



Co-operative Federation of Victoria Ltd

Rules

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1. Definitions

In these rules -

"Act" means the Co-operatives Act 1996;

"Appendix" means Appendix to these rules;

"board" means the board of the federation;

"federation" means the Co-operative Federation of Victoria Ltd. - an association registered under the Act;

"general meeting" means any annual or special general meeting;

"member" means a member of the federation;

"month" means calendar month;

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

"regulations" means the Co-operatives Regulations 1997.

2. Members to abide by co-operative principles

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

3. Alteration of the rules

(1) These rules may be altered by a special resolution in accordance with section 113 of the Act or by a resolution of the board in accordance with section 114 of the Act.

(2) A proposed alteration of these rules must be approved by the Registrar under section 112 of the Act before the resolution altering the rules is passed.

(3) An alteration of these rules does not take effect unless and until it is registered by the Registrar under section 115 of the Act.

(4) Any member is entitled to obtain from the federation a copy of these rules on payment of five (5) dollars.

4. Name

(1) The name of the federation is the Co-operative Federation of Victoria Ltd.

(2) The federation may change its name in accordance with section 255 of the Act.

(3) The federation may abbreviate its name in accordance with section 253 . of the Act.

5. Active membership provisions

(1) The primary activities of the federation are to:

(a) help members improve services to their members by providing information and advice.

(b) make representations to government on legislation and policies to facilitate the development of co-operatives.

- (c) promote co-operatives to the public.
 - (d) facilitate and promote the formation of co-operatives.
 - (e) educate members and the community at large in co-operative principles and practices.
 - (f) facilitate co-operation between co-operatives.
- (2) In order to establish active membership of the federation a member must pay an annual subscription as determined by the annual general meeting of the federation.
- (3) All members must be active members of the federation.
- (4) If a member fails or ceases to be an active member, the board must in accordance with Division 4 of Part 6 of the Act -
- (a) declare the membership of the member cancelled; and
 - (b) declare the shares of the member forfeited.

6. Qualifications and shareholding required for membership

- (1) A person is not qualified to be admitted to membership unless there are reasonable grounds for believing that the person will be an active member of the federation.
- (2) Every member must hold at least five shares.

7. Membership and shares

(1) An application for membership shall be made at the registered office in a form approved by the board together with full payment on each share applied for and with subscription monies in accordance with the following formula:

Subscription payable = $A \times (12 - (B - 1))$ where,

12

A is the annual subscription as provided in Rule 5(2),

B is the number of the month from the start of the financial year in which the application was made.

- (2) An application for membership must include an application for shares in the federation.
- (3) The board must consider each application.
- (4) The board at its sole discretion may accept or reject an application for membership or shares and need not give any reason for its decision.
- (5) If the board approves an application for membership or shares -

(a) the relevant shares must be allotted to the applicant; and

(b) the board must ensure that the name of the person and the number of shares allotted is entered in the register of members, directors and shares in accordance with sections 75 and 244 of the Act; and

(c) the board must notify the applicant in writing of allotment of the shares and of the entry in the register; and

(d) the applicant for membership becomes entitled to exercise the rights of membership when -

(i) the member's name appears in the register of members;
and

(ii) the member has paid to the federation the annual subscription as provided in sub-rule (1).

(6) If the board rejects an application, the whole of the money lodged in respect of the application must be refunded to the applicant without interest.

8. Representation of members

(1) Each member shall nominate in writing to the federation one person who is a officer, member or shareholder of that member, and who is accepted by the board, to represent it in respect of its membership and to act as its delegate at all meetings of the federation.

(2) Such delegate may be altered from time to time by notice in writing to the federation.

(3) A body corporate must not appoint a person to represent the body corporate as a member of the federation, if he or she is currently a representative of another body corporate member.

(4) In accordance with section 70(4) of the Act, a person is not qualified to be appointed the representative of a company that is not a listed corporation (within the meaning of the Corporations Law) unless the person is an officer, member or shareholder of the company.

