

# **RULES**

**Of the**

**Kahibah Bowling Club Co-operative Limited**

**28<sup>th</sup> August, 2016**

Amended: 13<sup>th</sup> August 2017.

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## **Part 1 Preliminary**

### **1 Application of these rules**

- (1) These rules are the rules of the Kahibah Bowling Club Co-operative Limited which is a non-distributing co-operative without share capital within the meaning of Section 19 of the Law.
- (2) These rules are based on the model rules as contained in the National Regulations with changes to reflect this specific co-operative.

#### **1 A The objects** of the co-operative are:

- (1) To provide facilities, opportunity, guidance and incentive for members to participate in sport and recreational pursuits with a particular emphasis on the promotion of lawn bowls.
- (2) To operate, maintain and carry on a club for that purpose
- (3) To encourage and participate in such community based endeavours and activities as shall be deemed appropriate by the board.
- (4) 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 or in accordance with rule 35(b).

#### **1B Legal capacity**

- (1) The co-operative has, both within and outside this jurisdiction, the legal capacity of an individual.
- (2) Without limiting subsection (1), the co-operative has, both within and outside this jurisdiction, power:
  - (a) to issue debentures and CCUs of the co-operative; and
  - (b) to distribute any of the property of the co-operative among the members, in kind or otherwise (subject to Rule 53); and
  - (c) to give security by charging uncalled capital; and
  - (d) to grant a security interest in property of the co-operative; and
  - (e) to procure the co-operative to be registered or recognised as a corporation in any place outside this jurisdiction; and
  - (f) to do any other act it is authorised to do by any other law (including a law of a place outside this jurisdiction).
- (3) The fact that the doing of an act by the co-operative would not be, or is not, in its best interests does not affect its legal capacity to do the act.

(4) To avoid doubt, this section does not:

(a) authorise the co-operative to do an act that is prohibited by a law of this jurisdiction; or

(b) give the co-operative a right that a law of this jurisdiction denies the co-operative.

(5) The co-operative shall not have the power to lend money to any of its employees or members.

## 1C Registered Club Requirements

Subject to the provisions of the Registered Clubs Act:

- a) liquor shall be sold, supplied or disposed of in accordance with section 10 of the Registered Clubs Act 1976 and its Regulations
- b) liquor shall not be sold, supplied or disposed of on the premises of the club to any person under the age of eighteen years;
- c) a person under the age of eighteen years shall not use or operate poker machines on the premises of the club.

## 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 small co-operative under the National Regulations.

**board** means the board of the co-operative.

**CCU** means a co-operative capital unit, as provided for by Division 2 of Part 3.4 (CNL section 345).

**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.

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

**the club's act** means the Registered Clubs Act 1976

**the co-operative** means the Kahibah Bowling Club Co-operative Limited.

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

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

**this jurisdiction means** the state of New South Wales

- (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 Law or relevant provisions of the Law.
- (3) In the interpretation of a rule, or paragraph of a rule, the interpretation that will best achieve the purpose of the rule is to be preferred to any other interpretation.

This provision applies whether or not the purpose is expressly stated in the rule or paragraph of the rule.

- (4) In these rules, unless the context indicates a contrary intention, headings are for convenience and do not affect interpretation.

### **3 Name of the co-operative**

- (1) The name of the co-operative is Kahibah Bowling Club Co-operative Ltd
- (2) The co-operative may, in accordance with Section 224 of the Law, change its name by way of a special resolution to a name approved by the Registrar.
- (3) The co-operative must cause a notice to be conspicuously and publicly displayed at the premises of its registered office which states the name of the co-operative and identifies the premises as its registered office.
- (4) The Board shall notify the Registrar of any change of address of the registered office of the co-operative within 28 days after the change, and on the form approved by the Registrar.

## **Part 2 Membership**

### **Division 1 Membership generally**

#### **4 Active membership provisions**

- (1) Primary activity

For the purposes of part 2.6 of the law, the primary activity of the co-operative is the operation, maintenance and carrying on of a club for the promotion of sporting and social activities and the game of Lawn Bowls.

## (2) Active membership requirements

A member must:

- (a) Be an ordinary member who pays an annual subscription in accordance with rule 6; or
- (b) Be awarded life membership in accordance with rule 5.

## 5 Qualifications for membership

- (1) A person qualifies for membership of the co-operative if the person is able to use or contribute to the services of the co-operative.
- (2) An employee may be a member of the co-operative in accordance with the Registered Clubs Act, however the following restrictions apply:
  - a) the employee member is not entitled to vote at any meeting of the co-operative, meeting of the Board or at any election of the Board; and
  - b) the employee member shall not hold office as a member of the Board of the co-operative; and
  - c) a member who has been an employee of the Co-operative shall not be entitled to nominate for a position or office as a member of the board of the Co-operative until a period of three (3) years has elapsed since ceasing employment with the Co-operative.
- (3) A person is not qualified to be admitted to membership of the co-operative unless:
  - a) the Board has reasonable grounds for believing that the person will be an active member under Rule 4; and
  - b) the applicant is an individual and not a body corporate.
- (4) Club membership shall consist of the following classes:
  - a) Ordinary members:
  - b) Life members;
  - c) Honorary members;
  - d) Temporary members; and
  - e) Provisional members.
- (5) The rights, duties and entitlements of the various classes of membership are as follows:

**Ordinary members** shall consist of the following subclasses:

**Bowling member** shall mean a member of the co-operative who on their application for membership indicate that they request registration with the relevant bowls governing bodies as may be appropriate.

