

RULES OF
COMMUNITY RADIO ALBURY WODONGA CO-OPERATIVE SOCIETY
LIMITED
REGISTERED UNDER THE CO-OPERATIVES NATIONAL LAW (N.S.W.)

(Adopted 29th November 2021)

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DEFINITIONS

1. (a) In these rules, unless the context otherwise requires:
 - (i) “active member” means a member who is in active membership within the provisions of Rule 14;
 - (ii) “alter” or similar word or expression used in relation to a rule amendment includes add to, substitute, and rescind;
 - (iii) “auditor” means an auditor or auditors for the time being of the co-operative appointed in accordance with Rule 66;
 - (iv) “banking account” includes an account with a credit union or building society registered, or authorised to operate, under the Financial Institutions (NSW) Code into which the co-operatives monies may be paid;
 - (v) “business day” means a day that is not a Saturday or Sunday or a public holiday or bank holiday in New South Wales;
 - (vi) “CCU” means Co-operative Capital Unit issued in accordance with these rules;
 - (vii) “director” means any director of the co-operative for the time being and any deputy director acting in the absence of a nominating director under Rule 57;
 - (viii) “financial year” means the financial year of the co-operative as specified in Rule 63;
 - (ix) “may” or a similar word or expression used in relation to a power of the board indicates that the power may be exercised or not exercised at the board’s discretion;
 - (x) “member” means a member of the co-operative;
 - (xi) “month” means calendar month;
 - (xii) “postal ballot” includes a special postal ballot;
 - (xiii) “prescribed” means prescribed by the Act or under the Act by Regulation;
 - (xiv) “provision” in relation to the Act, means words or other matter that form or forms part of the Act, and includes:

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- (a) a chapter, part, division, subdivision, section, subsection, paragraph, subparagraph, sub-subparagraph or schedule of or to the Act; and
- (b) a section, clause, subclause, item, column, table or form of or in a schedule to the Act; and
- (c) the long title and any preamble to the Act;
- (xv) “regulation” means a regulation made under the Act, and any regulation that applies to a co-operative by way of a transitional regulation made under the Act;
- (xvi) “relevant interest” has the same meaning as given in Part 1 of Schedule 2 of the Act;
- (xvii) “rules” means the registered rules of the co-operative as amended from time to time and reference to particular rules has a corresponding meaning;
- (xviii) “shall” or a similar word or expression used in relation to a power of the board indicates that the power must be exercised, subject to the Act or the rule granting the power;
- (xix) “special resolution” means a resolution which is passed in accordance with Rule 40;
- (xx) “the Board” means the whole or any number of the directors assembled at a meeting of the directors or transacting business in accordance with Rule 48, being not less than a quorum or a majority, as the case may be;
- (xxi) “the Act” means the Co-operatives National Law as applying in this jurisdiction;
- (xxii) “the Co-operative” means Community Radio Albury-Wodonga Co-operative Society Limited;
- (xxiii) “the Law” means the Corporations Law;
- (xxiv) “the Registrar” means the Registrar of Co-operatives or any person delegated the Registrar’s functions;
- (xxv) “the Secretary” means any person appointed by the board as secretary of the co-operative pursuant to Rule 61;
- (xxvi) “the State” means the state of New South Wales;
- (xxvii) “writing” includes printing, typing, lithography and other modes of representing or reproducing words in visible form and “writing” has a corresponding meaning;
- (xxviii) words importing one gender include other genders;

- (xxix) words importing persons include corporations;
- (xxx) words or expressions used have the same meanings as those given to them by the Act;
- (xxxi) “share” means share in the capital of the co-operative;
- (xxxii) words in the singular include plural and vice versa;

DEFINITIONS – (INTERPRETATION PROVISIONS)

- (b) A reference in these rules to “the Act” includes a reference to:
 - (i) the Act as originally enacted, and as amended from time to time since its original enactment: and
 - (ii) if the Act has been repealed since the inclusion of the reference in these rules – the legislation enacted in substitution of the Act (whether legislation of the State or Federal parliament) and as amended from time to time since its enactment:
- (c) A reference in these rules to a provision in “the Act” includes a reference to:
 - (i) the provision as originally enacted, and as amended from time to time since its enactment:
 - (ii) if the provision has been omitted and re-enacted (with or without modification) since the enactment of the reference – the provision as re-enacted and as amended from time to time since its re-enactment; and
 - (iii) if the provision has been omitted and replaced with a new provision dealing with the same area of law or procedure – the new provision as enacted and as amended from time to time since its enactment.
- (d)
 - (i) 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.
 - (ii) This provision applies whether or not the purpose is expressly stated in the rule or paragraph of the rule.
- (e) In these rules, unless the context indicates a contrary intention, headings are for convenience and do not affect the interpretation.

RULES

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

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

- (b) (i) A person shall be entitled on demand to a copy of the rules upon payment of a sum not exceeding \$20:00 for a hard copy, or an electronic copy for a sum not exceeding \$10 or such other amount as the board may from time to time determine.
- (ii) A person may inspect a copy of these rules free of charge at the office where the registers are kept, during all reasonable hours.

NON-DISTRIBUTING CO-OPERATIVE

- 2a. The co-operative is a non-distributing co-operative within the meaning of Section 19 of the Act.

RULE ALTERATIONS

3. (a) The rules may be altered by a special resolution, by a resolution of the board in accordance with Section 62 of the Act or as otherwise permitted by the Act. No alteration to these rules takes affect until the alteration is registered by the Registrar.
- (b) Where any rule is altered, by way of a board resolution under Section 62, the co-operative must cause the alteration to be notified, in writing, to members as soon as practicable after the alteration is registered and, in any event, not later than the date on which notice is given to members of the next annual general meeting of the co-operative, following the registration of the alteration.

NAME

4. The name of the co-operative shall be;
- (a) Community Radio Albury-Wodonga Co-operative Society Limited.
 - (b) The co-operative may, in accordance with Section 224, change its name by way of a special resolution to a name approved of by the Registrar.

CHANGE OF REGISTERED OFFICE

5. 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.

NOTIFICATION OF OFFICE ADDRESS AT WHICH REGISTERS ARE KEPT

- 5A. If the registers required by Section 212 to be kept by a co-operative are not kept at the registered office, the co-operative must lodge with the Registrar a notice of the address at which the register is kept within 28 days after the register is:

- (a) established at an office which is not the co-operatives registered office; or
- (b) moved from one office to another.

OBJECTS

6. The objects of the co-operative shall be:

- (a) To conduct and to provide as a service to the community, broadcasting and media services whether audio, visual or by any other means and in particular to conduct one or more radio stations at such places in the vicinity of Albury and of Wodonga as the co-operative shall determine.
- (b) To hold licences under the Broadcasting Services Act 1992 or any other Act for the registrations or licensing of media services, whether the licence be experimental, temporary or permanent.
- (c) Through the conduct of these broadcasting services to encourage and promote music, art, science, literature and education for the benefit of the community.
- (d) To remedy through broadcasting services any deficiency in the progress of the citizens of Albury and Wodonga and its environs involved in the Albury-Wodonga growth centre, towards a better quality of life.
- (e) To provide technical or other assistance for broadcasting and to carry out research into all areas incidental thereto.
- (f) To assist the Community Broadcasting Association of Australia in maintaining co-operation and liaison between this co-operative and similar organisations.
- (g) To undertake a 5 yearly survey of the general public, aimed at the broadest possible cross section of the community, with a view to surveying radio station listener's preferences and the results are to be discussed with both the directors at a board level and with other radio station personnel, to ensure listener's needs are being met as much as possible.

POWERS

7. (a) The co-operative shall have, both within and outside the State, the legal capacity of a natural person and have all the powers allowed by or under the Act, including but not limited to the taking of deposits pursuant to Part 3.4 Division 1 of the Act, including, but not limited to, the following powers;
- (i) provide and carry on any community service and transport and the supply of media and broadcasting services, provide and install plant, fittings and requisites in connection with any community service and to do anything necessary or convenient therefore;
 - (ii) provide and maintain buildings and grounds for education, recreation or other community purposes or operations, maintain or carry on any club or promote or assist clubs for any such purpose;
 - (iii) promote and carry out any charitable undertakings;
 - (iv) raise money on loan for any objects of the co-operative from time to time to an aggregate amount of not exceeding five hundred thousand dollars (\$500,000) subject to the Act;
 - (v) acquire by purchase or otherwise shares in another co-operative;
 - (vi) enter into guarantees, indemnities and agreements for recourse, purchase and repurchase with an owner in relation to hire purchase or leasing agreements made between such owner and members of the co-operative in the respect of goods, plant, machinery or equipment;
 - (vii) contract or otherwise, make arrangements for any guarantee by any person or persons of the payment of money by the co-operative or the performance by the co-operative of any of its obligations whether present or future and for such purpose to indemnify or agree to indemnify the person or persons giving or about to give such guarantee or guarantees and to give security over the assets of the co-operative or any of them for such indemnity or for the performance of such agreement to indemnify;
 - (viii) the co-operative may in accordance with the Act, acquire by lease, purchase, donation, devise, bequest or otherwise any real or personal property for any objects of the co-operative and may sell or lease any such real or personal property.

