

Rules of New Economy Network Australia Co-op Ltd: A non-distributing co-op, to be registered in Victoria.

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1. About the co-operative and active membership provisions

Rule 1.1 Co-operative name

1. The name of the co-operative is New Economy Network Australia Co-operative Ltd.

Rule 1.2 Definitions

1. In these rules:
 - a. **Law** means the Co-operatives National Law (CNL).
 - b. **Year** means the co-operative's financial year as defined in these rules.
 - c. Unless specifically defined in these rules, words and expressions in these rules have the same meanings as they have in the CNL.
 - d. References to **Individual Members** mean individual natural persons who are, either individually or jointly, active members of the co-operative.
 - e. References to **Organisation Members** mean unincorporated groups of individuals (acting as a collective) or incorporated entities that are active members of the co-operative.
 - f. References to the **NENA Code of Conduct** mean the document with that name as approved by the Board, amended by the Board from time to time and published on the co-operative's website.
 - g. References to a **Geographic or Sectoral Hub** mean a group of members who are geographically co-located or who share a particular interest in a sector of enterprise in the Australian economy, and formally established by the co-operative.

Rule 1.3 Purpose

1. The co-operative is established to be a not-for-profit charitable institution whose purposes are to:
 - a. Advance social welfare so as to relieve poverty or distress of people in significant need as a result of changes in the economy and/or in the natural environment, by engaging in collaborative policy, and advocacy work that promotes both socially just and ecologically sustainable regional, local and place-based economies; and
 - b. Advance education by facilitating research, training and other educational events and activities that support the establishment and development of socially just and ecologically sustainable regional, local and place-based economies.

Rule 1.4 Primary activities

1. The primary activities of the co-operative are to:
 - a. Establish and run **Geographic or Sectoral Hubs** that engage in collaborative policy and advocacy work and / or research, training or education events and activities that support at least one of the co-operative's purposes.
 - b. Organise events, workshops, and meetings that support at least one of the co-operative's purposes.
 - c. Support and promote research, training and other educational events and activities of members that support at least one of the co-operative's purposes.
 - d. Develop and distribute resources, regular publications and newsletters that support at least one of the co-operative's purposes.

Rule 1.5 Active membership requirements

1. To establish and maintain active membership of the co-operative a member must pay the relevant annual subscription set out in rule 3.2, and either:

- a. Actively participate in at least one of the co-operative's **Geographic or Sectoral Hubs**, by attending at least 2 meetings of a **Geographic or Sectoral Hub** per year; or
 - b. Volunteer in a capacity approved the Board for at least 8 hours per year to support one of the co-operative's primary activities.
2. For **Organisation Members**, the active membership requirements may be performed by one or more of its authorised representatives.

Rule 1.6 Cancellation of membership for inactivity

1. The board will 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 3 years; or
 - b. the member is not presently active and has not been active within the meaning of rule 1.5 in the past 3 years.

2. Membership applications and other procedures

Rule 2.1 Voluntary and open membership

1. Membership of the co-operative is voluntary and open.
2. A person can be a member of the co-operative, if the person can either benefit from or contribute to the primary activities of the co-operative.
3. A member may be either an **Individual Member** or an **Organisation Member** of the co-operative.
4. The co-operative will allow joint membership however the right to vote attaches to membership and each active member has only one vote at a meeting of the co-operative.

Rule 2.2 Member applications, joining fees and annual subscriptions

1. Applications for membership must be made using the application form approved by the Board, and accompanied by payment of:
 - a. any joining fee as determined by the Board from time to time and published on the co-operative's website, and
 - b. the relevant annual subscription set out under rule 3.2.
2. The Board or its delegate must consider every application for membership within a reasonable timeframe of the application being made.
3. The Board or its delegate has the discretion to either approve or refuse an application for membership, without providing reasons, or to request further information from the applicant.
4. If the Board or its delegate approves an application for membership, 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 approval. The applicant must be notified in writing of their successful application.
5. If the Board or its delegate refuses an application for membership, any amounts accompanying the application for membership, other than the joining fee referred to in paragraph 1.a of this rule, must be refunded within 28 days without interest.

Rule 2.3 Cessation of membership

1. A member will cease to be a member of the co-operative in each of the following circumstances and as otherwise provided by Law if:
 - a. the member's membership is cancelled in accordance with these rules or the Law

- b. the member is expelled or resigns under these rules
 - c. the contract of membership is rescinded on the ground of misrepresentation or mistake
 - d. for a member that is a corporation—the corporation is deregistered
 - e. for a member who is a natural person and not a joint member with other persons—the member dies.
2. Except as otherwise provided by Law a member will not cease to be a member of a cooperative if the member:
- a. is an individual and becomes bankrupt and their property is subject to control under laws relating to bankruptcy, or
 - b. the member is a corporate member that becomes insolvent and subject to control under laws relating to the insolvency.

