

[2077]



VICTORIA GOVERNMENT GAZETTE

Published by Authority

[Registered at the General Post Office, Melbourne, for transmission by post as a newspaper.]

No. 413]

THURSDAY, APRIL 19

[1956

CO-OPERATION ACT 1953.

At the Executive Council Chamber, Melbourne, the
seventeenth day of April, 1956.

PRESENT:

His Excellency the Governor of Victoria.

Mr. Rylah
Mr. Mibus
Mr. Reid

Mr. Cameron
Mr. McArthur.

CO-OPERATIVE SOCIETIES (MODEL RULES) REGULATIONS No. 3.

PURSUANT to the powers conferred by the *Co-operation Act 1953* and the *Acts Interpretation Act 1928*, His Excellency the Governor of the State of Victoria, by and with the advice of the Executive Council thereof, doth make the following Regulations, that is to say:—

Citation.

- (1) These Regulations may be cited as the Co-operative Societies (Model Rules) Regulations No. 3.
- (2) The model rules for an association of co-operative societies shall be the rules set forth in the Schedule to these Regulations.

SCHEDULE.

MODEL RULES FOR AN ASSOCIATION OF CO-OPERATIVE SOCIETIES.

Interpretation.

1. In these rules, unless inconsistent with the context or subject matter—

“Act” means the *Co-operation Act 1953* and any amendment thereof.

“Month” means calendar month.

"Member", in respect of an Association, means a society which is a component society of the association.

"Prescribed" means prescribed by the Act or the Regulations.

"Regulations" means regulations made under the Act.

"Registrar" means the Registrar of Co-operative Societies.

"Representative" means a person appointed by a component society in accordance with the Act to represent such component society in respect of the shares held by it in the association.

Expressions used have the same meanings as those ascribed to them by the Act.

Words importing the singular include the plural, and vice versa. Words importing the masculine gender include females.

Rules.

2. In accordance with section 58 of the Act, the rules of the association shall bind the association and all members thereof and all persons claiming through them respectively to the same extent as if each society had affixed its seal thereto and there were contained in the rules a covenant on the part of each society and its legal representatives to observe all the provisions of the rules subject to the provisions of the Act and the regulations.

3. The name of the association shall be *..... (hereinafter called "the association").

*The word "co-operative" must be in the name, and the word "limited" at the end thereof.

Registered Office.

4. The registered office of the association shall be at (Give address in full.) or at such other place as the board may determine from time to time. The board shall in accordance with section 57 of the Act cause notice of any change therein to be lodged with the registrar in the form prescribed within fourteen days after the change.

Use of Name.

5. The board shall in accordance with section 57 of the Act cause the name of the association with a statement that the association is registered under the Act to be painted or affixed and kept painted or affixed on the outside of its office in a conspicuous place and in letters which are clearly legible.

Objects.

6. The objects of the association shall be *.....

*Here set out objects. As to what the objects may be, see sections 23 and 25 of the Act.

Powers.

7. The association shall have power to do any of the following things as incidental to its objects:— *.....

*Here set out powers. As to what the powers may be, see section 23 (2) of the Act.

Purchase of Members' Shares.

8. The association may in accordance with section 41 of the Act purchase out of its reserve fund any share of a member in the association: Provided that the shares so purchased in any one year shall not exceed one-twentieth of the paid-up capital of the association.

Repayment of Share Capital.

9. (1) The board may repay to a member with the member's consent the whole or any part of the amount paid up on any share held by the member at any time when the money is not required for the purposes of the association.

(2) The board shall not, except with the consent of the registrar, make any such repayment if the association has received from any society which is not a member or from any person any money on loan or deposit which is not secured by mortgage and is still unpaid.

(3) Where pursuant to this rule any member is repaid the whole of the amount paid up on all the shares held by it, it shall cease to be a member.

Contributions by Association.

10. The board may make contributions out of the funds of the association to any organization or body, corporate or unincorporate, which includes amongst its objects the rendering of services to the association or its component societies or the operations of which are calculated to promote the economic interests of those societies or their members.

Property.

11. (1) The association may in accordance with section 48 of the Act acquire by lease, purchase, donation, devise, bequest or otherwise any real or personal property for any objects of the association or for any purposes ancillary to those objects, and may sell or lease any such real or personal property.

(2) Any property to which the association may become entitled absolutely by foreclosure, surrender or other extinguishment of the right of redemption shall in accordance with section 54 of the Act, be sold or converted into money as soon afterwards as may be conveniently practicable.

