the resolution is to be moved and the member shall be given a reasonable opportunity of appearing before the meeting (with or without witnesses) or to send to the meeting a written statement, for the purpose of showing cause why the suspension should not be imposed.
- (d) A member suspended by the exercise of this rule shall lose all membership rights and privileges for the period of such suspension but the member shall remain liable to the co-operative for any unpaid part of the entry, share, periodic or other fee or charge payable by the member to the co—operative in accordance with Section 121 of the Act and these rules.

#### **FINES AND PENALTIES PAYABLE BY A MEMBER**

73. (a) For conduct detrimental to the cooperative, or for infringement of these rules, the board may impose upon a member:
- (i) a fine with a maximum of \$1000; or
  - (ii) punitive control of access to the facilities of the co-operative for a maximum period of 6 months:
    - (A) access restricted either partly or fully; or
    - (B) access permitted at non-member charges
- (b) A fine exceeding \$20 or a penalty of the equivalent value thereof shall not be imposed on a member in accordance with paragraph (a) unless:
- (i) written notice of intention to impose the fine or penalty and the reason for it has been given to the member; and
  - (ii) the member has been given a reasonable opportunity to appear before the board in person (with or without witness), or to send to the board a written statement, for the purpose of showing cause why the fine or penalty should not be imposed.

## SCHEDULE OF CHARGES

Rule 74.

Copy book of rules -	Rule 2(c) -	\$10
Inspection of register -	Rule 10(b) -	\$10
Nominal value of shares -	Rule 11 (a) -	\$160
Entry fee -	Rules 13(f) and 12(d) -	\$1,500
	Rules 13(f) and 12(e) -	\$5,000
Duplicate share certificate -	Rule 15(c) -	\$10
Annual subscription -	Rules 16(a) and 17(a) -	\$10 to \$400 (ex GST)
Transfer of shares -	Rule 31(e) -	\$200
Maximum fine -	Rule 73(a) -	\$1000

## CERTIFICATION

We, the undersigned, certify that this is a copy of the rules which was proposed by the board, pre-approved by the Registrar, circulated to the members and passed as a special resolution at the annual general meeting of members held on 7 April 2016 at The Roseville Club, Pacific Highway, Roseville, New South Wales.

.....Chairperson of Special General Meeting Signature

.....Secretary of Special General Meeting Signature

Munionsg Ski Club Co-Op Ltd.

45 Corroboree Road Smiggins Holes

ABN: 75 008 325 311

[www.munionsg.com.au](http://www.munionsg.com.au)