Rule 2.4 Resignation of membership

A member may resign from the co-operative by giving one month's notice in writing, to the Board of the co-operative.

Rule 2.5 Expulsion of a member

1. A member may be expelled from the co-operative by special resolution to the effect:
 - a. that the member has seriously or repeatedly failed to discharge their obligations to the co-operative under these rules, the NENA Code of Conduct or any contract or memorandum of understanding entered into by the member with the co-operative;
 - b. that the member has acted in a way that has:
 - i. prevented or hindered the co-operative in carrying out 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 and has caused the co-operative harm.
2. Written notice of the proposed special resolution must be given to the member at least 28 days before the date of the meeting at which the special resolution is to be moved, and the member must be given a reasonable opportunity of being heard at the meeting.
3. At the general meeting when the special resolution for expulsion is proposed the following procedures apply:
 - a. at the meeting, the member must be given an opportunity to be heard and to respond to claims made against them,
 - 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 co-operative may decide on the evidence before it, despite the absence of the member,
 - c. once the alleged conduct is considered, the co-operative may decide to expel the member concerned,
 - d. the co-operative must not make a decision on the alleged conduct or on expulsion, except by vote by secret ballot of the members present, in person or represented by proxy or by attorney, and entitled to vote,
 - e. a motion for the decision is not taken to be passed unless two-thirds of the members present, in person or represented by proxy or by the attorney, vote in favour of the motion.
4. Expulsion of one joint member means expulsion of all members holding membership jointly with the expelled member.

5. An expelled member must not be re-admitted as a member unless the re-admission is approved by special resolution.

Rule 2.6 Financial consequences of resignation, expulsion or death of a member

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. If a member who is expelled or who resigns from the co-operative has prepaid an annual subscription, and
 - a. the amount of the annual subscription is less than \$200 the co-operative may retain the whole of the prepaid annual subscription; or
 - b. the amount of the annual subscription is greater than \$200 the co-operative must refund a pro-rated amount for the remainder of the subscription period less any reasonable costs incurred in administering a refund.
3. The value of the interest of a deceased member, who is not part of a joint membership, is the amount that would have been payable to the member if the member had resigned.

Rule 2.7 Suspension of a member

1. The board of the co-operative may suspend a member for not more than one year, who does any of the following:
 - a. contravenes any of these rules,
 - b. fails to discharge obligations to the co-operative, whether under these rules, a contract or memorandum of understanding, or
 - c. acts detrimentally to the interests of the co-operative.
2. In order to suspend a member, the Board must first give notice in writing to the member of its intention to suspend membership. This notice must include the grounds for suspension and give the member reasonable time and opportunity to respond in writing to the notice.
3. The board may, of its own motion or on the request of the member, convene a Board meeting to consider suspension of the member.
4. If the Board resolves to suspend a member then it must provide the member with notice in writing of this decision, including the terms of the suspension and the reasons for suspension.
5. During the period of suspension, the member:
 - a. loses any membership rights (except the right to vote),
 - b. is not entitled to a refund, rebate, relief or credit for amounts paid or payable to the cooperative under these rules.
6. A member may appeal against the decision of the Board to suspend membership within 14 days of receiving notice in writing of the Board's decision.
7. An appeal against suspension may be dealt with at a general meeting of the co-operative called to consider a special resolution to confirm or overturn the suspension decision by the board.
8. An appeal against suspension shall follow the same procedure set out for the expulsion of a member under rule 2.5.3.
9. A decision by the Board to suspend a member does not take effect until the time for appeal has expired or the appeal against such suspension has been determined.

Rule 2.8 Dispute resolution

1. The grievance procedure set out in this rule applies to disputes under these rules between:

- a. a member or group of members or a committee and another member or group of members or a committee, or
 - b. a member or group of members or a committee 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 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 or a similar organisation that provides alternative dispute resolution services.
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 concluding the mediation, must:
 - a. give the parties to the mediation process an 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.
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. In this rule the word member includes a former member, if person was a member not more than 6 months before the dispute occurred.

Rule 2.9 Fines payable by members

No fines are to be imposed on members in any circumstances.