Joining a Union.

12. The association, with the approval of a majority at a general meeting of which due notice has been given, may join a union or join with any other association to form a union under section 27 of the Act.

Dealings of Members with Association.

13. The association may, in accordance with section 62 of the Act, make a contract with a member requiring the member to have any specified dealings with the association for a fixed period and, in particular, without limiting the generality of the foregoing, requiring the member to sell goods or commodities through or to the association, or to obtain supplies or services through or from the association with provision for the payment by the member to the association of specified sums as liquidated damages for the breach of any term of the contract and the contract shall be binding upon the association and all other parties.

Seal.

14. (1) The association shall as required by section 57 of the Act have its name inscribed in legible characters upon a seal. The seal shall be kept at the registered office in such custody as the board directs.

(2) The device of the seal shall be the name of the association within two concentric circles.

(3) The seal shall be used only under the authority of a resolution of a general meeting or of the board, and shall be attested by the signatures of two directors and the secretary, or in the absence of the secretary by any such other person as the board authorizes.

Custody of Books and Documents.

15. All books of account, securities, documents and papers of the association, other than such (if any) as the board may direct to be kept elsewhere, shall be kept at the registered office in such manner and with such provision for their security as the board directs.

Membership.

16. (1) The members of the association shall be the societies by which the association is formed and any other societies which are admitted to membership in accordance with the Act and the rules of the association.

(2) The board of each component society shall from time to time by writing under seal appoint one person who is a member of the society, to represent it in respect of the shares held by it, and the representative so appointed shall during the continuance of his appointment be deemed the member of the association holding those shares for all purposes except—

- (a) the liability in respect of the shares;
- (b) the transfer thereof;
- (c) the giving of receipts for any dividend or payment thereon.

17. Application for membership shall be made at the registered office in or to the effect of the prescribed form, with a deposit of Five shillings on each share applied for.

18. Upon approval of the application for membership the shares shall be allotted to the applicant, and the name of the society shall be duly entered as a member in the register of members. The society shall be notified of such allotment and shall thereupon be entitled to the privileges of membership.

19. If an application for membership be not approved, the deposit shall be returned to the applicant without interest.

20. The board may reject an application for membership on the ground that the applicant society is not eligible for membership of the association or on any other reasonable and proper ground.

Ceasing Membership.

21. A society shall cease to be a member in any of the following circumstances:—

- (a) where its share is transferred in accordance with these rules and the transferee is registered as holder in its place;
- (b) where its share is forfeited in accordance with these rules;
- (c) where its share is purchased by the association in accordance with the Act and these rules;
- (d) where the contract of membership is rescinded on the ground of misrepresentation or mistake;
- (e) where it ceases to be a member in accordance with these rules;
- (f) where it is wound up and dissolved in accordance with the provisions of Part IV. of the Act.

Liability of a Member to Association.

22. A member shall in accordance with section 40 of the Act be liable to the association for the amount, if any, unpaid on the shares held by it, together with any charges payable by it to the association as prescribed by these rules.

Expulsion of Members.

23. A member may be expelled from the association by special resolution to the effect—

- (a) that it has failed to discharge its obligations to the association, whether prescribed by these rules or arising out of any contract; or
- (b) that a charge of conduct detrimental to the association has been proved:

Provided that in either case written notice of the proposed resolution shall be forwarded to the member not less than seven days before the meeting and it shall be given an opportunity of being heard at the meeting.

24. (1) The shares of a member which has been expelled shall be forfeited to the association but it shall be entitled to any other interest it may have in the association.

(2) Notice of the forfeiture shall be sent in accordance with these rules within seven days.

25. (1) No expelled member shall be re-admitted as a member of the association except by special resolution.

(2) A member so re-admitted shall not have restored to it any shares which were forfeited on its expulsion.

Capital and Shares.

26. (1) The capital of the association shall be raised by the issue of shares.

(2) The capital shall vary in amount according to the nominal value of shares from time to time subscribed.

27. Shares, which shall be of one class, all ranking equally, shall be of the nominal value of £1 each.

28. Every member shall hold at least shares, but no member shall hold shares exceeding the nominal value of, nor shall any member hold more than one-half of the shares in the association.

Certificate of Shares.

29. Every society whose name is entered as a member in the register of members shall, without payment, be entitled upon application to a certificate under the seal of the association specifying the shares held by it and the amount paid up thereon.

30. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of a fee of One shilling, and on such terms as to evidence and indemnity as the board thinks fit.

Charge on Shares.

31. The association shall, as provided in section 45 of the Act, have a charge upon the share or interest in the capital and on the credit balance of a member or past member, and upon any dividend, bonus or rebate payable to a member or past member in respect of any debt due from the member or past member to the association, and may set off any sum credited or payable to a member or past member in or towards payment of the debt.

Calls on Shares.

32. The board may from time to time make calls upon the members in respect of any moneys unpaid on their shares: Provided that no call shall exceed one-fourth of the nominal amount of the share, or be payable at less than one month from the last call; and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the association at the time or times so specified the amount called on its shares.

33. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the member from which the sum is due shall pay interest upon the sum at the rate of Five pounds per centum per annum from the day appointed for the payment thereof to the time of the actual payment, but the board shall be at liberty to waive payment of that interest wholly or in part.

34. The board may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by it.

35. Upon all or any of the moneys so advanced the board may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the association in general meeting, Five per centum per annum) as the board determines.

Default in Payment of Calls.

36. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the board may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on the member, requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

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

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

Forfeited Shares.

39. A society whose shares have been forfeited for a default in payment of calls or for any other reason shall cease to be a member in respect of the forfeited shares, but shall remain liable to pay to the association all moneys which, at the date of forfeiture, were presently payable by it to the association in respect of the shares.

40. Shares forfeited for default in payment of calls or for any other reason shall be cancelled and shall not be sold and re-issued.

41. All moneys received by the society in respect of forfeited shares shall be added to the reserve fund.

Investments.

42. The board may, in accordance with the Act, invest any of the funds of the association in any of the following, that is to say:—

- (a) in any securities authorized by law for the investment of trust funds;
- (b) on deposit in the State Savings Bank of Victoria, or in the Commonwealth Savings Bank or in any bank prescribed by the regulations or in any co-operative society, association or union which is authorized to receive deposits;
- (c) in any prescribed securities;
- (d) in any other way prescribed or allowed by the Act.

Transfer of Shares.

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

44. Shares in the association shall be transferred in the following form or in any usual or common form which the board approves:—

The Limited, of, in consideration of the sum of £..... paid to it by the Limited, of (hereinafter called "the said transferee") doth hereby transfer to the said transferee the share (or shares) numbered in the association called the to hold unto the said transferee, its successors and assigns, subject to the several conditions on which it held the same at the time of the execution hereof; and it, the said transferee, doth hereby agree to take the said share (or shares) subject to the conditions aforesaid.

As witness our hands, the day of, 19.....
 transferor.
 in the presence of
 transferee.
 in the presence of

Registration of Transfers, &c.

45. (1) The board may decline to register any transfer of shares to a society on the ground that the society is not qualified to be a member of the association or on any other reasonable and proper ground, and may also decline to register any transfer of shares on which the association has a charge.

(2) The board may suspend the registration of transfers during the fourteen days immediately preceding the annual general meeting in each year.

(3) The board may decline to recognize any instrument of transfer unless—

- (a) a fee of One shilling is paid to the association in respect thereof, and
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the board may require to show the right of the transferor to make the transfer.

46. The board shall cause a record of all transfers to be made in the proper books of the association.

Winding-up of a Component Society.

47. Where a component society is wound up and dissolved in accordance with the provisions of Part IV. of the Act, the board may, on the application of the liquidator, transfer its shares to any society which purchases them and is qualified to be a member of the association.

48. Any such application shall be accompanied by such proof of the winding-up as the board may require, and an additional transfer fee of 2s. 6d. may be charged in any such case.

General Meetings.

49. (1) A general meeting of the association, to be known as the "annual meeting", shall, as provided in section 70 of the Act, be held each year at such time (being within three months after the close of the financial year or within such further time as may be allowed by the registrar or prescribed by regulation) and at such place as the board appoints.

(2) In default of such meeting being so held, it shall, with the approval of the registrar, be held in the month next following, and may be convened by any members of the association in the same manner as nearly as possible as that in which the meetings are to be convened by the board.

50. The ordinary business of the annual meeting shall be--

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

51. The annual meeting may transact special business of which notice is given in accordance with these rules.

52. (1) The board may, whenever it thinks fit, convene a special general meeting of the association.

