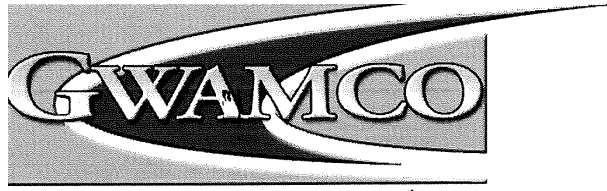


Marked with the Letter "A"



Our Future is in Our Hands

**RULES
OF
GASCOYNE WATER ASSET MUTUAL
CO-OPERATIVE LIMITED**

(ABN 90 622 624 010)

Registered under the Co-operatives Act 2009 (Western Australia)

Please note: There are provisions within the Co-operatives Act 2009 that must be complied with, that are not necessarily contained within these Rules.

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DIVISION 1- INTRODUCTION

1. NAME

1.1 The name of the Co-operative is:

GASCOYNE WATER ASSET MUTUAL CO-OPERATIVE LIMITED

1.2 The Co-operative may, in accordance with Section 241 of the Act, change its name by way of a special resolution to a name approved by the Registrar.

2. REGISTERED OFFICE

2.1 The registered Office of the Co-operative is located at:

50 Boundary Road, Carnarvon, Western Australia 6701,

or such other place as the Board may determine from time to time.

2.2 The Co-operative must give written notice to the Registrar of any change of address of the registered Office within 28 days after the address of the registered Office has been changed.

3. DISTRIBUTING CO-OPERATIVE

3.1 The Co-operative is a distributing co-operative within the meaning of Section 13 of the Act.

3.2 The Co-operative is not a subsidiary of GWC as defined in Division 6 Part 1.2 of the *Corporations Act 2001 (Cth)*.

3.3 For the purposes of section 50AA of the *Corporations Act 2001 (Cth)* the Board of the Co-operative:

- (a) Must not consider GWC's financial and operating policies; and
- (b) Does not have the capacity to determine the outcome of decisions about GWC's financial and operating policies.

4. INTERPRETATION

4.1 In these Rules unless the context otherwise requires the following words will have the following meanings:

- (a) **Act** means the Co-operatives Act 2009 (WA).
- (b) **Alter** or a similar word or expression used in relation to amendment of Rules includes "add to", "substitute" and "rescind".
- (c) **Asset Contribution** means the amount, including the annual membership fee, determined by the Board to be contributed by a Member for a Season.
- (d) **Asset Maintenance and Renewal Fund** means the reserve fund established by the Co-operative.
- (e) **Associate** means any associate defined as such in the *Co-operatives Act 2009 (WA)*.
- (f) **Auditor** means auditor or auditors for the time being of the Co-operative appointed pursuant to **Rule 82**.
- (g) **Board** means the whole of or any number of the Directors assembled at a meeting of the Directors or transacting business in accordance with **Rule 61**, being not less than a quorum or a majority as the case may be.
- (h) **Capital** means the Share Capital.
- (i) **Carnarvon Irrigation Area** means the area within Carnarvon as determined by the Board of the Co-operative from time to time.
- (j) **Certificate** means a certificate evidencing the Shares in the Co-operative held by a Member.
- (k) **Contribution** means the aggregate of Asset Contribution and any Levy.
- (l) **Contribution Investment Fund** means the fund established to hold monies arising out of the investment of the Asset Maintenance and Renewal Fund.

- (m) **Co-operative** and **GWAMCO** means the Gascoyne Water Asset Mutual Co-operative Limited.
- (n) **Co-operative Capital Unit** means a co-operative capital unit as provided for by Division 2 of Part 10 of the Act.
- (o) **Co-operative Policies** means the policies adopted by the Board from time to time and published as Co-operative Policies, including any policies or by-laws adopted by the Board prior to Registration Date.
- (p) **Corresponding Shares** means those Shares which correspond in the Register of Members to particular water Entitlements.
- (q) **Corresponding Water Entitlement**, means those Water Entitlements that corresponds in the Gascoyne water Co-operative Ltd Register.
- (r) **Director** means any Director of the Co-operative for the time being.
- (s) **Dispute** means any dispute, which may arise between any two or more Members or any Member and the Co-operative.
- (t) **Diversion Point** means the point at which the Member is supplied with water through an off-take from the main distribution pipeline. All water supplied to the Member must pass through a suitably calibrated water meter.
- (u) **Drought Water Entitlement** means water that is only accessible when the GWC Board declares a drought, in accordance with the rules of GWC. See definition of Water Entitlement.
- (v) **External Permanent Transfer** means a Permanent Transfer outside the Carnarvon Irrigation Area.
- (w) **GWC** means Gascoyne Water Co-operative Limited.
- (x) **GWC Member** means a Member holding Shares in GWC as shown in the Register of shareholders of GWC.
- (y) **Individual Member** means a natural person who is a Member.
- (z) **Internal Permanent Transfer** means a Permanent Transfer within the Carnarvon Irrigation Area.
- (aa) **Joint Landholder** means, in relation to a Landholding, any person who holds an interest in land with another person either as a joint tenant or tenant in common.
- (bb) **Landgate** is the trading name of the Western Australia Land Information Authority.
- (cc) **Landholder** means:
 - (i) the registered proprietor (or joint registered proprietors) of a Landholding;
 - (ii) the holder of a Landholding which is Crown Lease or Conditional Purchase Lease from the Crown;
 - (iii) any mortgagee, chargee or encumbrancee of a Landholding, who has entered into and is in possession of the whole of that Landholding; and
 - (iv) a lessee of a Landholding where the lease provides that the lessee is responsible for the payment of Contributions and the lease has otherwise been approved by the Co-operative. In this case, the lessee is considered to be the Landholder to the exclusion of the registered proprietor or joint registered proprietors for the term of the lease.
- (dd) **Landholding** means a parcel of Rated Land individually identified by a Landholding Reference Number in the Register of Rated Land within the Carnarvon Irrigation Area.
- (ee) **Landholding Reference Number** means a unique number entered into the Register used to identify a Landholding.
- (ff) **Levy** is the amount payable by each Member to the Co-operative in addition to the Asset Contribution as determined by the Board from time to time.
- (gg) **Licence** means any statutory licence required by the Co-operative or GWC to carry out its business, including the Operating Licence.

- (hh) **Member** means a person who has agreed to become a Member and whose name has been entered on the Register.
- (ii) **Member Funds** are the Asset Contributions and any other funds raised from Members.
- (jj) **Member Directors** means a Director who holds office as a Member or representative of a legal entity which is a Member.
- (kk) **Month** means calendar month.
- (ll) **Non-Member Director** means a Director who is not a Member and holds the qualifications referred to in **Rule 48.2**.
- (mm) **Normal Water Entitlement** means water that is accessible in a non-drought as well as a drought year, in accordance with the rules of GWC. See definition of Water Entitlement.
- (nn) **Office** means the registered office from time to time of the Co-operative.
- (oo) **Operating Licence** means the operating licence granted to the Co-operative or GWC pursuant to Section 18 of the Water Services Licensing Act 1995 (WA).
- (pp) **Permanent Transfer** means an absolute legal assignment of the Water Entitlements issued by GWC and all of the rights, which attach to the relevant Water Entitlements and Permanently Transferred has a corresponding meaning.
- (qq) **Rated Land** means all land in the Carnarvon Irrigation Area that is Rated Land pursuant to the records kept under Section 69A of the Water Agencies (Powers) Act 1984 (WA) where a water charge would have been payable on the basis of that entry as at October 28, 2002 within the Carnarvon Irrigation Area or such other land in the Register of Rated Land held by the Co-operative. Where there is a discrepancy between the records kept under Section 69A of the Water Agencies (Powers) Act 1984 (WA) and title information held by Landgate, the Co-operative must rely upon that information held by Landgate.
- (rr) **Register** means a register maintained by the Co-operative pursuant to the Act, which includes details of Shares, debentures, assets, seal, Landholding Reference Number and such other things as determined by the Board in accordance with these Rules.
- (ss) **Operating Licence** means the operating licence granted to the Co-operative or GWC pursuant to Section 18 of the Water Services Licensing Act 1995 (WA).
- (tt) **Registered** means registered in the Register.
- (uu) **Registrar** means the Registrar of Co-operatives under the Act or any person delegated with the Registrar's functions.
- (vv) **Registration Date** means the date in which the Co-operative is registered as a co-operative under Part 2 of the Act.
- (ww) **Regulation** means a regulation made under the Act, and any regulation that applies to a Co-operative by way of a transitional regulation made under the Act.
- (xx) **Reserves** means the reserves and reserve funds of the Co-operative including those referred to in **Rule 73.2**.
- (yy) **Rules** means registered Rules of the Co-operative as altered from time to time and a reference to a particular Rule by number has a corresponding meaning.
- (zz) **Seal** means the common seal of the Co-operative from time to time of the Co-operative.
- (aaa) **Season** means the period determined by the GWC Board from time to time to be the period during which customers may be supplied with water for irrigation and such period must be advertised by GWC in a newspaper circulated in the Carnarvon Irrigation Area.
- (bbb) **Secretary** means the Secretary of the Co-operative appointed from time to time, and includes any person appointed to perform the duties of a Secretary temporarily.
- (ccc) **Share** means a Share in the capital of the Co-operative.

- (ddd) **small co-operative** means a co-operative of a class or description prescribed by the regulations, which as at January 2017 stated in Regulation 3A -
- (1) *For the purposes of the definition of **small co-operative** in section 4 of the Act, a co-operative is a small co-operative for a financial year if-*
 - (a) *subregulation (2) does not apply to the co-operative for the financial year and it satisfies at least 2 of the following subparagraphs -*
 - (i) *the consolidated revenue of the co-operative and the entities it controls (if any) is less than \$8 million for the financial year;*
 - (ii) *the value of the consolidated gross assets and the entities it controls (if any) is less than \$4 million at the end of the financial year;*
 - (iii) *the co-operative and the entities it controls (if any) had fewer than 30 employees at the end of the financial year; or*
 - (b) *it is a co-operative declared under subregulation (5) to be a small co-operative for the financial year (regardless of whether or not subregulation (2) would apply to the co-operative).*
 - (2) *This subregulation applies to a co-operative for a financial year for the purposes of this regulation, if it issues shares to more than 20 prospective members during that year and the amount raised in that year by the issue of those shares exceeds \$2 million.*
 - (3) *In counting employees for the purposes of this regulation, part-time employees are to be taken into account as an appropriate fraction of a full-time equivalent.*
 - (4) *Consolidated revenue and the value of consolidated gross assets are to be calculated for the purposes of this regulation in accordance with accounting standards in force at the relevant time (even if the standard does not otherwise apply to the financial year of some or all of the entities concerned).*
 - (5) *On application by a co-operative, the Registrar may, for the purposes of a financial year, declare the co-operative to be a small co-operative, but the Registrar may make the declaration only if satisfied that unusual and non-recurring circumstances have occurred that warrant doing so.*
 - (6) *All application by a co-operative to the Registrar for a declaration under subregulation (5) must be made within 5 months after the end of the financial year.*
- (eee) **Special General Meeting** means a general meeting of the Co-operative other than an Annual General Meeting.
- (fff) **System** means the system constituted by the Water Works of the Co-operative for the supply, storage and drainage of water in accordance with the Licence.
- (ggg) **Transferred Co-operative** has the same meaning given to it pursuant to section 4 of the Act that is a co-operative that immediately before the commencement of the Act was registered as a co-operative under the *Companies (Co-operative) Act 1943 (WA)*.
- (hhh) **Transmission Event** means:
- (i) the appointment under the laws of any state or territory of a person to administer the affairs of a Member who is incapable of managing their own affairs due to mental or physical infirmity;
 - (ii) the insolvency, liquidation by arrangement or composition with creditors or assignment for the benefit of the creditors of any Member;
 - (iii) the bankruptcy of any Member; and
 - (iv) death of a Member.
- (iii) **Water Corporation** means the Water Corporation of Western Australia or its successors in title.
- (jjj) **Water Entitlement** means a contractual right evidenced by a Certificate of Water Entitlement and by an entry in the Register whereby GWC is to supply a nominal amount of 1 megalitre of water to a Member in accordance with their Rules as though measured at a Diversion Point and includes a component for Transmission Losses upon and subject to the terms of their Rules. Rules differ for the treatment of Normal Water Entitlements and Drought Water Entitlements.
- (kkk) **Water Works** has the meaning given to it pursuant to the *Water Services Licensing Act 1995 (WA)* and the *Country Areas Water Supply Act 1947 (WA)*.
- (lll) **Writing** includes printing, typing and any mode of representing or reproducing words in permanently visible form (including facsimile and email) and "written" has a corresponding meaning.