Rule 2.10 Limited liability of members

1. A member is only liable to the co-operative for the amount, if any, unpaid by the member in respect of the joining fees and annual subscription.
2. Joint members are jointly and severally liable for any amount unpaid in respect of items mentioned in paragraph 1 of this rule.

Rule 2.11 Rights and liabilities of bankrupt, insolvent or incapable members

1. The interests of an individual member who becomes bankrupt or a corporate member who becomes insolvent may be transferred to the member's trustee, administrator or liquidator, as the case may be, in accordance with the laws dealing with such events.
2. A person appointed under a law of a State or Territory to administer the estate of a person who, through mental or physical incapacity, is incapable of managing their affairs, may be registered as a member and the rights and liabilities of membership attach to that person during the period of the appointment.
3. Upon application by a person appointed to manage the affairs of a member referred to in paragraph 2 of this rule, the board may decide to suspend some or all active membership obligations if there are grounds to believe that the member's mental or physical incapacity is temporary.

3. Annual subscriptions and securities

Rule 3.1 No share capital

The co-operative is a non-distributing co-operative, with no share capital.

Rule 3.2 Annual subscriptions

Each member must pay an annual subscription as determined by the Board on an annual basis and published on the co-operative's website, or such other amount determined by a special resolution passed at the annual general meeting and published on the co-operative's website.

Rule 3.3 Debentures, co-operative capital units and other securities

The co-operative will not issue debentures, co-operative capital units or any other securities.

4. Board of directors and committees

Rule 4.1 Board and delegation of Board powers to committees

1. The business of the co-operative is to be managed by or under the direction of the Board, 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 at least 5 directors and no more than 9 directors.
3. The Board may, by resolution, delegate any of its functions (other than this power of delegation) provided that the delegation is made in writing and the instrument of delegation clearly describes the power delegated and any limitations on the exercise of that power.
4. Delegations made under paragraph 3 of this rule may only be made 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 member of the co-operative and other persons if members form the majority of persons on the committee, or
An employee of the co-operative (by way of employment contract).

Rule 4.2 Committees (Strategic Direction Group and Participatory Budget Group)

1. Before the first AGM, the Board must establish two committees: the **Strategic Direction Group** and the **Participatory Budget Group**.
2. Both the **Strategic Direction Group** and the **Participatory Budget Group** must each comprise at least:
 - a. 3 directors, and
 - b. 2 **Individual Members**, and
 - c. an authorised representative from 2 **Organisation Members**,who are each to be elected for a term of 2 years, subject to any requirement for retirement by rotation, as determined by the Board.
3. In addition to any other powers or responsibilities delegated to it by the Board:
 - a. the **Strategic Direction Group** will work co-operatively with the Board to prepare regular Strategic Plans for the co-operative and provide general advice to the Board about the co-operative's strategic priorities.
 - b. the **Participatory Budget Group** will work co-operatively with the Board to ensure funding is raised from sources that align with the purpose and primary activities of the co-operative and provide general advice to the Board about core funding priorities for the annual budget for the co-operative (including funding for establishment, development and support of the **Geographic and Sectoral Hubs**).

Rule 4.3 Qualifications of directors

1. A person is qualified to be a director of the co-operative if the person is:
 - a. an individual over the age of 18 years, and
 - b. an active **Individual Member** of the co-operative or an authorised representative of an **Organisation Member** that is an active member of the co-operative, and
 - c. not a disqualified person for the purposes of s181 of the CNL.

Rule 4.4 First directors and terms of office

1. The first directors are those directors who are elected at the **formation meeting** (the meeting where the first members of the co-operative decide to form the co-operative).
2. The term of office for a director (other than a first director) is two years ending on the day of the second annual general meeting (AGM) after the director's election.
3. The term of office of the first directors shall be determined at the formation meeting to enable their retirement by rotation (half of the first directors at the first AGM, and the remaining half of the first directors at the second AGM) and in any event, shall be no more than two years ending on the day of the second AGM after the formation meeting.