**Social member** means a member entitled to use the facilities of the co-operative.

**Junior Bowling members** may be admitted at the discretion of the Board and shall be a person under the age of eighteen (18) years who, having been elected as a Junior Bowling member, shall pay the applicable annual subscription.

Subject to the provisions of the Clubs Act, a Junior Bowling member shall be entitled to such privileges and to the use of such of the facilities of the co-operative as the Board shall determine, but shall not be entitled to hold office on the Board or to nominate co-operative members for such office or to vote at meetings of the co-operative.

Junior Bowling members shall be subject to the same condition regarding membership as apply to applicants for Bowling membership.

On attaining the age of eighteen (18) years, a Junior Bowling member may make written request to the Board to transfer to Bowling membership and the Board may grant such request without the necessity of a fresh election.

A Junior Bowling member so changing his/her membership designation shall pay additional subscription as shall, with the amount already paid by him/her as a Junior Bowling member, bring his/her total subscription to the amount payable by a Bowling member.

**Life members** are any members who may, in consideration of long and meritorious service or for any other special reason, be granted honorary Life membership of the co-operative.

A proposal for Life membership shall be made to the Board in writing by any two members of the co-operative and the Board shall consider it and come to a decision regarding it.

No such grant shall be made except on the recommendation of the Board made to the annual general meeting and communicated to the members in the notice convening such meeting and the subsequent adoption of that recommendation by two-thirds of the members present and entitled to vote.

At no time shall the number of Life members exceed seven.

A Life member shall be entitled to co-operative membership in all respects without the payment of an annual subscription.

**Honorary members** may include:

The patron or patrons of the co-operative for the time being;

A local dignitary visiting the co-operative for a special occasion; and

Any prominent citizen visiting the co-operative for some special occasion.

An Honorary member shall be entitled only to the social privileges of the co-operative and to play bowls and other games, recreations and pastimes as



determined by, or on the invitation of, the Board from time to time.

**Temporary members:**

Temporary membership means that no person shall be admitted to the club as a Temporary member unless that person is admitted in accordance with the provisions of these rules.

The following may, in accordance with procedures established by the Board, be made Temporary members of the club:

- i. Any visitor whose permanent place of residence is outside a radius of five (5) kilometres from the co-operative; and
- ii. Members of other clubs that are registered under the Clubs Act and that have similar objects to the co-operative

Temporary members shall not be required to pay an entrance fee or the annual subscription.

Temporary members shall not be entitled to vote at any meeting of the co-operative, nominate for or be elected to the Board or any office of the co-operative or participate in the management, business and affairs of the co-operative in any way.

Temporary members shall not be permitted to introduce guests into the co-operative;

The Board or the Chief Executive Officer of the co-operative may terminate the membership of any Temporary member at any time without having to provide any reason therefore.

No person who is under suspension or who has been expelled from membership of the co-operative shall be admitted as a Temporary member.

A full member of any registered club who, at the invitation of the Board or a full member of the co-operative, attends on any day at the premises of the co-operative for the purpose of participating in an organised sport or competition to be conducted by the co-operative on that day shall become a Temporary member of the club from the time on that day when the person attends the premises of the co-operative until the end of that day.

**Provisional member:**

Any person who has lodged with the Secretary a nomination form, duly completed in accordance with these rules, seeking membership of the co-operative and pays the co-operative the subscription appropriate to the class of membership referred to in the application form may be granted Provisional membership of the co-operative while awaiting the decision of the Board in relation to that person's application for membership of the co-operative.

Should a person who is admitted as a Provisional member not be elected to membership of the co-operative within six weeks from the date of lodging the nomination form with the Secretary, or should that person's application for membership be refused (whichever is the sooner), that person shall cease to

be a Provisional member of the co-operative and the annual subscription with the nomination shall forthwith be returned to that person.

Provisional members shall be entitled only to the social facilities and amenities of the co-operative and shall not be entitled to attend or vote at any meeting of the co-operative, nominate for or be elected to the Board or any office of the co-operative or to participate in the management, business and affairs of the co-operative in any way.

Nothing in these rules shall prevent an applicant for membership of the co-operative submitting with his/her application the first year's annual subscription for the purpose of obtaining Provisional membership pursuant to this rule.

## **6 Entry fees and regular subscriptions**

- 1) The entry fee for an application for membership is determined each year by the board and published at the registered office or on the website of the co-operative,
- 2) The regular subscription (also known as a periodic membership fee) is determined from time to time by the board and published at the registered office or on the website of the co-operative.
- 3) The co-operative must supply, with each application for membership, a written notice of any intending or prescribed entry or periodic fees that a person will be liable to pay on becoming a member of the co-operative.
- 4) The Board may, either generally or in a specific case, extend a period for the payment of the regular subscription, even though the previous period has expired. The extended period for payment shall not exceed 12 months.
- 5) If the regular subscription of any member shall not be paid within a period of one month from the date on which it shall fall due upon, the member shall be automatically suspended from all privileges of the co-operative and a person's membership shall be cancelled.

## **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 payment of any applicable entry fee or subscription set under rule 6.
- (2) An interval of at least 2 weeks shall elapse between the proposal of a person for election as an Ordinary member of the co-operative and his or her election.
- (3) Every application must be considered by the board.
- (4) If the board approves of the application, the applicant's name and any other information required under the Law must be entered in the register of members within 28 days of the board's approval.