(mmm) **Year** means the Co-operative's financial year.

4.2 Words:

- (a) importing one gender include the other gender;
- (b) importing persons include corporations and other bodies corporate;
- (c) in the singular include the plural, and vice versa; or
- (d) expressions used have the same meaning as that given to them in the Act.

4.3 A reference in these Rules to an Act includes a reference to:

- (a) that Act as originally enacted, and as amended from time to time since its original enactment; and
- (b) if that Act has been repealed since the inclusion of the reference in these Rules - the legislation enacted in substitution of the Act (whether legislation of the State or Federal Parliament) and as amended from time to time since its enactment.

4.4 A reference in these Rules to a provision in an Act includes a reference to:

- (a) the provision as originally enacted, and as amended from time to time since the original enactment;
- (b) if the provision has been omitted and re-enacted (with or without modification) since the enactment of the reference - the provision as re-enacted and as amended from time to time since its re-enactment; and
- (c) if the provision has been omitted and replaced with a new provision dealing with the same area of law or procedure - the new provision as enacted and as amended from time to time since its enactment.

4.5 In the interpretation of a Rule the interpretation that will best achieve the purpose of the Rule is to be preferred to any other interpretation. This provision applies whether or not the purpose is expressly stated in the Rule.

4.6 In these Rules, unless the context indicates a contrary intention, headings are for convenience and do not affect interpretation.

5. RULES

5.1 The Rules of the Co-operative have the effect of a contract under seal:

- (a) between the Co-operative and each Member;
- (b) between the Co-operative and each Director, the chief executive officer and the Secretary of the Co-operative; and
- (c) between a Member and each other Member.

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

5.3 A Member will be entitled on demand to a copy of the Rules upon payment of a sum not exceeding the fee prescribed in the Regulations.

5.4 A Member may inspect a copy of these Rules free of charge at the office where the registers are kept, during all reasonable hours.

5.5 The model rules referred to in Section 101 of the Act do not apply to the Co-operative.

6. ALTERATION OF THE RULES

6.1 These Rules may be altered by a special resolution in accordance with Section 104 of the Act or by a resolution of the Board in accordance with **Rule 6.2**.

6.2 In accordance with Section 105 of the Act, the Rules of the Co-operative may be altered by a resolution passed by the Board if the alteration does no more than give effect to a requirement, restriction or prohibition imposed under the authority of the Act.

6.3 If the Rules are altered pursuant to **Rule 6.2**, the Co-operative must cause the alteration to be notified in writing to its Members as soon as practicable after the alteration takes effect and in any event not later than the date on which notice is given to the Members of the next annual general meeting of the Co-operative after the alteration takes effect.

6.4 If alteration to these rules under Section 28(3A) or Section 103 of the Act requires prior approval of the Registrar following an order made under section 103(1B) of the Act, a proposed alteration cannot be put to a resolution unless it is approved by the Registrar.

6.5 An alteration to these Rules does not take effect unless and until it is registered by the Registrar under Section 106 of the Act.

7. LOANS BY MEMBERS TO THE CO-OPERATIVE

7.1 The Co-operative may, in accordance with Section 255 of the Act, require its Members to lend money to the Co-operative, with or without security, in accordance with a proposal approved by the Members by special resolution passed by means of a special postal ballot. The proposal cannot require a loan to be for a term of more than 7 years or another term prescribed by the Regulations.

7.2 The approved proposal will be binding on all Members as of the date the special resolution is registered by the Registrar other than a Member who has given notice of their intention to resign their membership in accordance with Section 255(3)(c) of the Act and on all persons who become Members of the Co-operative after the date the special resolution is registered by the Registrar and before the total amount of the loan to be raised under the proposal has been raised.

8. DEALINGS OF MEMBERS WITH THE CO-OPERATIVE

8.1 The Co-operative may, in accordance with Section 70 of the Act, make a contract with a Member requiring the Member to have specified dealings with the Co-operative for a fixed period.

8.2 If an amount is required to be paid to the Co-operative as liquidated damages under the contract made under **Rule 8.1**, that amount is to be considered as a debt due to the Co-operative and in respect of such debt, the Co-operative has, pursuant to Section 72 of the Act, a charge on each of the following:

- (a) the share or interest in the capital, credit balance and deposits of the Member or former Member;
- (b) any rebate, bonus, dividend or interest payable to the Member or former Member; and
- (c) any entry fees and regular subscriptions required to be repaid to a Member when the Member ceases to be Member.

- 8.3 The charge created pursuant to Section 72 of the Act will be enforced in accordance with that Section.
- 8.4 Nothing in this Rule will be interpreted as restricting the powers of the Co-operative to enter into contracts with a Member or Members other than pursuant to the provisions of this Rule.

9. SEAL

- 9.1 The name of the Co-operative must appear in legible characters on its common seal and on any official seal. The common seal must be kept at the Office in such custody as the Board will direct.
- 9.2 The Board must provide for the safe custody of the Co-operative's common seal.
- 9.3 The common seal of the Co-operative will not be affixed to any instrument except by resolution of the Board.
- 9.4 The Co-operative's common seal must never be used except by the authority of the Board and in the presence of:
- (a) two Directors; or
 - (b) one Director and the Secretary or any other person as the Board may appoint for the purpose.
- 9.5 The two Directors or the Director and the Secretary (or other person as above) must sign every instrument to which the Seal is so affixed in their presence including the date and place at which the Seal is affixed.
- 9.6 The Co-operative may, pursuant to Section 47 of the Act, have for use in place of its common seal outside the State, one or more official seals. Each of the additional seals must be a facsimile of the common seal with the addition on its face of the name of the place where it is to be used.

10. AUTHORITY OF AGENT OR ATTORNEY TO EXECUTE DEEDS

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

11. CUSTODY AND INSPECTION OF RECORDS AND REGISTERS

- 11.1 The Co-operative must keep registers of the kind specified under Section 230 of the Act.
- 11.2 The Co-operative must have at the office where the registers are kept and available during all reasonable hours for inspection by any Member free of charge the following:
- (a) a copy of the Act and the Regulations;
 - (b) a copy of the Rules of the Co-operative;
 - (c) a copy of the minutes of each general meeting of the Co-operative;
 - (d) a copy of the Co-operative's most recent annual return under section 244ZB of the Act;
 - (e) a copy of the most recent financial information reported to members under Part 10A of the Act;
 - (f) the register of Directors, Members and Shares (and any charges or encumbrances on those Shares);
 - (g) the register of names of persons who have given loans or deposits to or hold securities, debentures or co-operative capital units given or issued by the Co-operative; and
 - (h) such other Registers as the Rules, the Act or Regulations provides are to be open for inspection.
- 11.3 A Member is entitled to make a copy of entries in a Register specified in **Rule 11.2** and to do so free of charge. The Co-operative may charge for copies (including photocopies, computer printouts, electronic copies and any other media), \$11.80 for the first page and \$1.50 for each additional page, or such lesser amount as the Board may determine from time to time.

DIVISION 2 - SHARE CAPITAL

12. SHARE CAPITAL

- 12.1 The Board must not issue Shares other than in accordance with **Rule 12.2**.
- 12.2 The Board must not issue Shares to a person unless:
- (a) that person is registered as a Member of the Co-operative;
 - (b) that person has paid the nominal value of the Shares subscribed plus any premium payable on the issue of shares; and
 - (c) that person has paid the Asset Contribution.
- 12.3 The share capital of the Co-operative shall comprise the following classes of share:
- (a) "A" class shares each with a nominal value of \$1.00;
 - (b) any other class of share approved by a special resolution of the members from time to time.
- 12.4 Any share in the Co-operative held by the Co-operative itself immediately prior to the Registration Date is cancelled on the Registration Date.
- 12.5 An A class share on issue to a member immediately prior to the Registration Date is an A class share on issue under these Rules as at the Registration Date.
- 12.6 The board may in accordance with the Act, issue shares at premium to their nominal value.
- 12.7 A person must not hold more than 20% of a particular class of issued Shares of the Co-operative. The maximum permissible level of share interest applying under this Rule may be increased for a particular Member by special resolution of the Co-operative under a special postal ballot.
- 12.8 A special resolution under **Rule 12.7** does not have effect unless:
- (a) it is approved by the Registrar; or
 - (b) the person concerned is another co-operative.
- 12.9 The minimum shareholding for a joining Member is five hundred (500) A class shares or such other number as may be fixed by the board from time to time and at any time.
- 12.10 In the case of a joint membership the minimum shareholding requirement applies to the joint membership and not the individual persons that comprise the joint membership.
- 12.11 The minimum shareholding for a person who was a Member immediately before the Registration Date is the lesser of:
- (a) 500 A class shares; and
 - (b) the number of shares registered in their name as at that date.
- 12.12 Every application for issue or transfer of Shares must be in accordance with these Rules. The Board may refuse to allot or transfer Shares to any person or entity without giving any reason for the refusal, although the Board may choose to give reasons if the Board considers it appropriate to do so. Upon refusal, the applicant's payment for the Shares must be refunded within 21 days without interest.
- 12.13 The quotation or trading of any Shares in the Capital of the Co-operative for sale or purchase at any stock exchange or in any other public manner whatever is prohibited.

13. JOINT HOLDERS

- 13.1 Where 2 or more persons are Registered as the holders of any Share they will be deemed to hold that Share as joint tenants with benefits of survivorship subject to the following:
- (a) the Co-operative is not bound to register more than 3 persons as holders of any Share. However, this does not apply to the executors or trustees of a deceased holder;
 - (b) the joint holders of any Share will be liable severally as well as jointly in respect of all obligations of membership, including payments which ought to be made in respect of that Share;

- (c) any one of the joint holders may give effectual receipt for any dividend, bonus or return of capital paid to the joint holders;
- (d) only the person whose name stands first in the Register as one of the joint holders of any Share will be entitled to delivery of the Certificate relating to that Share or to receive notice from the Co-operative. Any notice given to the person whose name stands first in the Register will be deemed to be a notice to all joint holders;
- (e) all joint Members have the right to be present and heard at a general meeting but the voting rights of joint Members will be in accordance with **Rule 42.6**; with
- (f) only one of the joint Members being eligible to hold office as a Member Director.

14. SHARE CERTIFICATES AND LETTERS OF ALLOTMENT

- 14.1 A Share Certificate or letter of allotment will be issued by the Co-operative and will bear the manuscript signature of one Director and the Secretary, or some other person appointed by the Board. Every Certificate or letter of allotment must show:
- (a) the number of Shares covered by the Certificate or letter of allotment (including a reference Share number); and
 - (b) the Share Class; and
 - (c) the nominal value per Share and the amount paid up on those Shares; and
 - (d) the name of the Member to whom the Shares have been issued; and
 - (e) the date of issue.
- 14.2 In the event of an inconsistency between a Certificate and the Register, the Register will prevail.
- 14.3 If a Certificate, letter of allotment, transfer, receipt or other document of title to Shares is lost, defaced or destroyed, a duplicate may be issued by the Co-operative. Any replacement document must be marked as a duplicate.

15. TRANSFER OF SHARES

- 15.1 A Member must not transfer all that Member's Shares in the Co-operative (or any of them) except:
- (a) with the consent of the Board;
 - (b) with a corresponding transfer in GWC Shares and Water Entitlements; and
 - (c) in accordance with these Rules or Section 158 of the Act.
- 15.2 The instrument of transfer of any Share must be:
- (a) signed by both the transferor and the transferee; and
 - (b) in writing in any usual or common form, or in any other form as the Board may prescribe or in particular cases accept.
- 15.3 No transfer will be made to a person of limited legal capacity. However, the Co-operative is not bound to enquire as to the age or soundness of mind of any transferee.
- 15.4 The Board may refuse to register any transfer of Shares:
- (a) over which the Co-operative has a charge or lien over the Shares;
 - (b) if there is a Contribution due and unpaid by the Member;
 - (c) where there are reasonable grounds for believing that the transferee will not be an active Member of the Co-operative;
 - (d) to a transferee of whom the Board for any reason whatsoever does not approve;
 - (e) where the transferee will obtain and hold more than 20% of a particular class of issued Shares of the Co-operative; or
 - (f) which would result in a breach of Rule 15.1.