Rule 4.5 Election of directors

1. The election of directors must take place at an annual general meeting at which there are vacancies on the Board (due to either retirement or casual vacancies).
2. At least 6 weeks before the annual general meeting, the Board must:
 - a. notify all members of the number of directors retiring at the annual general meeting and any casual vacancies to be filled, and
 - b. advise the members of their eligibility to nominate as a director the duties and responsibilities of a director, and the nomination and election procedures.
3. A notice must also be displayed on the co-operative's website inviting nominations of members to serve as directors.
4. A nomination for election of a member director must:

- a. be signed by 2 or more members, and
 - b. provide details of the qualifications and experience of the person nominated, and
 - c. be accompanied by a notice in writing signed by the nominee consenting to their nomination.
5. All nominations and the notices of consent must be lodged with the Secretary of the cooperative at least 30 days before the annual general meeting.
6. 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, including their name, qualifications and experience as a director of any company or co-operative.
7. If the number of nominees equals the number of vacancies, the nominees must be declared elected at the annual general meeting.
8. If there are insufficient nominees to fill all vacancies, the nominees must be declared elected at the annual general meeting and any remaining vacancies will become casual vacancies.
9. If the number of nominees exceeds the number of vacancies, the election of directors must be conducted at the meeting by ballot as follows:
 - a. a returning officer is elected at the meeting (however this person may not be a director, the Secretary or anyone who has an interest in the election), and
 - b. all nominees are to be listed on the ballot form in alphabetical order, and
 - c. the returning officer is responsible for determining the validity of and counting of the votes, and
 - d. if there is an equality of votes, there must be a new ballot, and
 - e. the returning officer is to declare the election results.

Rule 4.6 Removal of a director from office

1. The co-operative may remove a director from office if that director:
 - a. is charged with an offence under Australian law, or
 - b. breaches the NENA Code of Conduct, or
 - c. fails to attend more than 50% of Board meetings in a year, or
 - d. fails to attend any Board meeting without providing apologies for non-attendance.
2. The co-operative may by resolution (and in accordance with s180 of the CNL) remove a director before the end of the director's period of office and may by a simple majority elect another member in place of the removed director.
3. The person appointed must retire when the removed director would otherwise have retired.

Rule 4.7 When a director vacates office, casual vacancies and alternate directors

1. In addition to the circumstances set out in s179 of the CNL a director vacates office if the director dies or becomes unable to manage their affairs by reason of mental or physical incapacity.
2. The Board may appoint a suitably qualified person as an alternative director to fill a casual vacancy in the office of director that arises because of an event referred to in paragraph 1 of this rule or because there were insufficient nominees for election at an annual general meeting.
3. An alternate director must only hold office on a temporary basis, as set out by the Board in the alternative director's terms of appointment, and not any longer than until the next annual general meeting.

Rule 4.8 Director remuneration

No director may be remunerated for their role as director, unless it is approved at a general meeting.

Rule 4.9 Board meetings

1. Board meetings may be held as often as necessary for properly conducting the business of the co-operative and must be held at least every 3 months.
2. 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.
3. Where possible, decision making should be by consensus, however if consensus is not possible then decision making will be by a simple majority of the Board present at a meeting, and if votes are equal, the Chairperson has a casting vote.
4. Other than in special circumstances decided by the Chairperson or if all directors agree otherwise, at least 14 days' notice must be given to the directors of all meetings of the Board, without which the meeting cannot be held.
5. For urgent matters, the Board may consider and pass resolutions outside of Board meetings, by way of a circulating resolution.

Rule 4.10 Board quorum

1. The quorum for a Board meeting is at least 50% of the number of the directors (or the next highest whole number of directors).

Rule 4.11 Chairperson of the Board

1. The Chairperson of the Board must be elected by resolution of the Board and may also be removed by resolution of the Board.
2. On a resolution to remove the Chairperson, the Chairperson is not entitled to cast a vote.
3. If no Chairperson is elected or the Chairperson is not present within 15 minutes after the time fixed for holding the meeting or is unwilling to act as Chairperson of the meeting, the directors present may choose one of their number to be Chairperson of the meeting until the Chairperson attends and is willing to act as Chairperson.

Rule 4.12 Board and committee meeting minutes

1. The Board and all committees must keep minutes of all meetings including
 - a. the starting time and location of each meeting, and
 - b. the names of the persons present at each meeting, and
 - c. any resolutions or decisions made, and
 - d. a general overview of each topic of conversation.
2. Minutes must be entered in the appropriate records within 28 days of the meeting to which they relate being held.
3. The minutes are to be signed and confirmed by the Chairperson within a reasonable time after the meeting to which they relate.
4. All minutes must be made available to members through a member's only platform on the co-operative's website.