- (5) The applicant must be notified in writing of the entry in the register and the applicant is then entitled to the privileges attaching to membership.
- (6) The board may, at its discretion, refuse an application for membership. 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.
- (7) There shall be no joint members.
- (8) Members wishing to form sub clubs within the co-operative to cater for other sports, games, amusements (e.g. a snooker club, darts club, indoor bowls club, fishing club, travelling bowlers) shall conform to by-laws approved by the Board.

## **8 Cessation of membership**

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

- (a) if the membership ceases in any circumstances specified in section 117 of the Law;
- (b) if the member no longer qualifies for membership under rule 5.
- (c) if membership is cancelled under rule 6.

## **9 Expulsion or Suspension of members**

- (1) The Chairman, CEO or his/her delegated officer shall have the power to suspend any member from membership of the co-operative,
  - i. who is intoxicated, violent, quarrelsome or disorderly, or
  - ii. whose presence on the premises of the co-operative renders the co-operative or the CEO of the co-operative liable to a penalty under any NSW Government Legislation.
- (2) any suspension pursuant to subparagraph (1) of this rule shall be for a maximum period of one month only and the CEO of the co-operative shall make a written report of the circumstances giving rise to the suspension to the board or its sub-committee within (7) days of the suspension being imposed.
- (3) A member may be expelled or suspended from the co-operative by the **Board** if:
  - (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 Law; or
  - (b) that the member has acted in a way that has:
    - i. prevented or hindered the co-operative in carrying out its primary

- activity or one or more of its primary activities; or
  - ii. brought the co-operative into disrepute; or
  - iii. been contrary to one or more of the co-operative principles as described in section 10 of the Law and has caused the co-operative harm.
  - iv. Is intoxicated, violent, quarrelsome or disorderly or
  - v. Whose presence on the premises of the Co Operative renders the co-operative or the CEO of the co-operative liable to a penalty under any NSW Government Legislation
- (4) At least 7 day's written notice stating the date, time and place of the meeting of the Board shall be given to any member whose actions are to be considered by the Board. The written notice shall also state the nature of the act which, in the opinion of the Board has been committed by the member.
- (a) at the meeting, the member must be afforded a full opportunity to be heard and is entitled to call witnesses and question witnesses called against the member;
  - (b) if the member fails to attend at the time and place mentioned, without reasonable excuse, the member's alleged conduct must be considered and the Board may decide on the evidence before it, despite the absence of the member;
  - (c) once the alleged conduct is considered, the Board may decide to expel or suspend the member concerned;
  - (d) the Board must not make a decision on the alleged conduct or on expulsion or suspension except by vote by secret ballot.
  - (e) the decision is not taken to be passed unless the majority of the Board, vote in favour of the decision with the Chairman to have the casting vote in the event of a deadlock.
- (5) An expelled member must not be re-admitted as a member unless the re-admission is approved by the Board.

## **10 Resignation of members**

A member may resign from the co-operative

## **11 Monetary consequences of expulsion or resignation**

- (1) 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.
- (2) Subject to section 128 of the Law, payment to the expelled or resigning member of any amount owing by the co-operative to the former member:

- (a) must be made at the time decided by the board but within one year from the date of expulsion or resignation; or
- (b) may be applied at the time decided by the board, but within one year from the date of expulsion or resignation, in the manner set out in section 128 of the Law, if there is agreement by the board and former member or if the board considers that repayment would adversely affect the financial position of the co-operative.
- (c) during any period of suspension, the member:
  - i. loses any rights arising as a result of membership; and
  - ii. is not entitled to a refund, rebate, relief or credit for membership fees paid, or payable, to the co-operative; and remains liable for any fine that may be imposed.

## **Division 2 Members' liability**

### **12. Liability of members to co-operatives**

A member is liable to the co-operative 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 3 Member cancellations**

### **13. Forfeiture and cancellations—inactive members**

The board must declare the membership of a member cancelled if:

- (a) the whereabouts of the member are not presently known to the co-operative and have not been known to the co-operative for a continuous period of at least one (1) month; or
- (b) the member is not presently active and has not been active within the meaning of rule 4 in the past one (1) month.

## **Division 4 Deceased or incapacitated members**

### **14 Value of interest of deceased member**

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.

### **15 Rights and liabilities of members under bankruptcy or mental incapacity**

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.

Upon application by a person appointed to manage the affairs of a member referred to above, 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**

#### **16. Annual General Meeting**

An annual general meeting must be held each year, at a place and on a date and a time decided by the board, within 5 months after the close of the financial year of the co-operative or within the further time allowed by the Registrar.

#### **17. Members' power to requisition a general meeting**

- (1) The board may, whenever it considers appropriate, call a special general meeting of the co-operative.
- (2) The board must call a general meeting of the co-operative on the requisition in writing by members who together are able to cast at least 5% of the total number of votes able to be cast at a meeting of the co-operative.
- (3) The provisions of section 257 of the Law apply to a meeting requisitioned by members.
- (4) The board is not required to call a general meeting of members to consider matters that are not matters for decision by the members in general meeting.

#### **18. Notice of general meetings**

- (1) At least 14 days' notice of a general meeting (not including the day on which the notice is served or taken to be served, but including the day for which notice is given) must be given unless there is to be a special resolution proposed at the meeting when at least 21 days' notice of the special resolution.
- (2) Notice must be given to each member of the co-operative and any other persons who are, under these rules or the Law, entitled to receive notices from the co-operative.
- (3) The notice must state the place, day and hour of the meeting and include ordinary business as specified in rule 19 and, for special business, the general nature of any special business.