9. Ceasing membership

A person ceases to be a member in each of the following circumstances -

(a) if the member's membership is canceled under Part 6 of the Act;

(b) if the member is expelled in accordance with these rules;

(c) if the contract of membership is rescinded on the ground of misrepresentation or mistake;

(d) if the member's share is transferred to another person and the transferee is registered as the holder of the share;

(e) if the member's share is forfeited in accordance with the provisions of the Act or the provisions of these rules;

(f) if a member's share is sold by the federation pursuant to any power in these rules and the purchaser is registered as holder in the member's place;

(g) if the amount paid up on the member's share is repaid to the member in accordance with the provisions of these rules;

(h) on notice in writing given by the member to the secretary, of the member's resignation from membership; or

(i) if a member is dissolved.

10. Expulsion of members

(1) A member may be expelled from the federation if the federation by special resolution determines that the member should be expelled on the ground that -

(a) the member has failed to discharge the member's obligations to the federation under the Act or these rules;

(b) the member has acted in a manner that has -

(i) prevented or hindered the federation in carrying out any of its primary activities; or

(ii) brought the federation into disrepute; or

(c) the member has acted in a manner contrary to any of the co-operative principles and in so acting caused the federation harm.

(2) The member must be given at least 28 days written notice of the proposed resolution and of the date, time and place of the meeting at which the resolution will be moved.

(3) The procedure at the general meeting to consider the proposed resolution is as follows -

(a) the member must be given a reasonable opportunity to be heard at the meeting;

(b) the member is entitled to call witnesses and to cross examine witnesses called against the member;

(c) if the member fails, without reasonable excuse, to attend at the time and place of which notice has been given, the federation may consider the matter in the absence of the member;

(d) after considering the matter, the federation may by special resolution determine to expel the member.

(4) The expulsion of the member does not take effect until the special resolution is registered with the Registrar.

(5) When a member is expelled, the federation must, in accordance with section 82 of the Act, repay to the member an amount determined in accordance with that section in respect of the member's shares and cancel the member's shares.

11. Suspension of members

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

(a) the member has contravened these rules; or

(b) the member has failed to discharge the member's obligations to the federation under these rules; or

(c) the member has acted in a manner detrimental to the federation.

(2) The member must be given at least 28 days written notice of the proposed resolution and of the date, time and place of the meeting at which the resolution will be moved.

(3) The procedure at the general meeting to consider the proposed resolution is as follows -

(a) the member must be given a reasonable opportunity to be heard at the meeting;

(b) the member is entitled to call witnesses and to cross examine witnesses called against the member;

(c) if the member fails, without reasonable cause, to attend at the time and place of which notice has been given, the federation may consider the matter in the absence of the member;

(d) after considering the matter, the federation may by special resolution determine to suspend the member.

(4) A member who is suspended ceases during the suspension to have the rights of a member except as otherwise provided in the Act or these rules.

12. Disputes

(1) The grievance procedure set out in this rule applies to disputes under these rules between -

(a) a member and another member; or

(b) a member and the federation.

(2) The parties to the dispute must meet and discuss the matter in dispute, and, if possible, resolve the dispute within 14 days after the dispute comes to the attention of all of the parties.

(3) If the parties are unable to resolve the dispute at the meeting under sub-rule (2) or if a party fails to attend that meeting, then the parties must, within 10 days, hold a meeting in the presence of a mediator.

(4) The mediator must be -

(a) a person chosen by agreement between the parties; or

(b) in the absence of agreement -

(i) in the case of a dispute between a member and another member, by the board of the federation; or

(ii) in the case of a dispute between a member and the federation, a person who is a mediator with the Dispute Settlement Centre of Victoria (Department of Justice).

(5) A member of the federation can be a mediator.

(6) The mediator cannot be a member who is a party to the dispute.

13. Fines

The federation will not impose a fine on a member for any infringement of these rules.

14. Capital and shares

The capital of the federation is to be raised by the issue of shares which are to have a nominal value of two dollars (\$2.00).

15. Liability of members

A member is not, as a member, under any personal liability to the federation except for the amount, if any, unpaid on the shares held by the member together with any charges payable by the member to the federation as required by these rules.

