

# Rules of the Down to Earth (Victoria) Co-operative Society Ltd

Contributors: M.J, D.C, M.C, C.B, J.O'B., D. S., B. P., L. S., G. E., M. H.,  
Reviewers: T.H., D. R., Byron P., R. J., J.O'N., R.H., D.L., C. J.  
Professional advice: Dov. S., M. P., J.B.,

Accepted abbreviation: DTE

A NON-TRADING CO-OPERATIVE WITH SHARES

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## 1. Definitions

In these rules:

"Act" means the Co-operatives Act 1996;

"Appendix" means Appendix to these rules;

"Board" means the Board of the Co-operative;

"general meeting" means any annual or Special General meeting;

"member" means a member of the Co-operative;

"month" means calendar month;

"Registrar" means the person for the time being holding the office of Registrar of Co-operatives under the Act.

"Regulations" means the Co-operatives Regulations 1997.

"Consensus" means absolute agreement with no objectors.

"Standing Orders" specify how meetings must be conducted.

## 2. Members to abide by Co-operative principles

The Co-operative and its members must comply with the Co-operative principles to the extent that they apply to them.

## 3. Alteration of the rules

- (1) These rules may be altered by a special resolution in accordance with section 113 of the Act.
- (2) A proposed alteration of these rules must be approved by the Registrar under section 112 of the Act before the resolution altering the rules is passed.
- (3) An alteration of these rules does not take effect unless and until it is registered by the Registrar under section 115 of the Act.
- (4) Any member is entitled to obtain from the Co-operative a copy of these rules on payment of the amount set out in Appendix 1.

## 4. Name

- (1) The name of the Co-operative is the name specified in Part 1 of Appendix 2.
- (2) The Co-operative may change its name in accordance with section 255 of the Act.
- (3) The Co-operative may abbreviate its name in accordance with section 253 of the Act.

## 5. Active membership provisions

- (1) The primary activity of the Co-operative is the activity set out in Part 2 of Appendix 2.
- (2) In order to establish active membership of the Co-operative a member must comply with the requirements set out in Part 3 of Appendix 2.
- (3) All members must be active members of the Co-operative.
- (4) If a member fails or ceases to be an active member, the Board must within one year:
  - (a) declare the membership of the member cancelled, and;
  - (b) declare the shares of the member forfeit.
- (5) The Board of Directors will maintain a register of active members.
  - (a) The Board of Directors will provide members with the means to record and verify their contributions.
  - (b) The contributions are to be confirmed by a person/s authorised by the Board and/or the ConFest/ConFab Committees.
  - (c) The authorised person/s will keep a record of all contributions.
  - (d) Members are responsible for the accuracy of the recording of their contributions.
  - (e) By the 31st of August each year, or such later date as the Board may require, if they have not already done so, members will forward details of their contributions relating to the previous financial year to the Board.

- (f) Any disputes or irregularities have to be reported to the Board in writing for a decision within two months. The Board may request a report from the ConFest Committee or ConFab Committee as appropriate, but is not obliged to follow any recommendations made.
- (6) Upon submission of these rules to the Registrar of Co-operatives the Board will create an initial list of Active Members from the return of the Levy credit instituted during September 1999 as prepared by the Auditor within the guidelines of these rules.

#### **6. Qualifications and shareholding required for membership**

- (1) A member can only be a natural person.
- (2) No joint memberships are permitted.
- (3) A person is not qualified to be admitted to membership:
  - (a) unless he/she has met the activity requirements to be a member, as set out in Part 3 (1) of Appendix 2, and;
  - (b) there are reasonable grounds for believing that the person will continue to be an active member of the Co-operative.
- (4) Every member must hold only five \$2 shares.
- (5) At the time of application for membership the person has accounted to the Board for all monies and equipment previously advanced by the Co-operative to that person.

#### **7. Membership and shares**

- (1) An application for membership and shares in the Co-operative must:
  - (a) be in a form approved by the Board which must include at least the details of the requirements referred to in Rule 6(3)(a), and:
    - (i) date of birth
    - (ii) proof of identity
    - (iii) full name
  - (b) include an address for all future service of notices.
  - (c) be lodged at a registered office of the Co-operative.
- (2) An application for membership must include an application for five \$2 shares in the Co-operative.
- (3) The Board must consider each application.
- (4) The Board at its sole discretion may accept or reject an application for membership or shares and need not give any reason for its decision, with the proviso that in the case of an application for membership from a person who has been expelled from the Co-operative, a special resolution is required to be passed.
- (5) If the Board approves an application for membership and shares:
  - (a) the relevant shares must be allotted to the applicant, and;
  - (b) the Board must ensure that the name of the person and the number of shares allotted is entered in the register of members, Directors and shares in accordance with sections 75 and 244 of the Act, and;
  - (c) the Board must notify the applicant in writing of allotment of the shares and of the entry in the register, and;
  - (d) the applicant for membership becomes entitled to exercise the rights of membership when:
    - (i) the members name appears in the register of members, and;
    - (ii) the member has paid to the Co-operative the relevant fees and amounts set out in Part 2 of Appendix 3.
- (6) If the Board rejects an application, the whole of the money lodged in respect of the application must be refunded to the applicant without interest.
- (7) After one year, members expelled under rule 9, may be readmitted by special resolution of the Co-operative.

## 8. Ceasing membership

- (1) A person ceases to be a member in each of the following circumstances:
  - (a) if the member's membership is cancelled under Part 6 of the Act;
  - (b) if the member is expelled in accordance with these rules;
  - (c) if a trustee, executor or administrator is appointed in respect of a member
  - (d) if the member becomes bankrupt and;
    - (i) the trustee of the member's estate disclaims any debt, contract, duty or liability of the member with the Co-operative, or;
    - (ii) the bankrupt member or trustee is unable to pay monies due to the Co-operative by the member or the trustee in his/her capacity as trustee;
  - (e) on the death of the member;
  - (f) if the contract of membership is rescinded on the ground of misrepresentation or mistake;
  - (g) if the member's share is forfeited in accordance with the provisions of the Act or the provisions of these rules;
  - (h) if the member's share is purchased by the Co-operative in accordance with the provisions of these rules;
  - (i) if the amount paid up on the member's share is repaid to the member in accordance with the provisions of these Rules;
  - (j) on notice in writing given by the member to the Board of the member's resignation from Membership;
  - (k) a member may be charged an administrative fee for each share register adjustment up to a maximum of \$10.00.