- (4) The notice must also include any business members have notified their intention to move at the meeting under sub-rule (6) provided the members' notification has been made under these rules and within time.
- (5) The notice must be served in the manner provided in the Law or rule 48.
- (6) Members who together are able to cast at least 5% of the total number of votes that are able to be cast at a meeting of the co-operative and who have a resolution to submit to a general meeting must give written notice of it to the co-operative at least 45 days before the day of the meeting.

## **19. Business of general meetings**

- (1) The ordinary business of the annual general meeting must be:
  - (a) to confirm minutes of the last preceding general meeting (whether annual or special); and
  - (b) to receive from the board, auditors or officers of the co-operative:
    - i. the financial reports of the co-operative for the financial year;
    - ii. a report on the state of affairs of the co-operative; and
  - (c) to approve any payments of fees to directors.
  - (d) to elect or declare the results of an election for directors.
  - (e) to elect the Returning Officer and two Deputy Returning Officers;
- (2) At an Annual General Meeting. members will be allowed a reasonable opportunity to ask questions about or comment on the management of the co-operative and to ask the auditor or their representative, if present, questions relevant to the conduct of the audit and the preparation and content of the auditor's report
- (3) The annual general meeting may also transact special business of which notice has been given to members under these rules.
- (4) All business of a general meeting, other than business of the annual general meeting that is ordinary business, is special business.
- (5) Any resolution put before a general meeting in accordance with these rules is unable to be amended at that meeting except for minor grammatical or punctuation errors which do not affect the meaning and effect of that resolution.

## **20. Quorum at general meetings**

- (1) An item of business cannot be transacted at a general meeting unless a quorum of members is present when the meeting is considering the item.
- (2) Unless these rules state otherwise, 30 members present in person, each

being entitled to exercise a vote, constitute a quorum.

- (3) If a quorum is not present within half an hour after the appointed time for a meeting, the meeting, if called on the requisition of members, must be dissolved. In any other case it must be adjourned to the same day, time and place in the next week.
- (4) If a quorum is not present within half an hour after the time appointed for an adjourned meeting, the members present constitute a quorum.

## **21. Chairperson at general meetings**

- (1) The chairperson, if any, of the board may preside as chairperson at every general meeting of the co-operative.
- (2) If there is no chairperson, or if at a meeting the chairperson is either not present within 5 minutes after the time appointed for holding the meeting or is unwilling to act as chairperson, the members present must choose someone from their number to be chairperson (until the chairperson attends and is willing to act).
- (3) The chairperson may, with the consent of a meeting at which a quorum is present (and must if directed by the meeting) adjourn the meeting from time to time and from place to place. However, the only business that can be transacted at an adjourned meeting is the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 14 days or more, notice of the adjourned meeting must be given just as for the original meeting. Apart from this it is not necessary to give notice of an adjournment or the business to be transacted at an adjourned meeting.
- (4) The Chairperson of the board shall take the chair at all meetings, whether of the members or of the board. In his/her absence, or refusal to act, the members present and entitled to vote may elect a chairperson for the meeting. In addition his/her deliberative vote, the chairperson shall have a casting vote in cases of equality of votes.
- (5) At any meeting, the interpretation of the rules of debate or procedure shall be determined by the chairperson. To be effective, a motion of dissent from the chairperson's ruling must be carried by a two-thirds majority of the members present and entitled to vote.

## **22. Attendance and voting at general meetings**

### **A) Voting Rights**

- (1) Subject to Rule 5, an active member of the co-operative shall have one vote only in respect of any question or motion arising at a general meeting of the co-operative.
- (2) A person must not directly or indirectly control the right to vote of a member.



- (3) If a person controls the exercise of the right to vote of a member at a meeting of the co-operative:
  - a) the vote of that member; and
  - b) the vote of that person, if that person is a member,are invalid.
- (4) Temporary, Provisional and Honorary members shall not be entitled to vote.
- (5) Junior Bowling members shall not be entitled to vote
- (6) Employees who are also members are not entitled to vote.
- (7) There shall be no voting by proxy.

## **B) Voting**

- (1) The right to vote attaches to membership.
- (2) A resolution, other than a special resolution, must be decided by simple majority.
- (3) Subject to sub rules (4) and (5), a question for decision at any general meeting must be decided on a show of hands of members present at the meeting.
- (4) A poll may be demanded on any question for decision.
- (5) If before a vote is taken or before or immediately after the declaration of the result on a show of hands:
  - (a) the chairperson directs that the question is to be determined by a poll;  
or
  - (b) at least 5 members present in person demand a poll,the question for decision must be determined by a poll.
- (6) The poll must be taken when and in the manner that the chairperson directs.
- (7) A poll on the election of a chairperson or on the question of adjournment must be taken immediately and without debate.
- (8) Once the votes on a show of hands or on a poll have been counted then, subject to sub rule (5), a declaration by the chairperson that a resolution has been carried (unanimously or by a particular majority) or lost is evidence of that fact.
- (9) The result of the vote must be entered in the minute book.

### **23. Voting on a show of hands**

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

(a) present; or

(b) represented by a non-member appointed under the provisions of the Law;

may exercise only one vote.

#### **24. Voting on a poll**

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

(a) present; or

(b) represented by a person appointed under the provisions of the Law;

has one vote.

#### **25. Determining the outcome where equality of votes**

(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 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.

#### **26. Proxy votes**

There shall be no proxy votes.

#### **27. Special resolutions**

(1) A special resolution is a resolution that is passed:

(a) by a two-thirds majority at a general meeting;

(2) 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).

