



## Rules of Hepburn Community Wind Park Co-operative Limited

A trading co-operative incorporated under the Co-operatives Act 1996 (Victoria)

Incorporating amendments passed at the Annual General Meeting held 23 November 2013

### 1. Definitions

In these rules:

- “Act” means the Co-operatives Act 1996 (Victoria);
- “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;
- “notice” includes notice given personally by electronic mail;
- “Registrar” means the person for the time being holding the office of Registrar of Co-operatives under the Act;
- “written” or “in writing” includes printing and other modes of reproducing or representing words in a visible form, and shall include electronic means provided the same can be recorded in a permanent form;
- “regulations” means the Co-operatives Regulations 2008.

### 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 or by a resolution of the board in accordance with section 114 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 in accordance with Division 4 of Part 6 of the Act:
  - a. declare the membership of the member cancelled; and

- b. declare the shares of the member forfeit.

### 6. Qualifications and shareholding required for membership

1. A person is not qualified to be admitted to membership unless there are reasonable grounds for believing that the person will be an active member of the co-operative.
2. Every member must hold a share in accordance with Appendix 3.

### 7. Membership and shares

1. An application for membership or shares in the co-operative must:
  - a. be in a form approved by the board; and
  - b. be lodged at the address listed on the application form; and
  - c. be accompanied by the relevant fee or amount set out in Part 1 of Appendix 3.
2. An application for membership must include an application for a share 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.
5. If the board approves an application for membership or 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 member's 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. Where a body corporate is a member of the co-operative, that body corporate may from time to time in such manner as the board directs, appoint a person to represent in respect of its membership.

### 8. Ceasing membership

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 the member becomes bankrupt and the trustee of the member's estate disclaims any debt, contract, duty or liability of the member with the co-operative;
- d. on the death of the member;
- e. if the contract of membership is rescinded on the ground of misrepresentation or mistake;
- f. if the member's share is transferred to another person and the transferee is registered as the holder of the share;
- 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 a member's share is sold by the co-operative pursuant to any power in these rules and the purchaser is registered as holder in the member's place;
- j. if the amount paid up on the member's share is repaid to the member in accordance with the provisions of these rules;
- k. on notice in writing given by the member to the Secretary, of the member's resignation from membership; or
- l. in the case of a member that is a body corporate, if the body is dissolved.

## 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 on the ground that:
  - a. the member has failed to discharge the member's obligations to the co-operative under the Act or these rules;
  - b. the member has acted in a manner that has:
    - i. prevented or hindered the co-operative in carrying out any of its primary activities; or
    - ii. brought the co-operative into disrepute; or
  - c. the member has acted in a manner contrary to any of the cooperative principles and in so acting caused the co-operative harm.
2. 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.
3. 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 co-operative may by special resolution determine to expel the member.
4. The expulsion of the member does not take effect until the special resolution is registered with the Registrar.
5. 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

1. A member may be suspended from membership of the co-operative for a period not exceeding one year if the co-operative by special resolution determines that the member should be so suspended on the ground that:

- a. the member has contravened these rules; or
  - b. the member has failed to discharge the member's obligations to the co-operative under these rules; or
  - c. the member has acted in a manner detrimental to the co-operative.
2. 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.
  3. 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 cause, 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 co-operative may by special resolution determine to suspend the member.
  4. A member who is suspended ceases during the suspension to have the rights of a member except as otherwise provided in the Act or these rules.

## 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 referee.
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

The co-operative does not impose fines on a member for any infringement of these rules.

### 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 3 of Appendix 3.

### 14. Liability of members

1. A member is not, as a member, under any personal liability to the cooperative except for the amount, if any, unpaid on the shares held by the member together with any charges payable by the member to the co-operative as required by these rules.
2. On the death of a member, the member's estate remains liable as the member until the member's personal representative or some other person is registered in the member's place.

### 15. Calls on shares

1. The board may make calls on the members in respect of any money unpaid on their shares.
2. Sub-rule 1 does not apply if the terms of issue of the shares provide for the money unpaid on the shares to be paid at fixed times.
3. A call must not:
  - a. exceed one-quarter of the sum of the nominal value of the shares; or
  - b. be payable earlier than one month after the day fixed for the payment of the last preceding call.
4. A member must be given at least 14 days notice specifying the time or times and place of payment of the call.
5. A member who receives notice of a call must pay the amount of the call on the member's shares to the co-operative at the time or times and at the place specified in the notice.
6. The board may revoke or postpone a call.
7. A sum that becomes payable on a share under the terms of issue of the share is deemed for the purposes of these rules to be an amount payable on a call notified under this rule as if the time and place for payment specified in the terms of issue were the time and place for payment of the call.
8. The board may accept from a member the whole or a part of the amount unpaid on a share although no part of that amount has been called up.