## 9. Expulsion of members

- (1) A member may be expelled from the Co-operative if the Co-operative, by special resolution, determines that the member should be expelled. The intention to lodge a special resolution to expel a member must first be approved by a resolution on notice to a general meeting.
- (2) The circumstances in which members may be expelled are:
  - (a) Where a member engages in any activity which places the Co-operative or the Board in financial jeopardy;
  - (b) Where a member has prevented or hindered the Co-operative in carrying out any of its primary activities;
  - (c) Where a member engages in continued abuse of the Co-operative or any of its members by any means whether verbally, by mail or electronically;
  - (d) Where a member engages in any harassment, by any means whether verbally, by mail or electronically of:
    - (i) appointed officers of the Co-operative including the Auditor and Accountant;
    - (ii) other members of the Co-operative;
    - (iii) members of the public attending functions and events conducted by the Co-operative/
  - (e) If the member promotes practices or ideals that could place legal restraints on the Society, the Board or its members.
  - (f) If the member engages in any act that could place criminal liability on the Co-operative, the Board or its members.
  - (g) If the member as an officer of the Co-operative fails to act honestly in the exercise of his or her powers and the discharge of the duties of his or her office, both in this State and elsewhere.
  - (h) If the member as an officer of the Co-operative acts with intent to deceive or defraud, in the discharge of his or her duties as an officer of the Co-operative.
  - (i) If the member as an officer of the Co-operative fails to act with the degree of care and diligence that a reasonable person in a like position in a Co-operative would exercise.

- (j) If the member makes improper use of information acquired, by reason of his or her position as member or an officer or employee of the Co-operative, to gain, directly or indirectly, an advantage for himself or herself or an advantage for any other person or to cause detriment to the Co-operative or other members.
- (3) The member must be given at least 28 days written notice of the proposed resolution, and of the date, time and place of the meeting at which the resolution will be moved.
- (4) The procedure at the general meeting to consider the proposed resolution is as follows:
  - (a) the member must be given a reasonable opportunity to be heard at the meeting;
  - (b) the member is entitled to call witnesses and to cross examine witnesses called against the member;
  - (c) if the member fails, without reasonable excuse, to attend at the time and place of which notice has been given, the Co-operative may consider the matter in the absence of the member.
  - (d) after considering the matter, the general meeting may grant permission for a special resolution to be lodged for approval by the Registrar under rule 37 to consider the expulsion of the member; the process for the special resolution will follow the procedures for the initial resolution set out in 9 (4) (a), 9 (4) (b) and 9 (4) (c).
- (5) The expulsion of the member does not take effect until the special resolution is registered with the Registrar.
- (6) When a member is expelled, the Co-operative must, in accordance with section 82 of the Act, repay to the member an amount determined in accordance with that section in respect of the member's shares and cancel the member's shares.

#### 10. Suspension of members

There is no provision for the suspension of members.

#### 11. Disputes

- (1) The grievance procedure set out in this rule applies to disputes under these rules between:
  - (a) a member and another member, or;
  - (b) a member and the Co-operative.
- (2) The parties to the dispute must meet and discuss the matter in dispute, and, if possible, resolve the dispute within 14 days after the dispute comes to the attention of all of the parties.
- (3) If the parties are unable to resolve the dispute at the meeting under sub-rule (2) or if a party fails to attend that meeting, then the parties must, within 10 days, hold a meeting in the presence of a mediator.
- (4) The mediator must be:
  - (a) a person chosen by agreement between the parties, or;
  - (b) in the absence of agreement:
    - (i) in the case of a dispute between a member and another member, by the Board of the Co-operative, or;
    - (ii) in the case of a dispute between a member and the Co-operative, a person who is a member of The Dispute Settlement Centre of Victoria (Department of Justice).
- (5) A member of the Co-operative can be a mediator.
- (6) The mediator cannot be a member who is a party to the dispute.

*\* This Rule provides for the mediation of a dispute. Note that section 89 of the Act provides another procedure whereby application may be made to the Supreme Court for an order declaring and enforcing rights or obligations of members between themselves, or of the Co-operative and a member between themselves. The Court may refuse to make an order, or may make an order for costs, if the Court is of the opinion that the application is unreasonable or the issue trivial.*

#### 12. Fines

- (1) The Co-operative may impose a fine on a member for any infringement of these rules.
- (2) The fine must not exceed the amount set out in Part 1 of Appendix 3.

**13. Capital and shares**

The capital of the Co-operative is to be raised by the issue of shares which are to have a nominal value as described in Part 2 of Appendix 3.

**14. Liability of Members**

No liability to the Co-operative shall accrue by a member if the minimum share requirements are fully paid.

**15. Calls on shares**

The Board may not make a call on shares but may make a levy of not more than \$20 in any financial year.

**16. Forfeiture of shares**

- (1) If a member fails to pay a levy on any day appointed for the payment of the levy, the board may serve a notice on the member requiring payment of so much of the levy as is unpaid.
- (2) The notice must:
  - (a) specify a day (being not less than 28 days after the date of service of the notice) on or before which the payment required by the notice is to be paid, and;
  - (b) state that if the payment is not so paid, the shares in respect of which the levy was made are liable to be forfeited.
- (3) If the payment is not made in accordance with the notice, the board may, by resolution, declare that the shares are forfeited.
- (4) The board's declaration has the effect of forfeiting the shares concerned.

**17. Share certificates**

- (1) The Board, on the application of a person holding shares in the Co-operative, must issue to that person, without payment, a certificate under the seal of the Co-operative specifying the fully paid shares held by that person.
- (2) If the Board is satisfied that a share certificate issued by the Co-operative is defaced, lost or destroyed, the Board may issue a duplicate certificate on payment of a fee (not exceeding \$ 10) determined by the Board.