PURCHASE OF MEMBERS SHARES

- 7A. Subject to Section 107 of the Act the co-operative may:

- (i) (A) purchase any share of a member at the request of the member; and

- (B) repay to a member, with the member's consent, the whole or any part of the amount paid up on any share held by the member when the sum repaid is not required for the activities of the co-operative.
 - (ii) The co-operative shall cancel any share purchased or repaid in full by the co-operative.
 - (iii) The co-operative shall not, in any financial year, repurchase shares or repay the amount paid up on the shares, or both, if the amount to be paid by the co-operative exceeds the sum of:
 - (A) 5% of the nominal value of the issued share capital of the co-operative immediately before the commencement of the financial year; and
 - (B) the amount of any additional share capital of the co-operative subscribed for during that year,
- The members of a co-operative may, by special resolution, exempt a co-operative from the operation of sub-section (iii) in relation to a particular financial year, either unconditionally or subject to conditions.
- (iv) The amount paid for a share when it is repurchased may be an amount determined by the board which is less than the nominal value of the share if the books of the co-operative disclose that the amount paid is the net shareholder's equity per share in the undertaking of the co-operative.
 - (v) Section 107 of the Act does not apply to any member who has been expelled or had their membership cancelled under Part 2.6 of the Act.
 - (vi) The board must not agree to repurchase shares or repay amounts paid up on shares if:
 - (A) the repurchase or repayment is likely to cause the co-operative to become insolvent; or
 - (B) the co-operative is insolvent.
 - (vii) If the board is of the opinion that to pay the purchase price would adversely affect the financial position of the co-operative it can:
 - (A) if it is a deposit taking co-operative, apply the amount as an interest bearing deposit by the member with the co-operative; or
 - (B) allot or issue debentures or CCU's of the co-operative to the member in satisfaction of the amount.
 - (viii) A deposit, debenture, or CCU issued in pursuant to (B) shall:
 - (A) bear interest during any period in accordance with the rate the board of the cooperative considers reasonable: and

(B) be repaid to the member as soon as, in the board's opinion, such repayment would not adversely affect the financial position of the co-operative, and in any case within ten years.

POWER TO FORM COMPANIES, ENTER INTO JOINT VENTURES ETC

8. Without limiting the provisions of Rule 7, and subject to the provisions of the Law, the co-operative has the power;

- (i) to form or participate in the formation of a body corporate or unit trust;
- (ii) to acquire interests in and sell or otherwise dispose of interests in bodies corporate, unit trusts and joint ventures; and
- (iii) to form or enter into partnership, joint venture or other association with other persons or bodies,

in furtherance of the co-operative's primary activity.

LOANS BY MEMBERS TO THE CO-OPERATIVE

9. (a) Members may make voluntary loans to the co-operative with or without security; however, any such loan is not to exceed 7 years in length.
- (b) Interest payable on such loans shall be the rate the board of the co-operative considers reasonable;

DEALINGS OF MEMBERS WITH CO-OPERATIVES

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

- (ii) any entry and periodic fees required to be repaid to a member when the member ceases to be a member.

The charge created pursuant to Section 127 of the Act shall be enforced in accordance with that section.

- (d) Nothing in this rule shall be interpreted as restricting the powers of the co-operative to enter into contracts with a member or members other than pursuant to the provisions of this rule.

SEAL

- 11. (a) The co-operative shall, as required by Section 223 of the Act, have the name of the co-operative appear in legible characters on its Common Seal and on any Official Seal, and the Australian Registered Body Number of the Co-operative if required under the Law. The Common Seal shall be kept at the registered office in such custody as the board shall direct.
- (b) The co-operative may have for use in place of its Common Seal outside of the State, one or more Official Seals. 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.
- (c) The Common Seal of the co-operative shall not be affixed to any instrument except by 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. The board may appoint a person other than the secretary to perform this function.
- (d) The person affixing the Official Seal must certify in writing on the instrument to which it is affixed, the date and place at which it is affixed.

CO-OPERATIVE MAY AUTHORISE AGENT OR ATTORNEY TO EXECUTE DEEDS

- 12. (i) The co-operative may, by writing under its Common Seal, empower its agent or attorney (either generally or in respect of a specified matter or specified matters) to execute deeds on its behalf.
- (ii) A deed signed by such an agent or attorney on behalf of the co-operative and under the agent's or attorney's seal, or under the appropriate official seal of the co-operative, binds the co-operative and has the effect as if it were under the Common Seal of the co-operative.
- (iii) The authority of such an agent or attorney, as between the co-operative and a person dealing with the agent or attorney, continues during the period (if any) mentioned in the instrument conferring the authority or, if no period is so mentioned, until notice of the revocation or termination of the agent's or attorney's authority has been given to the person dealing with the agent or attorney.

- (iv) Where an agent or attorney fixes an Official Seal to an instrument, the person must comply with Rule 11 (d).

CUSTODY AND INSPECTION OF RECORDS AND REGISTERS

13. (a) The co-operative must have at the office where the registers are kept and available during all reasonable hours for inspection by *any member* free of charge the following:
- (i) a copy of the Act and the National Regulations and the Local Regulations;
 - (ii) a copy of the rules of the co-operative;
 - (iii) a copy of the minutes of each general meeting of the co-operative;
 - (iv) a copy of the last annual report of the co-operative;
 - (v) the register of directors and members and shares;
 - (vi) the register of names of persons who have given loans or deposits to or hold securities or debentures given or issued by the co-operative;
 - (vii) such other registers as the regulation provides are to be open for inspection.
- (b) A member is entitled to make a copy of entries in a register specified in subsection (a) for a fee of \$1 per single copy or other such amount as the board determines is reasonable as long as the amount does not exceed the Registrars Fees.
- (c) The co-operative must have at the place where the registers are kept and available during all reasonable hours for inspection *by any person*:
- (i) a copy of the Act and the National Regulations and the Local Regulations;
 - (ii) a copy of the rules of the co-operative
 - (iii) a copy of the last annual report of the co-operative.

ACTIVE MEMBERSHIP PROVISIONS

14. In accordance with Part 2.6 of the Act:
- (a) to establish and maintain a community radio station in the Albury/Wodonga area is a primary activity of the co-operative; and
 - (b) a member shall pay an annual subscription of not less than five dollars (\$5:00) or other such amount as determined by the board in accordance with Rule 20(c) unless the member has been granted Life membership under Rule 16.
- in order to establish active membership of the co-operative.

CANCELLATIONS RELATING TO INACTIVE MEMBERS

15. (a) The board shall, after giving notice in accordance with Section 161 of the Act, declare the membership of a member cancelled if:
- (i) 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 2 years before the date of cancellation; or
 - (ii) the member is not presently an active member and has not been an active member at any time during the past 2 years immediately before the date of cancellation.
- (b) The co-operative shall, in a form approved of by the registrar, keep a register of memberships cancelled pursuant to paragraph (a) of this Rule, which shall specify the particulars prescribed in Clause 7 of Schedule 2 of the National Regulations.
- (c) The board shall not be required to give notice, under this rule, if the member's whereabouts are unknown to the co-operative and the amount required to be repaid to the member in respect of the cancelled membership does not exceed \$50:00 or other such amount as may be prescribed.
- (d) The board is to declare the shares of a member forfeited at the same time as the membership is cancelled and the amount due in respect of that cancellation and forfeiture shall be dealt with and repaid in accordance with Section 163 of the Act.

QUALIFICATIONS FOR MEMBERSHIP

16. (a) A person is not qualified to be admitted to membership of the co-operative unless the board has reasonable grounds for believing that the person will be an active member under Rule 14.
- (b) Every new member admitted to the co-operative as from the 18 November 1986, shall hold at least 5 shares in the co-operative, the nominal value of a share shall be two dollars (\$2:00). A person who qualified for membership prior to 18 November 1986 need only hold one share.
- (c) A member may be granted Life Membership by a resolution of the board of directors. A person granted Life Membership is to be an active member at the time Life Membership is granted.

APPLICANTS FOR MEMBERSHIP TO BE GIVEN NOTICE OF ENTRY AND PERIODIC FEES

17. 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.

APPLICATION FOR MEMBERSHIP

18. (a) The board must provide each person intending to become a member of the co-operative with:
- (i) a consolidated copy of the rules of the co-operative; and
 - (ii) a copy of all special resolutions applicable to the member passed by the members of the co-operative, except special resolutions providing for an alteration of the rules of the co-operative; and
 - (iii) a copy of the last annual report of the co-operative.
- (b) The board may comply with Rule 18(a) by:
- (i) giving the person intending to become a member notice that the documents referred to in that sub-rule may be inspected by that person at the registered office of the co-operative; and
 - (ii) making those documents available for inspection.
- (c) Applications for membership and shares or additional shares shall be lodged at the registered office, in or to the effect of the form approved by the board together with the amount to pay the shares fully.
- (d) Every application shall be considered by the board. The applicant's name, date and any other information required by or under the Act shall be entered in the register of members.

The applicant shall be notified in writing of the board's decision to either refuse the application together with the reason for refusal, or acceptance of the application together with the entry in the register. Accepted applicants shall then be entitled to the privileges attaching to the membership.

