

# **Constitution for Westgate Health Co-operative Ltd**

**Revised: October 2021**

REGISTERED AS A NON-DISTRIBUTING CO-OPERATIVE WITHOUT SHARES

## Contents

<b>1. Definitions</b>	<b>4</b>
<b>2. Members to abide by co-operative principles</b>	<b>4</b>
<b>3. Alteration of the Constitution</b>	<b>5</b>
<b>4. Name</b>	<b>5</b>
<b>5. Active membership provisions</b>	<b>5</b>
<b>6. Qualifications required for membership</b>	<b>5</b>
<b>7. Membership</b>	<b>6</b>
<b>8. Annual Fee</b>	<b>6</b>
<b>9. Ceasing membership</b>	<b>7</b>
<b>10. Expulsion of members</b>	<b>7</b>
<b>11. Suspension of members</b>	<b>8</b>
<b>12. Disputes</b>	<b>9</b>
<b>13. Fines</b>	<b>9</b>
<b>14. Liability of members</b>	<b>10</b>
<b>15. Forfeitures and cancellations - Inactive members</b>	<b>10</b>
<b>16. Death of a member</b>	<b>10</b>
<b>17. Transfer and transmission of debentures</b>	<b>11</b>
<b>18. Annual general meetings</b>	<b>11</b>
<b>19. Special general meetings</b>	<b>12</b>
<b>20. Notice of general meetings</b>	<b>12</b>
<b>21. Business at general meetings</b>	<b>12</b>
<b>22. Quorum at general meetings</b>	<b>13</b>
<b>23. Presiding at general meetings</b>	<b>13</b>
<b>24. Adjournment of meetings</b>	<b>14</b>
<b>25. Standing orders at meetings</b>	<b>14</b>
<b>26. Attendance and voting at general meetings</b>	<b>15</b>
<b>27. Postal ballot</b>	<b>16</b>
<b>28. Poll at general meetings</b>	<b>16</b>
<b>29. Special and ordinary resolutions</b>	<b>16</b>
<b>30. Board of directors</b>	<b>17</b>

<b>31. Qualifications of directors</b>	<b>17</b>
<b>32. Retirement of directors</b>	<b>17</b>
<b>33. Election of directors</b>	<b>18</b>
<b>34. Manner of election</b>	<b>19</b>
<b>35. Casual vacancy</b>	<b>19</b>
<b>36. Removal from the office of director</b>	<b>19</b>
<b>37. Remuneration</b>	<b>20</b>
<b>38. Delegation by board</b>	<b>20</b>
<b>39. Proceedings of the board</b>	<b>21</b>
<b>40. Quorum for board meetings</b>	<b>21</b>
<b>41. Chairperson of board</b>	<b>21</b>
<b>42. Financial year</b>	<b>22</b>
<b>43. Seal</b>	<b>22</b>
<b>44. Custody and inspection of records</b>	<b>22</b>
<b>45. Banking</b>	<b>22</b>
<b>46. Safekeeping of securities</b>	<b>23</b>
<b>47. Audit</b>	<b>23</b>
<b>48. Co-operative funds</b>	<b>23</b>
<b>49. Provision for loss</b>	<b>23</b>
<b>50. Winding up</b>	<b>24</b>
<b>Appendix 1</b>	<b>25</b>
<b>Appendix 2</b>	<b>26</b>
<b>Appendix 3. Qualifications of an independent director</b>	<b>27</b>

## 1. Definitions

In this Constitution:

**"Act"** means the **Co-operatives National Law (Victoria)**, an Annexure to the **Co-operatives National Law Application Act 2013 (Vic)**;

**"active member"** means a member of the co-operative who will be expected to:

- (a) respectfully engage with the co-operative, through the use and/or support of the co-operative services; and
- (b) pay annual subscription fees as and when they come due;

**"Appendix"** means Appendix to this Constitution;

**"board"** means the board of the co-operative;

**"employee"** means –

- (a) any person paid by the co-operative for his or her services irrespective of the employment arrangements in place for those services, which includes contractors; and
- (b) any person who is in a business partnership or lease contract with the co-operative either personally or under the persona of a company.
- (c) **"general meeting"** means any annual or special general meeting;