**18. Sale of Members Shares**

Shares in this Co-operative may not be sold.

**19. Transfer and transmission of shares**

Shares in this Co-operative cannot be transferred or transmitted.

**20. Forfeiture's and cancellations - Inactive members**

- (1) In accordance with section 131 of the Act, the Board, after giving any notice required under section 136 of the Act, must declare the membership of a member cancelled if:
  - (a) the whereabouts of the member are not presently known to the Co-operative and have not been known to the Co-operative for a period of at least one year before that time, or;
  - (b) the member is not presently an active member of the Co-operative and has not been an active member of the Co-operative at any time during the period of one year immediately before that time.
- (2) Sub-rule (1) applies to a member only if he or she was a member of the Co-operative throughout the period referred to in paragraph (a) or (b), as the case requires.
- (3) In accordance with section 132 of the Act, the Board must declare the shares of a member to be forfeited at the same time as the member's membership is cancelled under section 131 of the Act.
- (4) The Board's declaration has the effect of forfeiting the shares concerned.
- (5) If the membership of a member is cancelled any amount due to the member in respect of the cancellation must be dealt with in accordance with Rule 8 of these rules.



**21. Forfeited shares**

*Deleted*

**22. Death of a member**

On the death of a member Rule 8 applies.

**23. Registration as trustee, executor or administrator**

- (1) In accordance with sections 166 to 168 of the Act, the following persons may be registered as the holder of a share in the Co-operative:
  - (a) the trustee, executor or administrator of the estate of a dead person, if the dead person was the holder of that share or was entitled in equity to that share;
  - (b) the administrator of the estate of an incapable person, if the incapable person was the holder of that share or was entitled in equity to that share;
  - (c) the Official Trustee in Bankruptcy, if a bankrupt was the holder of that share or was entitled in equity to that share.
- (2) If a person is entitled in equity to a share in the Co-operative, the consent of the Co-operative and the holder of the share must be obtained before a person can be registered in respect of that share pursuant to sub-rule (1).

**24. Entitlements and liabilities of person registered as trustee, administrator etc.**

- (1) Subject to the Act, a person registered pursuant to section 166, 167 or 168 of the Act and rule 23 is, while so registered, in respect of the share as those to which the person would have been subject if the share had remained, or had been, registered in the name of the dead person, the incapable person or the bankrupt:
  - (a) entitled to the same dividends and other benefits, and;
  - (b) in accordance with section 169 of the Act, subject to the same liabilities and only those liabilities.

**25. Transfer and transmission of debentures**

Debentures shall not be issued.

**26. Annual General Meetings**

- (1) In accordance with section 204 of the Act, the first annual general meeting of the Co-operative must be held at any time within 19 months after the incorporation of the Co-operative.
- (2) The second or any subsequent annual general meeting of the Co-operative must be held within:
  - (a) 5 months after the close of the financial year of the Co-operative, or;
  - (b) any further time that may be allowed by the Registrar or is prescribed.
- (3) The Organising Committee of the Board may determine the date, starting time, and place of an Annual General Meeting. The meeting will have a duration of up to 3 hours from the advertised starting time. The meeting may be extended once, by up to one hour, with the agreement of the majority of the active members present ninety minutes after the advertised starting time of the meeting.
- (4) All general meetings of the Co-operative other than the Annual General Meeting shall be Special General Meetings.
- (5) If the Organising Committee of the Board does not hold an Annual General Meeting within the required time, that the Board or not less than 10% of members may requisition the meeting in accordance with section 209 of the Act.

**27. Special General Meetings**

- (1) A Special General Meeting of the Co-operative may be convened at any time by the Organising Committee of the Board.
- (2) In accordance with section 209 of the Act, Organising Committee of the Board or the Board must convene a general meeting of the Co-operative on the written requisition of the number of active members of the Co-operative who together are able to cast at least 10% of the total number of votes able to be cast at a meeting of the Co-operative.

- (3) A Special General Meeting shall be held in each of the following months of the year: February, June, and September.
- (4) The Organising Committee of the Board may determine the date, starting time, and place of a Special General Meeting. The meeting will have a duration of up to 3 hours from the advertised starting time. The meeting may be extended once, by up to one hour, with the agreement of the majority of the active members present ninety minutes after the advertised starting time of the meeting.

#### **28. Notice of General Meetings**

- (1) The Organising Committee of the Board, or in default the Board, must give each member at least 14 clear days notice of each general meeting.
- (2) The notice may be given in accordance with section 460 of the Act
- (3) The notice must specify the place, the day and the time, the agenda, the length of the meeting and if special business is to be transacted, set out details of the special business including the full text of resolutions.
- (4) If a special resolution is to be proposed at the meeting at least 21 clear days notice of that special resolution must be given to the members of the Co-operative including the full text of the resolution in accordance with section 192 of the Act.
- (5) A member of the Co-operative who wishes to propose a resolution at a general meeting must give the Co-operative written notice of the resolution. The resolution must be supported, in writing, by at least two other active members and is not to exceed 200 words. (Other supporting documents may be attached)
- (6) If notice of an ordinary resolution is given under sub-rule (5) at least 35 days before the meeting, the Organising Committee of the Board or the Board must include the resolution, and brief details as proposed by the author, in the notice of the meeting.

#### **29. Business at General Meetings**

- (1) The ordinary business of the Annual General meeting shall be:
  - (a) to read the minutes of the last Annual General meeting;
  - (b) to confirm minutes of the last preceding general meeting (whether annual or special);
  - (c) to receive from the Board, the Organising Committee of the Board, auditors, or any officers of the Co-operative reports upon the transactions of the Co-operative during the financial year, including the audited financial accounts and other financial reports as requested, and the state of affairs at the end of that year;
  - (d) to elect Directors as per Rule 41.
- (2) Annual and Special General Meetings may transact special business of which notice has been given to members in accordance with these rules.
- (3) The ordinary business of a Special General Meeting shall be:
  - (a) to confirm minutes of the last preceding general meeting (whether annual or special);
  - (b) At each Special General Meeting the following reports are to be tabled:
    - (i) Financial reports on the transactions of the Co-operative during the period.
    - (ii) Directors reports either as a group or individually.
    - (iii) Organising Committee of the Board reports.
    - (iv) ConFest report.
    - (v) ConFab report.
    - (vi) Other committee/work group reports.
- (4) All business of a general meeting, other than ordinary business, is special business.