16. Share certificates

(1) The board, on the application of a person holding shares in the federation, must issue to that person, without payment, a certificate under the seal of the federation specifying the shares held by that person and the amount paid up on those shares.

(2) If the board is satisfied that a share certificate issued by the federation is defaced, lost or destroyed, the board may issue a duplicate certificate without payment.

17. Sale of members' shares

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

18. Transfer and transmission of shares

(1) The instrument of transfer of any share shall be executed by or on behalf of the transferor (the giver) and the transferee (the receiver of the share).

(2) The transferor remains the holder of the share until the name of the transferee is entered in the register of members in respect of the share.

(3) A transfer of shares is to be in the form of Appendix 2.

(4) A share cannot be sold or transferred except -

(a) with the consent of the board, to any person who is qualified to be admitted to membership of the federation under rules 5 and 6; or

(b) as otherwise provided by the Act or these rules.

(5) The board may refuse to register a transfer of shares ?

(a) to a person who is not eligible to be a member; or

(b) to a person whom the board does not approve; or

(c) if the federation has a lien or charge over the shares.

(6) If the board refuses to register a transfer of shares, it must send written notice of its decision to the proposed transferee within 14 days after making that decision.

(7) The board may decline to recognise any instrument of transfer unless the instrument of transfer is accompanied by the certificate (if any) of the shares to which it relates, and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer.

(8) A fee will not be payable if a member transfers their shares to another member.

(9) The board may suspend the registration of transfers during the 14 days immediately preceding the annual general meeting in each year.

19. Forfeitures and cancellations - Inactive members

(1) In accordance with section 131 of the Act, the board, after giving any notice required under section 136 of the Act, must declare the membership of a member canceled if -

(a) the whereabouts of the member are not presently known to the federation and have not been known to the federation for a period of at least two (2) years before that time; or

(b) the member is not presently an active member of the federation at the conclusion of the financial year at which the subscription was due.

(2) Sub-rule (1) applies to a member only if it was a member of the federation throughout the period referred to in paragraph (a) or (b), as the case requires.

(3) In accordance with section 132 of the Act, the board must declare the shares of a member to be forfeited at the same time as the member's membership is canceled under section 131 of the Act.

(4) The board's declaration has the effect of forfeiting the shares concerned.

(5) If the membership of a member is canceled any amount due to the member in respect of the cancellation must be dealt with in accordance with section 138 of the Act.

20. Forfeited shares

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

21. Transfer and transmission of debentures

(1) The instrument of transfer of a debenture must be executed by the transferor (the giver) and the transferee (the receiver).

(2) The transferor remains the holder of the debenture until the board consents to the transfer and the name of the transferee is entered in the registers of debentures in respect of the debenture.

(3) A transfer of debentures must be in the form of Appendix 2.

(4) The board may decline to recognise any instrument of transfer of a debenture and may decline to register the transfer unless -

(a) the instrument of transfer is accompanied by the debenture and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer; and

(b) any stamp duty payable in respect of the instrument of transfer has been paid.

(5) If the board refuses to register a transfer of debenture, it must send written notice of its decision to the proposed transferee within 28 days after making that decision.

22. Annual general meetings

(1) In accordance with section 204 of the Act, the first annual general meeting of the federation must be held at any time within 19 months after the incorporation of the federation.

(2) The second or any subsequent annual general meeting of the federation must be held within -

(a) 5 months after the close of the financial year of the federation; or

(b) any further time that may be allowed by the Registrar or is prescribed.

3) The board may determine the date, time and place of the annual general meeting.

(4) All general meetings of the federation other than the annual general meeting shall be special general meetings.

(5) If the board does not hold an annual general meeting within the required time, the members may requisition the meeting in accordance with section 209 of the Act.

23. Special general meetings

(1) A special general meeting of the federation may be convened at any time by the board of directors.

(2) In accordance with section 209 of the Act, the board must convene a general meeting of the federation on the written requisition of the number of active members of the federation who together are able to cast at least 10% of the total number of votes able to be cast at a meeting of the federation.

24. Notice of general meetings

(1) The board must give each member at least 21 days notice of each general meeting.

(2) The notice may be given in accordance with section 460 of the Act.