**"member"** means a member of the co-operative;

**"family membership"** means a membership category as defined by the board from time to time, and consonant with the term "joint membership" wherever mentioned in the Co-operatives National Law Application Act 2013 (Vic);

**"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 National Regulations

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

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

### **3. Alteration of the Constitution**

1. Subject to sections 59 and 60 of the Act, this Constitution may be altered by a special resolution in accordance with section 61 of the Act or by a resolution of the board in accordance with Section 62 of the Act.
2. An alteration of this Constitution does not take effect unless and until it is registered by the Registrar pursuant to section 63 of the Act.
3. Any member is entitled to obtain from the co-operative a copy of the Constitution free of charge.

### **4. Name**

1. The name of the co-operative is Westgate Health Co-operative Ltd.
2. The co-operative may change its name in accordance with section 224 of the Act.
3. The co-operative may abbreviate its name in accordance with section 222 of the Act.

### **5. Active membership provisions**

1. The primary activity of the co-operative is the activity set out in Appendix 1.
2. In order to establish active membership of the co-operative a member must comply with requirements (a) and (b) as set out in the definition of active member in clause 1 of this Constitution.
3. All members must be active members of the co-operative, or in the case of family memberships, at least one person covered by the membership must be an active member.
4. If a member fails or ceases to be an active member, the board must in accordance with Division 4 of Part 2.6 of the Act declare the membership of the member cancelled

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

A person is not qualified to be admitted to membership unless there are reasonable grounds for believing that the person will comply with the provisions of clause 5(3).

## **7. Membership**

- 1) An application for membership in the co-operative must:
  - a) be in a form approved by the board;
  - b) be lodged at the registered office or a nominated branch of the co-operative; and
  - c) be accompanied by the relevant fee, which is the amount as determined from time to time by the board.
- 2) The board must consider each application.
- 3) The board at its sole discretion may accept or reject an application for membership and need not give any reason for its decision.
- 4) If the board approves an application for membership:
  - a) the board must ensure that the name of the person is entered in the register of members, in accordance with sections 120 and 212 of the Act;
  - b) the board must notify the applicant in writing of the entry in the register; and
  - c) the applicant for membership becomes entitled to exercise the rights of membership when;
    - i) the member's name appears in the register of members; and
    - ii) the member has paid to the co-operative the full payment of the relevant fees and amounts as determined by the Board.
- 5) 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.

From time to time the Board may choose to grant membership at no charge to those individuals whose economic or other circumstances prevent them from meeting the usual fees. Nominations for these memberships must be approved by the Board and reviewed annually. Active membership for these individuals does not require compliance with requirement (b) as set out in the definition of active member in clause 1 of this Constitution.

## **8. Annual Fee**

Every member shall pay an annual fee as determined by the board from time to time.

## **9. Ceasing membership**

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

- a. if the member's membership is cancelled under Part 2.6 of the Act;
- b. if the member is expelled in accordance with this Constitution;
- c. on the death of the member;
- d. if the contract of membership is rescinded on the ground of misrepresentation or mistake;
- e. on notice in writing given by the member to the Secretary, of the member's resignation from membership;
- f. subject to clause 7(6) and pursuant to section 156 and section 161 of the Act, the board must declare membership of a member cancelled if the member has not been an active member of the co-operative for a period of one year and the co-operative has given to the member at least 28 days' notice of the board's intention, unless the member's whereabouts are unknown and the amount owed to the member does not exceed \$100.

## **10. Expulsion of members**

1) A member may be expelled from the co-operative if the co-operative by resolution of the board determines that the member should be expelled on the ground that:

- a) the member has failed to discharge the member's obligations to the co-operative under the Act or this Constitution;
- 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 principles and in so acting caused the co-operative and/or its people 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 of the board at which the resolution will be moved.

- 3) The procedure at the meeting of the board 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 procedural fairness;
  - c) if the member fails, without reasonable excuse, to attend at the time and place of which notice has been given, the co-operative may consider the matter in the absence of the member.
  - d) after considering the matter, the co-operative may by resolution of the board determine to expel the member;
- 4) The expulsion of the member does not take effect until the board decision is notified to the member.
- 5) When a member is expelled, the co-operative must repay to the member any amount owing to that member, less any amount owing by the member to the co-operative, and cancel the member's membership.