(3) The notice of special resolution must state:

(a) the intention to propose the special resolution; and

(b) the reasons for proposing the special resolution; and

(c) the effect should the special resolution be passed.

## **Part 4 Board of directors**

### **28. Board**

- (1) The business of the co-operative is to be managed by or under the direction of the board of directors, and for that purpose the board has and may exercise all the powers of the co-operative that are not required to be exercised by the co-operative in general meeting.
- (2) The board must have a maximum of 8 directors.
- (3) The acts of a director are valid despite any defect that may afterwards be discovered in the appointment or qualification of the director.
- (4) The board may appoint patron[s] annually who need not necessarily be a member of the co-operative.

### **29. Qualifications of directors**

- (1) A person is not qualified to be a director of the co-operative unless the person is an individual is:
  - a) over the age of 18 years; and
  - b) an active member of the co-operative.
- (2) A person who becomes a board member must, within 12 months of becoming a member, complete the required training as set out in the Registered Clubs Regulation 2015 Part 6.

### **30. Chief Executive Officer**

- (1) The board may, if it considers appropriate, 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) The CEO will be the Secretary of the Co-operative and shall perform all of the functions and duties as required under the Law, the Regulations, the Club's Act, the rules and the law to be undertaken by the Secretary of the Co-operative.
- (4) The conditions and the period of appointment including termination 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.
- (7) In the event of any conflict between the terms of the appointment of a person as the chief executive officer and that person's obligations or privileges under the Law, the terms of the Law prevail over the terms of appointment.
- (8) The CEO must within 2 years of their appointment satisfy the appropriate training requirements as set out in Registered Clubs Regulation 2015, Part 6.

### **31. Election of directors**

- (1) At every Annual General Meeting, four (4) Directors may be elected for a tenure of two (2) years.
- (2) The members of the board are to be elected in the manner specified in this rule.
- (3) At an annual general meeting at which a director retires, the vacated office may be filled in the following manner:
  - (a) At least 6 weeks before an annual general meeting, the board must:
    - (i) notify all members of the number of directors retiring at the annual general meeting; and
    - (ii) advise the members of:
      - (A) their eligibility to nominate as a director; and
      - (B) the duties and responsibilities of a director; and
      - (C) the anticipated remuneration (if any); and
      - (D) the nomination and election procedures.
  - (b) A notice must also be displayed at the place of business of the co-operative inviting nominations of nominees to serve as directors.
  - (c) A nomination must:
    - (i) be signed by 2 or more members; and
    - (ii) provide details of the qualifications and experience of the person nominated; and
    - (iii) be accompanied by a notice in writing signed by the nominee consenting to their nomination.
  - (d) The nomination and the notice of consent must be lodged with the secretary of the co-operative at least 30 days before the annual general meeting.
  - (e) The secretary, or an officer nominated by the board, must give details of each person who has been nominated to members with the notice of the annual general meeting. Details to be provided to members must include:

- i. the nominee's name; and
  - ii. the nominee's qualifications and experience; and
  - iii. the nominee's length of any previous service as a director of the co-operative or with any other co-operative.
- (f) If the number of nominees equals the number of vacancies, the nominees must be declared elected at the annual general meeting.
- (g) If the number of nominees exceeds the number of vacancies, the election of directors must be conducted by ballot as follows:
  - i. On the closing of nominations ballot papers shall be prepared by the Returning Officer in time for the opening of the ballot, which shall be a day fixed by the Board but not later than nine (9) days prior to the annual general meeting.
  - ii. From the opening of the ballot to the day it closes, the Returning Officer or Deputy Returning Officer shall be in attendance for the purpose of conducting the ballot on at least five (5) days during that period. The hours of voting will be at least three (3) hours on each of those days at a time nominated by the Returning Officer and agreed by the CEO.
  - iii. Any member desirous of voting shall attend at the clubhouse, produce evidence that he or she is financial and, after signing his/her name in the book provided for the purpose (such book to be retained in the care and custody of the Returning Officer), shall be handed a ballot paper initialled by the Returning Office or Deputy Returning Officer.
  - iv. Voters must indicate by way of a cross on the ballot paper each candidate they are voting for.
  - v. Where one or more candidates are to be elected the candidates polling the highest number of votes shall be elected up to the number of positions to be filled.
  - vi. In the event of a member being unable, due to illness, absence from the district or other good and sufficient reason acceptable to the Returning Officer, to attend the clubhouse to vote, he/she may apply in writing to the Returning Officer for the issue to him/her of a ballot paper and may return such ballot paper, duly marked and enclosed in a sealed envelope marked "Ballot Paper", by post or otherwise to the Returning Officer before the close of the ballot. Any such ballot paper shall be placed forthwith by the Returning Officer in the ballot box and be recorded in the book mentioned in (iii) above.
  - vii. A sealed ballot box shall be provided and shall remain in the care and custody of the Returning Officer, who alone shall have a key to the box, until the completion of the ballot.

- viii. The Returning Officer shall determine the formality or otherwise of the ballot papers.
- ix. The ballot shall close at 6pm on the Friday preceding the annual general meeting and it shall be declared by the Returning Officer, or, in the Returning Officer's absence, a Deputy Returning Officer, at the annual general meeting.

### **32. Removal from office of director**

The co-operative may by resolution under section 180 of the Law, with special notice as required by that section, remove a director before the end of the director's period of office. The Board at its discretion can then fill the position as a casual vacancy under rule 34.