- 15.5 The Board is not bound to give any reason for the refusal to register any transfer of Shares. If the Board refuses to register a transfer of any Shares, the Board is to send to the transferee notice of the refusal within 28 days after the date on which the transfer was lodged with the Co-operative.
- 15.6 Every instrument or transfer must be lodged at the Office for registration accompanied by the Certificates or letters of allotment covering the Shares to be transferred, and any other evidence the Board may require to prove the title of the transferor and of the right to transfer the Shares. The Board may waive the production of any Certificates or letters of allotment upon evidence satisfactory to it of its loss or destruction.
- 15.7 The transfer of a share, other than in the case of a Transmission Event, does not constitute a transfer of the Member's account which shall continue to be maintained in accordance with **Rules 72.2**.
- 15.8 Upon the registration of a transfer, a new Certificate or letter of allotment specifying the Shares transferred must be delivered to the transferee. If the registration of any transfer is required in respect of some only of the Shares specified in the Certificate or letter of allotment delivered up to the Co-operative, a new Certificate or letter of allotment specifying the Shares remaining untransferred must be delivered to the transferor.
- 15.9 The Co-operative must retain every instrument of transfer that is registered. However, any instrument of transfer which the Board refuses to register (except in the case of fraud) is to be returned to the persons depositing the instrument of transfer on demand.
- 15.10 The Register of Members may, subject to the giving of notice to Members, be closed for such time as the Board thinks fit.
- 15.11 A Member who is a Landholder pursuant to a lease must obtain the consent of the registered proprietor of the Landholding prior to applying for a transfer of Shares. The Board must be satisfied that the consent has been obtained prior to approving the transfer.
- 16. REGISTRATION AS TRUSTEE ETC. ON DEATH OF OWNER OF SHARES**
- 16.1 On the death of a joint Member the Board must transfer the deceased Member's share or interest in the Co-operative to the surviving joint Members in accordance with **Rule 13**.
- 16.2 Subject to **Rule 16.3**, the Board must transfer a deceased Member's share or interest in the Co-operative to:
- (a) the personal representative of the deceased, that is, an executor or administrator of the estate of the deceased; or
 - (b) the person specified by the deceased's personal representative, in an application made to the Co-operative within 3 months after the death of the Member.
- 16.3 The Board may approve the transfer of a share to a person other than the executor or administrator if the Board is satisfied that -
- (a) there are reasonable grounds for believing the proposed transferee will be an active Member of the Co-operative; or
 - (b) the proposed transferee is qualified to be a Member of the Co-operative under these Rules; or
 - (c) the transfer would not increase the proposed transferee's holding in the Co-operative beyond that allowed by the Act or these Rules.
- 16.4 If the total value of the deceased Member's share in the Co-operative is less than \$10,000 or another amount fixed by the regulations, the Board may transfer the share under section 76 of the Act if there has not been a grant of letter of administration or of probate of the deceased's will.
- 16.5 For the purpose of **Rule 16.4** the Board must determine the value of the Shares and other interest of a deceased Member less any amounts owing to the co-operative by the deceased Member as at or as close to the date of death as is practicable failing which within 28 days of receiving written reliable notice of death.

17. REGISTRATION AS OFFICIAL TRUSTEE IN BANKRUPTCY

- 17.1 If a Member is declared bankrupt, the Official Trustee in Bankruptcy may be registered as the holder of the Shares or other interests held by the bankrupt Member.
- 17.2 The Board may register the Official Trustee in Bankruptcy as the holder of a Share in which a bankrupt Member has an entitlement in equity, with the consent of both the Co-operative and the holder of the Share.
- 17.3 The Board has the same right to decline or to suspend registration of a Share as it would have had for a transfer of a Share by the bankrupt person before the bankruptcy.

18. REGISTRATION AS ADMINISTRATOR OF ESTATE OF INCAPABLE MEMBER

- 18.1 A person appointed under a law of a State or Territory to administer the estate of a registered holder of a Share in the Co-operative who is incapable of managing their affairs because of mental or physical infirmity may be registered as the holder of that Share as administrator of the estate of the incapable person.
- 18.2 If the incapable person is entitled in equity to a Share in the Co-operative, the appointed person may, with the consent of the Co-operative and of the registered holder of that Share, be registered as the holder of the Share as administrator of the estate of the incapable person.

19. LIABILITIES OF PERSON REGISTERED AS TRUSTEE OR ADMINISTRATOR

- 19.1 A person registered under **Rule 17** or **18** is, while so registered, subject to the same liabilities in relation to the Shares 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 Member, the incapable person or the bankrupt. The person registered is subject to no other liabilities in relation to the Share.

20. CHARGES OR LIEN ON SHARES

- 20.1 In accordance with Section 72 of the Act, the Co-operative has a first and paramount charge or lien upon all Shares registered in the name of any Member (whether solely or jointly with any other person) for that Member's debts, liabilities and engagements (whether solely or jointly with any other person) to, or with the Co-operative, whether the time for their payment, fulfilment or discharge has actually arrived or not. The charge or lien will extend to all dividends and bonuses from time to time declared in respect of the Member's Shares. However, if the Co-operative registers any transfer of any Shares upon which it has a charge or lien, without giving to the transferee notice of its claim, those Shares will be freed and discharged from the charge or lien of the Co-operative.
- 20.2 For the purposes of enforcing a charge or lien, the Board may appropriate (in any manner as it thinks fit) the Shares on which the Co-operative has a charge or lien. However, no appropriation can be made until:
- (a) at least 7 days' notice in writing of the intention to appropriate the Shares has been served on the Member or the Member's representatives; and
 - (b) the Member has not paid or discharged those debts, liabilities or engagements within 7 days of the date of the notice.
- 20.3 The share capital associated with the appropriated Shares must be applied in or towards satisfaction of the Member's debts, liabilities or engagements. The residue (if any) must be paid to the Member or the Member's executors, administrators or assigns.
- 20.4 In the case of appropriation of Shares to enforce a charge or lien, an entry in the minute book of the Co-operative that the Shares have been duly appropriated in accordance with the Rules is sufficient evidence of that fact as against all persons entitled to the Shares immediately before their appropriation.
- 20.5 The holder of the Certificate in respect of any Shares subject to an appropriation pursuant to this Rule is bound to deliver the Certificate to the Board.
- 20.6 In accordance with Section 72(4) of the Act, any Share in respect of which capital has been so appropriated under this Rule must be cancelled.

21. SHARE BUY-BACKS

21.1 Subject to Section 163 of the Act, the Co-operative may:

- (a) at the request of a Member, purchase out of its Reserves any Shares of that Member;
- (b) repay to a Member, with the Member's consent, the whole or any part of the amount paid up on any Share held by the Member when the sum repaid is not required for the activities of the Co-operative.

21.2 The amount paid by the Co-operative under **Rule 21.1** in purchasing Shares or repaying an amount paid up to the stated nominal value on Shares, or both, in any financial year of the Co-operative must not be more than the total of:

- (a) 5% of the nominal value of the issued share capital of the Co-operative immediately before the start of that financial year; and
- (b) the amount of any additional share capital of the Co-operative subscribed for during that year.

21.3 All Shares purchased by the Co-operative under this Rule must be cancelled.

DIVISION 3 - MEMBERS

22. QUALIFICATIONS FOR MEMBERSHIP

- 22.1 A person who was a member of the Co-operative immediately before the Registration Date is a member of the Co-operative despite the absence of reasonable grounds for believing that the person will be an active member of the Co-operative.
- 22.2 GWC and any GWC related party is qualified to be a Member of the Co-operative.
- 22.3 Subject to **Rules 22.5**, a person will not be entitled to become a Member of, and hold Shares in, the Co-operative unless:
- (a) the Board has reasonable grounds for believing that the person will be an active Member under **Rule 24**; and
 - (b) the person is otherwise eligible under these Rules.
- 22.4 An applicant for membership of the Co-operative must either:
- (a) subscribe to a minimum allotment of five hundred (500) A class shares; or
 - (b) present a signed Share Transfer Form for at least five hundred (500) Shares that is acceptable to the board; or
 - (c) present a Share Transfer Form that is acceptable to the board plus an application for an allotment of Shares which represent in total no less than five hundred (500) A class shares.
- 22.5 If the applicant is a lessee of a Landholding:
- (a) the Board must be reasonably satisfied that the registered proprietor of the relevant Landholding has agreed in writing that the membership and Shares in the Co-operative should be held in the name of and by the applicant; and
 - (b) the Board of GWC must be reasonably satisfied that the registered proprietor of the relevant Landholding has agreed the membership and Shares in that co-operative should be held in the name of and by the applicant.
- 22.6 In accordance with Section 68 of the Act:
- (a) The Board must give each person intending or applying to become a member of the Co-operative and eligible to do so:
 - (i) a consolidated copy of the rules of the Co-operative; and
 - (ii) a copy of all special resolutions applicable to the member and passed by the members of the Co-operative since its last annual general meeting, except special resolutions providing for an alteration of the rules of the Co-operative; and
 - (iii) a copy of the Co-operative's most recent financial information reported to members under Part 10A of the Act; and
 - (iv) written notice of entry fees or regular subscriptions payable by a Member of the Co-operative.
 - (b) The Board may comply with this rule by giving the person a notice stating any or all of the following:
 - (i) that the person may request to inspect the documents referred to in paragraph (a) above at an office of the Co-operative nominated by the person;
 - (ii) that the person may request to be sent an electronic copy of the documents referred to in paragraph (a) above by an electronic means nominated by the person;
 - (iii) that the documents referred to in paragraph (a) above are available on a website and specifying the direct address on the website where the documents may be accessed.
 - (c) If a person makes a request under this rule the Co-operative must comply with that request.
- 22.7 Applications for membership will be lodged at the Office, in or to the effect of the form approved by the Board.

22.8 The Board may, at its discretion, refuse any application for membership and need assign no reasons for such refusal though the Board may choose to give reasons, if the Board considers it appropriate to do so. Upon refusal, the applicant's deposit and payments (if any) will be refunded without interest.

22.9 If the application for membership is approved by the Board, the Board must ensure that the applicant's name, date and any other information required by or under the Act will be recorded in the register of Members within 28 days after the date on which the membership is approved and will then be entitled to the privileges attaching to membership. The applicant will be notified in writing of the entry in the register.

23. PRIMARY ACTIVITIES

23.1 In accordance with Part 6 of the Act - owning, financing, managing and controlling irrigation assets within the Carnarvon Irrigation Area and making suitable arrangements for the delivery of irrigation water within the Area is the primary activity of the Co-operative.

24. ACTIVE MEMBERSHIP PROVISIONS

24.1 In order to satisfy active membership criteria of the Co-operative, the Member must:

- (a) pay on or before the due date, the Contribution for each Year;
- (b) be an active member of GWC; or
- (c) be GWC and/or a GWC related entity that supports an activity of the Co-operative through a water delivery service agreement with the Co-operative.

25. LIABILITY OF MEMBERS TO THE CO-OPERATIVE

25.1 As a Member of the Co-operative, the Member is not under any personal liability to the Co-operative except as provided in Part 4, Division 2 of the Act.

25.2 A Member will, in accordance with Section 67 of the Act, be liable to the Co-operative for any unpaid Share capital, Contributions, fees and charges payable by the Member to the Co-operative as required by these Rules. The Member will, subject to these Rules and the Act, remain liable for any Share capital payments, Contributions, fees and charges payable where that Member ceases to be a Member of the Co-operative.

25.3 On the death of a Member, the Member's estate is subject to the same liability as the Member would have been until the Member's personal representative or some other person is registered in the Member's place.

25.4 Joint Members are jointly and severally liable in respect of obligations to and any amount due to the Co-operative in respect of that membership.

26. CONDITIONS OF REMAINING A MEMBER

26.1 It is a condition of being a Member of the Co-operative that the Member complies with the active Member obligations under **Rule 24**.

26.2 A Member who becomes aware or suspects that they are or may be in breach of any of the above conditions must without delay notify the Co-operative of that breach or potential breach.

26.3 If the Board has reasonable grounds to believe that a Member has breached the condition in **Rule 26.1**, the Board must as soon as practicable give that Member a written notice stating the details of the breach and to rectify the breach within a specified period of not more than 12 months.

26.4 If a Member has not, in the opinion of the Board, satisfied the conditions of membership within the specified period, the Board must then provide to the Member at least 28 days' notice of its intention to cancel the Member's membership of the Co-operative and if the conditions of Membership remain unfulfilled, it must declare the membership of that Member cancelled effective at the expiration of the notice period.