## **11. Suspension of members**

- 1) A member may be suspended from membership of the co-operative for a period not exceeding one year if the board determines that the member should be so suspended on the ground that:
  - a) the member has contravened this Constitution; or
  - b) the member has failed to discharge the member's obligations to the co-operative under this Constitution; or
  - c) the member has acted in a manner detrimental to the co-operative.
- 2) The member must be given at least 28 days written notice of the proposed resolution of the board and of the date, time and place of the board meeting at which the resolution will be moved.
- 3) The procedure at the meeting of the board 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 procedural fairness;
  - c) if the member fails, without reasonable cause, to attend at the time and place of which notice has been given, the co-operative may consider the matter in the absence of the member;



d) after considering the matter, the co-operative may by resolution of the board 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 this Constitution.

## **12. Disputes**

1) The grievance procedure set out in this rule applies to disputes under this Constitution between:

- a) a member and another member; or
- b) a member and the co-operative.

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

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

4) The mediator must be:

- a) a person chosen by agreement between the parties; or
- b) in the absence of agreement -
  - i) in the case of a dispute between a member and another member, by the board of the co-operative; or
  - ii) in the case of a dispute between a member and the co-operative, a person who is a member of the Dispute Settlement Centre of Victoria (Department of Justice).

5) A member of the co-operative can be a mediator.

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

## **13. Fines**

The co-operative shall not impose a fine on a member for any infringement of this Constitution.

## **14. Liability of members**

1) A member is not, as a member, under any personal liability to the co-operative except for the amount of any charges payable by the member to the co-operative as required by this Constitution.

2) On the death of a member, the member's estate remains liable as the member until the member's personal representative or some other person is registered in the member's place.

## **15. Forfeitures and cancellations - Inactive members**

(1) In accordance with section 156 of the Act, the board, after giving any notice required under section 161 of the Act, must declare the membership of a member cancelled if:

a. the whereabouts of the member are not presently known to the co-operative and have not been known to the co-operative for a period of at least 1 year before that time; or

b. the member is not presently an active member of the co-operative and has not been an active member of the co-operative at any time during the period of 1 year immediately before that time.

(2) Sub-clause (1) applies to a member only if he or she was a member of the co-operative throughout the period referred to in paragraph (a) or (b), as the case requires.

(3) If the membership of a member is cancelled, any amount due to the member in respect of the cancellation must be dealt with in accordance with section 163 of the Act.

## **16. Death of a member**

(1) Subject to section 103 of the Act, on the death of the member, the board must transfer the deceased member's interest in the co-operative to:

a. the executor or administrator of the deceased member; or

b. with the consent of the board, to a person:

i. who is specified by the personal representative of the deceased member in an application under section 103 of the Act; and

ii. who is qualified to be a member in accordance with the Act and this Constitution.

- (2) The board may transfer the interest of a deceased member to a person entitled in accordance with section 104 of the Act if:
- a. the total value of the interest is less than \$10,000 (or such other amount as may be prescribed by the regulations); and
  - b. there has not been a grant of administration of the estate, or probate of the will of the deceased member.

## **17. 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 or in a form approved by the board.
- (4) The board may decline to recognise any instrument of transfer of a debenture and may decline to register the transfer unless:
- a. 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.

## **18. Annual general meetings**

- (1) In accordance with section 252 of the Act, the first annual general meeting of the co-operative must be held at any time within 18 months after the incorporation of the co-operative.
- (2) The second or any subsequent annual general meeting of the co-operative must be held within 5 months after the close of the financial year of the co-operative.
- (3) The board may determine the date, time and place of the annual general meeting.

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

(5) If the board does not hold an annual general meeting within the required time, the members may requisition the meeting in accordance with section 257 of the Act.

## **19. Special general meetings**

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

(2) In accordance with section 257 of the Act, the board must convene a general meeting of the co-operative on the written requisition of the number of active members of the co-operative who together are able to cast at least 1% of the total number of votes able to be cast at a meeting of the co-operative.

## **20. Notice of general meetings**

(1) The board must give at least 14 days' notice of each general meeting.

(2) The notice may be given in accordance with section 611 of the Act.