- (e) The board may refuse an application for membership on the following grounds,
 - (i) There are reasonable grounds to believe that the applicant would not abide by the rules and regulations of the co-operative,
 - (ii) There are reasonable grounds to believe that the applicant would not abide by the Community Broadcasting Codes of Practice,
 - (iii) There are reasonable grounds to believe that the applicant would pose a security risk to property, premises or members of the co-operative,
 - (iv) The applicant is not qualified to be admitted as a member under the provisions of the rules of the co-operative, the Act, or the Law,
 - (v) In the case of refusal of an application, the applicant has the right to appeal under Rule 80 of the Co-operatives rules.
- (f) In considering an application for membership pursuant to this rule, the board must ensure that a person who is not qualified for membership of the co-operative under Rule 16 is not admitted as a member.

CERTIFICATE OF SHARES

- 18A. (a) Every person whose name is entered as a member in the register of members shall be given, after application and without payment, a certificate under the seal of the co-operative specifying the shares held by the person and the amount paid on those shares.
- (b) Where the shares are held jointly by several persons the co-operative shall not be bound to issue more than one certificate, and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.
- (c) If a share certificate is defaced, lost or destroyed a duplicate may be issued by the co-operative on payment of a fee, not exceeding \$5:00 and on such terms as to evidence and indemnity as the board thinks fit.

MEMBERS OF THE CO-OPERATIVE

19. The members of the co-operative are:
- (a) those persons who signed the application for registration of the co-operative; and
 - (b) those persons admitted to membership in accordance with Rule 18; and
 - (c) those persons who become members by:
 - (i) a transfer of engagements to the co-operative; or
 - (ii) a scheme of arrangement; or
 - (iii) operation of law,
 - (iv) transfer of share under Rule 73.

LIABILITY OF MEMBERS TO THE CO-OPERATIVE

20. (a) A member shall not, as a member of the co-operative, be under any personal liability to a creditor of the co-operative.
- (b) A member shall, in accordance with Section 121 of the Act, be liable to the co-operative for the amount, if any, unpaid on the shares held by that member, together with any charges, including entry and periodic fees, payable by the member to the co-operative as required by these rules.
- (c) Members may be required in addition to any other charges payable under the Rules to pay an annual subscription of no more than \$100:00 or other such amount as shall be determined by the board from time to time and payable in advance on the dates fixed by the board. The shares of a member whose annual subscription under this Rule has not been paid may be forfeited under Rule 15.
- (d) On the death of a member, the member's estate is subject to the same liability as the member would have been until the member's personal representative or some other person is registered in the member's place.
- (e) The joint holders of a share shall be jointly and severally liable in respect of any such amount unpaid on shares and to any such charges referred to in paragraph (b).

ONE MEMBER ONE VOTE

21. (a) An active member of the co-operative shall have one vote only in respect of any question or motion arising at a general meeting of the co-operative.
- (b) A member's right to vote is a personal right and is not attached to, or conferred by, any share held by the member in the co-operative.

EFFECT OF RELEVANT SHARE AND VOTING INTEREST ON VOTING RIGHTS

- 21A. (a) A member is not entitled to vote if another person (whether or not a member of the co-operative) has a relevant interest in any share held by the member or in the right to vote of the member.
- (b) 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.

NOTICE TO BE GIVEN OF VOTING INTEREST

- 21B. (a) A person (whether or not a member of the co-operative) must give notice in writing to the co-operative within 5 business days of becoming aware that the person has, or has ceased to have, a relevant interest in the right to vote of a member in the co-operative.
- (b) For the purposes of this rule, “notice” means a notice which contains the prescribed particulars as set out in Clause 3.21 of the National Regulations.

PROXY VOTES

22. (a) The instrument appointing a proxy shall be in writing under the hand of the appointer, or of the appointer’s attorney, duly authorised in writing.
- (b) An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
- (c) No person shall act as proxy unless the person is an active member under Rule 14.
- (d) Subject to (h) no person shall act as proxy for more than 10 persons.
- (e) An instrument appointing proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (f) An instrument appointing proxy may be in the following form, or any other form which the board shall approve:

Rules of Community Radio Albury-Wodonga Co-operative Society Limited

PROXY FORM

I/we _____

Of _____

Appoint _____

Of _____

Or in that person's absence _____

Of _____

Or (in that person's absence) the chairperson of the meeting, or a person nominated by the chairperson,

As my/our proxy to vote for me/us on my/our behalf at the Annual/Special General Meeting of the co-operative to be held on ____/____/____ and at any adjournment of that meeting.

I/we direct my/our proxy to vote in respect of each resolution to be considered as indicated with an "X" below, and to vote or abstain in respect of any procedural resolution as my/our proxy thinks fit

| | FOR | AGAINST |
|----------------------------------|-----|---------|
| Ordinary/Special resolution No 1 | () | () |
| Ordinary/Special resolution No 2 | () | () |

If no direction is given above, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of each resolution (including any procedural resolution) to be considered by the meeting and any adjournment of the meeting.

Dated _____

Signature _____

Corporate members should execute under seal or by attorney.

(g) Where an instrument of proxy is signed by all of the joint members, the vote of the proxy so appointed shall be accepted as the vote of the joint member whose name appears first in the register of members.

(h) Paragraph (d) of this Rule does not apply if the person acts under an instrument of proxy which specifies the manner in which the person is to vote in respect of a particular resolution.

INSTRUMENT APPOINTING PROXY TO BE LODGED AT REGISTERED OFFICE

23. (a) An instrument appointing a proxy is not valid unless:

(i) the instrument: and

(ii) if the instrument is signed by the appointer's attorney – the authority under which the form was signed, or a notarially certified copy of the authority,

is deposited at the registered office of the co-operative.

(b) The document required to given under this rule must be deposited at the registered office:

- (i) at least 48 hours before the meeting at which the proxy may be used: or
- (ii) in the case of a poll – at least 24 hours before the taking of the poll.

REVOCATION OF INSTRUMENT APPOINTING PROXY

24. A vote given in accordance with the terms of an instrument of proxy, or of a power of attorney, is valid notwithstanding the previous death or unsoundness of mind of the principle, the revocation of the instrument (or of the authority under which the instrument was executed) or the power, if no intimation in writing of the death, unsoundness of mind or revocation has been received by the co-operative at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used or the power is exercised.

RESTRICTION ON VOTING ENTITLEMENT UNDER POWER OF ATTORNEY

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

EXPULSION OF MEMBERS

26. (a) A member may be expelled from the co-operative by special resolution to the effect:
- (i) that the member has failed to discharge the member's obligation's to the co-operative, whether prescribed by these rules or arising out of any contract; or
 - (ii) that the member has been found guilty of conduct detrimental to the co-operative.
- (b) In either case written notice of the proposed resolution shall be forwarded to the member not less than 14 days before the date of the meeting at which the special resolution is to be moved, and the member shall be given a reasonable opportunity of being heard at the meeting.
- (c) Expulsion of a member shall not be effective, until the special resolution expelling the member is registered.
- (d) The shares of a member expelled shall be cancelled as at the date of expulsion and the cancellation shall be noted in the register of shares.

CEASING MEMBERSHIP

27. A person shall cease to be a member in any of the following circumstances:

- (a) if the member's membership is cancelled under Rule 15;
- (b) if the member is expelled in accordance with Rule 26;
- (c) if the member becomes bankrupt or becomes subject to control under the law relating to bankruptcy;
- (d) on the death of a member, or in the case of a body corporate, the dissolution of that body corporate;
- (e) if the contract of membership is rescinded on the ground of misrepresentation or mistake;
- (f) on the expiration of one months' notice in writing of the member's intention to resign from membership given by the member, to the Secretary;
- (g) if the member's share is forfeited in accordance with the provisions of the Act or the provisions of these rules (other than a forfeiture to remedy a contravention of Rule 69 (a));
- (h) if the member's share is purchased by the co-operative in accordance with Rule 7A; and
- (i) if the amount paid up on the member's share is repaid to the member in accordance with the provisions of these rules.

ANNUAL GENERAL MEETINGS

28. (a) The first annual general meeting of a co-operative must be held at any time within 19 months (or other such period as may be permitted under the Act) after the incorporation of the co-operative.
- (b) A general meeting of the co-operative to be known as the "annual general meeting" shall, as provided in Section 252 of the Act, be held each year on a date and a time determined by the board as long as it is held within five (5) months after the close of the financial year of the co-operative, or within such further time as may be allowed by the Registrar.
- (c) All general meetings of the co-operative other than the annual general meeting shall be special general meetings.
- (d) If an annual general meeting is not held in accordance with paragraph (a) or paragraph (b) of this rule, the members may, in accordance with **Section 257** of the Act and Rule 30, requisition such a meeting.

CONVENING GENERAL MEETINGS

29. The board may, whenever it thinks fit, convene a special general meeting of the co-operative.

REQUISITION OF GENERAL MEETINGS

30. (a) The board must convene a general meeting of the co-operative on the requisition in writing by active members who together are able to cast at least **20%** of the total number of votes to be cast at a meeting of the co-operative.
- (b) The requisition must:
- (i) state the objects of the meeting; and
 - (ii) be signed by the requisitioning members and may consist of several documents in like form each signed by one or more of the requisitioning members; and
 - (iii) be served on the co-operative by being lodged at the registered office of the co-operative.