(2) The board shall, on the requisition of not less than representatives of component societies, being the holders of shares upon which calls or other sums then due have been paid, forthwith proceed to convene a special general meeting.

53. A requisition for a special general meeting shall state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the association, and may consist of several documents in the like form, each signed by one or more requisitionists.

54. If the board does not proceed to cause a special general meeting to be held within 21 days from the date on which a requisition therefor was deposited at the registered office the requisitionists, or any of them, may convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit of the requisition.

55. Any special general meeting convened by requisitionists in pursuance of these rules shall be convened in the same manner as nearly as possible as that in which such meetings are convened by the board, and all reasonable expense incurred in so convening the meeting shall be refunded by the association to the representatives who incurred it.

Notice of General Meetings.

56. (1) Seven days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given), specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given of any general meeting in manner hereinafter mentioned to each member of the association addressed to it at its registered office; but the non-receipt of the notice by any member shall not invalidate the proceedings at such general meeting.

(2) Any member, having a resolution to submit to a general meeting, shall give written notice thereof to the association not less than 21 days prior to the date of the meeting.

57. The board shall cause to be inserted in any notice convening a general meeting a statement of any resolution of which notice of motion has been duly given by a member in accordance with these rules before the notice of the meeting is issued.

Proceedings at General Meetings.

58. All business shall be deemed special that is transacted at special general meetings and all business that is transacted at the annual meeting shall also be deemed special with the exception of that specifically referred to in these rules as being the ordinary business of the annual meeting.

59. No business shall be transacted at any general meeting unless a quorum of representatives is present at the time when the meeting proceeds to business. Save as herein otherwise provided representatives shall be a quorum.

60. If within an hour after the time appointed for the meeting a quorum is not present the meeting, if convened upon the requisition of representatives, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and (unless another place is specified by the chairman or a director or officer at the time of the adjournment or by written notice to members given before the day to which the meeting is adjourned) at the same place, and if at the adjourned meeting a quorum is not present within half-an-hour after the time appointed for the meeting the representatives present shall be a quorum.

61. The chairman, if any, of the board shall preside as chairman at every general meeting of the association.

62. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the representatives present shall choose some one of their number to be chairman.

63. (1) The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(3) Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

64. At any general meeting every question for decision by the meeting shall as provided in section 71 of the Act be determined by a majority of representatives present in person thereat, and unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least representatives the question shall be determined on a show of hands, and a declaration by the chairman that a resolution has, on a show of hands, been carried by a simple majority, or carried unanimously, or by a particular majority, or lost, shall be prima facie evidence of the fact.

65. If a poll is duly demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

66. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting, at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

67. (1) A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.

(2) A poll demanded on any other question shall be taken at a time which the chairman of the meeting shall direct.

68. The following standing orders shall be observed at the association's meetings:—

- (a) the mover of a proposition shall not speak for more than ten minutes; subsequent speakers shall be allowed five minutes, and the mover of the proposition five minutes to reply;
- (b) whenever an amendment is proposed upon an original proposition, no second amendment shall be taken into consideration until the first amendment shall have been disposed of;
- (c) if an amendment be carried, it shall displace the original proposition and become itself the proposition to which any further amendment may be moved;
- (d) if an amendment be negatived, then a further amendment may be moved to the original proposition; but only one amendment shall be submitted to the meeting for discussion at one time;
- (e) the mover of every original proposition, but not of an amendment, shall have the right to reply, immediately after which the question shall be put from the chair, but no other representative shall speak more than once on the same question, unless permission be given to explain, or the attention of the chairman be called to a point of order;
- (f) propositions and amendments shall be submitted in writing, when requested by the chairman;
- (g) any discussion may be closed by a resolution "that the question be now put" being moved, seconded and carried, and any such resolution shall be put to the meeting without debate.

Voting of Members.

69. On a show of hands or on a poll every representative present in person shall have one vote only.

70. There shall be no voting by proxy.

Special Resolution.

71. (1) A special resolution, in accordance with section 65 of the Act, means a resolution which is passed by a majority of not less than three-quarters of such representatives entitled under these rules to vote as may be present in person at any general meeting of which notice specifying the intention to propose the resolution has been duly given according to these rules.

(2) A copy of the special resolution shall be lodged with the registrar in accordance with section 65 of the Act.

Board of Directors.

72. There shall be a board of directors.

73. No person shall be qualified to be a director unless he is a representative of a component society.

74. The first directors shall be appointed at a meeting of the association held for that purpose as soon as practicable after the registration of the association.