### 16. Forfeiture of shares

1. If a member fails to pay a call on any day appointed for the payment of the call, the board may serve a notice on the member requiring payment of so much of the call 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 call 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 statement

1. The board, on approval of the application of a person holding shares in the co-operative, must issue to that person, without payment, a statement of holdings specifying

the shares held by that person and the amount paid up on those shares.

2. However, if shares are held jointly:
  - a. the board is not required to issue more than one statement of holdings in respect of those shares; and
  - b. the delivery of the statement of holdings to one joint shareholder is sufficient delivery to all.
3. If the board is satisfied that a statement of holdings issued by the co-operative is defaced, lost or destroyed, the board may issue a duplicate statement on payment of a fee determined by the board as set out in Appendix 1.

### 18. Sale of member's shares

Subject to section 172 of the Act, the co-operative may sell a member's shares at the request of the member.

### 19. Transfer and transmission of shares

1. The instrument of transfer of any share shall be executed by or on behalf of the transferor (the giver) and the transferee (the receiver of the share).
2. The transferor remains the holder of the share until the name of the transferee is entered in the register of members in respect of the share.
3. A transfer of shares is to be in a form approved by the board.
4. A share cannot be sold or transferred except:
  - a. with the consent of the board, to any person who is qualified to be admitted to membership of the co-operative under rules 5 and 6; or
  - b. as otherwise provided by the Act or these rules.
5. The board may refuse to register a transfer of shares:
  - a. to a person who is not eligible to be a member; or
  - b. to a person whom the board does not approve; or
  - c. if the co-operative has a lien or charge over the shares.
6. If the board refuses to register a transfer of shares, it must send written notice of its decision to the proposed transferee within 14 days after making that decision.
7. The board may decline to recognise any instrument of transfer unless:
  - a. a fee in accordance with Appendix 1 is paid by the member to the co-operative for the transfer; and
  - b. the instrument of transfer is accompanied by the certificate (if any) 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.
8. The board may suspend the registration of transfers during the 14 days immediately preceding the annual general meeting in each year.

### 20. Forfeitures 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 3 years before that time; or
  - b. the member is not presently an active member of the cooperative and has not been an active member of the cooperative at any time during the period of 3 years 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 section 138 of the Act.

## 21. Forfeited shares

A person whose shares have been forfeited under the Act or these rules remains liable to the co-operative for any amount still unpaid at the date of forfeiture in respect of those shares.

## 22. Death of a member

1. Subject to sections 84, 173 and 174 of the Act, on the death of the member, the board must transfer the deceased member's share or interest in the co-operative to:
  - a. the executor or administrator of the deceased member; or
  - b. with the consent of the board, to a person:
    - i. who is specified by the personal representative of the deceased member in an application under section 84 of the Act; and
    - ii. who is qualified to be a member in accordance with the Act and these rules.
2. The board may transfer the shares or interest of a deceased member to a person entitled in accordance with section 85 of the Act if:
  - a. the total value of the shares or interest is less than \$10,000 (or such other amount as may be prescribed by the regulations); and
  - b. there has not been a grant of administration of the estate, or probate of the will of the deceased member.

## 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.

Subject to the Act, a person registered pursuant to section 166, 167 or 168 of the Act and rule 23 is, while so registered:

- 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:

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.

## 25. Transfer and transmission of debentures

1. The instrument of transfer of a debenture must be executed by the transferor (the giver) and the transferee (the receiver).
2. The transferor remains the holder of the debenture until the board consents to the transfer and the name of the transferee is entered in the registers of debentures in respect of the debenture.
3. A transfer of debentures must be in a form approved by the board.
4. The board may decline to recognise any instrument of transfer of a debenture and may decline to register the transfer unless:
  - a. a fee in accordance with Appendix 1 is paid to the co-operative for the transfer; and
  - b. the instrument of transfer is accompanied by the debenture and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer; and
  - c. any stamp duty payable in respect of the instrument of transfer has been paid.
5. If the board refuses to register a transfer of debenture, it must send written notice of its decision to the proposed transferee within 28 days after making that decision.

## 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 cooperative 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 board may determine the date, time and place of the annual general meeting.
4. All general meetings of the co-operative other than the annual general meeting shall be special general meetings.
5. If the board does not hold an annual general meeting within the required time, the 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 board of directors.
2. In accordance with section 209 of the Act, the board must convene a general meeting of the co-operative on the written requisition of 100 active members of the co-operative.