REQUISITIONED MEETING MUST BE CONVENED AS SOON AS PRACTICAL

31. (a) A meeting requisitioned by members in accordance with Rule 30 must be convened and held as soon as practical and, in any case, must be held within two months after the requisition is served.
- (b) Where the board does not convene a meeting twenty one (21) days after the requisition is served, the following provisions apply:
- (i) the requisitioning members (or any of them representing at least half their aggregate voting rights) may convene the meeting in the same manner as nearly as possible as meetings are convened by the board;
 - (ii) for that purpose they may request the co-operative to supply a written statement setting out names and addresses of the persons entitled when the requisition was served to receive notice of general meetings of the co-operative;
 - (iii) the board must send the requested statement to the requisitioning members within 7 days after the request for the statement is made.
 - (iv) the meeting convened by the requisitioning members must be held not later than 3 months after the requisition is served;
 - (v) any reasonable expenses incurred by the requisitioning members because of the board's failure to convene the meeting must be paid by the co-operative;

(vi) any such amount required to be paid by the co-operative is to be retained by the co-operative out of any money due from the co-operative by way of fees or other such remuneration in respect of their services to such of the directors as was at fault.

NOTICE OF GENERAL MEETINGS

32. (a) Subject to Rule 33, at least 14 days' notice (not including the day on which the notice is served or deemed to be served, but including the day for which notice is given) shall be given of any general meeting in the manner stipulated in Rule 81.
- (b) Notice must be given to those persons who are, under these rules entitled to receive such notices from the co-operative, but the non-receipt of the notice by any member shall not invalidate the proceedings at such general meeting, the notice must specify the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.
- (c) Any member who has a resolution to submit to a general meeting must give written notice of the terms of the resolution to the co-operative not less than 21 days prior to the meeting.
- (d) The board shall have inserted in any notice convening a general meeting any business which a member has notified of the intention to move and for which notification has been given in accordance with this rule.
- (e) Notice of every general meeting shall be given in the same manner as authorised in Rule 81 to:
- (i) every member of the co-operative, except those members who have not supplied to the co-operative an address or facsimile number for the giving of notices to them; and
 - (ii) the auditor or auditors of the co-operative;
 - (iii) every person entitled to a share in consequence of the death, incapacity or bankruptcy of a member, who, but for that member's death, incapacity or bankruptcy, would not be entitled to receive notice of the meeting.
- (f) Except as provided by this rule, no other persons shall be entitled to receive notices of general meetings.

NOTICE OF SPECIAL RESOLUTIONS

33. Notice of a special resolution shall be given to those persons, entitled to receive notice under Rule 32, at least 21 days before the general meeting and shall specify the intention to propose the resolution as a special resolution at that meeting and specify the terms of the special resolution.

BUSINESS OF GENERAL MEETINGS

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

QUORUM AT GENERAL MEETINGS

35. (a) No item of business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting is considering that item.
- (b) Except where these rules state other wise, 10 active members present in person and entitled to vote constitute a quorum
- (c) If within half an hour after the appointed time for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall be adjourned to the same day in the next week at the same time and place. If at the adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting, the members present shall constitute a quorum.

CHAIRPERSON AT GENERAL MEETINGS

36. (a) The chairperson, if any, of the board shall preside as chairperson at every general meeting of the co-operative.
- (b) If there is no chairperson, or if at any 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, then the members so present shall choose someone from their number to be chairperson until such time as the chairperson attends or is willing to act.
- (c) The chairperson may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place. The only business that can be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for 14 days or more notice of the adjourned meeting shall be given just as in the case of the original meeting. Apart from this requirement it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

STANDING ORDERS AT GENERAL MEETINGS

37. The following standing orders shall be observed at the co-operative's meeting, subject to any suspension of, or amendment of, or addition to, these orders adopted for the purposes of that meeting by the members present at a meeting:
- (i) the mover of a motion shall not speak for more than 10 minutes. Subsequent speakers shall be allowed 5 minutes, and the mover of the proposition 5 minutes to reply. The meeting may however by simple majority extend in a particular instance the time permitted by this rule;
- (ii) whenever an amendment to an original motion is proposed, no second amendment shall be considered until the first amendment is disposed of;
- (iii) if an amendment is carried, the motion as so amended shall displace the original motion and may itself be amended;
- (iv) if an amendment is defeated, then a further amendment may be moved to the original motion. However, only one amendment shall be submitted to the meeting for discussion at one time;
- (v) the mover of every original motion, but not of an amendment, shall have the right of reply. Immediately after this the question shall be put from the chair. No other member shall speak more than once on the same question, unless permission is given for an explanation, or where the attention of the chairperson is called to a point of order
- (vi) motions and amendments shall be submitted in writing, if requested by the chairperson;

- (vii) any discussion on a motion or amendment may be closed by a resolution “that the question now be put” being moved, seconded, and carried. Such resolution shall be put to the meeting without debate.
- (viii) any member, or visitor invited to attend the meeting by the board, may speak on any issue at a meeting with the permission of the chairperson provided that the permission be conditional;
- (ix) standing orders may be suspended for any period by ordinary resolution.

ATTENDANCE AND VOTING AT GENERAL MEETINGS

38. (a) At any meeting of the co-operative a member, whose membership is required to be forfeited under Rule 15, is not entitled to attend.
- (b) A member of the co-operative is not entitled to vote at a meeting of the co-operative:
- (i) if the person is not an active member of the co-operative;
 - (ii) the person is excluded from voting under the Act or these rules.
- (c) At any general meeting a resolution put to the vote of the meeting shall (as provided in Section 256 of the Act) be decided on a show of hands. This is unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least 5 members. If no poll is demanded, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of proceedings of the co-operative shall be evidence of the fact. No proof is needed of the number or proportion of the votes recorded in favour of, or against, that resolution.
- (d) If a poll is demanded, in accordance with Rule 38(c), it shall be taken in a manner which the chairperson directs. Unless the meeting is adjourned the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- A poll demanded on the election of a chairperson, or on a question of adjournment, shall be taken immediately.
- A poll demanded in accordance with Rule 38(c) may be withdrawn.
- (e) On a show of hands, or on a poll, every representative of a body corporate appointed in accordance with Section 115 of the Act, or every member who is present at a meeting in person or represented by proxy or attorney, shall have one vote. However, no member shall have a vote, or be entitled to vote, contrary to the Act.
- (f) In the case of joint membership, the joint bearers have 1 (one) vote between them and that vote may be exercised (subject to the grant of any proxy or power of attorney) only by whichever of the joint members is the member whose name appears first in the register of members.

- (g) In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
- (h) All resolutions, except special resolutions, shall be determined by a simple majority.

POSTAL BALLOT

39. The co-operative may hold a postal ballot to determine any issue or proposal by the members in the manner prescribed in Clause 3.9 of the National Regulations.

SPECIAL RESOLUTION

40. (a) A special resolution means a resolution of which notice has been given of the intention to propose the resolution as a special resolution and which is passed either by two-thirds of the members who vote at a general meeting in person or by proxy in accordance with Rule 22; two-thirds in a postal ballot; or by three-quarters of the members who cast votes in a special postal ballot of members.
- (b) A special postal ballot for the purposes of passing a special resolution must be conducted in relation to the following matters:
- (i) a conversion of a trading co-operative to a non-trading co-operative,
 - (ii) transfer of incorporation,
 - (iii) an acquisition or disposal of assets referred to in Section 359,
 - (iv) takeover,
 - (v) merger,
 - (vi) transfer of engagements,
 - (vii) member's voluntary winding up,
 - (viii) the maximum permissible level of share interest in the co-operative.
- (c) A special resolution has effect from the date it is passed except in the following circumstances:
- (i) the removal of an auditor,
 - (ii) the expulsion of a member,
 - (iii) the alteration of any rule,
 - (iv) any matter for which a special resolution is required to be passed by special postal ballot (other than a special postal ballot in favour of a voluntary winding up).

In which case it has effect from the time it is registered by the Registrar.

BOARD OF DIRECTORS

41. (a) There shall be a board of 7 directors each of whom shall be a natural person and at least 18 years old.
- (b) The business of the co-operative is to be managed by the board of directors, and for that purpose the board may exercise all of the powers of the co-operative that are not, by the Act or these rules, required to be exercised by the co-operative in a general meeting.
- (c) The acts of a director are valid despite any defect that may afterwards be discovered in the appointment or qualification of the director.

QUALIFICATIONS OF DIRECTORS

42. A person is not eligible to be elected as director of the co-operative unless the person is an individual over the age of 18 years and is either:
- (i) the person is an active member of the co-operative, or a representative of a body corporate which is an active member of the co-operative (active member director) and has been so for a period of not less than 6 months,
- (ii) the person is an employee of the co-operative or a person qualified as provided by the rules (independent director).