75. At the first annual meeting of the association of the directors shall retire and at the annual meeting in each subsequent year the directors shall retire in rotation of

76. The directors to retire in any year shall subject to the provision as to filling casual vacancies be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

77. A retiring director shall be eligible for re-election.

78. The association at the annual meeting at which a director retires in manner aforesaid may fill the vacated office by electing a person thereto, in such usual and proper manner as the board directs.

79. Any vacancy occurring in the board otherwise than by rotation of retirement may be filled by the board, but the representative so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

80. The association may by resolution remove any director before the expiration of his period of office, and may by a simple majority appoint another representative in his stead; the representative so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

Proceedings of the Board.

81. (1) The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit: Provided that meetings of the board shall be held at intervals of not more than two months.

(2) Questions arising at any meeting shall be decided by a majority of votes.

(3) In case of an equality of votes the chairman shall have a second or casting vote.

(4) A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the board.

82. The quorum for any meeting of the board shall be

83. The continuing directors may act notwithstanding any vacancy in their number but, if and so long as their number is reduced below the number fixed by or pursuant to these rules as the necessary quorum of directors, the continuing directors may act only for the purpose of increasing the number of directors to that number or of summoning a general meeting of the association, but not for any other purpose.

84. The board may elect a chairman of its meetings and determine the period for which he is to hold office but, if no such chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

Duties and Powers of the Board.

85. (1) The business and operations of the association shall, in accordance with section 69 of the Act, be managed and controlled by the board, and for that purpose the board, except as hereinafter provided, shall have and may exercise the powers of the association as if they had been expressly conferred on the board by a general meeting of the association.

(2) The powers of the board shall be subject to any restrictions imposed thereon by the Act or by these rules.

86. Every director acting in the business or operations of the association in pursuance of a resolution duly passed by the board shall be deemed to be the agent of the association for all purposes within the objects of the association.

87. The directors shall receive such fees for their services (not exceeding any limits prescribed by the regulations) as are approved at a general meeting, and shall not receive any other remuneration from the association, but all necessary expenses incurred by them in the business of the association shall be refunded to them.

88. The board shall, in accordance with section 72 of the Act, cause minutes as prescribed by regulation of general and board meetings to be made in books provided for the purpose and, in particular—

(a) of all appointments of officers and employees made by the directors;

(b) of the names of the directors present at each meeting of the board—

and every director present at any meeting of the board shall sign his name in a book to be kept for that purpose.

89. The board shall, in accordance with section 60 of the Act, cause to be kept at the registered office of the association, and open at all reasonable hours to inspection by any representative or creditor, without fee—

(a) a copy of the Act and the regulations;

(b) a copy of the rules of the association;

(c) a copy of the last balance-sheet and profit and loss account for the time being, together with the auditor's report;

(d) the prescribed register of directors, members and shares;

(e) the prescribed register of loans raised, securities given and deposits received by the association.

90. The board shall cause to be prepared and lodged with the registrar all returns and notices required by the Act or regulations and, in particular—

(a) a list of the directors and alterations in membership during each year;

- (b) a statement of the assets and liabilities of the association as at the close of each financial year and of the accounts of the association for that year;
- (c) a copy of the report of the auditor on those accounts;
- (d) such other particulars as are prescribed by regulation.

91. (1) The board shall cause to be prepared a statement of the accounts of the society (including balance-sheet, trading account and profit and loss account) up to the end of each financial year, and shall submit it, with the auditor's report thereon, to the annual meeting of the association.

(2) The board shall also cause a copy of such statement to be displayed at the registered office of the association for a period of not less than fourteen days before the date of such meeting, and a copy to be sent to each member with the notice of the meeting, in accordance with section 75 (5) of the Act.

92. The board shall cause to be kept such registers and accounts as are prescribed by the Act or by the regulations and, in particular, the following, viz.:—

- (a) a register of the directors, members and shares;
- (b) a register of the representatives of members of the association, setting out the full name of each representative and the period of his appointment;
- (c) a register of any loans raised, securities given and deposits received by the association;
- (d) a register of any loans made or guaranteed by the association and of any securities taken by the association;
- (e) a ledger containing the full name of each member, the shares acquired or disposed of by it and the amounts paid or credited on shares held.

Appointment and Removal of Employés.