5. Members' meetings and voting procedures

Rule 5.1 General meetings

1. An annual general meeting (AGM) must be held on a date and at a time decided by the Board within 5 months of the end of the co-operative's financial year or within any further time allowed by the Registrar. The co-operative's first AGM must be held within 18 months of registration of the co-operative.
2. The Board may, whenever it considers appropriate, call a special general meeting of the co-operative.
3. General meetings may be held using technology that permits a member to participate contemporaneously in the meeting and enables the member to hear proceedings, ask questions of the Board or the auditor and to cast a vote.
4. If the co-operative has less than 50 members, it can vote using a circulating resolution instead of a general meeting, however a circulating resolution cannot replace an AGM.

Rule 5.2 Notice of general meetings and members' resolutions

1. At least 14 days' notice of a general meeting must be given, however special resolutions require at least 21 days' notice.
2. The period of notice is calculated from the day after the notice is served or taken to be served and is taken to include the day on which the meeting is to be held.
3. Notice must be served on each member of the co-operative and any other persons who are entitled to receive such notices under the Law (e.g. an auditor, if one has been appointed).
4. The notice must state the place, day and hour of the meeting and if the meeting is to be conducted using technology, the notice must include instructions about how to attend the meeting (see also rule 5.6 which deals with attending meetings and rule 6.10 which deals with notices to members).
5. The notice must state what ordinary business is to be considered, and, if there is to be any special business, the general nature of any special business.
6. The notice must also include any business that members have notified their intention to move at the meeting, provided this complies with paragraph 7 of this rule.
7. Members that can collectively cast at least 20% of the total number of votes that are able to be cast at a meeting of the co-operative, and who have a resolution that requires a decision by the members at a general meeting, may requisition the co-operative to consider the resolution by serving written notice on the co-operative.
8. If the co-operative has been served with notice under paragraph 7 of this rule the resolution is to be considered at the next general meeting that occurs more than 2 months after the notice is served or taken to be served.

Rule 5.3 Ordinary and special business of general meetings (including the AGM)

1. The 'ordinary business' of the AGM of the co-operative is:
 - 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 or financial statements of the co-operative for the financial year, and
 - ii. a report on the state of affairs of the co-operative; and

- iii. the Board's solvency resolution stating whether or not there are reasonable grounds to believe that the co-operative will be able to pay its debts as and when they become due and payable, and
 - c. to elect directors to fill any vacancies on the Board, and
 - d. to elect members of committees (including the **Strategy Group** and **Participatory Budget Group**) established by the Board.
 2. The business of any general meeting (other than the ordinary business set out under paragraph 1 of this rule) is known as 'special business'. The AGM may also transact 'special business', however members must receive notice of any such 'special business' in accordance with these rules.

Rule 5.4 Quorum at general meetings

1. Any item of business (ordinary or special) cannot be transacted at a general meeting unless a quorum of members is present when the meeting is considering the item.
2. If the number of active members is less than or equal to 10, the quorum is 5 active members.
3. If the number of active members is more than 10, then the greater of either 6 active members, or 20% of the active membership, constitutes a quorum.
4. A member is present for the purpose of these rules if the member is entitled to vote and is:
 - a. physically present, or
 - b. represented by their attorney, authorised nominee or representative, or
 - c. attending via video link or other technology that enables the member to participate in the proceedings.
5. A proxy given to another member does not entitle the person giving the proxy to be counted as a member who is present for the purposes of paragraph 7 of this rule.
6. 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.
7. If a quorum is not present within half an hour after the time appointed for an adjourned meeting, the members present constitute a quorum.

Rule 5.5 Chairperson at general meetings and adjournments

1. The Chairperson 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 15 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.
4. The only business that can be transacted at an adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.
5. It is not necessary to give notice of an adjournment or the business to be transacted at an adjourned meeting unless the meeting is adjourned for 14 days or more, in which case notice of the adjourned meeting must be given just as for the original meeting.

Rule 5.6 Attendance and voting at general meetings

1. The right to vote attaches to membership and each active member has only one vote at a meeting of the co-operative.
2. In the case of an **Organisation Member**, voting rights must be exercised by an authorised representative.
3. In the case of a joint membership a. joint members have only one vote between them, b. every joint member is entitled to attend and be heard at a general meeting, and c. in the event of a dispute between joint members as to which member will vote (subject to the grant of any proxy or power of attorney), the joint member whose name appears first in the register of members is entitled to vote.
4. A resolution, other than a special resolution, must be made by simple majority.
5. Subject to paragraphs 7 and 8 of this rule, a question for decision at any general meeting must be decided on a show of hands of members attending the meeting, or another procedure voting that is appropriate to the meeting technology being used.
6. A poll may be demanded on any question for decision.
7. 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 or represented by proxy demand a poll, the question for decision must be determined by a poll.
8. A poll must be taken when and as the Chairperson directs.
9. A poll on the election of a Chairperson or on the question of adjournment must be taken immediately and without debate.
10. Once the votes on a show of hands or on a poll have been counted a declaration by the Chairperson that a resolution has been carried (unanimously or by a majority) or lost is evidence of that fact.
11. The result of the vote must be entered in the co-operative's minute book.