### **33. Vacation of office of director**

- (1) The directors hold office and may be removed from office, as provided by the rules of the co-operative.
- (2) A director vacates office in the circumstances (if any) provided in the rules of the co-operative and in any of the following cases:
  - (a) if the director is a disqualified person under section 181;
  - (b) if the director absents himself or herself from 3 consecutive ordinary meetings of the board without its leave;
  - (c) if the director resigns the office of director by written notice given by the director to the co-operative;
  - (d) if the person ceases to hold the qualification because of which the person was qualified to be a director;
  - (e) if an administrator of the co-operative's affairs is appointed under Part 4.1;
  - (f) if the director is removed from office under section 180.
- (3) A co-operative may by ordinary resolution remove a director from office despite anything in:
  - (a) the rules of the co-operative; or
  - (b) an agreement between the co-operative and the director; or
  - (c) an agreement between any or all members of the co-operative and the director.
- (4) Notice of intention to move the resolution must be given to the co-operative at least 2 months before the meeting is to be held. However, subject to subsection (3), if the co-operative calls a meeting after the notice of intention is given under this subsection, the meeting may pass the resolution even

though the meeting is held less than 2 months after the notice of intention is given.

- (5) The co-operative must give the director a copy of the notice as soon as practicable after it is received.
- (6) 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 to remove a director from office.
- (7) The director is entitled to put his or her case to members by:
  - (a) giving the co-operative a written statement for circulation to members (see subsections (8) and (9)); and
  - (b) speaking to the motion at the meeting.
- (8) The written statement is to be circulated by the co-operative to members by:
  - (a) sending a copy to everyone to whom notice of the meeting is sent if there is time to do so; or
  - (b) if there is not time to comply with paragraph (a)—having the statement distributed to members attending the meeting and read out at the meeting before the resolution is voted on.
- (9) The director's statement does not have to be circulated to members if it is more than 1,000 words long or defamatory.
- (10) If a person is appointed to replace a director removed under this section, the time at which:
  - (a) the replacement director; or
  - (b) any other director;is to retire is to be worked out as if the replacement director had become director on the day on which the replaced director was last appointed a director.
- (11) In addition to the circumstances set out in the Law, a director vacates office if the director dies.

### **34. Casual vacancies**

The board may appoint a qualified person to fill a casual vacancy in the office of director until the next annual general meeting.

### **35. Remuneration of Directors**

- (a) Directors' remuneration must comply with the provisions of the Law.
- (b) The directors shall receive such remuneration for their services as shall be determined at a general meeting, and all necessary expenses incurred by

them in the business of the co-operative shall be refunded to them.

### **36. Proceedings of the Board**

Meetings of the board (including meetings conducted outside board meetings pursuant to section 176 of the Law) are to be held as often as may be necessary for properly conducting the business of the co-operative and must be held at least every 3 months.

- (1) 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.
- (2) Questions arising at a meeting must be decided by a majority of votes.
- (3) If votes are equal, the chairperson has a second or casting vote.
- (4) 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.
- (5) If a director of the co-operative becomes in any way, whether directly or indirectly, interested in any contract or proposed contract with the co-operative, the director must declare the nature and extent of that interest to the Board.
- (6) The declaration must be made at the meeting of the Board at which the question of entering into the contract is first considered, or, if the director was not at that time interested, at the next meeting of the Board after the director becomes interested in the proposed contract.
- (7) The board of the co-operative may, if it considers appropriate, transact any of its business by the circulation of papers among all of the directors of the board.
  - a) A resolution in writing approved in writing by a majority of the directors of the board is to be taken to be a decision of the board. Separate copies of a resolution may be distributed for signing by the directors if the wording of the resolution and approval is identical in each copy.
  - b) For the purpose of the approval of a resolution under this section, the chairperson of the board and each director of the board have the same voting rights as they have at an ordinary meeting of the board.
  - c) The resolution is approved when the last director required for the majority signs. A resolution approved under this section must be recorded in the minutes of the meetings of the board within 28 days after the resolution is approved under this section.
  - d) Papers may be circulated among directors of the board for the purposes of this section by fax or other transmission of the information in the papers concerned.
- (8) The executive of the co-operative shall be Chairperson, Deputy Chairperson



and CEO who shall be ex-officio members of any committees convened in accordance with these rules. Should any co-operative business arise requiring urgent attention, any member of the executive shall have the power to take any necessary action, but the CEO shall submit a report thereon for confirmation or otherwise at the next meeting of the board.

### **37. Quorum for board meetings**

- (1) The quorum for a meeting of the board is 50% of the number of directors (or if that percentage of the number of directors is not a whole number, the whole number next higher than one half).
- (2) A casual vacancy on the Board may be filled by the directors appointing a person or persons to constitute a quorum until the next annual general meeting.
- (3) For the purpose of enabling the board to make such appointment(s), the number of directors at that time is deemed to be a quorum.

### **38. Chairperson of board**

- (1) The chairperson of the board, and their deputy, are those person(s) elected in a secret ballot between the Board members at the first Board meeting following each Annual General Meeting or as required.
- (2) If the chairperson is not present within 5 minutes after the time fixed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present may choose one of their number to be chairperson of the meeting until the chairperson attends and is willing to act as chairperson.

### **39. Delegation and board committees**

- (1) The board may by resolution delegate to:
  - (a) a director; or
  - (b) a committee of 2 or more directors; or
  - (c) a committee of members of the co-operative; or
  - (d) a committee of members of the co-operative and other persons if members form the majority of persons on the committee; or
  - (e) a committee of directors and other persons;

the exercise of the board's powers (other than this power of delegation) specified in the resolution. The co-operative or the board may by resolution revoke all or part of the delegation.