FIRST AND SUBSEQUENT DIRECTORS

43. At the first general meeting of the co-operative following the registration of these rules 3 of the directors shall retire. At the annual general meeting in each subsequent year the directors shall retire in rotation of 3 and 4.

RETIREMENT AND ELECTION OF DIRECTORS

44. (a) The directors to retire in any year shall (subject to the provisions as to filling casual vacancies), be those who have been longest in office since their last election. As between persons who became directors on the same day to retire shall (unless they agree otherwise among themselves) be determined by lot. In such case, the order for retirement shall be the order in which the names are withdrawn.
- (b) A retiring director shall be eligible for re-election without nomination, subject to the person holding the qualifications specified in Rule 42.
- (c)
- (i) At an annual general meeting at which a director retires or a casual vacancy occurs, the vacated office may be filled by electing a person to it;
 - (ii) nominations for candidates to fill the vacant positions shall be sought in such manner as the board determines;
 - (iii) the election of directors shall be conducted in the following manner;
- (A) Should the number of eligible candidates not exceed the number of vacancies available;
- 1. If filling full term vacancies only, those candidates shall be duly elected as directors,
 - 2. If filling both casual and full term vacancies and a candidate or candidates do not nominate themselves for the casual positions only, then a poll is to be conducted at the meeting and the polling papers are to show the names of each eligible candidate and a space for members to indicate their preferences,
 - 3. The candidates receiving the highest number of votes are to fill the full term vacancies first, followed by the casual vacancies.
- (B) Should the number of eligible candidates exceed the number of vacancies available;
- 1. A poll is to be conducted at the meeting and the polling papers are to show the names of each eligible candidate and a space for members to indicate their preferences,
 - 2. Only the candidates receiving the highest number of votes are to fill the vacancies, with the full term positions being filled first followed by any casual vacancies.

DIRECTORS REMUNERATION

45. (a) The directors shall not receive remuneration for their services, but all necessary expenses incurred by them in the business of the co-operative shall be refunded to them.
- (b) For the purposes of this rule “remuneration” means any money, consideration or benefit but does not include:
- (i) amounts in payment or reimbursement of out-of-pocket expenses incurred for the benefit of the co-operative;
 - (ii) in relation to an employee director – remuneration received or due and receivable as an employee.

REQUISITION AND NOTICE OF BOARD MEETING

46. (a) A meeting of the board of directors may be called by a director giving notice individually to every other director.
- (b) Except in special circumstances determined by the chairperson, at least 48 hours’ notice shall be given to the directors of all meetings of the board.
- (c) Meetings of the board (including those conducted in accordance with Rule 48) must be held at least once every 3 months and may be held as often as may be necessary for properly conducting the business and operations of the co-operative.

PROCEEDINGS OF THE BOARD

47. (a) Questions arising at any meeting shall be decided by a majority of votes.
- (b) In the case of an equality of votes, the chairperson may have a second or casting vote.
- (c) A director shall not vote in respect of any contract or proposed contract with the co-operative in which the director is in any way, whether directly or indirectly, interested or in respect of any matter arising out of such a contract or proposed contract and, if the director votes in contravention of this Rule, the director’s vote shall not be counted.

TRANSACTION OF BUSINESS OUTSIDE BOARD MEETINGS

48. The board may in accordance with Section 176 of the Act transact any of its business:
- (a) (i) by the circulation of papers among all the members of the board, and a resolution in writing signed by a majority of those members is to be taken to be a decision of the board;

(ii) at a meeting at which board members (or some board members) participate by telephone, closed circuit television or other means, but only if any board member who speaks on a matter before the meeting, can be heard by the other members of the board.

(b) For the purposes of this rule the chairperson of the board and each member of the board have the same voting rights as they have at an ordinary meeting of the board.

(c) A resolution approved under paragraph (a)(i) is to be recorded in the minutes of the meetings of the board.

(d) The secretary may circulate papers among members of the board for the purposes of paragraph (a)(i) by facsimile or other transmission of the information in the papers concerned.

QUORUM FOR MEETINGS

49. The quorum for a meeting of the board shall be 4 directors, being 50% or more of the number of directors, in accordance with Section 175(4) of the Act.

APPOINTMENT OF DIRECTORS TO CONSTITUTE A QUORUM

50. A casual vacancy on the board may be filled by the directors appointing a person to constitute a quorum until the next annual general meeting. In all other circumstances where a casual vacancy occurs, Rule 56 applies.

CHAIRPERSON OF BOARD

51. (a) The chairperson of the board may be elected either by the board or at a general meeting of the co-operative. However, if no such chairperson is elected, or if at any meeting the chairperson is not present within 5 minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present may choose one of their number to be chairperson of the meeting, until such time as the chairperson attends and is willing to act in that capacity.

(b) The chairperson may have a second or casting vote.

DELEGATION AND BOARD COMMITTEES

52. (a) The board may (in accordance with Section 178 of the Act) by resolution, delegate the exercise of such of the board's functions (other than this power of delegation) as are specified in the resolution:

- (i) to a director, or
- (ii) to a committee of two or more directors
- (iii) to a committee of members of the co-operative, or

- (iv) to a committee of members of the co-operative and other persons if members comprise the majority of persons on the committee.

The co-operative or the board may by resolution revoke wholly or in part any such delegation.

- (b) A power, the exercise of which has been delegated under this rule may, while the delegation remains unrevoked, be exercised from time to time in accordance with the terms of the delegation.
- (c) A delegation under this rule may be made subject to conditions or limitations as to the exercise of any the powers delegated, or as to time or circumstances
- (d) Notwithstanding any delegation under this rule, the board may continue to exercise all or any of the powers delegated.

EXERCISE OF DELEGATED POWER BY DIRECTORS

53. (a) Where a power is exercised by a director (either alone or with other directors) and the exercise of the power is evidenced in writing, signed by the director in the name of the board or in the director's own name on behalf of the board, then the power shall be deemed to have been exercised by the board. This is so whether or not a resolution delegating the exercise of the power to the director was in force when the power was exercised, and whether or not any conditions or limitations referred to in paragraph (c) of Rule 52 were observed by the director exercising the powers.
- (b) An instrument purporting to be signed by a director as referred to in Section 49 of the Act shall in all courts and before all persons acting judicially be received in evidence as if it were an instrument executed by the co-operative under seal. Furthermore, until the contrary is proved, it shall be deemed to be an instrument signed by a delegate of the board under Section 178 of the Act.
- (c) A committee may elect a chairperson of their meetings. If no such chairperson is elected, or, if at any meeting the chairperson is not present within 5 minutes after the time appointed for holding the meeting, then the members so present may choose one of their number to be chairperson of the meeting.
- (d) A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and voting and in the case of an equality of votes, the chairperson shall have a second or casting vote.

REMOVAL OF DIRECTOR FROM OFFICE

54. The co-operative may, by ordinary resolution, remove any director before the expiration of the director's period of office, and may by a simple majority appoint another person in place of the

director. The person so appointed shall retire at the same time as the removed director would have done if not removed.

VACATION OF OFFICE OF DIRECTOR

55. A director vacates office in such circumstances (if any) as are provided in the rules of the co-operative and in any of the following cases:

- (a) if the person is an insolvent under administration (as defined by Law);
- (b) if the person is mentally incapacitated or the subject of an order under law of another State or of a Territory relating to mental health;
- (c) if the person has been convicted of an offence and that conviction disqualifies a person from being a director, as provided by Section 181 of the Act;
- (d) if the director absents themselves from 3 consecutive ordinary meetings of the board without its leave;
- (e) if the director resigns from office by notice in writing given by the director to the co-operative;
- (f) if the director is removed from office by ordinary resolution of the co-operative;
- (g) if the person ceases to hold the qualification by reason of which the person was qualified to be a director;
- (h) if the director becomes an employee of the co-operative, unless elected under Section 174 of the Act;
- (i) if an administrator of the co-operatives affairs is appointed under Part 4.1 of the Act;
- (j) as provided by Sections 184-187 of the Act;
- (k) if the director is directly or indirectly interested in any contract or proposed contract with the co-operative and fails to declare their interest in contravention of Section 194 of the Act;
- (l) if the director is removed from office, by a voluntary administrator of the co-operative appointed under Part 5.3A of the Law, as applying under Part 4.1 of the Act.

FILLING OF CASUAL VACANCIES

56. (a) In the event that the board does not make an appointment under Rule 50, a casual vacancy is to be filled:
- (i) by election by the members held:
 - at a meeting of the co-operative; or
 - by means of a postal ballot; or

- . in the manner specified in the rules of the co-operative for the ordinary election of directors; or
 - (ii) in such other manner as the Registrar may approve in a particular case.
- (b) The person so chosen shall retire at the same time as the director who vacated the office would have done if that director had not vacated it.
- (c) For the purposes of this rule, a casual vacancy shall arise where the office of a director is vacated in accordance with Rule 55.