Rule 5.7 Voting on a show of hands or on a poll

1. For a vote on a show of hands at a general meeting, each member who is present in accordance with rule 5.4.4. may only exercise one vote.
2. For a vote on a poll called at a general meeting, each member who is either present in accordance with rule 5.4.4, or who is represented by a proxy (but only if proxies are allowed under rule 5.9) may only exercise one vote.

Rule 5.8 Determining the outcome when votes are equal

1. This rule applies where the votes in favour and against a proposed resolution are equal.
2. If the Chairperson of the meeting is a member of the co-operative, they may exercise a second or casting vote.
3. If the Chairperson decides not to exercise a second or casting vote or is not a member of the co-operative, then the resolution is not successful.

Rule 5.9 Voting by proxy

1. For the purposes of this rule:
 - a. a **directed proxy** is a document appointing a person to vote on behalf of a member and where the document contains a clear and specific direction on how the member's vote is to be cast on a particular matter, and

- b. an **undirected proxy** is a document appointing a person to vote on behalf of a member and the document contains no direction on how the member's vote is to be cast on a particular matter.
2. Voting may be by proxy at a general meeting.
3. The document appointing a proxy must be in writing signed by the appointer or the appointer's attorney properly authorised in writing.
4. A document appointing a proxy may only appoint a person who is an active member of the co-operative as a proxy.
5. If the document appointing the proxy is a directed proxy the proxy is not entitled to vote on the resolution other than as directed in the proxy document.
6. A person may be appointed as a proxy by no more than 5 members where the documents are undirected proxies.
7. A person may be appointed as a proxy by any number of members where the documents are directed proxies.
8. A document appointing a proxy is not valid unless it is delivered (either by post or electronic means), to the registered office of the co-operative at least 48 hours before the time for holding the meeting or any adjournment of that meeting. If the document appointing a proxy is signed by a member's attorney, a copy of the attorney's authority to appoint a proxy should also accompany the proxy appointment.
9. A vote given in accordance with a directed proxy is valid unless the co-operative receives notice in writing at its registered office of the death or unsoundness of mind of the appointor, or revocation of that directed proxy, before the start of the meeting or adjourned meeting at which the proxy document is used.

Rule 5.10 Postal ballots

1. For the purposes of this rule:
 - a. a postal ballot includes a ballot conducted using technology such as email or other voting software, and
 - b. a ballot paper means a ballot paper in paper or electronic form.
2. A postal ballot may be held in respect of any matter that may be decided by the members at a general meeting (ordinary or special business).
3. In determining whether to hold a postal ballot on a matter for decision by members, the Board must consider whether:
 - a. a postal ballot would facilitate a more democratic decision by members, and
 - b. a postal ballot is time and cost effective.
4. A postal ballot must be held in respect of a matter that may be decided by members, when members who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the co-operative, requisition the Board to conduct the vote by way of postal ballot.
5. The Board may determine in a particular case whether the matter to be decided by postal ballot should be a secret ballot and whether votes may be returnable by fax or other electronic means or both.
6. If fax or electronic means for voting are used, members who have limited or no access to the fax or electronic means, must not be prejudiced in any way and must have reasonable opportunity to be advised of the postal ballot and to consider, record and return their vote.
7. The Board is to appoint a Returning Officer to conduct the postal ballot. In default of such an appointment, the Secretary is the Returning Officer.

8. Ballot papers (in such form and with such content as the Board approves) must be sent to all voting members so that they arrive at least 21 days before the closing date of the postal ballot, and giving the following information:
 - a. clear and concise particulars of the business for which the postal ballot is being conducted (including the proposed resolution or decision), and
 - b. an explanation of how to lodge a valid vote and the majority required to pass the resolution, and
 - c. notice of the closing date and closing time of the postal ballot.
9. This rule does not apply in relation to special postal ballots.