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

(4) If a special resolution is to be proposed at the meeting at least 21 days' notice of that special resolution must be given to the members of the co-operative in accordance with section 239 of the Act.

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

(6) If notice of an ordinary resolution is given under sub-clause (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.

## **21. 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 co-operative reports upon the transactions of the co-operative during the financial year, including balance sheet, trading account, profit and loss account, statement of cash flows, and the state of affairs at the end of that year;

c) to elect directors.

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

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

## **22. Quorum at general meetings**

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

2) Subject to sub-clause (3) the quorum of the co-operative is 6 (six) members entitled to vote at a meeting of the co-operative.

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

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

b) in any other case is to be adjourned to the same day and time in the next week at the same place.

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

## **23. Presiding at general meetings**

1) Subject to this rule, the chairperson of the board presides at every general meeting of the co-operative.

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

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

## **24. 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.

## **25. Standing orders at meetings**

- (1) Subject to sub-clause (3), the following standing orders must be observed at general meetings of the co-operative -
  - a. The mover of a proposition must not speak for more than 10 minutes. Subsequent speakers are allowed 5 minutes, and the mover of the proposition 5 minutes to reply. The meeting may however by simple majority extend in a particular instance the time permitted by this rule.
  - b. If an amendment to an original proposition is proposed, no second amendment may be considered until the first amendment is disposed of.
  - c. If an amendment is carried, the proposition as so amended displaces the original proposition and may itself be amended.
  - d. If an amendment is defeated, then a further amendment may be moved to the original proposition. However, only one amendment may be submitted to the meeting for discussion at one time.
  - e. The mover of every original proposition, but not of an amendment, has the right to reply. Immediately after this the question must be put from the chair. No other member may speak more than once on the same question, unless permission is given for an explanation, or the attention of the chairperson is called to a point of order.
  - f. Propositions and amendments must be submitted in writing, if requested by the chairperson.
  - g. Any discussion may be closed by a resolution "that the question be now put" being moved seconded, and carried. That resolution must be put to the meeting without debate.

h. 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.

## **26. Attendance and voting at general meetings**

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

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

(3) Subject to the Act and this rule, every member of the co-operative has only one vote at a meeting of the co-operative.

(4) A member of the co-operative who is under 18 years of age is not entitled to vote pursuant to section 114 of the Act.

(5) In the case of family membership:

- a. the adult family members have only one vote between them; and
- b. that vote may be exercised by the adult member whose name appears first in the register of members unless the other family members otherwise direct.

(6) Subject to the Act and this Constitution, a question for decision at a general meeting, other than a special resolution, must be determined by a majority of members present at the meeting and voting.

(7) In accordance with section 256(1) of the Act, unless a poll is demanded pursuant to section 256(2) of the Act, a question for decision at a general meeting must be determined by a show of hands.

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

(9) A member not physically present at a general meeting may be permitted to participate in the meeting by the use of technology that allows that member and the members present at the meeting to clearly and simultaneously communicate with each other.

(10) A member participating in a general meeting as permitted under sub-clause (9) is taken to be present at the meeting and, if the member votes at the meeting, is taken to have voted in person.

## **27. 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 250 of the Act, on the written requisition of the number of active members of the co-operative who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the co-operative; or

c. if approved by the members by ordinary resolution.

## **28. 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.

## **29. Special and ordinary resolutions**

(1) A special resolution is a resolution which is passed in accordance with sections 239 and 240 of the Act -

a. by a two-thirds majority at a general meeting of members; or by a two-thirds majority in a postal ballot (other than a special postal ballot) of members; or

b. 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 242(2) of the Act.

### **30. Board of directors**

(1) There shall be a board of between six (6) and nine (9) directors. Not more than two (2) employees (whether members or not) can be elected or appointed as directors at any one time.

(2) A director must be:

- a. a natural person; and
- b. not less than 18 years of age.

### **31. Qualifications of directors**

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

- a. an active member of the co-operative; or
- b. a person qualified as set out in Appendix 3 ("independent director").

(2) In accordance with section 174 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 181 of the Act.

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

### **32. Retirement of directors**

(1) At each annual general meeting of the co-operative three of the directors shall retire from office.