## 28. Notice of general meetings

1. The board must give each member at least 14 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 of the meeting, and if special business is to be transacted, set out generally the nature of the special business.
4. If a special resolution is to be proposed at the meeting at least 21 days notice of that special resolution must be given to the members of the co-operative 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.
6. If notice of an ordinary resolution is given under sub-rule 5 at least 14 days before the board gives notice of the meeting, the board must include details of that resolution in the notice of the meeting.

### 29. Business at general meetings

The ordinary business of the annual general meeting shall be:

- a. to confirm minutes of the last preceding general meeting (whether annual or special);
- b. to receive from the board, auditors, or any officers of the co-operative reports upon the transactions of the co-operative during the financial year, including balance sheet, trading account, profit and loss account, statement of cash flows, and the state of affairs at the end of that year;
- c. to elect and determine the remuneration (if any) of directors;
- d. to determine the rates of dividend, bonus shares and or rebate.

### 30. Quorum at general meetings

1. An item of business must not be transacted at a meeting of a cooperative unless a quorum of 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 50 members entitled to vote at a meeting of the co-operative.
3. If within half an hour 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; or
  - c. the Chairperson announces that written notice will be given as to an alternative day time or place and the meeting is then adjourned.
4. If at an adjourned meeting, under sub-rule 3.b or 3.c, a quorum is not present within half an hour after the time appointed for the meeting 30 members shall be a quorum.

### 31. Presiding at general meetings

1. Subject to this rule, the chairperson of the board presides at every general meeting of the co-operative.
2. If the chairperson of the board is unable or unwilling to preside or is not present within 15 minutes after the time appointed for the meeting, the members present must select one of their number to preside.
3. The person selected under sub-rule 2 presides at that meeting until the time that the chairperson attends and is willing to act.

### 32. Adjournment of meetings

1. The person presiding may, with the consent of a majority of members present at the meeting, adjourn the meeting from time to time and from place to place.
2. The person presiding must, if directed by a majority of members present at the meeting, adjourn the meeting to a date and time agreed.
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 at meetings

1. Subject to sub-rule 3, the following standing orders must be observed at general meetings of the co-operative:
  - a. The mover of a proposition must not speak for more than 10 minutes. Subsequent speakers are 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.
  - b. If an amendment to an original proposition is proposed, no second amendment may be considered until the first amendment is disposed of.
  - c. If an amendment is carried, the proposition as so amended displaces the original proposition and may itself be amended.
  - d. If an amendment is defeated, then a further amendment may be moved to the original proposition. However, only one amendment may be submitted to the meeting for discussion at one time.
  - e. The mover of every original proposition, but not of an amendment, has the right to reply. Immediately after this the question must be put from the chair. No other member may speak more than once on the same question, unless permission is given for an explanation, or the attention of the chairperson is called to a point of order.
  - f. Propositions and amendments must be submitted in writing, if requested by the chairperson.
  - g. Any discussion may be closed by a resolution "that the question be now put" being moved seconded, and carried. That resolution must be put to the meeting without debate.
2. 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 subject to any conditions imposed by the chairperson.
3. The standing orders may be suspended for any period by ordinary resolution.

### 34. Attendance and voting at general meetings

1. The right to vote attaches to 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 cooperative.
3. Subject to the Act and this rule, every member of the co-operative has only one vote at a meeting of the co-operative.
4. A member of a co-operative who is under 18 years of age is not entitled to vote.
5. In the case of joint membership:
  - a. the joint members have only one vote between them; and
  - b. that vote may be exercised by the member whose name appears first in the register of members unless the other joint members otherwise direct.
6. Subject to the Act and these rules, a question for decision at a general meeting, other than a special resolution, must be determined by a majority of members present at the meeting and voting.
7. 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.
8. In the case of an equality of votes at a meeting of the co-operative, 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 may exercise a second or casting vote.

### **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 20% 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.

### **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. 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.
2. An ordinary resolution is a resolution passed by a simple majority at a general meeting or in a postal ballot by 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.

### **38. Board of directors**

1. There shall be a board of seven directors.
2. A director must be:
  - a. a natural person; and
  - b. not less than 18 years of age.
3. In accordance with section 218 of the Act, the board may, by resolution, delegate the exercise of such of the board's functions (other than this power of delegation) as are specified in the resolution-
  - a. to a director; or
  - b. to a committee of 2 or more directors; or
  - c. to a committee of members of the co-operative and other persons if members comprise the majority of persons on the committee.