Rule 5.11 Special postal ballots

1. For the purposes of this rule:
 - a. a special postal ballot includes a ballot conducted using technology such as email or other voting software, and
 - b. a ballot paper means a ballot paper in paper or electronic form.
2. Where a special postal ballot is required under the Law, the Board may determine in a particular case whether the special postal ballot should be a secret ballot and whether votes may be returnable by fax or other electronic means or both.
3. If fax or electronic means for voting are used, members who have limited or no access to the fax or electronic means, must not be prejudiced in any way and must have reasonable opportunity to be advised of the special postal ballot and to consider, record and return their vote.
4. The Board is to appoint a returning officer to conduct the special postal ballot. In default of such an appointment, the secretary is the returning officer.
5. Ballot papers (in such form and with such content as the Board may approve) must provide:
 - a. particulars of the business in relation to which the special postal ballot is being conducted;
 - b. all documents required for special postal ballots as set out under the Law; and
 - c. an explanation of how to lodge a valid vote and the majority required to pass the vote; and
 - d. notice of the closing date and closing time of the special postal ballot.
6. Ballot papers must be sent to all voting members so that they arrive at least 28 days before the closing date of the special postal ballot.

Rule 5.12 Special resolutions

1. A special resolution is a resolution that is passed:
 - a. by a two-thirds majority of those active members who cast a vote in favour of the resolution at a general meeting or in a postal ballot of members, or
 - b. by a three-quarters majority of those active members who cast a vote in favour of the resolution in a special postal ballot of members.
2. Notice of a special resolution is required to be given to members at least 21 days before the vote or ballot time (or 28 days in the case of a special postal ballot).
3. The notice of special resolution must state:
 - a. the intention to propose the special resolution,
 - b. the wording of the proposed special resolution,
 - c. the reasons for proposing the special resolution, and
 - d. the effect of the special resolution being passed.

6. Administrative matters

Rule 6.1 Financial year

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

Rule 6.2 Bank accounts

1. The Board must have at least one financial institution account, electronic or otherwise, in the name of the co-operative, into which all amounts received by the co-operative must be paid as soon as possible after receipt.
2. All cheques drawn on the accounts, and all drafts, bills of exchange, promissory notes and other negotiable instruments, of the co-operative must be signed by 2 authorised persons.
3. Subject to paragraph 4 of this rule, the operation of any electronic accounts must be restricted so that there is a requirement for authorisation of any electronic transaction by 2 authorised persons.
4. The Board may determine by resolution that the payment of money in respect of transactions conducted in the ordinary course of the co-operative's business may be executed by 1 authorised person subject to a specified monetary limit set out in such resolution.
5. For the purposes of this rule, an authorised person is either a Board member or another person approved by the Board.

Rule 6.3 Gift fund

1. If the co-operative is endorsed as a Deductible Gift Recipient for a particular purpose or purposes it must, if required to do so by the Australian Tax Office, set up and maintain a separate fund to be called a 'Gift Fund' to which gifts of money or property for these purpose/s is to be credited, including:
 - a. contributions made in relation to a fund-raising event held for these purpose/s, and
 - b. any money received by the co-operative because of those gifts or contributions.
2. The Gift Fund must not receive any other money or property.
3. The co-operative must only use the gifts or money in the Gift Fund in pursuit of the purpose/s for which Deductible Gift Recipient status is endorsed.
4. The co-operative must not use any of the gifts or money in the Gift Fund to satisfy any other debts or liabilities of the co-operative.
5. If the co-operative's deductible gift recipient endorsement is revoked (whether or not the co-operative is to be wound up) all surplus assets in the Gift Fund must be transferred, to one or more entities that meet the requirements of rule 6.12.1, as decided by the Board.
6. The co-operative must maintain a separate bank account for the Gift Fund, and all receipts issued for gifts made to the Gift Fund must state:
 - a. the name of the co-operative,
 - b. the Australian Business Number of the co-operative, and
 - c. the fact that the receipt is for a gift.
7. For the purposes of this rule, 'contributions' and 'fund-raising event' have the same meaning as in Division 30 of the Income Tax Assessment Act 1997 (Commonwealth).

Rule 6.4 Financial reports and audits

1. Subject to paragraph 2 of this rule and any other provisions of the Law, the co-operative must provide members with basic financial statements no later than 7 days before the Annual General Meeting.