- (2) A power delegated under this rule may, while the delegation remains unrevoked, be exercised from time to time in accordance with the delegation.

- (3) A delegation under this rule may be given on conditions limiting the exercise of the power delegated, or time or circumstances.
- (4) Despite any delegation under this rule, the board may continue to exercise the power delegated.
- (5) If a power is exercised by a director (alone or with another director) and the exercise of the power is evidenced in writing, signed by the director in the name of the board or in his or her own name on behalf of the board, the power is taken to have been exercised by the board. This is so whether or not a resolution delegating the exercise of the power to the director was in force when the power was exercised, and whether or not any conditions mentioned in sub rule (3) were observed by the director exercising the powers.
- (6) A committee may elect a chairperson of their meetings. If no chairperson is elected, or, if at a meeting the chairperson is not present within 5 minutes after the time appointed for holding the meeting, the members present may choose one of their number to be chairperson of the meeting.
- (7) A committee may meet and adjourn as it thinks appropriate. Questions arising at a meeting must be decided by a majority of votes of the members present and voting and if the votes are equal, the chairperson has a second or casting vote.

#### **40. Other committees**

The board may by resolution appoint committees of members or other persons or both, to act in an advisory role to the board and to committees of directors.

#### **41. Minutes**

- (1) The board must keep minutes of meetings and, in particular, of:
  - (a) all appointments of officers and employees made by the directors; and
  - (b) the names of the director's 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.
- (2) Any declarations by a director of the co-operative who is or becomes in any way, directly or indirectly, interested in a contract or proposed contract with the co-operative is to be recorded in the minutes.
- (3) Minutes must be entered in the appropriate records within 28 days of the meeting to which they relate was held.
- (4) The minutes are to be signed within a reasonable time after the meeting to which they relate by either the chairperson of that meeting or the chairperson of the next meeting.

- (5) The minutes of board meetings and subcommittee meetings are to be available for inspection by member subject to Rule 46.

## **Part 5 Rules**

### **42. Effect of rules**

- 1) The rules of a co-operative have the effect of a contract under seal :
  - (a) between the co-operative and each member; and
  - (b) between the co-operative and each director, the chief executive officer and the secretary of the co-operative; and
  - (c) between a member and each other member.
- 2) Under the contract, each of those persons agrees to observe and perform the provisions of the rules as in force for the time being so far as those provisions apply to the person.

### **43. A. By-Laws**

- (1) The Board shall have power to make by-laws, not inconsistent with the Law, the National Regulations or the Registered Club's Act and the rules, relating to the conduct of members on the premises of the co-operative and to the operations of the co-operative.
- (2) A breach of a by-law shall be deemed to be an infringement of the rules for the purpose of Rule 9.

### **43. B. Amendments and copies of rules**

- (1) Any amendment of the rules must be approved by special resolution.
- (2) A proposal to amend the rules of the co-operative must be made in a form approved by the board which clearly shows the existing rule or rules concerned and any proposed amendment to the rules and the intended effect of that change.
- (3) The rules of a co-operative may be amended by a resolution passed by the board if the amendment does no more than give effect to a requirement, direction, restriction or prohibition imposed or given under the authority of the Law, the National Regulations or the Club's Act.
- (4) If the rules of a co-operative are amended under part (3), the co-operative must cause the amendment to be notified in writing to its members as soon as practicable after the amendment takes effect and in any event no later than the day when notice of the next annual general meeting of the co-operative after the amendment takes effect is given to the members.

- (5) A member is entitled to a printed copy of the rules upon payment of the amount of \$5 to the co-operative or of an electronic version free of charge.

## **Part 6 Administrative matters**

### **44. Seal**

- (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.

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.

### **45. Co-Operative May Authorise Agent to Execute Deeds**

- (1) The co-operative's power to make, vary, ratify or discharge a contract may be exercised by an individual acting with the co-operative's express or implied authority and on behalf of the co-operative.
- (2) The power may be exercised without using a common seal.
- (3) This section does not affect the operation of a law that requires a particular procedure to be complied with in relation to the contract.

### **46. Inspection of records and registers**

Members of the co-operative have free access to the records and registers referred to in section 214 (1) of the Law and they may make a copy of any entry in the registers free of charge.

- 1) Members do not have access to the minutes of board or committee meetings, but may request access to any such minutes in writing addressed to the board.
- 2) Members must not:
  - (a) use information about a person obtained from a register kept by a co-operative under this Law to contact or send material to the person; or
  - (b) disclose information of that kind knowing the information is likely to be

used to contact or send material to the person unless the use or disclosure of the information is:

- (i) relevant to the holding of the directorship, membership, CCUs, loans, securities, debentures or deposits concerned or the exercise of the rights attaching to them; or
- (ii) approved by the board; or
- (iii) necessary to comply with a requirement of this Law.

#### **47. 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.

#### **48. Notices to Members**

This rule applies in addition to section 611 of the Law regarding how a notice or other document may be given to a member of the co-operative.

- (1) 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.
- (2) A notice may be given to all members generally by placing an advertisement in a newspaper which is circulated in the neighbourhood of the registered office of the co-operative and shall be deemed to have been duly given to the member on the date on which the advertisement appears.
- (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.

### **Part 7 Accounting and financial matters**

#### **49. Financial year**

The financial year of the co-operative shall end on the last day of May each year.