DEPUTY DIRECTORS

57. (a) Any director may from time to time apply, in writing, for any active member (other than an employee of the co-operative, the auditor or a partner or employer or employee of the auditor) to be appointed by the board as a deputy director to sit in the director's place on the board.
- (b) A deputy director appointed by the board shall be entitled to notice of meetings of the directors and, in the absence of the nominating director, to attend and vote at those meetings and to sign resolutions and to exercise such powers, authorities and discretions as are vested in or would otherwise be exercisable by the nominating director.
- (c) A deputy director shall vacate office if the nominating director ceases to be a director or on the majority of the other directors removing him from office.
- (d) An appointment or removal under this rule must be in writing and notice thereof must be served on the deputy director and the appointment or removal shall take effect forthwith upon the service thereof.
- (e) A deputy director whilst acting in the absence of the nominating director shall not be an agent of the nominating director and the nominating director shall not be liable for the actions of the deputy director.
- (f) The remuneration of any deputy director shall be payable out of the remuneration payable to the nominating director and shall consist of such portion of the last mentioned remuneration as shall be agreed between the deputy director and the nominating director. The attendance of the deputy director at any meeting of the board shall be deemed to be attendance by the nominating director.
- (g) For the purposes of this rule a meeting of the directors shall include a meeting conducted pursuant to Rule 48.

OTHER COMMITTEES

58. (a) The board may by resolution appoint committees comprising of members or other persons or both, to act in an advisory role to the board and to any committees of directors.
- (b) The provisions of Rule 53 (c) and (d) apply to committees appointed under this rule, subject to any variations approved of by the board.
- (c) The quorum for any meeting of the committee shall be one-half (or where one-half is not a whole number the whole number next higher than one-half) of the number of members in the committee.

MINUTES OF MEETINGS

59. (a) The board shall have minutes of meetings made in books provided for the purpose, and in particular:
- (i) of all appointments of officers and employees made by the directors;
 - (ii) of the names of the directors present at each meeting of the board and of any committee of the board;
 - (iii) of all resolutions and proceedings at all meetings of the co-operative and of directors and committee of directors.
- (b) Minutes must be recorded in the minute book within 28 days of the date of the meeting to which they relate.
- (c) The confirmation of such minutes, signed by the chairperson, shall be taken as the first business at the next succeeding meeting of the co-operative, board or committee to which the minutes relate. If it is impracticable for the minutes to be confirmed at that meeting, then the minutes shall be confirmed at the next succeeding meeting.
- (d) Every director present at any meeting shall sign their name in a book to be kept for that purpose.
- (e) The minutes are to be kept in the English language.

OFFICERS

60. (a) Without prejudice to the general powers conferred on the board by the Act or these rules, the board shall, subject to any applicable Industrial Award or Agreement, have power to appoint, remove or suspend officers, servants, agents and contractors, and to fix their powers, duties and remuneration.
- (b) For the purposes of this rule:
- (i) “Industrial Award or Agreement” means an Award or Enterprise Agreement made or approved under a State or Federal Act regulating industrial relations; and

- (ii) “Enterprise Agreement” includes an Australian Workplace Agreement, Certified Agreement or Enterprise Flexibility Agreement.

APPOINTMENT OF SECRETARY

61. (a) The board shall appoint a secretary who shall perform all the functions and duties required by the Act, the Regulations, the rules and the law to be performed or undertaken by the secretary of the co-operative.
- (b) A secretary shall:
- (i) be appointed to the office on such terms and conditions as the board may determine; and
 - (ii) hold office until death, or removed by the board, or resignation from office.

INSURANCE

62. The board shall arrange insurance against loss, damage to or liability of the co-operative by reason of fire, accident or otherwise.

FINANCIAL YEAR

63. The financial year of the co-operative shall end on the 30th of June each year.

ACCOUNTS

64. (a) The board shall have prepared the accounts, statements and directors' report in accordance with Part 3.3 of the Act.
- (b) The board shall submit those accounts, statements and report, together with the auditor's report on those accounts, to the annual general meeting of the co-operative, in accordance with Part 3.3 of the Act.
- (c) The board shall also have a copy of everything required to be submitted under paragraph (b) displayed at the registered office of the co-operative.
- (d) A member may elect to receive free of charge a copy of the reports for each financial year and the copy may be a hard copy or an electronic copy. An election made under this sub-section is a standing election for each later financial year unless the member changes their election.

BANKING

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

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2 directors or by any 2 persons authorised by the board. The operation of any electronic account transactions must be authorised by 2 persons as noted above.

APPOINTMENT, DUTIES AND RESPONSIBILITIES OF AUDITORS

66. (a) One or more auditors shall be appointed, hold office be remunerated, be removed and have qualifications, duties and responsibilities as provided in these rules or as otherwise provided in, or permitted by, the Corporations Law and under Part 3.3 Division 12 of the Act.
- (b) Within one month after the date in which the co-operative is registered, the directors shall appoint an auditor of the co-operative, unless the co-operative at a general meeting has already appointed an auditor. An auditor appointed under this clause shall hold office until the first annual general meeting of the co-operative.
- (c) The co-operative shall at its first annual general meeting appoint an auditor of the co-operative; and at each subsequent annual general meeting, if there is a vacancy in the office of auditor, the co-operative shall appoint an auditor to fill the vacancy.
- (d) An auditor appointed under paragraph (c) of this rule shall hold office until death or removal or resignation from office or until ceasing to be capable of acting as auditor in accordance with the Corporations Law and under Part 3.3 Division 12 of the Act.
- (e) The board shall fill any vacancy in the office of auditor, other than a vacancy caused by the removal of an auditor from office, within one month of such a vacancy occurring, unless the co-operative at a general meeting has already appointed an auditor to fill the vacancy. A person or firm appointed as auditor of the co-operative pursuant to this paragraph holds office, subject to the Corporations Law and under Part 3.3 Division 12 of the Act until the next Annual General Meeting of the co-operative.

While a vacancy in the office of auditor continues, the surviving or continuing auditor or auditors (if any) may act.

- (f) The co-operative or the board shall not appoint as an auditor a person who has not consented in writing to the appointment or who has withdrawn such consent, or a person of whose nomination notice has not been given in accordance with the Corporations Law and under Part 3.3 Division 12 of the Act.
- (g) A person is not qualified to be appointed auditor of the co-operative if:
- (i) the person is not a registered company auditor;
 - (ii) the person or corporation in which the person is a substantial shareholder, is indebted to the co-operative (or to a subsidiary corporation of the co-operative) for an amount exceeding \$5,000; or
 - (iii) the person is:
 - (A) an officer of the co-operative;
 - (B) is a partner, employer or employee of an officer of the co-operative;

- (C) is a partner of an employee of an officer of the co-operative; or
- (D) is an employee of an employee of an officer of the co-operative.
- (h) A firm is not qualified to be appointed auditor of the co-operative unless:
 - (i) at least 1 member of the firm is a registered company auditor who is ordinarily resident in New South Wales;
 - (ii) no member of the firm or corporation in which the firm is a substantial shareholder, is indebted to the co-operative (or a subsidiary of the co-operative) for an amount exceeding \$5,000; or
 - (iii) no member of the firm is:
 - (A) an officer of the co-operative;
 - (B) is a partner, employer or employee of an officer of the co-operative;
 - (C) is a partner of an employee of an officer of the co-operative; or
 - (D) is an employee of an employee of an officer of the co-operative.
 - (iv) no officer of the co-operative receives any remuneration from the firm for acting as a consultant to it on accounting or auditing matters.
- (i) All reasonable fees and expenses of the auditor are payable by the co-operative.
- (j) The board shall enable the auditor to have access to all books, accounts, vouchers, securities and documents of the co-operative, and to be furnished with such information and explanation by the board members or any other officers as may be necessary for the performance of the duties of the auditor.
- (k) The auditor is entitled to attend any general meeting of the co-operative and to receive all notices of and other communications relating to any general meeting which any member of the co-operative is entitled to receive. The auditor is also entitled to be heard, at any general meeting which the auditor attends, on any part of the business of the meeting of concerns to the auditor.

REMOVAL OF AUDITOR

67. (a) The auditor may be removed from office by special resolution at a general meeting.
- (b) Notice of intention to move the resolution must be given to the co-operative not less than 2 months' notice before the meeting at which the resolution is moved, but if, after the notice has been given, a meeting is convened for a date 2 months or less after notice has been given, notice shall be deemed to have properly been given.

- (c) Where special notice of a resolution to remove an auditor is received by the co-operative, it shall as soon as possible send a copy of the notice to the auditor and lodge a copy of the notice with the Registrar.
- (d) The co-operative shall give notice of a resolution to remove an auditor to persons entitled to be given notice of a meeting of the co-operative at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable, shall give notice of the resolution to them in any manner allowed by these rules not less than 21 days before the meeting.
- (e) 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.
- (f) Unless the Registrar on the application of the co-operative otherwise orders, the co-operative shall send a copy of the representations in accordance with the auditor's request. The auditor may require that the representations be read out at the meeting and may also speak at the meeting.

RESIGNATION OF AUDITOR

68. (a) The auditor may, by notice in writing given to the co-operative, resign as auditor of the co-operative if:
- (i) the auditor has, by notice in writing to the Registrar, applied for consent to resign and stated reasons and, at or about the same time, notified the co-operative in writing of the application; and
 - (ii) the auditor has received the consent of the Registrar.
- (b) The resignation of the auditor takes effect:
- (i) on the date (if any) specified for the purpose in the notice of resignation;
 - (ii) on the date on which the Registrar consents to the resignation; or
 - (iii) on the date (if any) fixed by the Registrar for the purpose, whichever last occurs.
- (c) Within days after the removal from office of the auditor or after receipt of a notice of resignation from an auditor, the Co-operative shall lodge with the Registrar a notice of the removal or 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.