#### **30. Quorum at General Meetings**

- (1) An item of business must not be transacted at a meeting of a Co-operative unless a quorum of Active Members entitled to vote is present during the transaction of that item.

- (2) Subject to sub-rule (3) the quorum of the Co-operative is 9 members entitled to vote at a meeting of the Co-operative plus:
  - (a) if the active membership of the Co-operative exceeds 50 but does not exceed 200, 1 additional member for each 10 members after the first 50 active members, and;
  - (b) if the active membership of the Co-operative exceeds 200, the additional members referred to in paragraph (a) and 1 additional member for each 50 members after the first 200 members.
- (3) If within 45 minutes after the appointed time for the meeting a quorum is not present, the meeting:
  - (a) if convened upon the requisition of members, is abandoned, and;
  - (b) in any other case is to be adjourned to the same day and time in the next week at the same place.
- (4) If at an adjourned meeting, under sub-rule (3) (b), a quorum is not present within half an hour after the time appointed for the meeting the meeting must be abandoned.

### **31. Presiding at General Meetings**

- (1) Subject to this rule members present must select one of their number to preside as chairperson.
- (2) The person selected under sub-rule (1) presides at that meeting until the completion of that meeting unless he or she elects to stand down.
- (3) If during the meeting the chairperson stands down, members present must select one of their number to preside as chairperson.
- (4) The roles, duties, responsibilities and powers of the chairperson are specified in Clause 33.

### **32. Adjournment of General Meetings**

- (1) The person presiding may, with the consent of a majority of members present at the meeting, adjourn the meeting from week to week and at the same time and place until the business is completed, to a maximum of three adjournments.
- (2) If at an adjourned meeting, a quorum is not present within 45 minutes after the time appointed for the meeting the meeting must be abandoned.
- (3) No business may be transacted at an adjourned meeting other than business unfinished at the meeting which was adjourned.
- (4) This rule only applies if there is a quorum at the meeting to be adjourned.

### **33. Standing Orders of meetings and the powers and responsibilities of the Chairperson**

The following Standing Orders must be observed at general meetings, meetings of the Board, and all committee meetings of the Co-operative:

- (1) Discussion on a motion is commenced by a mover of the motion who may talk for up to ten minutes and must show cause to the satisfaction of the chairperson for any extension of time. Thereafter discussion may take any of the forms in Clauses 1 (b) to 1 (i) below.
  - (a) Subsequent speakers to the motion shall first demonstrate to the chairperson that they have information or wisdom that adds to the discussion.
  - (b) The chairperson shall seek speakers with information on the motion.
  - (c) The chairperson shall interrupt any speaker talking on matters irrelevant to the motion and request that the speaker show relevance or cease talking on irrelevant matters.
  - (d) Subsequent speakers are allowed up to five minutes, and after all speakers have finished, the mover of the motion or a mover of an amendment to a motion has five minutes to reply and immediately after this the question must be put by the chair. The meeting may however, by simple majority, extend in a particular instance, the time permitted by this rule.
  - (e) The chairperson or a delegate will record by show of hands those desirous of speaking to the motion and will allow those speakers to talk by turn, subject to Clauses 1 (g) and 1 (h).
  - (f) The chairperson may allow another person to intrude in the sequence if they have a contribution that is appropriate, in context, to be said at that moment.

- (g) At times, the productive verve in the group may allow the chairperson to let the meeting flow with a spontaneous order of contributors and even more than one talking at once, given that this remains functional and productive. This energy may spontaneously evolve into two or more parallel discussions for a time.
  - (h) The mover of the motion or the mover of an amendment to a motion may be allowed by the chairperson to contribute to the discussion during the discussion of the motion, and it is incumbent upon the chairperson to decide as to the appropriateness of this. An example would be the correction of a major point that is misleading the group and skewing discussion.
  - (i) All amendments must be within the spirit and scope of the original motion, and must be submitted in writing, if requested by the chairperson. If an amendment to an original motion is proposed, no second amendment may be considered until the first amendment is disposed of.
  - (j) If an amendment is carried, the proposition, as so amended, displaces the original proposition and may itself be amended.
  - (k) Only one amendment may be submitted to the meeting for discussion at one time.
  - (l) No discussion may be closed by a resolution, that is, there is no use of 'gags' and 'guillotines', except for a special resolutions.
  - (m) Minute taking is controlled by the chairperson and is to be delegated to one or more members.
  - (n) With the consent of the chairperson, speakers may request an item of relevance to the business be added to the minutes in their name.
  - (o) Any member or visitor to the meeting may speak on any issue at a meeting with the permission of the chairperson, subject to any conditions imposed by the chairperson.
  - (p) The chairperson:
    - (i) may warn a member or members who is/are disrupting the meeting, to cease disrupting the meeting, and that if they continue disrupting they will be named, and if named and they continue disrupting, they may be removed from the meeting site;
    - (ii) may name a member or members who is/are disrupting the meeting, and warn that if they continue disrupting they may be removed from the meeting site;
    - (iii) may receive a motion to the meeting by a member and one seconder to name a member or members and if so, shall put that motion, and if passed by a two thirds majority of members present, such member or members will be named;
    - (iv) shall see that all members named are recorded in the minutes of that meeting;
    - (v) may, if the member(s) continues to be disruptive, take a motion from one or more members to ban the said member(s) and if passed by a two thirds majority of members present, the disruptive member(s) can be banned immediately from the meeting site and banned from the site of up to two following meetings;
    - (vi) shall see that all members banned from a meeting site are recorded in the minutes of that meeting.
    - (vii) shall take a motion from the meeting from one or more members that the chairperson stand aside as chairperson, and such motion shall be put and such motion requires to be accepted by a two thirds majority of members present.
- (2) The power of the chairperson:
- (a) imposes upon the chairperson duties and responsibilities as set out in this Clause;
  - (b) invests that person with the power to exercise control of the meeting in accordance with the Societies rules.
  - (c) A chairperson must:
    - (i) be consistent, impartial and without bias;
    - (ii) refrain from entering discussion without standing aside from the chair;
    - (iii) ensure minority opinion is heard and understood by all members present;