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

(3) The directors to retire in any one year are, subject to the provisions as to the filling of casual vacancies, those that have been longest in office since their last election and if there are 2 or more directors who became directors on the same day, those who retire must be determined by lot unless they otherwise agree among themselves.

(4) Subject to sub-clauses (5) and (6), a retiring director is eligible for re-election.

(5) Subject to sub-clause (6), a director who has served on the board for a period of nine consecutive years after the adoption by the co-operative of this Constitution is ineligible to hold the position of director between the period ending the nine consecutive years and one year thereafter.

(6) The nine years period referred to under sub-clause (5) is not to include any time a director held the position of director before the adoption of this Constitution.

### **33. Election of directors**

(1) At least 6 weeks before an annual general meeting, the board shall cause a notice to be displayed at the reception desk of each clinic of the co-operative inviting nominations of candidates for election as directors. Where a member has provided an email address, notice is to be sent by email to that member.

(2) The notice shall:

- a. notify all members of the number of directors retiring at the annual general meeting; and
- b. state that the following information and nomination form can be obtained from the premises of the co-operative:
  - i. the duties and responsibilities of a director; and
  - ii. the anticipated remuneration (if any); and
  - iii. the nomination and election procedures.

(3) Such nominations other than in the case of retiring directors must:

- a. be signed by 2 or more members; and
- b. be endorsed by a simple majority of the board; and
- c. provide details of the qualifications and experience of the person nominated; and
- d. provide a signed declaration that the candidate:
  - i. is not a bankrupt; and
  - ii. their property is not subject to control under the law relating to bankruptcy; and
- e. be accompanied by a notice in writing signed by the candidate agreeing to his or her nomination.

(4) Retiring directors shall be deemed to have been nominated unless they notify the co-operative to the contrary or they are rendered ineligible through the operation of rule 32(5).

(5) The nomination and the notice referred to in the sub-clause (3) must be lodged at the registered office of the co-operative at least 21 days before the annual general meeting.

(6) In the event of a ballot, the following details of each person who has been nominated must be given to members with the ballot paper:

- a. name; and
- b. qualifications and experience; and
- c. length of any previous service as a director of the co-operative or with any other co-operative.

### **34. 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 vacancy as a casual vacancy and shall be filled in accordance with clause 35.

### **35. Casual vacancy**

(1) If there is a casual vacancy in the office of director under section 179 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.

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

1. A director may be removed from office before the end of the director's period of office by –
  - a. the passing of an ordinary resolution to that effect; or
  - b. subject to sub-clause (2), the carrying of a motion to that effect by at least two thirds of directors during a meeting of the board of directors.
2. A motion to remove a director is invalid unless the resolution or motion attaches evidence of a breach of director duties, such as –

- a. Failing to exercise director powers and duties with the care and diligence that a reasonable person would have, which includes taking steps to ensure the director is properly informed about the financial position of the cooperative and ensuring the cooperative doesn't trade if it is insolvent;
- b. Failing to exercise director powers and duties in good faith in the best interests of the cooperative and for a proper purpose;
- c. Improperly using the director position to gain an advantage for the director or someone else, or to cause detriment to the cooperative;
- d. Improperly using information obtained through the director position to gain an advantage for the director or someone else, or to cause detriment to the cooperative; or
- e. Breaching the confidentiality of board communications except in cases to reveal matters of serious abuse of power or irresponsible governance;

AND

Prior to the passing of the resolution or carrying of the motion, the director who is subject to the removal action is provided reasonable opportunity to answer the allegation.

### **37. Remuneration**

A director of the co-operative must not be paid any remuneration for services as a director.

### **38. Delegation by board**

In accordance with section 178 of the Act, the board may, by resolution, delegate the exercise of such of the board's functions (other than this power of delegation) as are specified in the resolution-

- a. to a director; or
- b. to a committee of 2 or more directors; or
- c. to a committee of members of the co-operative and other persons if members comprise the majority of persons on the committee.