26.5 Where a Member's membership has been cancelled under **Rule 26.4**, the Board must also declare the Shares of that Member to forfeited at the same time as the Member's membership is cancelled. The Board must simultaneously cancel all Shares so forfeited.

26.6 If the membership of a Member is cancelled under **Rule 26.4**, any amount due to the Member in respect of the cancellation must be dealt with in accordance with **Rule 28.2**.

26.7 The Co-operative must keep a register stating the particulars, as prescribed by the Regulations, of persons whose membership has been cancelled under **Rule 26.4**.

27. CANCELLATION RELATING TO MISSING MEMBERS

27.1 The Board must, in accordance with Section 120 of the Act, declare the membership of a Member cancelled if the whereabouts of the Member is not presently known to the Co-operative and has not been known to the Co-operative for at least **1** year before the date of cancellation.

27.2 Where a Member's membership is to be cancelled under **Rule 27.1**, the Board must also declare the Shares of that Member to be forfeited and cancelled at the same time as the Member's membership is cancelled.

27.3 If the membership of a Member is cancelled under **Rule 27.1**, any amount due to the Member in respect of the cancellation must be dealt with in accordance with **Rule 28.2**.

27.4 The Co-operative must keep a register stating the particulars, as prescribed by the Regulations, of persons whose membership has been cancelled under **Rule 27.1**.

28. CEASING MEMBERSHIP

28.1 A person ceases to be a Member of the Co-operative in each of the following circumstances:

- (a) if the Member's membership is cancelled under **Rule 26** (inactive Members);
- (b) if the Member's membership is cancelled under **Rule 27** (missing Members);
- (c) if the Member is expelled in accordance with these Rules;
- (d) if:
 - (i) the Individual Member becomes bankrupt or the corporate Member becomes insolvent;
 - (ii) the Member's property becomes the subject to control under the law relating to bankruptcy;
- (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 total shareholding is transferred to another person in accordance with the Rules, and the transferee is registered as the holder;
- (h) if the Member's total shareholding is forfeited in accordance with the Act or the provisions of the Rules;
- (i) if the Member's total shareholding is sold by the Co-operative under a power conferred by the Rules, and the purchaser is registered as holder;
- (j) if the Member's total shareholding is purchased by the Co-operative in accordance with the Act or the provisions of the Rules;
- (k) if the amount paid up to the stated nominal value on the Member's share is repaid to the Member in accordance with the provisions of these Rules;
- (l) on notice in writing given by the Member to the Secretary, of the Member's resignation from membership, subject to **Rule 28.2**; and
- (m) in the case of a Member that is a corporation, if the body is deregistered.

28.2 Notice of resignation from membership must be given in writing at least 21 days in advance, and must specify the effective date of resignation. The Member will remain a Member until they are removed from the Register.

28.3 If the membership of a Member is cancelled under **Rules 28.1(a) or 28.1(b)**, the Co-operative must, in accordance with Section 127 of the Act repay to the former Member an amount being the nominal value of the Shares forfeited by the Member at the time of cancellation less any amount owed by the Member to the Co-operative.

- 28.4 If the membership of a Member ceases under **Rules 28.1(c) or 28.1(1)**, the Co-operative must, in accordance with Section 73 of the Act repay to the former Member an amount being the nominal value of the Shares forfeited by the Member at the time of cancellation less any amount owed by the Member to the Co-operative.

29. EXPULSION OF MEMBERS

- 29.1 The Board may expel a Member from the Co-operative on the grounds 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 Co-operative's activities and in so acting caused the Co-operative harm.
- 29.2 The Member may accept the Board's decision, but alternatively has the right to request that this expulsion be subject to a Special Resolution of the Co-operative, in which case:
- (a) 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, as well as the grounds for the expulsion and the factual background supporting those grounds.
 - (b) The procedure at the general meeting to consider the proposed resolution is as follows:
 - (i) the Member must be given a reasonable opportunity to be heard at the meeting;
 - (ii) the Member is entitled to call witnesses and to cross examine witnesses called against the Member;
 - (iii) 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;
 - (iv) after considering the matter, the Co-operative may by special resolution determine to expel the Member.
 - (c) The expulsion of the Member under this Rule does not take effect until the special resolution is registered with the Registrar.

30. SUSPENSION OF MEMBERS

- 30.1 The Board may suspend a Member from the Co-operative for a period not exceeding one year on the grounds 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.
- 30.2 The Member may accept the Board's decision, but alternatively has the right to request that the suspension be subject to a Special Resolution of the Co-operative, in which case:
- (a) 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, as well as the grounds for the suspension and the factual background supporting those grounds.
 - (b) The procedure at the general meeting to consider the proposed resolution is as follows:
 - (i) the Member must be given a reasonable opportunity to be heard at the meeting;
 - (ii) the Member is entitled to call witnesses and to cross examine witnesses called against the Member;

- (iii) 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;
- (iv) after considering the matter, the Co-operative may by special resolution determine to suspend the Member for a period not exceeding one year from the date of registration of the special resolution with the Registrar.

30.3 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.

DIVISION 4 - GENERAL MEETINGS

31. ANNUAL GENERAL MEETINGS

- 31.1 An annual general meeting of the Co-operative, in accordance with Section 190 of the Act, must be held each year on a date, time and place to be determined by the Board as long as it is held within 5 months after the close of the financial year of the Co-operative, or within such further time as may be allowed by the Registrar.
- 31.2 All other meetings of the Co-operative other than the annual general meeting will be called special general meetings.

32. SPECIAL GENERAL MEETINGS

- 32.1 A special general meeting of the Co-operative may be convened by the Board when it thinks fit, and must be convened at the times and in the manner as prescribed by the Act.
- 32.2 Members may, in accordance with **Rule 33**, requisition a special general meeting.

33. REQUISITION OF GENERAL MEETINGS

- 33.1 In accordance with Section 195 of the Act, the Board must convene a general meeting of the Co-operative on the requisition in writing by Members who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the Co-operative.
- 33.2 The requisition must:
- (a) state the objects of the meeting;
 - (b) be signed by the requisitioning Members and may consist of several documents in like form each signed by one or more of the requisitioning Members; and
 - (c) be served on the Co-operative by being lodged at the Office of the Co-operative.

34. REQUISITIONED MEETING MUST BE CONVENEED AS SOON AS PRACTICAL

- 34.1 A meeting requisitioned by Members in accordance with **Rule 33** must be convened and held as soon as practicable and, in any case, must be held within 2 months after the requisition is served.
- 34.2 Where the Board does not call a meeting within 35 days after the requisition is served, the following provisions apply:
- (a) the requisitioning Members (or any of them representing at least half their aggregate voting rights) may call the meeting in the same manner as nearly as possible as meetings are called by the Board;
 - (b) for that purpose they may request the Co-operative to supply a written statement setting out the names and addresses of the persons entitled when the requisition was served to receive notice of general meetings of the Co-operative;
 - (c) the Board must send the requested statement to the requisitioning Members within 7 days after the request for the statement is made.
 - (d) the meeting called by the requisitioning Members must be held not later than 3 months after the requisition is served;
 - (e) any reasonable expenses incurred by the requisitioning Members because of the Board's failure to call the meeting must be paid by the Co-operative; and
 - (f) any such amount required to be paid by the Co-operative is to be retained by the Co-operative out of any money due from the Co-operative by way of fees or other remuneration in respect of their set-vices to such of the Directors as were in default.

35. NOTICE OF GENERAL MEETINGS

- 35.1 Subject to **Rule 36** relating to special resolutions, at least 14 days' notice of any general meeting specifying the place, day and hour of the meeting and the general nature of the business must be given in the manner provided in these Rules to all Members, the auditor, if any, and to all other persons as may be entitled to receive the notice from the Co-operative.
- 35.2 The non-receipt of a notice by, or the accidental omission to give a notice to, any person entitled to receive notice of the general meeting will not invalidate any resolution passed at the meeting.

36. SPECIAL RESOLUTIONS

- 36.1 A special resolution is a resolution of the Co-operative that is passed:
- (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.
- 36.2 A resolution is not taken to have been passed as a special resolution unless not less than 21 days' notice has been given to the Members of the Co-operative stating:
- (a) the intention to propose the special resolution;
 - (b) the reasons for proposing the special resolution; and
 - (c) the effect of the special resolution being passed.
- 36.3 For all special resolutions passed by the Co-operative, the Co-operative must lodge 2 copies of each special resolution passed with the Registrar in accordance with Section 181 of the Act, for registration.
- 36.4 A special resolution has effect from the date it is passed except in the following circumstances:
- (a) the expulsion of a Member;
 - (b) the suspension of a Member;
 - (c) the alteration of a Rule; and
 - (d) any matter for which a special resolution is required to be passed by special postal ballot (other than a special postal ballot in favour of a voluntary winding up);
- in which case, it has effect from the time it is registered by the Registrar.

37. PROCEEDINGS AT ANNUAL GENERAL MEETINGS

- 37.1 The business of an annual general meeting will, in accordance with Section 244Y of the Act, all of the following items of ordinary business:
- (a) to receive and consider the financial statements for the previous financial account period;
 - (b) to receive the report of the Board;
 - (c) to receive the report of the auditors (if an auditor has been appointed); and
 - (d) to elect Directors in accordance with Rule 53.
- 37.2 In addition to the ordinary business of an annual general meeting the meeting may include any of the following items of special business:
- (a) to elect the auditor and other officers in the place of those retiring;
 - (b) to fix remuneration of the Board in accordance with **Rule 51.1**; and
 - (c) to transact any other business which under these Rules ought to be transacted at a general meeting.

- 37.3 The Co-operative's auditor, if any:
- (a) is entitled to attend any general meeting of the Co-operative;
 - (b) is entitled to be heard at the meeting on any part of the business of the meeting that concerns the auditor in the capacity of auditor;
 - (c) is entitled to be heard even if:
 - (i) the auditor retires at the meeting; or
 - (ii) the meeting passes a resolution to remove the auditor from office; and
 - (iii) may authorise a person in writing as the auditor's representative for the purpose of attending and speaking at any general meeting.
- 37.4 The chairperson of an Annual General Meeting must allow a reasonable opportunity for the Members as a whole at the meeting to ask questions about or make comments on the management of the Co-operative.
- 37.5 If the Co-operative's auditor or their representative is at the meeting, the chairperson of the Annual General Meeting must:
- (a) allow a reasonable opportunity for the Members as a whole at the meeting to ask the auditor or the auditor's representative questions relevant to:
 - (i) the conduct of the audit; and
 - (ii) the preparation and content of the auditor's report; and
 - (iii) the accounting policies adopted by the Co-operative in relation to the preparation of the financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit; and
 - (b) allow a reasonable opportunity for the auditor or their representative to answer written questions submitted to the auditor.
- 37.6 If:
- (a) the Co-operative's auditor, if any, or their representative is at the meeting; and
 - (b) the auditor has prepared a written answer to a written question submitted to the auditor,
- the chairperson of the annual general meeting may permit the auditor or their representative to table the written answer to the written question.
- 37.7 The Co-operative must make the written answer tabled under **Rule 37.6** reasonably available to members as soon as practicable after the annual general meeting.
- 37.8 An annual return must be prepared and lodged with the Registrar in accordance with and within the time frame specified pursuant to Section 244ZB of the Act.
- 37.9 Members who together are able to cast at least 10% of the total number of votes that are able to be cast at a meeting of the Co-operative and who have a resolution to submit to an annual general meeting must give written notice of it to the Co-operative at least 35 days before the day of the meeting.
- 37.10 In a notice calling an annual general meeting, the Board must include any business Members have notified their intention to move at the meeting under paragraph (a) (provided the Member's notification has been made under these Rules and within time).

38. QUORUM AT GENERAL MEETINGS

- 38.1 The quorum for an annual general meeting and a special general meeting other than a special general meeting convened under **Rule 33** is 20 Members present in person and eligible to vote.
- 38.2 The quorum for a special general meeting convened under **Rule 33** is 20% of the Membership present in person and eligible to vote.
- 38.3 If within 15 minutes from the time appointed for the meeting a quorum is not present the meeting, if convened upon a requisition of Members, will be dissolved. In any other case, it will stand adjourned to the same day in the next week at the same time and place. If a quorum is not present within half an hour after the time appointed for an adjourned meeting, the Members present constitute a quorum.
- 38.4 No item of business can be transacted at any meeting unless the requisite quorum is present during the transaction of that item.