(3) The notice must specify the place, the day and the time of the meeting and if special business is to be transacted, set out generally the nature of the special business.

(4) If a special resolution is to be proposed at the meeting at least 21 days notice of that special resolution must be given to the members of the federation in accordance with section 192 of the Act.

(5) A member of the federation who wishes to propose a resolution at a general meeting must give the federation written notice of the resolution.

(6) If notice of an ordinary resolution is given under sub-rule (5) at least 14 days before the board gives notice of the meeting, the board must include details of that resolution in the notice of the meeting.

25. Business at general meetings

(1) The ordinary business of the annual general meeting shall be -

(a) to confirm minutes of the last preceding general meeting (whether annual or special);

(b) to receive from the board, auditors, or any officers of the federation reports upon the transactions of the federation during the financial year, including balance sheet, profit and loss account and the state of affairs at the end of that year;

(c) to elect and determine the remuneration (if any) of directors;

(d) to determine the annual subscription for the current financial year.

(2) The annual general meeting may also transact special business of which notice has been given to members in accordance with these rules.

(3) All business of a general meeting, other than ordinary business, is special business.

26. Quorum at general meetings

(1) An item of business must not be transacted at a meeting of a federation unless a quorum of delegates entitled to vote is present during the transaction of that item.

(2) Subject to sub-rule (3), the quorum shall be ten (10) delegates, whether present in person or by proxy.

(3) If within half an hour after the appointed time for the meeting a quorum is not present, the meeting -

(a) if convened upon the requisition of members, is abandoned; and

(b) in any other case is to be adjourned to a day and time within one month and at a place as determined by the board.

(4) If at an adjourned meeting, under sub-rule (3)(b), a quorum is not present within half an hour after the time appointed for the meeting the delegates present shall be the quorum.

27. Presiding at general meetings

(1) Subject to this rule, the chairperson of the board presides at every general meeting of the federation.

(2) If the chairperson of the board is unable or unwilling to preside or is not present within 15 minutes after the time appointed for the meeting, the members present must select one of their number to preside.

(3) The person selected under sub-rule (2) presides at that meeting until the time that the chairperson attends and is willing to act.

28. Adjournment of meetings

(1) The person presiding may, with the consent of a majority of members present at the meeting, adjourn the meeting from time to time and from place to place.

(2) The person presiding must, if directed by a majority of members present at the meeting, adjourn the meeting to a date and time agreed.

(3) No business may be transacted at an adjourned meeting other than business unfinished at the meeting which was adjourned.

(4) This rule only applies if there is a quorum at the meeting to be adjourned.

29. Standing orders at meetings

(1) Subject to sub-rule (3), the following standing orders must be observed at general meetings of the federation -

(a) the mover of a proposition must not speak for more than 10 minutes. Subsequent speakers are allowed 5 minutes, and the mover of the proposition 5 minutes to reply. The meeting may however by simple majority extend in a particular instance the time permitted by this rule.

(b) if an amendment to an original proposition is proposed, no second amendment may be considered until the first amendment is disposed of.

(c) if an amendment is carried, the proposition as so amended displaces the original proposition and may itself be amended.

(d) if an amendment is defeated, then a further amendment may be moved to the original proposition. However, only one amendment may be submitted to the meeting for discussion at one time.

(e) the mover of every original proposition, but not of an amendment, has the right to reply. Immediately after this the question must be put from the chair. No other member may speak more than once on the same question, unless permission is given for an explanation, or the attention of the chairperson is called to a point of order.

(f) propositions and amendments must be submitted in writing, if requested by the chairperson.

(g) any discussion may be closed by a resolution "that the question be now put" being moved seconded, and carried. That resolution must be put to the meeting without debate.

(2) Any member, or visitor invited to attend the meeting by the board, may speak on any issue at a meeting with the permission of the chairperson subject to any conditions imposed by the chairperson.

(3) The standing orders may be suspended for any period by ordinary resolution.

30. Attendance and voting at general meetings

(1) The right to vote attaches to membership and not shareholding.

(2) A member of the federation is not entitled to vote at a meeting of the federation unless that person is an active member of the federation.