- (iv) seek the consent of the meeting in determining the content and order of the agenda and the consent of the meeting in altering the order of the agenda;
  - (v) ensure that a person raising a point of order immediately and concisely state the point of order and confine their comments to the point of order raised; to identify and warn members disrupting the meeting by raising invalid points of order;
  - (vi) take particular care that her/his rulings on points of order are impartial and consistent;
  - (vii) must ensure that any member voting on a proposal, motion or amendment to a motion was physically in the room and attending to the discussion on a proposal, motion or amendment to a motion, otherwise such member will be ineligible to vote on that proposal, motion or amendment to a motion.
- (3) A chairperson may not rule out of order any motion which is within the competence of the meeting where all necessary incidental conditions have been observed. When a proposal, motion and an amendment to a motion has been accepted by the chairperson for consideration by the meeting, both before the motion is discussed and before a vote is taken, the chairperson must re-state the proposal, motion or amendment to a motion exactly, and ensure that all members present understand firstly, the wording and secondly, that a vote is being taken.

#### **34. Attendance and voting at General Meetings**

- (1) The right to vote attaches to active membership and not shareholding.
- (2) A member of the Co-operative is not entitled to vote at a meeting of the Co-operative unless that person is an active member of the Co-operative.
- (3) Subject to the Act and this rule, every active member of the Co-operative has only one vote for each motion, question or amendment at a meeting of the Co-operative.
- (4) A member of the Co-operative who is under 18 years of age is not entitled to vote.
- (5) Subject to the Act and these rules, a question for decision at a general meeting, other than a special resolution, must be determined by consensus, and if consensus is not achieved after further discussion then by a 60% majority of members present at the meeting and voting.
- (6) In accordance with section 208(2) of the Act, unless a poll is demanded by at least 5 members, a question for decision at a general meeting must be determined by a show of hands.

#### **35. Postal ballot**

- (1) The manner of voting shall be in accordance with the regulations.
- (2) A special postal ballot or a postal ballot must be held:
  - (a) when required by the Act, or;
  - (b) in accordance with section 202 of the Act, on the written requisition of the number of active members of the Co-operative who together are able to cast at least 10% of the total number of votes able to be cast at a meeting of the Co-operative, or;
  - (c) if approved by the members by ordinary resolution, or;
  - (d) as decided by the Board of Directors.

#### **36. Poll at General Meetings**

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

#### **37. Special and ordinary resolutions**

- (1) Subject to rule 9, if a minimum of 12 active members submit a special resolution in writing, to the Board, the Board shall notify the registrar of that proposed special resolution within 14 clear days of receipt of that special resolution.
- (2) A special resolution is a resolution which is passed in accordance with sections 192 and 193 of the Act:

- (a) by a two-thirds majority at a general meeting of members, or;
  - (b) by a two-thirds majority in a postal ballot (other than a special postal ballot) of members, or;
  - (c) by a three-quarters majority in a special postal ballot of members.
- (3) A special resolution has effect from the date that it is passed unless it is required to be registered under section 196(2) of the Act.
- (4) An ordinary resolution is a resolution passed by a simple majority at a general meeting or in a postal ballot of members.

### **38. Board of Directors**

- (1) There shall be a Board of seven Directors.
- (2) A Director must:
- (a) be an active member;
  - (b) be a natural person;
  - (c) be not less than 18 years of age;
  - (d) have the qualifications set out in Rule 39.
- (3) The Board must maintain a non-executive, 'wise elder' role and ensure that the Co-operative fulfils its legal and ethical obligations.
- (4) The Board is required to:
- (a) foster and develop and appoint members to Standing Committees of the Board (Clause 47 (16)) as the executive arm of the Co-operative, and;
  - (b) ensure that a 'reporting to the Board' structure is set up by these Committees, and;
  - (c) ensure that the Board has all the information required to perform its non-executive advisory and legal role.
- (5) The Board is to actively involve members in being part of the executive arm of the Co-operative through voluntary participation in the primary activity and in the running of the Co-operative.
- (6) A Board member may be an ordinary member of a Standing Committee of the Board.

### **39. Qualifications of Directors**

- (1) A person is not qualified to be a Director unless he or she is a member of the Co-operative or a representative of a body corporate which is a member of the Co-operative ("member director"), or;
- (2) A person must not act as a Director if the person is disqualified under section 214 of the Act.
- (3) The first directors shall be elected at the meeting for the formation of the Co-operative.

### **40. Retirement of Directors**

- (1) At the first annual general meeting of the Co-operative 4 of the Directors must retire and at the next annual general meeting 3 of the Directors must retire and this pattern of rotation is to continue in ensuing years.
- (2) A retiring Director retains office until the close of the meeting at which his or her successor is elected.
- (3) The directors shall be elected for a period of two years. Subject to the provision of filling casual vacancies each director shall retire at the conclusion of their office at the relevant Annual General Meeting.
- (4) Any vacancy occurring in the Board otherwise than by rotation of retirement, shall be filled at a Special general meeting by electing a person thereto as required by rule 41.
- (5) A retiring Director is eligible for re-election.