93. Without prejudice to the general powers conferred on the board by the Act or these rules, the board shall have power to appoint and, at its discretion, to remove or suspend officers, clerks, agents and servants and to determine their powers, duties and remuneration or, when so deemed necessary, to delegate all or any of such powers of appointment, suspension, removal and determination.

Security.

94. The board shall cause every officer having the receipt or charge of any money of the association to give security, in accordance with section 73 (3) of the Act, to the amount, and in the manner prescribed by the regulations. The association shall pay all premiums in respect of any security given by any such officer.

Insurance.

95. The board shall arrange insurance against loss or damage to or liability of the association by reason of fire, accident or otherwise.

Vacation of Office of Director.

96. The office of a director shall be vacated in the following circumstances:—

- (a) if he becomes bankrupt, or assigns his estate for the benefit of or compounds with his creditors;
- (b) if he becomes a lunatic or lunatic patient within the meaning of the Mental Hygiene Acts or a defective within the meaning of the *Mental Deficiency Act 1939*;
- (c) if he is convicted of any offence under the Act, or if he is convicted of any indictable offence or of any offence punishable on summary conviction for which he is sentenced to imprisonment otherwise than in default of payment of a fine;
- (d) if he absents himself from three consecutive ordinary meetings of the board without its leave;
- (e) if he ceases to be a member of the component society which he represents;
- (f) if he ceases to be the representative of a component society;
- (g) if his resignation is accepted by the board, after he has given one month's notice of his intention to resign;
- (h) if he is removed from office by resolution of a general meeting of the association;
- (i) if he has a direct or indirect pecuniary interest in any agreement with the association otherwise than as a member of a component society of the association or of an incorporated company consisting in either case of more than twenty persons.

Banking.

97. The board shall cause to be opened a banking account in the name of the association, into which all moneys received shall be paid as soon as possible after receipt.

98. All cheques drawn on such account, and all drafts, bills of exchange, promissory notes and other negotiable instruments for and on behalf of the association shall be signed by two directors and countersigned by the secretary.

Members' Accounts.

99. The board shall, in accordance with section 75 (6) of the Act, so provide that a representative may inspect his society's account in the books of the association at any reasonable time on payment of a fee of Two shillings.

Rules.

100. The association shall, in accordance with section 67 (4) of the Act, cause any person who so desires to be supplied with a copy of the rules of the association at a charge of Two shillings and sixpence.

Financial Year.

101. The financial year of the association shall end on the
..... in each year.

Audit.

102. One or more auditors, who shall be approved by the registrar and who shall, unless the registrar otherwise authorizes, be persons licensed by the Companies' Auditors Board, shall be appointed at each annual meeting to hold office until the next annual meeting.

103. The first auditors of the association may be appointed by the board before the first annual meeting and, if so appointed, shall hold office until the first annual meeting, unless previously removed by a resolution of the representatives at a general meeting, in which case the representatives at that meeting may appoint auditors to act until the first annual meeting.

104. If an appointment of auditors is not made at an annual meeting the board shall appoint auditors of the association for the current year.

105. An officer or employé of the association or of a member shall not be capable of being appointed auditor of the association.

106. A person, other than a retiring auditor, shall not be capable of being appointed auditor at an annual meeting unless notice of intention to nominate that person to the office of auditor has been given by a representative not less than fourteen days before the annual meeting, and the association shall send a copy of any such notice to the retiring auditor, and shall give notice thereof to the members, not less than seven days before the annual meeting:

Provided that, if after notice of the intention to nominate an auditor has been so given, an annual meeting is called for a date fourteen days or less after the notice has been given, the notice, though not given within the time required by this provision, shall be deemed to have been properly given for the purposes thereof, and the notice to be sent or given by the association may, instead of being sent or given within the time required by this provision, be sent or given at the same time as the notice of the annual meeting.

107. The board may fill any casual vacancy in the office of auditor, but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act.

108. The remuneration of the auditors of an association shall be fixed by the association in general meeting, except that the remuneration of any auditors appointed by the board may be fixed by the board.

109. The board shall cause the auditors to have access to all books, accounts, vouchers, securities and documents of the association and to be furnished with such information and explanation by themselves or any other officers as may be necessary for the performance of their duties as auditors.