CAPITAL AND SHARES

69. (a) The capital of the co-operative shall be raised by the issue of shares which shall be of one class, all ranking equally and be of the nominal value of \$2:00 each.
- (b) The capital shall vary in amount according to the nominal value of shares from time to time subscribed.
- (c) No share is to be allotted unless at least 10% of the nominal value of the share has been paid.
- (d) No member shall hold, or have a relevant interest in, more than 20% of the nominal of issued share capital of the co-operative, except in accordance with Section 363 of the Act.
- (e) The shares of the co-operative shall not be quoted for sale or purchase at any Stock Exchange or in any other public manner whatever.

SHARES TO BE FORFEITED TO REMEDY CONTRAVENTION OF MAXIMUM LEVEL OF SHARE INTEREST

- 69A (a) Where a person (whether or not a member of the co-operative) contravenes Rule 69(d), the board shall declare to be forfeited sufficient number of the shares in which the person has a relevant interest to remedy the contravention.
- (b) The shares to be forfeited pursuant to these rules are:
- (i) the shares nominated by the person for the purpose; or
 - (ii) in the absence of such nomination – the shares in which the person has had a relevant interest for the shortest time.
- (c) A declaration of the board that the shares are forfeited operates to forfeit the shares concerned.
- (d) The provisions of Section 163 of the Act shall apply to and in respect of shares forfeited under this rule as if the shares had been forfeited under Rule 15.

REPAYMENT OF SHARE CAPITAL

70. (a) The co-operative may in accordance with the Act repay to a member, with their consent, the whole or any part of the amount paid up on any share held by them at any time when the money is not required for the purposes of the co-operative.

- (b) The co-operative may not, except with the consent of the Registrar, make any such repayment, if it has been received from any person who is not a member any money on loan or deposit, which is not secured by mortgage and is still unpaid.
- (c) All such payments shall be made on Resolution of the Board, which shall be noted in the Register of Shares, and thereupon the shares, in respect of which such payments are made, shall be cancelled.

REPAYMENT OF EXPELLED MEMBERS' SHARE CAPITAL

- 70A. (a) Subject to paragraph (b) of this rule, the co-operative shall pay to the expelled member, the amount of capital paid upon the member's shares at the time of expulsion (less any amount owing by the member to the co-operative).
- (b) For the purposes of this rule "deficiency" shall mean the amount of accumulated loss or deficiency disclosed in the last preceding balance sheet of the co-operative. Where such a deficiency exists, an appropriate proportion of the loss or deficiency must be deducted from the amount of capital paid up on the shares of the expelled member. This shall be done having regard to the number of such shares in relation to the number of shares in the co-operative.
- (c) Payment to the expelled member shall be made at such time as shall be determined by the board in its discretion but not later than twelve (12) months from the date of expulsion.
- (d) An expelled member shall not be re-admitted as a member unless such re-admission is approved by special resolution. A member so re-admitted shall not have the shares restored which were cancelled on the member's expulsion.

CALLS ON SHARES

71. (a) The board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares, provided that no call shall exceed one fourth of the nominal amount of the share, or be payable at less than one month from the last call; and each member shall (subject to 14 days' notice specifying the time or times of payment) pay to the co-operative at the time or times so specified the amount called on their shares.
- (b) The joint holders of a share shall be jointly and severally liable to pay calls in respect thereof.
- (c) If a sum called in respect of a share is not paid on or before the date appointed for payment, the shareholder from whom the sum is due shall pay interest upon the sum at the rate of 8% per annum from the day appointed for payment to the time of the actual payment, but the board shall be at liberty to waive payment of that interest either in part or wholly.

(d) The board may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be made and times of payment.

(e) The board may, if they think fit, receive from any member willing to advance the same, all or part of the monies uncalled and unpaid upon any shares held by the member, and upon all or any of the monies so advanced, may (until the monies become presently payable) pay interest at such rate (not exceeding, without the sanction of members in a General Meeting, 8%) as may be agreed upon between the member the advance and the board.

DEFAULT IN PAYMENT OF CALLS

72. (a) If a member fails to pay any call or instrument of a call on the day appointed for the payment thereof, the Board may, at any time thereafter, serve a notice on the member requiring payment of so much of the call or instrument as is unpaid, together with any interest which may have accrued.

(b) The notice shall name a further date (not earlier than the expiration of 14 days from the date of the notice) on which payment required by the notice is to be made, and shall state that in the event of a non-payment on or before the date appointed the shares in respect of which the call was made will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not complied with by the member, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made be forfeited by a resolution of the board to that effect.

NON-PAYMENT OF SUBSCRIPTION DEEMED TO BE A CALL

72A. (a) Any sum that, by the terms of issue of a share, becomes payable on allotment or at a fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these rules be deemed to be a call duly made and payable on the date on which by the terms of issue the sum becomes payable.

(b) In the case of non-payment, the provisions of Rules 71 and 72 as to payment of interest and expenses, forfeiture or otherwise apply as if the sum had become payable by virtue of a call made and notified.

TRANSFER AND TRANSMISSION OF SHARES

73. The instrument of transfer of any share shall be executed by or on behalf of the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.

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Shares shall be transferred in the following form or in any usual or common form which the board shall approve:

I,, of In consideration of the sum of \$..... paid to me by
....., of (hereinafter called “the said transferee”) do hereby transfer to
the said transferee, the share or shares numbered in the to hold unto the said
transferee, his executors, administrators, and assigns, subject to the several conditions on which I hold
the same at the time of the execution hereof; and I, the said transferee, do hereby agree to take the said
share or shares subject to the conditions aforesaid.

As witness our hands, the day of in the year.....

Signed by, transferor

In the presence of, witness

Signed by, transferee

In the presence of, witness

- (c) A share may not be sold or transferred without the consent of the Board and only to a person who is qualified to be admitted to membership of the co-operative under Rules 14 and 16, or as otherwise approved by these rules or the Act.
- (d) The Board may decline to recognise any instrument of transfer unless:
 - (i) a fee of \$1 is paid to the co-operative in respect thereof; and
 - (ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- (e) The Board shall cause a record of all transfers to be made in the proper books of the co-operative
- (f) The Board may suspend the registration of transfers during the fourteen days immediately preceding the Annual General Meeting in each year.
- (g) The board may decline to register any transfer of shares to a person not qualified to be a member under Rule 16 or of whom they do not approve. The Board may also decline to register any transfer of shares on which the co-operative has a lien or charge. If the board refuses to register a transfer of shares it shall send notice of the refusal to the transferee within 2 weeks after the date on which the board declined to register the transfer.

- (h) The board of the co-operative shall not consent to the sale or transfer of shares to a person in contravention of Rule 20(d).

EFFECT OF SALE, TRANSFER OR DISPOSAL OF SHARES

73A. A member who has sold or transferred, or disposed of the beneficial interest in, that member's shares, or has agreed to do any of those things, is not entitled to vote at any meeting of the co-operative.

TRANSFER OF DEBENTURES

73B. (a) A debenture of a Co-operative cannot be sold or transferred except with the consent of the board.

(b) The instrument of transfer of any debenture shall be executed by or on behalf of the transferor and the transferee, the transferor shall be deemed to remain the holder of the debenture until the name of the transferee is entered in the register of debentures held by the co-operative.

(c) Debentures shall be transferred in the following form or in a usual or common form which the board shall approve;

I, of In consideration of the sum of \$..... paid to me by of ("the transferee") do transfer to the transferee the debenture (or debentures) numbered in the To hold on behalf of the transferee, the transferee's heirs, executors, administrators and assigns, subject to the conditions on which I hold the same at the time of the execution of this transfer.

I, the transferee, agree to take the said debenture (or debentures) subject to the conditions on which the transferor holds the debenture (or debentures) and subject to the rules of as amended from time to time.

As witness our hands, the day of in the year

Signed by the transferor

in the presence of, witness

Signed by the transferee

in the presence of, witness

(d) The board may decline to register any transfer of debentures. If the board refuses to register a transfer of debentures it shall send notice of the refusal to the transferee within 2 weeks after the date on which the board declined to register the transfer.

(e) The board may decline to recognise any instrument of transfer unless:

- (i) a fee, if required under Rule 84, Schedule of Charges, is paid to the Co-operative for the transfer; and

- (ii) the instrument of transfer is accompanied by the certificate (if any) of the debentures to which it relates, and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer.
- (f) The board shall have a record of all transfers made in the proper books of the co-operative.

FORFEITED SHARES

74. (a) A person whose shares have been forfeited for a default in payment of a call, shall cease to be a member in respect of the forfeited shares, but not withstanding remain liable to pay the co-operative all monies which, at the date of forfeiture, were presently payable by them to the co-operative in respect of the shares.
- (b) A Statutory Declaration in writing that the declarant is a director of the co-operative and that a share in the co-operative has been duly forfeited on a date stated in the Declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Shares forfeited for default in payment of calls shall be cancelled and a notation of the cancellation entered into the Share Register.
- (c) The co-operative shall, pursuant to Section 127 of the Act have a charge upon the paid up amounts of the forfeited shares and may appropriate those amounts pursuant to paragraph (b) of that section.