2. If the co-operative is directed under the Law by members or by the Registrar to prepare financial reports and the direction requires that the financial reports be audited or reviewed, the Board must appoint an auditor within one month of that direction.
3. An auditor appointed under paragraph 2 of this rule holds office until the financial reports have been audited or reviewed in accordance with the directions given, and then sent to the members or the Registrar as directed.
4. For the purposes of this rule basic financial statements includes:
 - a. an income and expenditure statement that sets out the appropriately classified individual sources of income and individual expenses incurred in the operation of the co-operative and the assets and liabilities of the co-operative,
 - b. a balance sheet (including appropriately classified individual assets and liabilities of the co-operative),
 - c. a statement of changes in equity, and
 - d. a cash flow statement.
5. If the co-operative is a large co-operative under the Law, it must appoint an auditor to prepare financial statements in accordance with the Law.
6. If the co-operative is registered as a non-participating foreign cooperative in Queensland it must comply with the financial reporting and auditing requirements in force for Queensland co-operatives, which may include appointing an auditor at the next general meeting of the co-operative after registration as a non-participating foreign cooperative in Queensland.

Rule 6.5 Provision for losses

1. The Board must make appropriate provision for losses in the co-operative's accounts.
2. When reporting to members the Board must indicate whether there is any material prejudice to the co-operative's solvency.

Rule 6.6 No distributions to members

1. The co-operative must not give returns or distributions to members from any operating surplus or reserve.
2. If the co-operative is wound up, any surplus assets must not be distributed to a member or a former member of the co-operative, unless that member or former member is an organisation or entity described in rule 6.12.

Rule 6.7 Safekeeping of securities

Shares, debentures, charges and any other certificates or documents or duplicates of them pertaining to securities owned by the co-operative must be safely kept by the co-operative, as directed by the Board.

Rule 6.8 Co-operative 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 co-operative's registered office, as directed by the Board.
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 the co-operative is registered, and any other requirements under the legislation of that other State or Territory.

4. The common 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.

Rule 6.9 Amendment and copies of the rules

1. Any amendment of the rules must be approved by special resolution.
2. A proposal to amend any rules must be made in a form approved by the Board which clearly shows the existing rule or rules concerned and any proposed amendment to those rules.
3. A member is entitled to a copy of the rules, including any amendments consolidated into the rules on payment to the co-operative of the following amount:
 - a. for a hard copy of the rules – \$10, or
 - b. for an electronic copy of the rules – Nil.

Rule 6.10 Notices and other documents to members

1. In addition to any other requirements of the Law regarding notices to members, a notice or other document required to be given to a member of the co-operative may be given by the cooperative 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 their contact details.
2. If a notice is sent by post, service is effective 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.
3. 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.
4. A notice may be given by the co-operative to joint members by giving the notice to the joint member named first in the register of members.
5. A notice may be given by the co-operative to the person entitled to a share in consequence of the death, incapacity, bankruptcy or insolvency 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 liquidator, or by any like description, and:
 - a. the address should be that supplied for the purpose by the person claiming to be entitled, or
 - b. if no such address has been supplied, the notice can be given in the manner in which it could have been given if the death, incapacity, bankruptcy or insolvency had not occurred.

Rule 6.11 Winding up

1. The winding up of the co-operative must be in accordance with the Law.
2. If the co-operative has established a Gift Fund under rule 6.3, any debts and liabilities that were incurred because of activities lawfully conducted as an acceptable use of the Gift Fund shall firstly be satisfied by assets in the Gift Fund. If there are any surplus assets in the Gift Fund these must be distributed in accordance with rule 6.12.1.
3. All remaining debts and liabilities of the co-operative must be satisfied from such other assets of the co-operative that are not part of the Gift Fund.
4. If on the winding up or dissolution there is a deficiency, members are liable to contribute towards the deficiency to the extent of any amount unpaid on any guarantee made by the

member and any charges payable by the member to the co-operative as required by these rules (e.g. unpaid annual subscriptions).

Rule 6.12 Distribution of surplus assets on winding up

1. If the co-operative has obtained Deductible Gift Recipient status for a particular purpose, on winding up or if the co-operative's Deductible Gift Recipient status is revoked, any surplus assets in a Gift Fund must be distributed to:
 - a. one or more organisations which prohibits the distribution of any surplus assets to its members to at least the same extent as the co-operative, and
 - b. with similar purposes to the purpose for which the Gift Fund was established, and
 - c. to which income tax-deductible gifts can be made.
2. Subject to the Law and any other applicable Australian laws, or any court order, all other surplus assets remaining after the co-operative is wound up must be distributed to:
 - a. one or more organisations which prohibit the distribution of any surplus assets to its members to at least the same extent as the co-operative, and
 - b. with similar purposes to, or inclusive of, the co-operative's purpose set out under rule 1.3.
3. The decision as to the organisations to be given any surplus assets must be made by a special resolution of members at or before the time of winding up. If the members do not make this decision, the co-operative may apply to the Supreme Court to make this decision.