### **39. Proceedings of the board**

- (1) Meetings of the board are to be held as often as may be necessary for properly conducting the business of the co-operative and must in any case be held at least every three months.
- (2) Questions arising at any meeting shall be decided by a majority of votes.
- (3) In the case of an equality of votes, the chairperson 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.
- (6) A board member who is not physically present at a board meeting may participate in the meeting by the use of technology that allows that board member and the board members present at the meeting to clearly and simultaneously communicate with each other.
- (7) A board member participating in a board meeting as permitted under sub-clause (6) is taken to be present at the meeting and, if the member votes at the meeting, is taken to have voted in person.

### **40. Quorum for board meetings**

The quorum for a meeting of the board is five (5).

### **41. Chairperson of board**

- (1) The chairperson of the board shall be elected at the first board meeting after each 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-clause (2) presides at the board meeting until the time that the chairperson attends and is willing to act. The board may by ordinary resolution remove the chairperson from office.

## **42. Financial year**

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

## **43. Seal**

- (1) The co-operative may have a common seal.
- (2) If the co-operative has a common seal, then it must ensure, in accordance with section 223 of the Act, that the name of the co-operative appears in legible character on its common seal.
- (3) If the co-operative has a common seal, it must be kept at the registered office of the co-operative in such custody as the board directs.
- (4) Two directors must be present when the common or official seal is affixed to an instrument by another person and must sign the instrument so sealed.

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

A person is entitled to make a copy of entries in a register specified in section

214(1) of the Act:

- a. if the copy is a photocopy or electronic copy, on payment of a fee of \$1 per page to a maximum of \$20; and
- b. in any other case, free of charge.

## **45. Banking**

- (1) The board must ensure that -
  - a. a banking account or accounts are kept in the name of the co-operative; and
  - b. all money received by the co-operative is paid into that account or those accounts as soon as possible after it is received.
- (2) All cheques drawn on such accounts and all drafts, bills of exchange, promissory notes, and other negotiable instruments for and on behalf of the co-operative, must be signed by any two directors or any one director and a person authorised by the board from time to time.

#### **46. Safekeeping of securities**

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

#### **47. Audit**

(1) The accounts of the co-operative must be audited in accordance with Division 4 of Part 3.3 of the Act and the regulations made under that Division.

(2) Auditors must be appointed in accordance with Division 12 of Part 3.3 of the Act to audit the accounts of the co-operative.

(3) Audits must be carried out annually.

#### **48. Co-operative funds**

(1) Except for sub-clause (3), the funds and property of the co-operative shall be applied solely towards the carrying out and promotion of its objects and no part shall be paid or transferred directly or indirectly by way of discount, rebate or otherwise by way of profit to members of the co-operative.

(2) There must be no return or distribution on surplus to members

(3) A part of the surplus not exceeding 50% arising in any year from the business of the co-operative may be applied for charitable purposes at the board's discretion.

#### **49. Provision for loss**

Subject to section 355 of the Act, the board may resolve to retain part of the surplus arising from the business of the co-operative in any year to be applied to meet any loss on the transactions of the co-operative.

## **50. Winding up**

(1) The winding up of the co-operative shall be in accordance with Part 4.5 of the Act.

(2) If, on the winding up or dissolution of the co-operative, any property remains after the satisfaction of all its debts and liabilities and the costs, expenses and charges of the winding up, that property -

a. must not be paid to or distributed among the members; and

b. must be given or transferred to an institution -

i. which has objects similar to those of the co-operative; and

ii. whose constitution prohibits the distribution of property among its members; and

c. which has been chosen by the members of the co-operative at or before the time of dissolution.



## **Appendix 1**

### **Primary activity -**

In accordance with Part 2.6 of the Act, the primary activity of the co-operative is to provide health services to members.

## Appendix 2

**This form can be used for a transfer of debentures.**

I, A.B ( the transferor ) of.....

in the State of.....

in consideration of the sum of \$ .....

paid to me by C.D.( the transferee ) of.....

in the State of.....

transfer to the transferee **debenture or debentures**

numbered.....

in the Westgate Health Co-operative 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

**debenture or debentures** subject to the conditions previously referred

to in this document.

Dated this ..... day of ..... 19.....

Signed by

.....transferor.

In the presence of..... witness.

.....witness address

Signed by

.....transferee.

In the presence of..... witness.

.....witness address.

## **Appendix 3**

### **Qualifications of an independent director -**

A person who has experience or expertise in an area relevant to the business of the co-operative and is not an employee of the co-operative.