### **39. Qualifications of directors**

1. A person is not qualified to be a director unless he or she is:
  - a. a member of the co-operative or a representative of a body corporate which is a member of the co-operative (member director); or
  - b. an employee of the co-operative or a person qualified as set out in Appendix 4 (independent director).
2. In accordance with section 213 of the Act, a person may only be elected or appointed as an independent director if there

are at least 3 member directors appointed for each independent director.

3. A person must not act as a director if the person is disqualified under section 214 of the Act.
4. The first directors shall be elected at the meeting for the formation of the co-operative.
5. Any newly appointed or elected director without experience as a director of a body corporate to the satisfaction of the board must undergo governance training as determined by the board at the expense of the co-operative.

### **40. Retirement of directors**

1. At the first annual general meeting after the registration of this sub-rule, two board positions become vacant and at the annual general meeting in each subsequent year, positions shall become vacant in rotation of two, three and two.
2. A retiring director retains office until the close of the meeting at which his or her successor is elected.
3. The directors to retire in any one year are, subject to the provisions as to the filling of casual vacancies, those that have been longest in office since their last election and if there are two or more directors who became directors on the same day, those who retire must be determined by lot unless they otherwise agree among themselves.
4. A retiring director is eligible for re-election.

### **41. Election of directors**

1. At least 6 weeks before an annual general meeting, 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 duties and responsibilities of a director; and
    - iii. the anticipated remuneration (if any); and
    - iv. 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 members; and
  - b. provide details of the qualifications, experience and any service as a director of the person nominated; and
  - c. be accompanied by a notice in writing signed by the candidate agreeing to his or her nomination.
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 21 days before the annual general meeting.
5. Details of each person who has been nominated must be given to members with the notice of the annual general meeting by the secretary or an officer nominated by the board.
6. Details to be provided to members must include the candidate's:
  - a. name; and
  - b. age; and
  - c. qualifications and experience; and
  - d. details of any service as a director.
7. Retiring directors shall be deemed to be nominated unless a director advises the co-operative at least 28 days before the annual general meeting that he or she does not seek re-election.

#### **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. If, at the annual general meeting at which an election of directors ought to take place, the place of any retiring directors is not filled, the board shall treat any place not filled as a casual vacancy and shall be filled in accordance with rule 43.

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

If there is a casual vacancy in the office of director under section 219 of the Act, the board may appoint a person to fill that vacancy but the person appointed must retire at the next annual general meeting.

#### **44. Removal from the office of director**

The co-operative may by special resolution remove any director from office before the end of the director's period of office.

#### **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 other than fees, concessions and other benefits that are approved at a general meeting of the co-operative.

#### **46. Deputy directors**

1. In the absence of a director from a meeting of the board, the board may appoint a person to act as a deputy for that director.
2. A person appointed under sub-rule 1 must:
  - i. be a member or a representative of a body corporate member, if the absent director is a member or a representative of a body corporate; or
  - ii. be an employee or a person qualified as set out in Appendix 4, if the absent director is an employee or a person qualified as set out in Appendix 4.
3. A person appointed as deputy may act in the place of the director for whom he or she is deputy.
4. The other members of the board may by majority vote remove a deputy director from office.
5. A deputy director vacates office:
  - a. if the deputy director is removed from office under this rule; or
  - b. if the director for whom he or she is deputy ceases to hold office; or
  - c. if the deputy director dies; or
  - d. if the deputy director resigns.
6. A deputy director while acting as a director is entitled to the same remuneration as that to which the director for whom he or she is deputy would have been entitled.

#### **47. Proceedings of the board**

1. Meetings of the board are to be held as often as may be necessary for properly conducting the business of the co-operative and must in any case be held at least every three months.
2. Questions arising at any meeting shall be decided by a majority of votes.
3. In the case of an equality of votes, the chairperson does not have a second or casting vote and the motion shall be lost.
4. A director may call a meeting of the board of directors by giving notice individually to every other director.
5. 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.

#### **48. Quorum for board meetings**

The quorum for a meeting of the board is four directors.

#### **49. Chairperson of board**

1. The chairperson of the board shall be elected by the board.
2. If the chairperson of the board is unable or unwilling to preside or is not present within 15 minutes after the time appointed for meetings of the board, the members present must select one of their number to preside.
3. The person selected under sub-rule 2 presides at the board meeting until the time that the chairperson attends and is willing to act.
4. The board may by ordinary resolution remove the chairperson from office.
5. The chairperson shall be elected at the first board meeting after each annual general meeting.