## **50. Accounts & Financial Records**

- (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, promissory notes 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 two (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.
- (5) The co-operative must keep written financial records that:
  - (a) correctly record and explain its transactions and financial position and performance; and
  - (b) would enable true and fair financial statements to be prepared and audited.
- (6) The co-operative must retain the financial records for 7 years after the transactions covered by the records are completed.

## **51. Appointing an auditor**

- (1) The co-operative must appoint an auditor in respect of its financial statements.
- (2) An auditor appointed under this rule is to conduct an audit of the co-operative's financial statements as presented to members.
- (3) The appointment of an auditor under this rule is to be made at an annual general meeting.
- (4) The co-operative may appoint another auditor at a subsequent annual general meeting if there is a vacancy in the office of the auditor.
- (5) The provisions of section 300(2) of the Law apply to an auditor appointed under this rule.

### **51. A. Removing an auditor**

- (1) An auditor of a co-operative may be removed from office by resolution of the co-operative at a general meeting of which notice under subsection (2) has been given, but not otherwise.

- (2) Notice of intention to move the resolution must be given to the co-operative at least 2 months before the meeting is to be held. However, if the co-operative calls a meeting after the notice of intention is given under this subsection, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.
- (3) Where notice under subsection (2) of a resolution to remove an auditor is received by a co-operative, it must as soon as possible send a copy of the notice to the auditor and lodge a copy of the notice with the Registrar.
- (4) Within 7 days after receiving a copy of the notice, the auditor may make representations in writing, not exceeding a reasonable length, to the co-operative and request that, before the meeting at which the resolution is to be considered, a copy of the representations be sent by the co-operative at its expense to every member of the co-operative to whom notice of the meeting is sent.
- (5) Unless the Registrar on the application of the co-operative otherwise orders, the co-operative must send a copy of the representations in accordance with the auditor's request, and the auditor may, without prejudice to his or her right to be heard orally or, where a firm is the auditor, to have a member of the firm heard orally on its behalf, require that the representations be read out at the meeting.
- (6) Within 14 days after the removal from office of an auditor the co-operative must:
  - (a) lodge with the Registrar a notice of the removal or resignation in the approved form; and
  - (b) where there is a trustee for the holders of debentures or CCUs of the co-operative—give to the trustee a copy of the notice lodged with the Registrar.

#### **51. B. Resignation of an auditor**

- (1) The auditor may, by notice in writing given to the co-operative, resign as auditor of the co-operative if:
  - a) the auditor has, by notice in writing given to the Registrar, applied for consent to resign and stated the reasons and, at or about the same time, notified the co-operative in writing of the application; and
  - b) the auditor has received the consent of the Registrar.
- (2) The resignation of the auditor takes effect:
  - a) on the date (if any) specified for the purpose in the notice of resignation;
  - b) on the date on which the Registrar consents to the resignation; or
  - c) on the date (if any) fixed by the Registrar for the purpose,whichever last occurs.

- (3) Within 14 days after the receipt of a notice of a resignation from an auditor, the Co-operative shall lodge with the Registrar a notice of the resignation on the prescribed form, and, where there is a trustee for the holders of debentures of the co-operative, give to the trustee a copy of the notice lodged with the Registrar.

**52. Appointing an auditor or reviewer for a small co-operative if there is a direction under the Law**

Relevant sections of the Law apply.

**53. Disposal of surplus funds during a financial year**

- (1) The board may retain all or part of the surplus arising in any year from the business of the co-operative, to be applied for the benefit of the co-operative.
- (2) No part of the surplus may be paid or transferred directly or indirectly, by way of profit, to members of the co-operative.

**54. 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.

**55. Financial reports to members**

- (1) The co-operative must prepare financial reports and statements in accordance with the Law, the National Regulations, the club's act and these rules.
- (2) The co-operative must report to members for a financial year by providing either of the following:
  - (a) all of the following reports:
    - i. the financial report for the year;
    - ii. the directors' report for the year;
    - iii. the auditor's report on the financial report; or
  - (b) a concise report for the year that complies with subsection (3).
- (3) A concise report for a financial year consists of:
  - (a) a concise financial report for the year drawn up in accordance with accounting standards applying for the purposes of this paragraph; and



- (b) the directors' report for the year; and
  - (c) a statement by the auditor:
    - (i) that the financial report has been audited; and
    - (ii) whether, in the auditor's opinion, the concise financial report complies with the accounting standards applying for the purposes of paragraph (a); and
  - (d) a copy of any qualification in, and of any statements included in the emphasis of matter section of, the auditor's report on the financial report; and
  - (e) a statement that the report is a concise report and that the full financial report and auditor's report will be sent to the member free of charge if the member asks for them.
- (4) If the accounting standards applying for the purposes of subsection (3) (a) require a discussion and analysis to be included in a concise financial report:
- (a) the auditor must report on whether the discussion and analysis complies with the requirements that the accounting standards lay down for the discussion and analysis; and
  - (b) the auditor does not otherwise need to audit the statements made in the discussion and analysis.

## **Part 8 Winding up**

### **56. Winding up**

- (1) The winding up of the co-operative must be in accordance with Part 4.5 of the Law.
- (2) If, on the winding up or dissolution, there remains any property after the satisfaction of all 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; and
  - (b) whose constitution prohibits the distribution of its property among its members; and
  - (c) chosen by the members of the co-operative at or before the dissolution or, in default, by a judge of the court with jurisdiction in the matter.