### **41. Election of Directors**

- (1) At least 6 weeks before an annual general meeting, the Organising Committee of the Board must:
- (a) notify all members of the number of Directors retiring at the annual general meeting, and;

- (b) advise the members of:
  - (i) their eligibility to nominate as a Director, and;
  - (ii) the qualifications, duties and responsibilities of a Director, and;
  - (iii) the nomination and election procedures.
- (2) Not less than 6 weeks before the annual general meeting, a notice must be displayed at the registered office of the Co-operative inviting nominations of candidates for election as Directors.
- (3) A nomination must:
  - (a) be signed by 2 or more active members, and;
  - (b) provide a statement by the nominee detailing the qualifications and experience of the person nominated including their experience within DTE and detailing their compliance with the requirements of Rule 39, and;
  - (c) be accompanied by a notice in writing signed by the candidate agreeing to his or her nomination;
  - (d) include a copy, dated and signed by the nominee, of the DTE auditor's letter acknowledging his or her responsibilities and duties as a director.
- (4) The nomination and the notice referred to in the sub-rule (3) must be lodged at the registered office of the Co-operative at least 28 days before the annual general meeting.
- (5) Details of each person who has been nominated must be given to all members with the notice of the annual general meeting by an officer nominated by the Organising Committee of the Board.
- (6) Details to be provided to members must include the candidate's:
  - (a) name, and;
  - (b) age bracket, and;
  - (c) experience in the running of ConFest or ConFab, and any other relevant qualifications and experience, and;
  - (d) length of any previous service as a Director of the Co-operative or with any other Co-operative, and;
  - (e) details of any commercial involvement over the previous two years with the Co-operative, ConFest and/or ConFab, including but not limited to participation as a stall holder in the ConFest market or as a contractor or supplier to ConFest and/or ConFab, and;
  - (f) a photograph of the candidate and a policy statement not exceeding 200 words.

#### **42. Manner of election**

- (1) The ballot for the election of Directors must be conducted at the annual general meeting in the manner that the Board directs.
- (2) The Organising Committee of the Board shall advise each member in the election notice that the member has the right to apply for a postal vote in lieu of a personal vote at the meeting, and shall make appropriate arrangements for that.
- (3) Voting shall be on forms approved by the Board and shall be by secret ballot.
- (4) If, at the general meeting the position of any retiring Director is not filled, that position is treated as a casual vacancy.

#### **43. Casual vacancy**

- (1) Any vacancy occurring in the Board otherwise than by rotation of retirement, shall be filled by an election to be called as soon as practical at a Special General Meeting or the Annual General Meeting if applicable.
- (2) The election shall be conducted under the same procedure as set out by Rule 41 and Rule 42 but applying to Special General Meetings in lieu of annual general meetings.
- (3) The candidate so elected shall retire at the same time as the director he or she is replacing would have been due to retire.

#### **44. Removal and disqualification from the office of Director**

- (1) The Co-operative may by special resolution remove any Director from office before the end of the Director's period of office, or;

- (2) Directors shall commence their term of office with 21 inactivity credits for one year and deductions from the Directors total credits shall be made as follows:
  - (a) failure to attend a Board meeting, without agreement by the Board, 4 (four) credits deducted, and;
  - (b) failure to attend within 30 minutes of the agreed starting time of a Directors meeting without agreement of the board, and for each 45 minutes or part of the meeting absent 1 (one) credit deducted;
  - (c) failure to register as a bank signatory 1 (one) credit per two calendar months or part.
- (3) Directors inactivity credits are to be recorded and tallied in a register in the Directors meeting minutes book.
- (4) When any Director reaches zero (0) points in any 12 month period, that Directors position is automatically declared vacant.
- (5) A Director may apply for a leave of absence without loss of inactivity credits. The majority of the remaining board may, within seven days of the request, accept or deny the application but the Board shall not grant a leave of absence for more than three monthly meetings.

#### **45. Remuneration**

In accordance with section 229 of the Act a Director, of a Co-operative must not be paid any remuneration for services as a Director, but may be reimbursed for out of pocket expenses in the execution of their duties.

#### **46. Deputy Directors**

There shall be no deputy directors.

#### **47. Proceedings and responsibilities of the Board**

- (1) Meetings of the Board are to be held the first Thursday of each month, except when they clash with ConFest, or as often as may be necessary for properly conducting the business of the Co-operative. Meetings shall commence at 7.30 p.m. and end at 10.30 p.m. unless Directors agree to an extension of time.
  - (a) Agenda:
    - (i) the Organising Committee of the Board will collate the agenda;
    - (ii) the agenda will list all items contributed by Directors and active members for consideration, and;
    - (iii) be available 48 hours before the meeting;
    - (iv) items on the distributed agenda take priority during the meeting.
- (2) Board meetings cannot be adjourned.
- (3) A Director may call a Thursday night meeting of the Board by giving notice individually to every other Director, and with the agreement of three others, the meeting will be binding on all Directors.
- (4) On their election, Directors are to nominate a reasonable form for their meeting notice and inform each other Director.
- (5) Except in special circumstances determined by the chairperson, that is a meeting called for an evening other than a Thursday, at least 48 hours notice shall be given for a Directors Meeting.
- (6) All Board meetings, and committees of the Board meetings, shall be open and be announced on the D.T.E. Information Line (telephone "Message Bank") and by Internet.
- (7) The Board may delegate any of its powers or tasks.
- (8) The Organising Committee of the Board is responsible for the day to day running of the Society.
- (9) All active members of the Cooperative may assist in the business of all committees or assist Directors or other members in the execution of their agreed tasks.
- (10) Committee reports and nominated tasks are an agenda item for each Board meeting.
- (11) Questions and ordinary resolutions arising at any Director's meeting shall be determined by unanimous agreement (consensus), of those members present. If consensus cannot be reached, after further discussion, the question may be determined by minimum of 4 votes from the Directors present.