(3) Subject to the Act and this rule, every delegate has only one vote at a meeting of the federation.

(4) A delegate of a member of a federation who is under 18 years of age is not entitled to vote.

(5) Subject to the Act and these rules, a question for decision at a general meeting, other than a special resolution, must be determined by a majority of delegates present and voting or by proxy at the meeting.

(6) In accordance with section 208(2) of the Act, unless a poll is demanded by at least 5 delegates, a question for decision at a general meeting must be determined by a show of hands.

(7) In the case of an equality of votes at a meeting of the federation, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place or at which the poll is demanded may exercise a second or casting vote.

31. Proxy voting

(1) Voting may be by proxy at a general meeting.

(2) Any person who is entitled to attend and vote at any meeting of the federation may appoint one other person as his or her proxy or proxies to attend and vote at the meeting in his or her stead.

(3) A person must not act as proxy for more than 10 persons on any one occasion.

Sub-rule (3) does not apply if the persons acts under an instrument of proxy.

(5) The instrument of proxy may specify the manner in which a proxy is to vote in respect of a particular resolution. An instrument of proxy shall be in writing under the seal of, or under the hand of an officer or attorney duly authorised by a member.

(6) An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote in the resolution except as specified in the instrument.

(7) An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. An instrument appointing a proxy shall be in a form approved by the board.

(8) An instrument appointing a proxy shall not be treated as valid unless the instrument, and the power of attorney or other authority (if any) under the instrument is signed or a notarially certified copy of that or authority, is or are deposited, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

32. Postal ballot

(1) the manner of voting shall be in accordance with the regulations.

(2) A special postal ballot or a postal ballot must be held -

(a) when required by the Act; or

(b) in accordance with section 202 of the Act, on the written requisition of the number of active members of the federation who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the federation; or

(c) if approved by the members by ordinary resolution; or

(d) as determined by the board.

33. Poll at general meetings

(1) If a poll (or ballot) is demanded by at least 5 members, it must be conducted in a manner specified by the person presiding and the result of the poll is the resolution of the meeting on that question.

(2) A poll demanded for the election of a person presiding or on a question of adjournment must be taken immediately, but any other poll may be conducted at any time before the close of the meeting.

34. Special and ordinary resolutions

(1) A special resolution is a resolution which is passed in accordance with sections 192 and 193 of the Act -

(a) by a two-thirds majority at a general meeting of members; or

(b) by a two-thirds majority in a postal ballot (other than a special postal ballot) of members; or

(c) by a three-quarters majority in a special postal ballot of members.

(2) An ordinary resolution is a resolution passed by a simple majority at a general meeting or in a postal ballot by members.

(3) A special resolution has effect from the date that it is passed unless it is required to be registered under section 196(2) of the Act.

35. Board of directors

(1) As from the Annual General Meeting in 2001, there shall be a board of five ordinary directors and one independent director appointed under Rule 37.

(2) A director must be:

- (a) a natural person, and
- (b) not less than 18 years of age.

(3) Directors shall serve a three year term subject to the provision of Rule 41.

36. Qualifications of directors

(1) A person is not qualified to be a director unless he or she is -

- (a) a delegate of a component member of the federation ("member director"); or
- (b) a person qualified as set out in Appendix 3 ("independent director").

(2) In accordance with section 213 of the Act, a person may only be elected or appointed as an independent director if there are at least 3 member directors appointed for each independent director.

(3) A person must not act as a director if the person is disqualified under section 214 of the Act.

(4) The first directors shall be elected at the meeting for the formation of the federation.

37. Independent directors

(1) The board may nominate one independent directors for approval by members at a general meeting.

38. Retirement of directors

(1) At each Annual General Meeting, directors who have served a three year term of office and those filling a casual vacancy are to retire but irrespective of this requirement at the Annual General Meetings in 2001 and 2002 at least two directors shall retire.

(2) The directors to retire under rule 38 (1) shall be (a) any director who is required to retire under rule 41, and (b) where there are no or less than two directors retiring having completed a three year term of office the director or directors who have been longest in office since his/her last election.