CHARGE ON SHARES AND SALE OF SHARES

75. (a) The co-operative shall, as provided in the Act, have a charge upon the share or interest in the capital and on the credit balance of a member or past member, in respect of any debt due from the member or past member to the co-operative, and may set off any sum credited or payable to such a member or past member in or towards payment of the debt.
- (b) The co-operative may sell in such a manner as the directors think fit all or any shares on which the co-operative has a charge but no sale shall be made unless the sum in respect of which the charge exists is presently payable, nor until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the charge exists as is presently payable has been given to the registered holder for the time being, of the share, or the person entitled thereto by reason of their death or bankruptcy. The said notice shall indicate that upon failure to make payment of the sum demanded within the time stipulated the shares will be sold by the Board.
- (c) Where the highest offer received by the board is less than the amount paid upon the shares to be sold, the board shall before accepting the offer, give notice in writing to the member, of the receipt of such an offer and the amount thereof and the board's intention to accept the same, at the expiration of 14 days in default of payment to the co-operative, prior to such date of all monies in respect of which the charge subsists.

- (d) From the proceeds of any such sale, the co-operative may deduct the expenses, if any, associated with the sale and apply the balance in reduction of the liability of the member provided, however, that should a surplus remain after such deduction, the same shall be payable to the member whose shares were so sold.

REGISTRATION OF OFFICIAL TRUSTEE IN BANKRUPTCY

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

DEATH OF A MEMBER

- 77. (a) The board may register as the holder of a share, a trustee, executor or administrator of the estate of a dead person who was the registered holder of the share in the co-operative, or where the deceased member is entitled in equity to a share, with the consent of the holder of the share.
- (b)
 - (i) On the death of a member, the member's share in the co-operative cannot be transferred to a person other than an administrator or executor except with the consent of the board of the co-operative.
 - (ii) The board may only give its consent under paragraph (b)(i) if there are reasonable grounds for believing that the person will be an active member of the co-operative.

REGISTRATION AS ADMINISTRATOR OF ESTATE OR INCAPACITY OF MEMBER

77A. A person appointed under a law of a State or Territory to administer the estate of another person who, through mental or physical infirmity, is incapable of managing their affairs, may be registered as the holder of a share held by the incapable person whose estate the appointed person is administering.

ENTITLEMENTS AND LIABILITIES OF PERSON REGISTERED AS TRUSTEE, ADMINISTRATOR ETC

- 77B. (a) A person who is entitled to a share by reason of the death, bankruptcy or the incapacity of the holder shall be entitled to the advantages to which that person would be entitled if the person were the registered holder of the share. However, before being registered as a member in respect of the share, the person shall not be entitled to exercise any right conferred by membership in relation to meetings of the co-operative.

- (b) A person registered pursuant to Rules 76, 77 and 77A is, while so registered, subject to the same liabilities in respect of the share as those to which that person would have been subject if the share had remained, or had been registered in the name of the deceased person, the incapable person or the bankrupt person.

CO-OPERATIVE FUNDS

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

PROVISION FOR LOSS

79. The board shall account for any loss which may result from the transactions of the co-operative in accordance with current Accounting Standards as adopted by the regulation. 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.

DISPUTES

80. (a) In this Rule:
- (i) "party includes:
 - (A) A member of the co-operative
 - (B) Any aggrieved person who has ceased to be a member in the last 6 months
 - (C) any person claiming through or under a member or any aggrieved person referred to in Rule 80(a)(i)(B): and
 - (D) the co-operative, including the board or any other officer of the co-operative;

- (ii) “dispute” may only refer to a matter effecting a person of the type mentioned above in (A) – (C) in the capacity of such a person as a member or ex-member of the co-operative; or as a person claiming through or under a member of the co-operative in that person’s capacity as a member.
 - (b) If a dispute arises a party may not commence any court or arbitration proceedings relating to the dispute unless it has complied with the following paragraphs of the Rule except where the person seeks urgent interlocutory relief
 - (c) A party claiming that a dispute has arisen must give written notice to the other party or parties specifying the nature of the dispute.
 - (d) On the receipt of that notice by the other party or parties, the parties must endeavour to resolve the dispute expeditiously, using the mediation rules of the NSW Law Society.
 - (e) Nothing in this Rule shall extend to any dispute as to the construction or effect of any mortgage or contract contained in any document other than these rules.
 - (f) If the parties do not agree within seven days of receipt of the notice (or such further period as agreed in writing between them) as to:
 - (i) the timetable for all steps in the procedures; and
 - (ii) the selection and compensation of the independent person required for mediation;
- then the dispute shall be settled by arbitration in accordance with the Commercial Arbitration Act 2010.

NOTICES

81. (a) A notice may be given by the co-operative to any member either personally or sending it by post to the member’s registered address, or where the member has notified the co-operative of an electronic address, by transmission to that address notified. If the member has no registered address then the notice can be sent to any address supplied by the member to the co-operative for the giving of notices.
- (b) Where a notice is sent by post, service shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice. In the case of a notice of a meeting, service is deemed to be effected at the expiration of 24 hours after the letter containing the notice has been posted. In every other case service is deemed to be effected at the time at which the letter would be delivered in the ordinary course of post and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.

- (c) If a member has no registered address (and has not supplied to the co-operative an address for the giving of notices) a notice addressed to the member and advertised in the newspaper circulating in the neighbourhood of the registered office of the co-operative shall be deemed to be duly given to the member on the date which the advertisement appears.
- (d) A notice forwarded by electronic transmission shall be deemed to have been served, unless the sender's machine indicates a malfunction in transmission, on the day of transmission if transmitted during a business day, otherwise on the next following business day.
- (e) For the purpose of this rule "registered address" means the address of the member as appearing in the register of members and shares.
- (f) A notice may be given by the co-operative to the joint holders of a share by giving the notice to the joint holder named first in the register of members and shares in respect of that share.
- (g) A notice may be given by the co-operative to the person entitled to a share in consequence of the death, incapacity or bankruptcy of a member by sending it through the post in a prepaid letter addressed to that person by name. Alternatively it can be addressed to the person by the title of representative of the deceased, or incapacitated person, or trustee of the bankrupt or by like description. The address should be that supplied for the purpose by the person claiming to be entitled. Alternatively, if no such address has been supplied, the notice can be given in the manner in which it could have been given if the death, incapacity or bankruptcy had not occurred.

WINDING UP

82. (a) The winding up of the co-operative shall be in accordance with Part 4.5 of the Act.
- (b) On the winding up of the co-operative a member shall not in respect of any shares held by the member be entitled to receive an amount in excess of the amount paid thereon. Any surplus shall be dealt with as per paragraph (c) of this rule.
- (c) If on the winding up or dissolution of the co-operative there remains after the satisfaction of all its debts and liabilities any property, this shall not be paid or distributed amongst the members of the co-operative but shall be given or transferred to an institution:-
- (i) which has objects similar to those of the co-operative;
 - (ii) whose constitution prohibits the distribution of property among its members;
 - (iii) which has been chosen by the members of the co-operative at or before the time of dissolution or in default thereof by the Chief Judge of such Court as may have or acquire jurisdiction in the matter; and
 - (iv) which satisfies the relevant Sections of the Income Tax Assessment Act 1997.

- (d) In paragraph (c), the expression “institution” includes an institution or institutions.

FINES PAYABLE BY MEMBERS

83. (a) The board may impose on a member a maximum fine of \$20:00, for any infringement of the rules.
- (b) A fine exceeding \$20 shall not be imposed on a member pursuant to Paragraph (a) unless:
- (i) written notice of intention to impose the fine and the reason for it has been given to the member; and
 - (ii) the member has been given a reasonable opportunity to appear before the board in person (with or without witnesses), or to send to the board a written statement, for the purpose of showing cause why the fine should not be imposed.

SCHEDULE OF CHARGES

| | | | |
|-----|---|-----------------|-------------|
| 84. | Copy of Rules (Constitution) (paper copy) | <u>\$20:00</u> | Rule 2(b) |
| | (electronic) | <u>\$10:00</u> | |
| | Copy of Register | <u>\$ 1:00</u> | Rule 13(b) |
| | Nominal value of shares | <u>\$ 2:00</u> | Rule 16(b) |
| | Duplicate Share Certificate | <u>\$ 5:00</u> | Rule 18A(c) |
| | Annual Subscription (<i>Maximum amount</i>) | <u>\$100:00</u> | Rule 20(c) |
| | Transfer of Shares | <u>\$ 1:00</u> | Rule 73 |
| | Maximum Fine | <u>\$20:00</u> | Rule 83(a) |

Rules of Community Radio Albury-Wodonga Co-operative Society Limited

Signed by;

.....

.....

Greg Ingham

Chairperson

Secretary

.....

.....

Director

Director

Common Seal

Affixed at Albury on this ____ day of MONTH 20--.