- (12) The Board must not spend or commit the Co-operative to expenditure of more than \$3,000 per quarter year without the approval of a general meeting. This money can only be spent on statutory requirements for the operation of the Society.
- (13) Before each Annual General Meeting, the Organising Committee of the Board shall prepare an annual budget projection for the Co-operative for the next year, and shall include it in the notice for the Annual General Meeting.
- (14) The Board will foster the development of committees and assist and work with them in the performance of their responsibilities.
- (15) The Board must treat members equally but operate only in the best interests of the Co-operative.
- (16) There shall be four standing Committees of the Board and there shall be a combined meeting of the Board and standing Committees of the Board quarterly in February, May, August and November:

(a) The ConFest Committee

The ConFest Committee's sole function is the promotion, staging, managing, and organising of ConFest:

- (i) ConFest Committee meetings are held monthly on the 2nd Thursday of the month except for the period 16 weeks prior to the agreed ConFest date where they may be held every Thursday. ConFest meetings shall be announced on the DTE Message Bank and the Internet.
- (ii) For the 10 days before, during, and ten days after ConFest, the ConFest Committee meetings will be held on the ConFest site daily or as required.
- (iii) ConFest Committee meetings are limited to three hours duration.
- (iv) ConFest Committees Meetings shall not be adjourned.
- (v) The quorum of the ConFest Committee is ten (10) active members.
- (vi) The ConFest Committee may delegate specific functions to individuals or sub-committees.
- (vii) The ConFest Committee will follow financial procedures as set out by the Board.
- (viii) The ConFest Committee shall complete its accounts within 60 days after the final day of ConFest.
- (ix) All matters that may impact on the Boards liability shall be presented to the Board for its consideration.
- (x) The ConFest Committee will publish a progressive ConFest Budget on the Member's section of the DTE web site after each ConFest Committee meeting with 6 hard copies available at the next Board and ConFest Committee meeting.
- (xi) All monies are to be allocated to an individual for a specific task in the running of ConFest. The individual is entirely responsible to account for the funds advanced.
- (xii) The ConFest Committee shall be allocated a budget by a General Meeting, to fund and run each ConFest.
- (xiii) Every meeting of the ConFest Committee shall be conducted in accordance with Rule 33.
- (xiv) Active members of the Co-operative can qualify as voting members of the ConFest Committee by attending three (3) of the last five (5) ConFest Committee Meetings.

(b) The ConFab Committee

The sole role of the ConFab Committee is the organising, promotion and management of ConFab:

- (i) Meetings of the ConFab Committee are held during the function as necessary.
- (ii) The ConFab committee may report to the Board as required.

(c) The Market Committee

The sole role of the Market Committee is the organising and management of the ConFest market.

- (i) The Market Committee meetings:
  - a. are held as required;
  - b. are to be announced on "Message Bank";
  - c. will be held on the ConFest site daily or as required, prior, during and after ConFest;
  - d. are limited to two hours duration;
  - e. cannot be adjourned.

- (ii) The quorum of the Market Committee is three active members.
  - (iii) The Market Committee may delegate specific functions to individuals or sub-committees.
  - (iv) The Market Committee will follow financial procedures as set out by the Board.
  - (v) The Market Committee shall complete its accounts within 60 days after the final day of ConFest.
  - (vi) All matters that may impact on the Board's liability shall be presented to the Board for its consideration.
  - (vii) The Market Committee will publish a progressive report on the Member's section of the DTE website after each Market Committee meeting with 6 hard copies available at the next Board and/or Market Committee meeting.
  - (viii) All monies are to be allocated to an individual for a specific task in the running of the Market. That individual is entirely responsible for the proper accounting of the funds advanced.
- (d) The Organising Committee
- (i) The Organising Committee's function is to:
    - a. run general meetings of the Co-operative;
    - b. be the executive arm of the Co-operative relating to all matters not covered by the other standing Committees of the Board;
    - c. regularly record, compile, update, and publish to members, all policies developed by the Board, the Committees of the Board, and general meetings of the Co-operative.
  - (ii) Every Organising Committee meeting will be conducted in accordance with Rule 33.
  - (iii) Organising Committee Meetings may be held at the same time and place as Board meetings and ConFest Committee meetings, without notice.
  - (iv) Organising Committee meetings held at other times shall be announced on the DTE Message Bank and the Internet.
  - (v) Organising Committee meetings are limited to three hours duration or the unexpired portion of three hours of a Board or ConFest Committee meeting.
  - (vi) Organising Committee Meetings shall not be adjourned.
  - (vii) The quorum for an Organising Committee Meeting is ten (10) active members.
  - (viii) Active members of the Co-operative can qualify as members of the Organising Committee by attending three (3) of the last five (5) Organising Committee Meetings
  - (ix) The Organising Committee can use electronic (internet and telephone) and written (mail and circulation of documents) as part of its meeting process and committee members do not need to be physically present.
  - (x) The Organising Committee may delegate specific functions to individuals or sub committees.
  - (xi) The Organising Committee shall have a monthly minimum allowance of one hundred dollars (\$100) cumulative, and additional operating expenses are to be approved by general meeting motion.
  - (xii) The Organising Committee will develop and follow financial and reporting procedures as agreed to by the Board and the Co-operative's Auditor.
  - (xiii) The Organising Committee shall complete its accounts within 30 days of the end of the financial year.
  - (xiv) The Organising Committee will publish a set of the Co-operatives accounts and a report once a quarter on the member's section of the Co-operatives website with hard copies available at the next Board and ConFest Committee meeting.
  - (xv) All monies are to be allocated to an individual for a specific task and the individual is entirely responsible to account for the funds advanced.
  - (xvi) All matters that may impact on the Board's liability shall be presented to the Board for its consideration.

**48. Quorum for Board meetings**

- (1) The quorum for a meeting of the Board is four directors and all questions and motions decided by consensus or by the agreement of four Directors.
- (2) If urgent decisions are required they may be decided by telephone or Internet provided that five or more Directors are consulted and four or more Directors agree to the decision. The decision is to be minuted in the minutes of the next Board meeting.

**49. Chairperson of Board**

- (1) At the commencement of each meeting, the Directors will nominate a Chairperson of the Board for that meeting by consensus. If consensus fails a Chairperson is appointed by a majority of the Directors present.
- (2) The Board may by ordinary resolution remove the chairperson from the chair.
- (3) Where a chairperson is required to sign any document and there is no relevant Chairperson available, the Director with the longest period of service or any other Director appointed by the board shall sign.