39. CHAIRPERSON AT GENERAL MEETINGS

- 39.1 The chairperson of the Board is entitled to take the chair at every general meeting. If there is no chairperson, or at any meeting the chairperson is not present at the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the deputy chairperson is entitled to act as chairperson of the meeting. If the deputy chairperson is not present or is unwilling to act as chairperson, the Members may elect one of the Board to take the chair or if all the Board Members are not present or decline to take the chair, the Members present must choose one of their number to be chairperson.

40. CONDUCT OF MEETING

- 40.1 The chairperson shall determine the procedures for conducting a general meeting having regard to any specific governance requirements set out in these Rules.

41. ADJOURNED MEETINGS

- 41.1 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting from time to time and place to place. However, no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 41.2 If any general meeting is adjourned for more than 21 days, a notice of the adjournment must be given in the same manner as notice was (or ought) to have been given of the original meeting.

42. VOTING AT GENERAL MEETINGS

- 42.1 A Member of the Co-operative is not entitled to vote at a meeting of the Co-operative if the person is excluded from voting under the Act.
- 42.2 A simple majority determines all resolutions other than a special resolution.
- 42.3 A special resolution must be passed in accordance with **Rule 36**.
- 42.4 At a general meeting a resolution put to the vote of the meeting will, unless a poll is required or demanded under the Act or in accordance with **Rule 43**, be decided by a show of hands of the Members personally present and entitled to vote.
- 42.5 On a show of hands every Member present in person and entitled to vote will have one vote, irrespective of the number of Shares held by that Member. Upon a poll every Member present in person or by proxy and entitled to vote will have one vote.
- 42.6 In the event of a dispute between joint Members as to which Member will vote (subject to the grant of any proxy or power of attorney) the joint Member whose name appears first in the register of Members holds the vote.
- 42.7 The Board can for the purposes of establishing voting entitlements close the Register for up to 21 days prior to the calling of a general meeting and no changes to voting entitlements will be acknowledged between the date the Register was closed and the close of the general meeting without a resolution of the Board to the contrary.
- 42.8 Subject to these Rules, voting at any general meeting, may be exercised either personally, by proxy or by an attorney.

42.9 A Member will not be entitled to be present or to vote on any question, either personally, by proxy or attorney for another Member at any meeting, adjourned meeting, or upon a poll, or to be reckoned in a quorum if:

- (a) any debt exceeding \$100.00 is due and payable to the Co-operative by that Member, and
- (b) such debt has been outstanding for 12 months or more.

42.10 A declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to the effect in the book of the proceedings of the Co-operative, signed by the chairperson at that or the next succeeding meeting, will be conclusive evidence of the fact. No proof is needed of the number or proportion of the votes recorded in favour of, or against, the resolution.

43. POLL AT GENERAL MEETINGS

43.1 A question is to be determined by poll if:

- (a) at least 5 Members present in person at the meeting or represented at the meeting by proxy or attorney, demand a poll; or
- (b) the chairperson directs that the question will be determined by poll.

43.2 If a poll is demanded, subject to **Rule 43.4** it must be taken in the manner, time and place that the chairperson of the meeting directs.

43.3 The result of the poll is to be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn. In the case of any dispute as to the admission or rejection of a vote the chairperson must determine the dispute. A determination made in good faith is final and conclusive.

43.4 The demand for a poll does not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded or for the election of a chairperson of a meeting. A poll demanded on election of a meeting chairperson or any question of adjournment will be undertaken at the meeting and without adjournment.

44. POSTAL BALLOT

44.1 A special postal ballot is to be conducted for the purpose of passing a special resolution in relation to any of the following matters relating to the Co-operative:-

- (a) conversion of -
 - (i) a share capital co-operative to a non-share capital co-operative or vice versa; or
 - (ii) a distributing co-operative to a non-distributing co-operative or vice versa;
- (b) transfer of incorporation;
- (c) an acquisition or disposal of assets referred to in Section 273 of the Act;
- (d) the maximum permissible level of share interest in the Co-operative;
- (e) takeover;
- (f) merger;
- (g) transfer of engagements;
- (h) a requirement that Members lend money to the Co-operative; and
- (i) Members' voluntary winding-up.

44.2 A postal ballot or special postal ballot must be held when required by the Act, these Rules or when the Members by ordinary resolution approve one.

44.3 Subject to Sections 185 and 186 of the Act, a special postal ballot is to be conducted in the way prescribed by regulation 9A of the Co-operatives Regulations 2010.

44.4 A postal ballot or special postal ballot may incorporate one or more methods of electronic voting.

- 44.5 The Board is to appoint a returning officer to conduct the postal ballot or special postal ballot or, in default of such appointment, the secretary is the returning officer.
- 44.6 Ballot papers must be provided to Members at least 21 days prior to the closing date of a postal ballot or special postal ballot giving:
- (a) particulars of the business in relation to which the postal ballot or special postal ballot is being conducted; and
 - (b) an explanation of how to lodge a valid vote and the majority required to pass the vote; and
 - (c) notice of the closing date and closing time of the postal ballot.
- 44.7 The returning officer shall receive, validate and, once the ballot closes, count the votes and advise the Board of:
- (a) the number of formal votes cast in favour of the proposal concerned; and
 - (b) the number of formal votes cast against the proposal concerned; and
 - (c) the number of informal votes cast.
- 44.8 On declaration by the returning officer of the result of the ballot, the Secretary must enter the details referred to in **Rule 44.7** in the minute book of the Co-operative.
- 44.9 If the Board decides to conduct a secret postal ballot it must ensure that the method used to conduct the ballot will ensure that votes can be counted without identifying the way each Member has voted.

45. FORM AND VALIDITY OF PROXY

- 45.1 The instrument appointing a proxy must be in writing under the hand of the appointer or the appointer's attorney, or if the appointer is a corporation, in accordance with its constitution or the *Corporations Act 2001* (Cth).
- 45.2 The instrument appointing a proxy (and the power of attorney (if any) under which it is signed or proof of it to the satisfaction of the Board) must be deposited at the Office at least 24 hours (excluding weekends or public holidays) before the time for holding the meeting, adjourned meeting or poll at which the person named in the instrument proposes to vote. However, no instrument appointing a proxy is (except as provided in **Rule 45.3**) valid after the expiration of 4 months from the date of its execution.
- 45.3 Any Member who is (or intends to be) absent or resident abroad may deposit in the Office an instrument appointing a proxy valid for all meetings during the absence or residence abroad and until notice of revocation.
- 45.4 A vote given in accordance with the terms of an instrument of proxy or power of attorney will be valid notwithstanding:
- (a) the previous death of the principal;
 - (b) revocation of the proxy; or
 - (c) transfer of the Shares in respect of which the vote is given;
- provided no intimation in writing of the death, revocation or transfer has been received at the Office before the meeting.
- 45.5 A proxy is not revoked by the principal attending and taking part in the meeting, unless the principal actually votes on the poll at the meeting of the resolution for which the proxy is proposed to be used.

46. PROXY VOTING AND REPRESENTATIVE OF A CORPORATION THAT IS A MEMBER

- 46.1 No person may be a proxy who is not an active Member of the Co-operative and entitled on their own behalf to be present and to vote at the meeting for which the proxy is given. However, any Member corporation or company (being a Member and entitled to vote), may, by resolution of its own Directors or other governing body or by an instrument of proxy, authorise any person who is an officer, Member or employee of that corporation or company, to act as its representative at meetings. The representative is entitled to exercise the same powers on behalf the corporation or company which the corporation or company could exercise if it were an Individual Member.
- 46.2 The chairperson can hold unlimited directed proxies but otherwise a Member, including the chairperson if a Member, may not hold more than two instruments of proxy.
- 46.3 The instrument appointing a proxy is not valid until the instrument, and the power of attorney (if any) under which the instrument is signed are deposited at the Office at least 24 hours (excluding weekends or public holidays) before the time for holding the meeting, adjourned meeting or poll at which the person named in the instrument proposes to vote.

DIVISION 5 - DIRECTORS

47. DIRECTORS

- 47.1 Subject to **Rule 47.4**, the minimum number of Member Directors is three (3) and the maximum number of Member Directors is five (5).
- 47.2 In addition to Member Directors, there may be there may be up to four (4) Non-Member Directors.
- 47.3 The majority of Directors must be Member Directors.
- 47.4 Subject to these Rules, the Co-operative in general meeting may from time to time increase (or reduce) the number of Directors.
- 47.5 At least 2 of the directors must be ordinarily resident in Australia.

48. QUALIFICATION OF DIRECTORS

- 48.1 Subject to these Rules, only persons who are Members of the Co-operative, or representatives of any legal entity, which is a Member of the Co-operative, are eligible to be elected as Member Directors.
- 48.2 A Non-Member Director may be nominated by the Board for election, but only persons with skills, experience or knowledge in the engineering, industrial, legal, commercial or financial sectors are eligible to be nominated.
- 48.3 A person must not act as a Director if the person is disqualified under Part 9 Division 2A of the Act or is not at least 18 years of age.
- 48.4 A partner, employer, or employee of an auditor of the Co-operative must not be appointed a Director of the Co-operative.
- 48.5 The acts of a Director are valid despite any defect that may afterwards be discovered in the appointment or qualifications of the Director.

49. DUTIES AND LIABILITIES OF DIRECTORS

- 49.1 The minimum duties and liabilities of directors are those duties and liabilities set out in Part 9 Division 3 of the Act.

50. FILLING OF CASUAL VACANCIES

- 50.1 A casual vacancy occurs in the office of Director if a Director leaves office for whatever reason before they were due to retire by effluxion of time.
- 50.2 Should a casual vacancy occur in the office of a Member Director, the Board may, appoint an eligible person as defined in **Rule 48.1** to fill the position. The Board must appoint an eligible person as defined in **Rule 48.1** to fill the position if the number of Member Directors falls below the minimum in **Rule 47.1**.
- 50.3 Should a casual vacancy occur in the office of a Non-Member Director, the Board may appoint an eligible person as defined in **Rule 48.2** to fill the position.
- 50.4 The Board is still authorised to fill a casual vacancy even if the number of Member Directors falls below the minimum specified in **Rule 47.1**.
- 50.5 Where a person fills a casual vacancy under this **Rule 50**, the person so appointed is to hold office only until the next annual general meeting, but if qualified will be eligible for re-election.

51. REMUNERATION

- 51.1 Directors will receive such remuneration for their services as a Director as is approved by the Co-operative in general meeting.
- 51.2 Directors are entitled to be paid their reasonable travelling and other expenses incurred by them in the performance of their duties.
- 51.3 All Directors, other than a Director with recognised qualifications, must within twelve months of becoming elected, attend a training course on director's duties unless they have already completed a relevant directors training course. Each Director must regularly attend training courses for the purpose of attaining or maintaining skills appropriate to directors of a irrigation co-operative with significant

funds under management. Reasonable expenses relating to a Director's training will be met by the Co-operative.

52. FINANCIAL DEALINGS WITH THE CO-OPERATIVE

52.1 Any Director of the Co-operative may, provided he or she discloses the nature of their interest in a transaction to the Co-operative:

- (a) lend money to the Co-operative at interest with or without security;
- (b) guarantee the repayment of any money borrowed by the Co-operative, for a commission or profit; and
- (c) underwrite or guarantee the subscription of Shares or securities of this (or any Co-operative in which this Co-operative may be interested),

without being liable to account to the Co-operative for any commission or profit.

53. ROTATION OF DIRECTORS

53.1 The following provisions will apply to Member Directors:

- (a) at every annual general meeting one third of the Member Directors (or if their number is not a multiple of three then the number nearest to one third) must retire from office. A retiring Director may retain office until the conclusion of the meeting at which their retirement is to take place; and
- (b) in every year the one third (or other nearest number) who has been longest in office must retire. As between the two or more Directors who have been in office an equal length of time the Director to retire must (in default of agreement between them) be determined by ballot. The length of time a Director has been in office is to be computed from the last election where the Director had previously vacated office and been re-elected. The retiring Director may be eligible for re-election.

53.2 Subject to these Rules, if, at any general meeting at which an election of a Director ought to take place, the position of the retiring Director is not filled, then the position shall become a casual vacancy and filled consistent with **Rule 50**.

53.3 No person (not being a retiring Director) is eligible for election to the office of Director at any general meeting unless:

- (a) the person (or some other Member intending to propose the person) has at least 21 days before the meeting left at the Office a notice in writing of the candidature (or the intention of the Member to propose that person) as a Member Director; or
- (b) the person has been recommended by the Board for election, and notice in writing of the recommendation has been left at the Office at least 17 clear days before the meeting.