110. The auditors shall comply with section 75 (4) of the Act and, in particular, in making their report to the members of the association and, in signing any statement of assets and liabilities or of accounts to be presented to the members or transmitted to the registrar, they shall state—

- (a) whether they have obtained the information and explanation required by them;
- (b) whether in their opinion the statements are drawn up so as to exhibit a true and correct view of the financial position of the association according to the information at their disposal and explanation given to them, and as shown by the books of the association;
- (c) whether the rules relating to the administration of the funds of the association have been observed.

Application of Funds.

111. (1) The funds of the association shall be applied to carrying out the objects of the association.

(2) Any surplus resulting from its operations during a financial year, after providing for depreciation in value of the association's property and for contingent liability for loss, shall in accordance with section 38 of the Act, at the end of the financial year, be applied as follows:—

- (a) in payment of at least Five per centum to a reserve fund to be created in accordance with section 38 (1) of the Act until the fund is at least one-fourth of the aggregate amount of the capital paid up for the time being, and of any moneys raised on loan or received on deposit and for the time being remaining unpaid;

(b) after providing for a reserve fund, any remaining surplus may be applied in all or any of the following ways:—

- (i) in payment to members of dividend not exceeding Five per centum per annum (or such other percentage as is fixed by regulation) on the amount paid up by them on their respective shares: Provided that no amount paid on a share in advance of calls shall, whilst carrying interest, be treated for the purpose of this rule as paid on the share;
- (ii) in payment to members by way of a bonus or rebate based on the business done by them with the association during the year;
- (iii) in payment not exceeding Ten per centum (or such larger percentage as is determined by the Governor in Council pursuant to section 38 (4) of the Act) of the surplus to any charitable purpose, or for promoting co-operation or any community benefit.

112. Any dividend, bonus or rebate which shall accrue to a component society holding shares on which all calls due have been paid shall be paid to it, but any dividend, bonus or rebate which shall accrue to the holder of partially paid up shares shall be applied to paying off calls, if any, on shares which may at the time the dividend, bonus or rebate becomes payable be due by it and unpaid.

113. No dividend, bonus or rebate declared by the society in general meeting shall exceed the amount recommended by the board.

114. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the members entitled to share therein.

115. No dividend shall bear interest against the association.

Reserve Fund.

116. (1) In accordance with section 38 of the Act, the reserve fund created in accordance with that section shall not be distributed amongst the members of the association, except in the event of winding-up.

(2) The reserve fund shall be applicable at any time to any purpose to which the capital of the association is applicable, and shall together with any other funds available be applicable to meet any loss which the association may sustain.

Depreciation of Assets.

117. The value of the several fixed assets of the association shall be written down at least annually by an amount to be fixed by the board and approved by the auditors. If the board and the auditors are unable to agree on the amount to be written down in respect of any asset the matter shall be referred to the registrar whose decision shall be final.

Stocktaking.

118. The board shall appoint one or more stocktakers each year and shall require such stocktakers to take stock and to submit to it in writing a report within fourteen days after the close of each financial year and also within fourteen days after such other date (if any) as the board appoints. The stocktakers shall hold office for one year from the date of appointment and may be removed by the board.

Disputes.

119. (1) Disputes between a member and the association shall be settled by arbitration in accordance with the *Arbitration Act 1928*.

(2) Nothing in this rule shall apply to any dispute as to the construction or effect of any mortgage or of any contract contained in any document other than these rules.

Winding-up.

120. The winding-up of the association shall be in accordance with Part IV. of the Act.

Notices.

121. Any notice required or authorized by these rules to be served on a member shall be in writing, and shall be sufficiently served—

- (a) if left at the last known registered office of the member;
- (b) if sent by post in a letter addressed to the member to be served, at its aforesaid registered office; and service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and unless the contrary is proved to have been effected at the time at which the letter would be delivered in the ordinary course of post.

Shares Not to be Listed.

122. The shares of the association shall not be quoted for sale or purchase at any stock exchange or in any other public manner whatever.

Charges.

123. The following is a schedule of charges appearing in the foregoing rules:—

- For duplicate share certificate as per rule 30, a sum of 1s.
- For fee on transfer of shares as per rule 45, a sum of 1s.
- For additional fee on transfer of shares as per rule 48, a sum of 2s. 6d.
- For inspection by a representative of his society's account in the books of the association as per rule 99, a sum of 2s.
- For a book of rules as per rule 100, a sum of 2s. 6d.

And the Honorable Henry Edward Bolte, Her Majesty's Treasurer for the State of Victoria, shall give the necessary directions herein accordingly.

A. MAHLSTEDT,

Clerk of the Executive Council.