(3) Where two or more directors were elected or appointed the same day for the purpose of Rule 38 (2) (b) the director(s) to retire shall be as agreed between those directors or, failing any agreement, as determined by lot.

(4) A retiring director retains office until the close of the meeting at which his or her successor is elected.

(5) If a director (other than an independent director) remains the accredited delegate of a member, subject to these rules, he/she will be eligible for election.

(6) At least sixty days before an Annual General Meeting, a retiring director (other than an independent director) who wishes to renominate must obtain from the member, who nominated him/her, confirmation that he/she remains the member's accredited delegate.

39. Election of directors

(1) At least 42 days before an annual general meeting, the board must -

(a) notify all members of the number of directors retiring at the annual general meeting; and

(b) advise the members of -

(i) their eligibility to nominate as a director; and

(ii) the duties and responsibilities of a director; and

(iii) the anticipated remuneration (if any); and

(iv) the nomination and election procedures.

(2) A nomination must -

(a) be signed by the secretary or chairperson of the member; and

(b) provide details of the qualifications and experience of the person nominated; and

(c) be accompanied by a notice in writing signed by the candidate agreeing to his or her nomination.

(3) The nomination and the notice referred to in the sub-rule (3) must be lodged at the registered office of the federation at least twenty eight days before the annual general meeting.

(4) Details of each person who has been nominated must be given to members with the notice of the annual general meeting by the secretary or an officer nominated by the board.

(5) Details to be provided to members must include the candidate's -

(a) name; and

(b) age; and

(c) qualifications and experience; and

(d) length of any previous service as a director of the federation or with any other co-operative.

40. Manner of election

(1) The ballot for the election of directors must be conducted at the annual general meeting in the manner that the board directs.

(2) If, at the annual general meeting at which an election of directors ought to take place, the place of any retiring directors is not filled, the board shall treat any place not filled as a casual vacancy and shall be filled in accordance with rule 41.

41 Casual Vacancy

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

42. Vacation and removal from the office of director

A director vacates office as provided in section 219(2) of the Act and in the following circumstances:

(a) if he or she becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his her creditors or makes an assignment of his or her remuneration for their benefit; or

(b) If, through mental or physical infirmity or sickness, he or she is unable satisfactorily to carry out the duties; or

(c) if he or she ceases to a delegate of a member of the federation or if that member ceases to be a member of the federation or if he or she ceases to a member or officer of a member of the federation.

43. Remuneration

In accordance with section 229 of the Act a director of a federation must not be paid any remuneration for services as a director other than fees, concessions and other benefits that are approved at a general meeting of the federation.

44. Proceedings of the board

(1) Meetings of the board are to be held as often as may be necessary for properly conducting the business of the federation and must in any case be held at least every three months.

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

(3) In the case of an equality of votes, the chairperson has a second or casting vote.

(4) A director may call a meeting of the board of directors by giving notice individually to every other director.

(5) Except in special circumstances determined by the chairperson, at least 48 hours notice shall be given to the directors of all meetings of the board.

45. Quorum for board meetings

Subject to the act, the directors may determine the quorum necessary for the transaction of business; unless otherwise determined four directors shall be a quorum.

46. Chairperson of board

(1) The chairperson of the board shall be elected by the board at the first board meeting following the annual general meeting.

(2) If the chairperson of the board is unable or unwilling to preside or is not present within 15 minutes after the time appointed for meetings of the board, the members present must select one of their number to preside.

(3) The person selected under sub-rule (2) presides at the board meeting until the time that the chairperson attends and is willing to act.

(4) The board may by ordinary resolution remove the chairperson from office.

47. Financial year

The financial year of the federation ends on the 30 June.

48. Seal

(1) In accordance with section 254 of the Act, the federation must ensure that the name of the federation appears in legible characters on its common seal and official seals.

(2) The common seal must be kept at the registered office of the federation in such custody as the board directs.

(3) The federation must have, for use in place of its common seal outside the State where its common seal is kept, one or more official seals, each of which must be a facsimile of the common seal of the federation with

the addition on its face of the name of every place where it is to be used.

(4) The seal of the federation must not be affixed to any instrument except in accordance with a resolution of the board.