53.4 Subject to **Rule 54** notice of each and every candidate for the position of Director, noting whether the candidate is a Member Director or a Non-Member must be served on Members at least 14 days prior to the meeting at which the election is to take place.

53.5 The Members may elect a Non-Member Director, other than a Managing Director, at any general meeting for a period of not more than 3 years but only if the candidate for election has been nominated by the Board under **Rule 48.2**.

53.6 The method of voting is a single "first-past-the-post" ballot with voters to cast a vote for only as many directors as there are vacancies to be filled with the candidate, or candidates, receiving the highest number of votes elected to fill the vacancy or vacancies as the case warrants.

54. REMOVAL FROM OFFICE OF DIRECTOR

54.1 The Members of the Co-operative can remove a Member Director before the end of the Member Director's period of office by passing a simple majority resolution to that effect, provided:

- (a) notice of the resolution was given in accordance with Section 206A of the Act; and
- (b) if removal of the Director would cause the number of Directors to fall below the minimum number required under **Rule 47.1**, the same resolution must propose a qualified replacement Director; or
- (c) if removal of the Director would not cause the number of Directors to fall below the minimum number required under **Rule 47.1**, the meeting may by a separate simple majority resolution, notice of which was given as if it was a special resolution, appoint another person in place of the removed Member Director; and
- (d) any person appointed must retire when the removed Member Director would otherwise have retired.

54.2 The Members of the Co-operative can remove a Non-Member Director, other than a Managing Director before the end of the Non-Member Director's period of office by passing a simple majority resolution to that effect, provided notice of the resolution was given in accordance with Section 206A of the Act.

55. VACATION OF OFFICE OF DIRECTOR

55.1 A Director vacates office in such circumstances (if any) as provided in the Rules of the Co-operative and under the Act and in any of the following circumstances:

- (a) if a Director becomes bankrupt, suspends payment, liquidates by arrangement, compounds with or assigns that Director's estate for the benefit of creditors;
- (b) if a Director becomes unsound of mind;
- (c) if the Director is disqualified from being a Director as provided by Part 9 Division 2A of the Act;
- (d) if the Director absents himself or herself from 3 consecutive ordinary meetings of the Board without its leave;
- (e) if a Director resigns office by notice in writing given by the Director to the Co-operative;
- (f) if the Director is removed from office by a resolution of the Co-operative in accordance with **Rule 54** and Section 206A of the Act;
- (g) if the person ceases to hold the qualifications by reasons of which the person was qualified to be a Director;
- (l) if an administrator of the Co-operative's affairs is appointed under Division 5 of Part 12 of the Act; and
- (i) if the Director has an interest in any contract or proposed contract with the Co-operative in which he or she is required under the Act to disclose to the Co-operative and fails to declare his or her interest.

DIVISION 6 - BOARD OF DIRECTORS

56. POWERS OF THE BOARD

- 56.1 Subject to the Act and these Rules, the Board may exercise all the powers conferred on the Co-operative by the Act, including day-to-day management and control of the affairs of the Co-operative.
- 56.2 In accordance with Section 273 of the Act, the Board may execute and exercise all contracts, powers, acts, matters, transfers, assurances, deeds and things required and necessary to give effect to the above powers and authorities, and to all or any sale or sales or disposition provided that the Board may not, except by a special resolution by means of a special postal ballot:
- (a) sell or lease as a going concern, the undertaking of the Co-operative or a part of the undertaking that relates to its primary activities, the value of which represents 50% or more of the total value of the undertaking;
 - (b) acquire from or dispose to a Director or employee of the Co-operative or a spouse, relative or Associate of such a Director or employee, any property the value of which represents 5% or more of the total value of all the assets of the Co-operative that relate to its primary activities;
 - (c) acquire an asset the value of which exceeds 50% or more of the assets of the Co-operative if the acquisition would result in the Co-operative commencing to carry on an activity that is not one of its primary activities; or
 - (d) dispose of an asset if the disposal would result in the Co-operative ceasing to carry on any primary activity of the Co-operative, or in the ability of the Co-operative to carry on any primary activity of the Co-operative being substantially impaired either generally or in a geographical region.
- 56.3 No commission or fee must be paid or payable to a Director in relation to any activity contemplated by this **Rule 56**.

57. REQUISITION AND NOTICE OF BOARD MEETING

- 57.1 Meetings of the Board must be held at least once every 3 months and may be held as often as may be necessary for properly conducting the business and operations of the Co-operative.
- 57.2 A Director may at any time, and the Secretary will on the requisition of a Director, convene a Board meeting.
- 57.3 Except in special circumstances determined by the chairperson, at least 48 hours' notice will be given to the Directors of all meetings of the Board.

58. PROCEEDINGS OF THE BOARD

- 58.1 The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 58.2 Meet together includes when all or some Directors participate by telephone, closed-circuit television or other means, but only if a Director who speaks on a matter before the meeting, can be heard by the other Directors.
- 58.3 Subject to these Rules, questions arising at a Board meeting will be decided by a majority of votes of Directors present and voting, and any such decision will for all purposes be deemed to be a decision of the Board.
- 58.4 In case of an equality of votes, the chairperson of the meeting, in addition to their deliberative vote (if any), has a casting vote.

59. QUORUM FOR BOARD MEETINGS

- 59.1 A quorum for a meeting of the Board is 50% of the number of Directors, or such greater number as the Board may determine. A quorum does not exist unless the majority of Directors present are Member Directors.

60. CHAIRPERSON OF THE BOARD

- 60.1 The Board may elect a chairperson and a deputy chairperson and determine the period during which they are to hold office. However, if no chairperson is elected, or if at any meeting neither the chairperson nor the deputy chairperson is present at the time appointed for holding the meeting, the Directors present must choose one of their number to be chairperson of the meeting.

61. TRANSACTION OF BUSINESS OUTSIDE BOARD MEETINGS

- 61.1 The Board of the Co-operative may, in accordance with Section 202 of the Act and if it considers appropriate, transact any of its business by the circulation of papers among all of the Directors of the Board.
- 61.2 A resolution in writing approved in writing by a majority of the Directors of the Board is to be taken to be a decision of the Board.
- 61.3 Separate copies of a resolution may be distributed for signing by the Directors if the wording of the resolution and approval is identical in each copy.
- 61.4 For the purpose of approving a resolution under this Rule, the chairperson of the Board and each Director of the Board have the same voting rights as they have at an ordinary meeting of the Board.
- 61.5 The resolution is approved when the last Director required for the majority signs.
- 61.6 A resolution approved under this Rule must be recorded in the minutes of the meetings of the Board within 28 days after the resolution has been approved.
- 61.7 Papers may be circulated among Directors of the Board for the purposes of this Rule by facsimile, email or any other agreed form of transmission of the information in the papers concerned.

62. DELEGATION AND BOARD COMMITTEES

- 62.1 The Board may, in accordance with Section 204 of the Act, by resolution delegate any of its powers (other than this power of delegation) as are specified in the resolution to:
- (a) a Director;
 - (b) a committee of 2 or more Directors;
 - (c) a committee of Members which will include at least 1 Director;
 - (d) a committee of Members or Non-Members that will include at least 1 Director, as long as Members comprise the majority of persons on the committee; or
 - (e) a committee of Directors and other persons.
- 62.2 The Board may by resolution at any time revoke all or part of a delegation under this Rule.
- 62.3 A power, the exercise of which has been delegated under this Rule may, be made subject to conditions or limitation as to the exercise of any of the powers delegated, or as to time or circumstances.
- 62.4 Despite any delegation under this Rule, the Board may continue to exercise all or any of the powers so delegated.
- 62.5 A committee may elect a chairperson of their meetings. If no chairperson is elected, or is not present at the time appointed for holding any meeting, the Members present must choose one of their number to be chairperson of the meeting.
- 62.6 A committee may meet and adjourn as it thinks proper. Questions arising at any meeting must be determined by a majority of votes of the Members present and voting. In case of an equality of votes the chairperson will have a casting vote.
- 62.7 The Director who is a Member of a committee must report to the Board on a regular basis.

63. VALIDITY OF ACTS

- 63.1 All acts done by any meeting of the Board or of a committee of Directors or by any person acting as a Director (notwithstanding that it be afterwards discovered that there was some defect in the appointment of the Director or person or that they or any of them were disqualified) is valid as if the person had been duly appointed and was qualified to be a Director.

- 63.2 All acts done by any meeting of a committee constituted in accordance with **Rule 62** or by any person acting as a Member of such committee (notwithstanding that it be afterwards discovered that there was some defect in the appointment of the committee Members or that any of them were disqualified) is valid as if the person had been duly appointed and was qualified to be a committee Member.

64. MINUTES

- 64.1 Minutes must be kept in relation to all Board meetings, general meetings and meetings of a committee to which the Board's functions have been delegated under **Rule 62**. In particular, minutes must record:
- (a) appointments of Directors and Secretaries;
 - (b) all appointments of officers and employees;
 - (c) the names of the Directors present at each meeting of the Board and of any committee of the Board;
 - (d) all resolutions and proceedings at all meetings of the Co-operative, the Board and any committee constituted under **Rule 62**;
 - (e) details of personal interests held by Directors in contracts entered into by the Co-operative (other than an interest held in common with other Members); and
 - (f) the Co-operative Policies made by the Board.
- 64.2 Minutes must be recorded in the minute book within one month after the date of the meeting to which they relate.
- 64.3 The confirmation of the minutes must be taken at the first business at the next succeeding meeting of the Co-operative, Board or committee to which the minutes relate and must be signed by the chairperson of that meeting.
- 64.4 The minutes are to be kept in the English language.
- 64.5 The minutes of each general meeting must be available for inspection by Members.
- 64.6 Any minutes, if purporting to be signed by the chairperson of the next succeeding meeting may be received in evidence in all legal proceedings. Furthermore, until the contrary is proved, every general meeting of the Co-operative and the meetings of Directors in respect of the proceedings of which minutes have been made, confirmed and signed are deemed to have been duly held and convened and all resolutions passed are held to have been duly passed.

65. MANAGEMENT

- 65.1 The Board may, appoint a manager or Chief Executive Officer (but not of the kind appointed under Section 219 of the Act) of the Co-operative either for a fixed term or without any limitations as to the period for which the manager is to hold such office.
- 65.2 The Board may from time to time remove or dismiss the manager from office and appoint others in the manager's place. The manager's remuneration is fixed by the Board and may be by salary, commission, participation in profit or by any or all of these modes.
- 65.3 The Board may from time to time entrust to and confer upon a manager for the time being any other powers exercisable by the Board under these Rules as it thinks fit. The Board may confer such power as it thinks expedient:
- (a) for any time;
 - (b) to be exercised for any objects and purposes;
 - (c) upon any terms and conditions; and
 - (d) with any restrictions.
- 65.4 The Board may delegate the power either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Board on their behalf, and may from time to time revoke, withdraw, alter or vary all or any of the powers.

65.5 If a Director of the Co-operative is appointed as a manager or a manager appointed a Non-Member Director, the Board shall fix the terms and conditions of employment of the manager, including remuneration and benefits for his managerial duties. However the manager shall have no role as a Director in determining those terms and conditions.

66. SECRETARY

66.1 In accordance with Section 206 of the Act, the Board must appoint a Secretary who cannot be a disqualified person within the meaning of Section 206B of the Act, but otherwise must be an adult who ordinarily lives in Australia. The duties and powers of the Secretary will be as the Board may determine or sanction, and the Secretary will (under the direction of the Board) have charge of the books and accounts of the Co-operative.

66.2 The Board may from time to time appoint a temporary substitute for the Secretary. Any person so appointed, is (for the purpose of these Rules) deemed during the term of the appointment to be the Secretary.

66.3 The Secretary must take all reasonable steps to ensure that the Co-operative does not contravene a provision of the Act that is prescribed by the Regulations for the purposes of Section 207A of the Act.

67. INDEMNITY OF OFFICERS

67.1 Subject to Section 213 of the Act and the application of Sections 199A (except 199A(2)(b)), 199B and 199C of the Corporations Act 2001 (Cth), the Co-operative must indemnify its officers and agents out of the Reserves of the Co-operative against all liabilities, costs, charges, losses, damages and expenses which they respectively incur, or be put to, in the execution of their respective offices, or by reason or account of any contract, act, deed or matter or thing which is made done, permitted, entered into or executed by them respectively on behalf of, or bona fide in the interests of, or with the view to benefiting, the Co-operative, notwithstanding that these may be ultra vires in point of law.