#### **50. Financial year**

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

#### **51. Authentication of Co-operative documents**

Instruments requiring authentication require signatures of two directors or one director and one officer or sub-contractor of the co-operative, as delegated by the board.

#### **52. Custody and inspection of records**

A person 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
  - b. all money received by the co-operative is paid into that account or those accounts as soon as possible after it is received.
2. Except for sub-rule 3, all cheques and electronic transfers 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 any one director and a person authorised by the board.
3. The board may authorise a director or a person authorised by the board to transfer funds between banking accounts.

#### **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 board may resolve to retain all or any part of the surplus arising in any year from the business of the co-operative to be applied for the benefit of the co-operative.

2. Any part of the surplus arising in any year from the business of the cooperative or any part of the reserves may:
  - a. be paid to a member by way of rebate based on the business done by the member with the co-operative; or
  - b. be applied by the issue of bonus shares to a member; or
  - c. be paid to a member by way of limited dividend (as defined in section 273(3) of the Act) on shares held.
3. The rebate, bonus shares or limited dividend:
  - a. must be declared at the annual general meeting of the co-operative; and
  - b. must not exceed the amount recommended by the board; and
  - c. in the case of dividend must not exceed the amount permitted by the Act and regulations.
4. The amount of any rebate or dividend payable to a member under sub-rule 2 may, with the consent of the member, be applied:
  - a. in payment for the issue to the member of bonus shares; or
  - b. as a loan to the co-operative.
5. Any part of the surplus arising in any year from the business of the cooperative may be credited to any person who is not a member, but is qualified to be a member, by way of rebate in proportion to the business done by him or her with the co-operative, if:
  - a. the person was a member at the time the business was done and the membership has lapsed; or
  - b. the person has applied for membership after the business was done.
6. Nothing in sub-rule 5 precludes the payment of a bonus to an employee in accordance with the terms of his or her employment.
7. A part of the surplus, not exceeding 5% arising in any year from the business of the co-operative may be applied for one or both of the following:
  - a. charitable purposes; or
  - b. supporting any activity approved by the co-operative.
8. The board must give notice of any dividend, rebate or bonus share that has been declared by displaying it at the registered office of the cooperative and in any other manner the board determines.
9. Except where the Act or these rules specify otherwise interest does not accrue to a member on any dividend rebate or bonus share held by the co-operative for a member.
10. For the purposes of and subject to section 176 of the Act, the co-operative may, but is not obliged to, offer to purchase the share of any member at the request of the member, or repay to a member, with the members' consent, the whole or any part of the amount paid up on any share held by the member in accordance with section 176 of the Act.
11. The co-operative must cancel a share purchased or repaid in full by the co-operative.
12. Any share purchased or repayment made by the co-operative is to be disclosed in the co-operative's Annual Report.

## 57. Provision for loss

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.

## 58. Winding up

The winding up of the co-operative must be in accordance with Part 12 of the Act.

### Appendix 1

Schedule of charges:

- Copies of entry in register: refer to rule 52
- Duplicate statement of holdings: \$10 (maximum)
- Transfer of shares: \$10
- Transfer of charge (inclusive of transfer of debenture): \$10
- Copy of rules: \$5 plus \$1 for each page after the first page to a maximum of \$10.

### Appendix 2

Part 1

Name of co-operative: Hepburn Community Wind Park Co-operative Limited

Part 2

Primary activity

The primary activities of the Hepburn Community Wind Park Co-operative Limited are to:

- a. develop, own, operate and manage a wind farm or farms;
- b. generate and supply energy from the co-operative wind farm or farms;
- c. provide advice and assistance to its members to reduce energy usage and increase members energy efficiency;
- d. raise community awareness of the benefits of sustainable and renewable energy

Part 3

To remain an active member of Hepburn Community Wind Park Co-operative Limited a member:

- a. must purchase or consume energy generated directly or indirectly by the Co-operative; or
- b. subscribe to the Co-operative's information advisory service relating to energy usage and efficiency; or
- c. subscribe to the Co-operative's newsletter.

### Appendix 3

Part 1

Any person applying for membership must apply and pay for the minimum number of shares as set out in the membership application form as approved by the Board from time to time.

Part 2

Fines: The co-operative does not impose fines.

Part 3

The nominal value of a share and amount payable is \$1.

Fees: n/a

Charges: n/a

Subscriptions: The annual subscription fee for the newsletter will be determined by the board but will not exceed an amount of \$20 per annum.

### Appendix 4

Qualifications of an independent director

An independent director may be nominated by the Board on the basis of their qualifications, skills, experience or knowledge in the engineering, industrial, legal, commercial or financial sectors.