(5) Two directors or one director and the secretary must be present when the common or official seal is affixed to an instrument by another person and must sign the instrument so sealed.

(6) In accordance with section 49(2) of the Act, the persons affixing the official seal must certify in writing on the instrument to which it is affixed, the date and place at which it is affixed.

49. Custody and inspection of records

A person is entitled to make a copy of entries in a register specified in section 246(1) of the Act -

(a) if the copy is a photocopy or electronic copy, on payment of a fee of \$2 per page to a maximum of \$20; and

(b) in any other case, free of charge.

50. Banking

(1) The board must ensure that -

(a) a banking account or accounts are kept in the name of the federation; and

(b) all money received by the federation is paid into that account or those accounts as soon as possible after it is received.

(2) All cheques drawn on such accounts and all drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the federation, must be signed by any 2 directors or any one director and the secretary or any one director and a person authorised by the board from time to time.

51. Safekeeping of securities

The federation must keep the securities of the federation safely in the manner and with the provision for their safety that the board directs.

52. Audit

(1) The accounts of the federation must be audited in accordance with section 238 of the Act and the regulations made under that section.

(2) Auditors must be appointed in accordance with the regulations under section 238 of the Act to audit the accounts of the federation.

(3) An audit must be carried out annually.

53. Federation funds

(1) The funds and property of the federation shall be applied solely towards the carrying out and promotion of its primary activities.

(2) No portion of any surplus from wheresoever derived shall be paid or transferred directly or indirectly by way of dividend, bonus, discount, rebate or otherwise howsoever by way of profit to the members of the federation; provided however that nothing herein contained shall prevent the payment in good faith of any commensurate remuneration of any member or servant of the federation or other persons in return for any service actually rendered to the federation nor prevent the payment of reasonable interest on money lent or proper rent from property or premises or lent by any member of the federation.

(3) Any surplus resulting from the federation's operations during a financial year after making proper allowance for taxation expense, depreciation in value of the property of the federation and for future contingencies may at the end of the financial year be applied as follows -

(a) up to 10% for any charitable purpose;

(b) for the benefit of the federation.

(4) There must be no return or distribution on surplus or share capital to members other than any entitlement they have to the nominal value of shares at winding up.

54 Provision for loss

Subject to section 271 of the Act, the board may resolve to retain part of the surplus: arising from the business of the federation in any year to be applied to meet any loss on the transactions of the federation.

55 Winding up

(1) The winding up of the federation shall be in accordance with Part 12 of the Act.

(2) If upon winding up or dissolution of the federation there remains after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed among members of the federation but shall be given or transferred to some other institution or institutions having objects similar or in part similar to the objects of the federation and which shall also prohibit the distribution of its or their property among its or their members; such institutions or institutions to be determined by the members of the federation at or before the time of dissolution or in default thereof by the Minister administering the Act.

56 Indemnity

In accordance with, but subject to subsection 227(2) of the Act, the cooperative indemnifies and shall keep indemnified every officer against any liability incurred by the officer:

(a) in defending proceedings (whether civil or criminal) in which judgment is given in favour of the officer or in which the officer is acquitted; or

(b) in connection with an application in relation to such proceedings in which relief is granted to the officer under section 227 of the Act.

Appendix 1

Schedule of charges -

Copies of entry in register	\$2 per page to a maximum of \$20 (Rule 49)
Copy of Rules	\$5

Appendix 2

This form can be used either for a transfer of shares or debentures.

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 shares/debenture or debentures

numberedin the
Co-operative Federation of Victoria Ltd

to be held by the transferee, the transferee's executors, administrators, and assigns, subject to the several conditions on which I hold the same at the time of the execution,

and I, the transferee, agree to take the share (or shares)/debenture or debentures subject to the conditions previously referred to in this document.

Dated thisday
of.....200.....

Signed
by.....
.....transferor

In the presence ofwith
ess

.....
.....witness address

Signed
by.....
.....transferee

In the presence
of.....wi
tness

.....
.....witness address

Appendix 3

Qualifications of an independent director -

A person who has experience or expertise in co-operatives or an area relevant to the business of the federation.