67.2 However, nothing in these Rules exempts any Director, manager or officer of the Co-operative or any person (whether an officer of this Co-operative or not), employed by this Co-operative as auditors, from, or indemnify the person against, any liability which by virtue of any rule or law would otherwise attach to the person in respect of any negligence, default, breach of duty or breach of trust of which the person may be guilty in relation to the Co-operative.

67.3 Subject to Section 213 of the Act and the application of Sections 199A, 199B and 199C of the *Corporations Act 2001* (Cth), the Co-operative must take out such indemnity insurance cover as may be resolved upon from time to time in order to protect and indemnify the Directors and officers in respect of all actions taken by them in good faith in their capacity as Directors and officers of the Co-operative.

68. OPERATING PRINCIPLES

- (a) The Board and the Co-operative must at all times comply with the Operating Principles as specified in Schedule 2.

DIVISION 7 - TRANSFER RULES

69. TRANSFERS AND RESTRICTIONS

- 69.1 The Board may approve a sale or transfer of Shares of the Co-operative in the event of a Permanent Transfer in *GWC*, subject to a sale or transfer of an equivalent number of Shares and Water Entitlements in *GWC*.

DIVISION 8 - CO-OPERATIVE FUNDS

70. ACCOUNTS AND REPORTING TO MEMBERS

- 70.1 The Board must keep financial records and prepare and make available financial reports as required under Part 10A of the Act. The financial records and reports must clearly distinguish Members Funds from Contribution Investment Fund moneys and the application of Part 2F.3 sections 249K and 249V and Chapter 2M of the Corporations Act 2001 (Cth). The accounts of the Co-operative must not be consolidated with the accounts of *GWC*.
- 70.2 The books of account will include a ledger account for each Member showing the Member's share capital and a monthly running balance of the Asset Contributions and Levies. Upon the transfer of shares and the cancellation of a Membership the former Member's ledger account will continue to be kept as a running balance until all funds have been expended by the Co-operative.
- 70.3 The financial records and reports will be kept at the Office or at any place as the Board thinks fit.
- 70.4 The Board will (subject to the provisions of the Act and the Regulations) from time to time determine whether, to what extent, to what times and places, under what conditions or rules, the accounts and books of the Co-operative or any of them may be open to the inspection of the Members. No Member has any right of inspecting any account or book or document of the Co-operative, unless and except as conferred by law.
- 70.5 At the ordinary general meeting in each year the Board will lay before the Co-operative a:
- (a) profit and loss account; and
 - (b) balance sheet made up:
 - (i) in the case of the first balance sheet, from the date first available;
 - (ii) in the case of subsequent balance sheets, from the time when the last preceding account and balance sheet were made up, to the end of the Year immediately preceding the date of the annual general meeting.
- 70.6 Every account of the Board when audited and approved, if an auditor has been appointed, or adopted by the general meeting will be conclusive, except as regards any error discovered in the account within 3 months, after its approval or adoption. Whenever any such error is discovered within the period the account must be corrected and from then on will be conclusive.
- 70.7 The accounts of the Co-operative will disclose the total remuneration (of whatsoever nature) paid (or payable) to all Directors of the Co-operative and Directors of all subsidiary companies (if any) during the period to which the accounts relate.
- 70.8 Every balance sheet will be accompanied by a report of the directors stating the net profit on the year's operations and:
- (a) the amount of rebates paid or allocated during the Year; and
 - (b) the amount carried to the Reserves.
- 70.9 Two Directors must sign the directors' report and balance sheet.
- 70.10 Annual financial reporting to Members must be in accordance with Section 244V of the Act.
- 70.11 The deadline for reporting to Members must be in accordance with Section 244W of the Act.

- 70.12 A Member may request the Co-operative:
- (a) not to send them the material required by **Rule 70.10**; or
 - (b) to send them a full financial report and the directors' report and auditor's report.
- 70.13 A request under this Rule may be a standing request or for a particular financial year.
- 70.14 The Member is not entitled to a report for a financial year earlier than the one before the financial year in which the request is made.
- 70.15 The Co-operative must comply with a request under **Rule 70.12(b)** by the later of:
- (a) the day that is 7 days after the request; or
 - (b) the day by which the Co-operative is required to report to Members under **Rule 70.10** i.e. Section 244V of the Act.
- 70.16 When sending a full financial report, directors' report and auditor's report, the Co-operative must do so free of charge unless the Member has already received a copy of them free of charge.
- 70.17 A Member can choose to receive financial reports and the directors' reports and auditor's reports electronically in accordance with Section 244V(5) of the Act.
- 70.18 All cheques, electronic funds transfer, bills of exchange and promissory notes will be signed, drawn, accepted, made, authorised or endorsed, as the case may be, on behalf of the Co-operative, and in any other manner as the Board may from time to time determine.

71. ASSET MAINTENANCE AND RENEWAL FUND

- 71.1 The Board must establish:
- (a) a Contribution Investment Fund; and
 - (b) an Asset Maintenance and Renewal Fund.
- 71.2 The Asset Maintenance and Renewal Fund will hold the Member's Contributions for the construction, refurbishment, replacement, renewal or acquisition of existing or future irrigation infrastructure and other assets of the Co-operative.
- 71.3 The Contribution Investment Fund will hold only moneys arising out of the investment of the Asset Maintenance and Renewal Fund.
- 71.4 The Board must raise funds by way of Contributions for the purpose of an asset maintenance and capital works programme sufficient to ensure the long term sustainability and financial viability of the System.
- 71.5 The Board may establish any other fund it believes is necessary or desirable as long as the fund consists wholly of Co-operative or Member Funds, or wholly of Contribution Investment Fund moneys.
- 71.6 The Board may seek professional advice in relation to the investment of monies held on account of the Asset Maintenance and Renewal Fund and the Contribution Investment fund. The monies must be invested in a manner consistent with the funding requirements indicated by the asset maintenance, renewals, capital works and operations programmes. The Board must consider the potential rate of return on the funds invested whilst prudently managing the risk profile of the investment over time.
- 71.7 The Board can at its discretion aggregate the funds held in the name of the Asset Maintenance and Renewal Fund and the Contribution Investment Fund with other Co-operative funds for the purpose of investment with pro rata beneficial entitlements accruing according to the amount or amounts contributed from each source.
- 71.8 If the Board believes that the Asset Maintenance and Renewal Fund holds funds in excess of the amount reasonably required as certified by an actuary for the long term asset maintenance and renewals programme the Board may reduce the Asset Contribution for the following year or recommend a rebate for approval by the Members at a general meeting.

72. TREATMENT OF SURPLUS

- 72.1 Any surplus resulting from the Co-operative's operation during a financial year, after providing for depreciation in value of the Co-operative's property or for contingent liability for loss, must be applied to carrying out the Co-operative's primary activities. No portion thereof may be paid or transferred directly or indirectly by way of discount, dividend, bonus Shares or otherwise (except in the way specified in **Rule 71.7** or **72.2**) by way of profit to the Members of the Co-operative.
- 72.2 Provided that surplus funds have been first applied to carrying out the Co-operative's primary activities, the Board may apply surplus funds by way of rebate on a Member contribution. Any rebates payable under this Rule must be approved by the Members at a general meeting.
- 72.3 Prior to a rebate being proposed *by* the Board to a general meeting for the Members' approval, the Board must circulate an actuarial report on the Asset Maintenance and Renewal Fund together with the actuary's certificate under **Rule 71.8**.

73. CONTRIBUTIONS, OPERATING EXPENSES, RESERVES AND CHARGES

- 73.1 The Board will, prior to the end of a Year, determine what (if any) Contributions are payable by each Member for the following Year, with such determination to be notified to the Member in writing setting out:
- (a) the Asset Contribution, including annual membership fee; and
 - (b) the Levy.
- 73.2 In determining the Contribution for a Year, the Board must calculate the Contribution so as to cover the costs and expenses and overheads of the Co-operative in carrying on business, including but not limited to:
- (a) the anticipated costs of the operation by the Co-operative of its business and the performance by the Co-operative of its functions for the relevant Year;
 - (b) the costs of regular repairs, refurbishment, maintenance and constructions in relation to the Co-operative's assets for the relevant Year;
 - (c) meeting claims on, or contingent liabilities of, the Co-operative; and
 - (d) any Reserves (including the Asset Maintenance and Renewal Fund) as the Co-operative may from time to time determine are prudent and reasonable to enable the Co-operative to carry on its primary activities and objects as a long term owner of substantial irrigation assets and to cover capital expenditure for the construction, refurbishment, replacement, renewal or acquisition of existing or future irrigation infrastructure and other assets of the Co-operative.
- 73.3 The Board may at any time vary any Contribution, whether or not the Member has paid that contribution, for any reason including but not limited to:
- (a) an error however described having been made in the Contribution or in its calculation; and
 - (b) any other factor, matter or circumstance determined by the Board.
- 73.4 The Board will notify the Member of any variation in Contributions. Any variation will take effect from the date on which the relevant notice is delivered to the Member or such other date as may be specified by the Board in such notice.
- 73.5 A Member must pay any amount levied by GWAMCO within 30 days of receipt of the notice requiring payment.
- ## **74. RESTRICTIONS ON DIVIDENDS AND OTHER DISTRIBUTIONS**
- 74.1 The Board must not recommend or approve the payment of dividends or the issue of bonus Shares to Members.

75. DEBENTURES

- 75.1 Debentures will not be issued for less than \$20.00. The principal of, and interest on, the debentures will be paid and payable at the Office only to the registered proprietor of the debentures, on production of the debenture. Interest is payable yearly at the rate (but not exceeding 10% per annum cumulative) as the Board will at the time of issue determine. The principal money will be paid and payable only on the death of the registered proprietor and on proof of the death to the satisfaction of the Board.
- 75.2 The Co-operative may redeem the debentures at any time without notice on payment to the Registered proprietor of their face value. No debentures will operate directly or indirectly as a mortgage or charge upon the property or assets of the Co-operative.
- 75.3 The Co-operative has a first and paramount charge or lien upon all debentures registered in the name of any Member (whether solely or jointly with another or others) for the Member's debts, liabilities and engagements (solely or jointly with any other person or persons) to or with the Co-operative, whether the time for their payment fulfilment or discharge has actually arrived or not. The charge or lien will extend to all interest from time to time payable in respect of the debentures. Unless otherwise agreed, the registration of a transfer of debentures will operate as a waiver of the Co-operative's lien on the debentures. The Board may retain the possession of a debenture certificate over in which the Co-operative is entitled to a charge or lien until the charge or lien has been discharged. In the meantime, the Board may receive all interest payable on the debenture and utilise this in the discharge or reduction of the respective Member's debts liabilities and engagements.
- 75.4 The principal of, and/or interest on, a debenture may be paid by cheque sent through the post to the registered address of the Member entitled (or in case of joint holders to the registered address of that holder whose name stands first in the Register in respect of the joint holdings). Every cheque will be made payable to the Member to whom it is sent and be at that Member's risk. At the request of the Member, the Co-operative may electronically transfer the principal of and/or interest on the debenture to an account held in Australia with an Authorised Deposit Taking Institution provided the Member provides the correct written details necessary for the Co-operative to make the electronic funds transfer.
- 75.5 No debenture will be transferred without the written consent of the Board.
- 75.6 The Board will cause to be kept as separate a register of all debentures and all dealings and transactions involving the debentures, and may adopt Co-operative Policies as to:
- (a) the registration of debentures and the methods of transfer;
 - (b) the form of Certificates;
 - (c) replacement of Certificates defaced, worn out, lost or destroyed;
 - (d) the cancellation of Certificates; and
 - (e) the issue of new (and/or consolidated) Certificates.

76. TRANSFER OF DEBENTURES

- 76.1 On the written request of the transferor of a debenture, the Co-operative must enter in the appropriate register the name of the transferee Member in the same way and on the same conditions as if the application for entry were made by the transferee.
- 76.2 If the Co-operative refuses to register a transfer of debentures it must, within 28 days after the date on which the transfer was lodged with it, send to the transferee notice of the refusal.
- 76.3 An instrument of transfer of a debenture must be executed by or on behalf of the transferor and the transferee. The transferor is taken to remain the holder of the debenture until the debenture in the name of the transferee is entered in the register of debentures.