**50. Financial year**

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

**51. Seal**

- (1) In accordance with section 254 of the Act, the Co-operative must ensure that the name of the Co-operative appears in legible characters on its common seal and official seals.
- (2) The common seal must be kept at the registered office of the Co-operative or in such custody as the Board directs.
- (3) The Co-operative must have, for use in place of its common seal outside the State where its common seal is kept, one or more official seals, each of which must be a facsimile of the common seal of the Co-operative with the addition on its face of the name of every place where it is to be used.
- (4) The seal of the Co-operative must not be affixed to any instrument except in accordance with a resolution of the Board.
- (5) Three Directors must be present when the common or official seal is affixed to an instrument by another person and must sign the instrument so sealed.
- (6) In accordance with section 49(2) of the Act, the persons 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.

**52. Custody and inspection of records**

- (1) An Active Member is entitled to make a copy of entries in a register specified in section 246(1) of the Act:
  - (a) if the copy is a photocopy or electronic copy, on payment of a fee of \$1 per page to a maximum of \$20, and;
  - (b) in any other case, free of charge.

**53. Banking**

- (1) The Board must ensure that:
  - (a) a banking account or accounts are kept in the name of the Co-operative and maybe named and assigned for special purposes;
  - (b) all money received by the Co-operative is to be paid into an account specifically setup for that purpose only, as soon as possible after it is received.
- (2) All cheques drawn on such designated accounts may must be signed by three Directors or two directors and an active member (approved by the board) of the committee charged with managing the account.
- (3) All other cheques, drafts, bills of exchange, bank transfers, promissory notes, and other negotiable instruments for and on behalf of the Co-operative, must be signed by any 3 or more Directors.
- (4) Surplus funds not required for an immediate purpose should, where it is practical, be placed in interest bearing account/s.

**54. Safekeeping of securities**

The Co-operative must keep the securities of the Co-operative safely in the manner and with the provision for their safety that the Board directs.

**55. Audit**

- (1) The accounts of the Co-operative must be audited in accordance with section 238 of the Act and the regulations made under that section.
- (2) Auditors must be appointed in accordance with the regulations under section 238 of the Act to audit the accounts of the Co-operative.
- (3) Audits must be carried out annually.

**56. Co-operative funds**

- (1) The funds and property of the Co-operative shall be applied solely towards the carrying out and promotion of its primary activity (Appendix 2 Part 2) and no part shall be paid, loaned or transferred directly or indirectly by way of discount, rebate or otherwise by way of profit to members of the Co-operative, individuals or other organisations. Provided that nothing herein shall prevent the payment, in good faith, of reasonable and proper remuneration to any officer or servant or to any member of the Co-operative in return for any services actually rendered to the Co-operative nor prevent the payment for out of pocket expenses as agreed by the Board or a Committee of the Board.
- (2) There must be no return or distribution on surplus or share capital to members other than any entitlement they have to the nominal value of shares at winding up.

**57. Provision for loss and charitable purposes**

- (1) Subject to section 271 of the Act, the Board may resolve to retain part of the surplus arising from the business of the Co-operative in any year to be applied to meet any loss on the transactions of the Co-operative.
- (2) Subject to section 272 of the Act the Board may resolve to distribute up to 10% of the pre-tax profit of the Co-operative in any one financial year for a charitable purpose having a tax free status.

**58. Winding up**

- (1) The winding up of the Co-operative shall be in accordance with Part 12 of the Act.
- (2) If, on the winding up or dissolution of the Co-operative, any property remains after the satisfaction of all its debts and liabilities and the costs, expenses and charges of the winding up, that property:
  - (a) must not be paid to or distributed among the members, and;
  - (b) must be given or transferred to an institution:
    - (i) which has objects similar to those of the Co-operative, and;
    - (ii) whose constitution prohibits the distribution of property among its members, and;
    - (iii) which has been chosen by the members of the Co-operative at or before the time of dissolution.
- (3) The institution referred to in sub rule 58 (2) (b) should preferably have a tax exempt status.

## Appendix 1

Copies of entry in register:- Refer to rule 52

Duplicate share certificate \$10

Transfer of Shares \$25

Transfer Charge \$25

(Inclusive of transfer debenture)

Copy of Rules \$5 plus \$1 per page after the first page, to a maximum of \$10.

## Appendix 2

### Part 1

The name of the Co-operative is,

Down to Earth (Victoria) Co-operative Society Limited

The registered office is situated at

Suite 3.

43 Railway Road,

Blackburn,

Victoria

3130

### Part 2

Primary activity:-

To organise and fund "ConFest" and "ConFab"

"ConFest" is a combination of a conference and a festival. "Confab" is a celebratory gathering. Both are providing direct public benevolent action as well as education and support of the arts.

### Part 3

Active membership requirements:-

(1) It must be clear to other active members that an active member has made acceptable contributions of work and time relating to the organisation, management and infrastructure of the primary activity.

Such contributions to the organisation, management and infrastructure of ConFest (tm) may include but are not limited to, ticket distribution, ticket design and production, ticket money collection, site search and permits, budgeting and accounting for expenditure and income, advertising and promotion, site layout and setup, site pull down and restoration, waste disposal and recycling, communications, first aid, power and water supply, toilets, security, front gate, ConFest market supervising and site information, parking, signage, ConFest newsletter, workshop setup and management. Contributions can also relate to the organising and management of ConFab.

(2) The minimum active membership requirements are in each financial year to engage in at least 24 hours of any of the activities listed in appendix 2

part 3 clause (1)

## Appendix 3

### Part 1

Fines:-The maximum fine applicable to the Co-operative is \$100.

### Part 2

The nominated value of a share and amount payable is \$2.

Fees or Charges or Subscriptions:-

may be levied, at the discretion of the Board, up to a total of \$20 per annum per member.

## Appendix 4

Form for the transfer of shares.

Not relevant

## Appendix 5

Qualifications of an independent Director:-

Not relevant