76.4 The Board may decline to recognise an instrument of debenture and may decline to register a debenture unless:

- (a) a fee of \$100 (or a lesser amount determined by the Board) is paid to the Co-operative for the transfer of registration; and
- (b) the instrument of transfer is accompanied by the relevant debenture(s) and any other evidence the Board reasonably requires; in particular, evidence showing the right of the transferor to make the transfer; and
- (c) any government stamp duty payable is paid.

76.5 Debentures must be transferred in the following form or in a form approved by the Board:

I, (the transferor) of.....in the State of
 in consideration of the sum of \$..... paid
 to me by ... (the transferee), of..... in the State of
 transfer to the transferee the debenture(s)
 numbered to be held by the transferee, the transferee's executors,
 administrators and assigns, subject to any
 conditions on which I hold the debenture(s) and any other conditions
 being terms of the transfer of the debenture(s).
 And I, the transferee agree to take the debenture(s) subject to the conditions mentioned.
 Dated this day of20

Signed by..... transferor.
 In the presence of..... witness.
 Signed by..... transferee.
 In the presence of....., \ witness.

77. CO-OPERATIVE CAPITAL UNITS

77.1 The Co-operative must not issue, allot, sell, purchase or trade any Co-operative Capital Unit.

DIVISION 9 - MISCELLANEOUS

78. FINANCIAL YEAR

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

79. SAFEKEEPING OF SECURITIES

79.1 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.

80. PROVISION FOR LOSS

80.1 The Board will make such provisions for loss which may result from the transactions of the Cooperative as the Act requires or allows.

81. NOTICES

81.1 A notice required under the Act or these Rules to be given to a Member must be in writing.

81.2 A notice or other document, other than reports to be provided to Members under **Rule 70.10** required to be given to a Member under the Rules or the Act, may be given:

- (a) personally; or
- (b) by leaving it with a person who appears to be 16 years of age or more at the Member's address; or
- (c) by post; or
- (d) by faxing it or emailing it to a fax number or email address provided by the person; or
- (e) by sending it to the Member by other electronic means (if any) nominated by the Member; or
- (f) by publishing the notice in a newspaper circulating generally in this State or in the area served by the Co-operative, if:
 - (i) the Member's whereabouts are unknown to the Co-operative; or
 - (ii) the Registrar permits notice to be given to Members of the Co-operative in that way.

81.3 A document may be served on a Co-operative:

- (a) by post addressed to the Office; or
- (b) by leaving it at the Office with a person who appears to be aged 16 or more.

81.4 Each Registered holder of Shares whose address in the Register is not in the State of Western Australia may notify the Co-operative in writing of an address in Western Australia to be that Member's Registered place of address.

81.5 Any notice required to be given by the Co-operative to a Member and not expressly provided to be posted or served by these Rules will be sufficiently given if given by advertisement.

81.6 Any notice or other document to a Member given by advertisement will be advertised once in a daily newspaper circulating generally in Carnarvon.

81.7 A notice or other document to a Member, advertised in a newspaper is deemed to be duly given to the Member on the date on which the advertisement appears.

81.8 A notice or other document forwarded by facsimile transmission is deemed to have been served, unless the sender's facsimile machine indicates a malfunction in transmission, on the day of transmission if transmitted during a business day, otherwise on the next following business day.

81.9 A notice or other document forwarded by email transmission is deemed to have been served, unless the sender receives a warning or report to the effect that the email could not be delivered to the recipient on the day of transmission if transmitted during a business day, otherwise on the next following business day.

81.10 A notice given to one Member of a joint membership is deemed to have been served on all Members of that joint Membership.

- 81.11 A notice sent by post is served at the expiration of 2 days after the envelope or wrapper containing the notice is posted.
- 81.12 The signature to any notice to be given by the Co-operative may be written or printed.
- 81.13 Every person who (by operation of law, transfer or other means whatsoever) becomes entitled to any Shares, is bound by any and every notice which, previous to the person's name and address being entered on the Register in respect of the Shares, is duly given to the person from whom the Member derived title to the Shares.
- 81.14 Any notice or document delivered, sent by post, or left at the registered address or address for service of any Member under these Rules will (notwithstanding the Member is then deceased and whether or not the Co-operative has notice of death) be deemed to have been duly served in respect of any Registered Shares (whether held solely or jointly with other persons by the Member) until some other person is Registered in the Member's stead as the holder or joint holder of the Shares. The service will for all purposes be deemed as sufficient service of the notice or document on the heirs, executors or administrators of the deceased Member, and all persons (if any) jointly interested with the Member in the Share.

82. CO-OPERATIVE POLICIES

- 82.1 The Board may adopt policies not inconsistent with the Act, these Rules or the licenses to govern the Co-operative's conduct and dealings ("**Co-operative Policies**").

83. AUDIT

- 83.1 At least once in every Year the accounts of the Co-operative must be examined, and the correctness of the profit and loss account and the balance sheet ascertained by one (or more) auditors. The Co-operative's Register must be audited at least once a Year.
- 83.2 The appointment, remuneration, protection and removal of auditors must comply with Part 10A Division 12 of the Act.

84. DISPUTE RESOLUTION

- 84.1 At each annual general meeting of the Co-operative, the Members are to elect a panel ("**Disputes Panel**"), to hold office until the next annual general meeting. From the Disputes Panel a committee, ("**Disputes Committee**") will be formed to advise the Board in relation to any Disputes ("**Dispute**") which may arise between any two or more Members or any Member and the Co-operative.
- 84.2 For the purposes of dispute resolution, *Member* includes any person who was a Member not more than six (6) months before the Dispute occurred.

85. DISPUTES PANEL

- 85.1 The Board chairperson is to determine the size of the Disputes Panel, provided that it will comprise of not less than 5 and not more than 7 persons, including at least:
- (a) any 2 Directors; and
 - (b) any 3 Members of the Co-operative who are not Directors.
- 85.2 Subject to the provisions of this **Rule 85**, any Member may nominate any person to be elected to the Disputes Panel.
- 85.3 Nominations for election to the Disputes Panel must be:
- (a) in writing;
 - (b) signed by the nominating Member;
 - (c) in a form prescribed by the Board; and
 - (d) provide in relation to the person nominated, all the information required by the Board from time to time.
- 85.4 Nominations must be lodged with the Secretary of the Co-operative at least 7 days before the date specified in the notice of an annual general meeting as the date on which the annual general meeting is to be held.

- 85.5 The election of persons to the Disputes Panel must not be dealt with in business of the annual general meeting until after the conclusion of:
- (a) the election of replacements for those Directors who have retired; and
 - (b) all other business of the meeting, which is required in order for the Co-operative to comply with the provisions of the Act.

- 85.6 Any ballot required to fill positions on the Disputes Panel must be conducted in accordance with the **Rule 53.6** ballot procedures for the election of directors.

86. DISPUTES COMMITTEE

- 86.1 Disputes Committee casual vacancies may be filled by the Board appointing a suitably qualified person who subject to **Rule 85.1** need not be a Member of the Co-operative.
- 86.2 Upon receiving an application from a Member in relation to a Dispute, the Secretary of the Co-operative must form a Disputes Committee. The Secretary of the Co-operative will determine the size of the Disputes Committee, provided that it will be constituted by not less than 5 Members of the Disputes Panel which includes at least:
- (a) 2 Director of the Co-operative; and
 - (b) 3 Members of the Co-operative who are not Directors.
- 86.3 In determining whether to appoint a person from the Disputes Panel to a Disputes Committee to resolve a Dispute, the Secretary must act in good faith, to encourage an objective and unbiased consideration of the Dispute. In so doing, the Secretary must have regard to:
- (a) the availability of the person;
 - (b) that person's area of expertise; and
 - (c) the relationship (if any) between the applicant and the person being considered for the Disputes Committee (including but without limitation whether the proposed person is a neighbour of the parties to the dispute).
- 86.4 A Disputes Committee, will conduct its business in the same manner as is specified in these Rules for the conduct of meetings of the Board (subject to the qualifications and limitations set out in this Rule).
- 86.5 A Disputes Committee is empowered to consider, and to make recommendations to the Board, in relation to any matter affecting any Member of the Co-operative and the Co-operative, arising out of:
- (a) these Rules (other than this Rule); and/or
 - (b) any order, supply contract, distribution rules, Co-operative Policies or other provisions determined from time to time by the Co-operative.
- 86.6 A Disputes Committee may not consider any matter or issue otherwise than on the application of either:
- (a) a Member (or Members) of the Co-operative; or
 - (b) a Director or the Secretary.
- 86.7 The application must:
- (a) be in writing;
 - (b) be signed by the applicant;
 - (c) be in form (if any) prescribed by the Board; and
 - (d) provide in relation to the matter (or issue) which is the subject of the Dispute:
 - (i) an accurate description of any affected Landholding;
 - (ii) the nature of the Dispute and the date on which the Dispute commenced;
 - (iii) copies of any correspondence, notices, plans, data or other information which may be directly relevant to the matter or issue;
 - (iv) a succinct statement of the result, remedy or outcome sought by the applicant; and

- (v) a succinct statement of the basis upon which the applicant believes that result, remedy or outcome to be just and reasonable.

86.8 A Disputes Committee may request additional information from the applicant, from the Board, or from another Member. The applicant, the Board or that other Member must provide that information (subject to rights or privileges and to the law relating to secrecy and confidential information) to the Disputes Committee so constituted, within the time prescribed by the Disputes Committee (or otherwise within a reasonable time).

86.9 The determination by a Disputes Committee of a Dispute is final and binding on the parties to the Dispute, if the parties agree to be bound by the decision of the Disputes Committee.

87. FINES PAYABLE BY MEMBERS

87.1 The board may impose on a member a maximum fine of \$1,000 or such higher amount as prescribed by regulations, for a contravention of the rules.

87.2 A fine must not be imposed on a member under **Rule 87.1** unless -

- (a) written notice of intention to impose the fine and the reason for it has been given to the member; and
- (b) the member has been given a reasonable opportunity to appear before the board in person (with or without witnesses), or to send to the board a written statement, to show cause why the fine should not be imposed.

88. WINDING UP

88.1 The winding up of the Co-operative will be in accordance with Part 12 of the Act.

88.2 The Co-operative must not be wound up voluntarily if its net assets are in excess of its subscribed Capital, except by:

- (a) special resolution by means of a special postal ballot; or
- (b) with the sanction of the Supreme Court of Western Australia.

88.3 In the event of liquidation of the Company no Member as a shareholder shall receive from the liquidation any amount exceeding the Capital paid up in respect of the Shares held by that Member.

88.4 The liquidator shall treat and apply any surplus funds in the hands of the liquidator after paying all debts and expenses of the winding up and paying to the Members the full amounts to which they are respectively entitled under the foregoing provision as if they were surplus profits available for distribution. However, these surplus funds are payable:

- (a) only to the Members who have paid contributions to the Company and have a credit balance in their Member's ledger; and
- (b) being a return of the contributions paid by the Member with the Company;

88.5 If (for any reason) it is not possible to distribute all of the remaining assets and funds and surplus funds as above, then the assets must be distributed in accordance with the Water Services Co-ordination Act (if relevant).

SCHEDULE 1

An instrument appointing a proxy may be in the following form, or in any other form that the Board may approve:

PROXIES

"I _____ of _____ being a Member of _____ Co-operative
 hereby appoint _____ of _____
 as my proxy, to vote for me and on my behalf at the (ordinary or special as the case may be), general meeting of
 the Co-operative to be held on the _____ day of _____, and at any adjournment thereof.

The proxy is to vote in favour/against the following resolution
 (Text of Resolution) _____ Against/In favour*

* Delete whichever is not applicable

As WITNESS my hand this _____ day of _____ 20 ____."

SCHEDULE 2

Operating Principles

1. GWAMCO has been established to comply with principles of mutuality.
2. GWAMCO is an irrigation asset custodian.
3. GWAMCO owns, maintains and constructs irrigation assets in the Carnarvon Irrigation Area.
4. GWAMCO collects contributions and levies from its Members for asset maintenance and renewal of its irrigation assets, taking into account its long-term maintenance and renewal programme.
5. GWAMCO does not trade, i.e. it does not buy and sell goods or services.
6. GWAMCO identifies Member's contributions and levies separately in its accounts, from income earned on GWAMCO assets.
7. GWAMCO does not pay dividends nor does it issue bonus Shares. GWAMCO may in some circumstances grant rebates on Member's contributions.
8. GWAMCO and GWC operate as separate individual legal entities at arm's length.
9. GWAMCO is not a subsidiary of GWC.
10. GWC is not a subsidiary of GWAMCO.