

**RULES OF**

**Pigweed Food Co-operative Ltd**

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**A Non-Trading Co-operative with Share Capital**

**REGISTERED UNDER THE CO-OPERATIVES ACT 1992 (N.S.W.)**

**REGISTRY OF CO-OPERATIVES & ASSOCIATIONS**

154 Russell Street  
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**(Code: Model/NT/S: 05/2006)**

### ***General statement on rules and their legal effect***

These rules have the effect of a contract under seal between the co-operative and each of its members, as well as between a member and each of the other members. Each member, office-bearer, and director must agree to observe and perform the requirements of the rules applicable to them.

The rules should be read in conjunction with the current provisions in the *Co-operatives Act 1992 (NSW)* and the Regulation to that Act. The Act and the Regulation are available for inspection at the registered office of the co-operative and can be accessed by members, prospective members and the public.

The Schedules provide information specific to the co-operative and are linked to the rules. The rules and Schedules should be read together.

In the application of a rule, the interpretation that would best achieve the purpose of the rule and the objects of the co-operative, as well as co-operative principles, is to be used in preference to any other interpretation.

## **Schedule 1**

### **Part 1 - Name of co-operative**

### **[Rule 1.3](#)**

The name of the co-operative is:

Pigweed Food Co-operative Ltd.

### **Part 2 - Objects**

### **[Rule 1.4](#)**

The objects of the co-operative are:

a) to provide a retail source of wholefoods so that members may have some control over the sources of their food supply;

b) to provide information on and promote the use of

- i) low-cost, ethically-produced wholefoods
- ii) bulk minimally packaged foods
- iii) cruelty-free foods,
- iv) vegetarian foods,
- v) vegan foods,
- vi) organic and biodynamic foods
- vii) chemical free and insecticide free foods
- viii) genetically-modified-free foods;
- ix) local foods
- x) Indigenous foods
- xi) Fairtrade foods
- xii) healthy and nutritious foods
- xiii) farmer direct foods
- xiv) nano free foods
- xv) non irradiated foods
- xvi) gluten free foods
- xvii) heirloom varieties and biodiversly rich foods
- xviii) foods produced by other co-operatives
- xix) socially, environmentally and ethically just and responsible foods

c) to play an active role in reshaping the food system and creating a socially and environmentally just food system as we believe in the principles of food democracy and food sovereignty.

d) to run an ethical, not-for-profit sustainable business;

e) to support waste minimisation and resource efficiency through avoidance, reduction, reuse and recycling

f) to support other cooperatives whose objects are similar or related to the objects of the cooperative; and

g) to stimulate community development, foster community spirit and promote sustainable living.

### **Part 3 - Active membership provision**

#### **[Rule 2](#)**

The primary activity(ies) of the co-operative is/are:

to provide members with a retail source of environmentally, socially and ethically responsible vegetarian wholefoods (that are organic and minimally packaged wherever possible and practical) in a manner that promotes a participatory, egalitarian, democratic, ethical, environmentally and socially just sustainable society;

In order to establish active membership of the co-operative a member must:

pay the annual subscription in accordance with Rule 7.2 a) ii).

### **Part 4 – Member qualifications**

#### **[Rule 3.1](#)**

The qualifications for membership of the co-operative are:

Only natural persons qualify for membership of the co-operative.

There shall be no joint memberships.

### **Part 5 – Period of inactivity prior to cancellation**

#### **[Rule 5.1\(a\)](#)**

The period of inactivity prior to cancellation is:

11 months.

## Schedule 2

### Schedule of fees

Annual subscription (maximum):	\$100	<a href="#">Rule 7.2(a)</a>
Duplicate share statement:	\$100	<a href="#">Rule 24.4(b)</a>
Entrance fee (maximum):	\$100	<a href="#">Rule 7.1(a)</a>
Maximum fine:	\$100	<a href="#">Rule 8</a>
Transfer of debentures:	\$ 100	<a href="#">Rule 16(e)</a>
Transfer of shares:	\$ 100	<a href="#">Rule 29.1(f)</a>

## **Schedule 3**

### **Part 1 – Requisition of general meetings**

[Rule 20.2](#)

The required percentage of members to requisition a general meeting is:

5%

### **Part 2 - Quorum at general meetings**

[Rule 21.2\(a\)](#)

The number of members required for a quorum is:

10

## **Schedule 4**

### **Part 1 - Number of directors, composition of the board and term of office of directors** [Rule 11.1\(a\)](#)

The number of directors of the co-operative is:

Minimum of three (3) and a maximum of seven (7). If, at the annual general meeting, seven (7) or fewer than seven (7) members nominate to be directors, they shall be deemed to be elected, as specified in Rule 11.3, and this number be the number of directors for the purposes of Rule 11.1a). If, at some later stage, people stand forward to fill casual vacancies, that increased number shall be the number of directors for the purposes of Rule 11.1a).

The positions on the board shall consist of:

Chair and Secretary.

The term of office of a director is:

One (1) year. A retiring director shall be eligible for re-election, subject to the person holding the qualification specified in Rule 11.2) except if the retiring director has held the position for ten (10) consecutive years at the time of the annual general meeting, unless there remain vacancies on the board after the nominations have been called.

### **Part 2 – Qualifications of independent directors** [Rule 11.2\(d\)](#)

The qualifications for independent directors are:

There shall be no independent directors. A person is not eligible to be elected as a director the co-operative unless the person is an active member of the co-operative (active member director).

### **Part 3 - Retirement of directors** [Rule 11.7\(a\)](#)

The directors shall retire as follows:

All directors shall retire at the annual general meeting.





## **Schedule 5**

### **Part 1 – Nominal value of shares**

[Rule 24.1\(a\)](#)

The nominal value of each share is: \$10.

### **Part 2 – Minimum share holding**

[Rule 24.2](#)

The minimum number of shares a member must hold is: 1 share.

## ***Schedule 6 - Changes to the model rules***

Replace model rule 4.1 with the following

4.1 The members of the co-operative are those natural persons who:

- a) signed the application for registration of the co-operative; or
- b) are admitted to membership by the board;

Replace model rule 7.1 b) with the following

- b) Entrance fees are not wholly or partially refundable.

Replace model rule 7.2 a) with the following

a) Members may be required to pay an annual subscription which shall:

- i) be in addition to any other charges payable under the rules;
- ii) be determined by the board from time to time, with the annual subscription cost to be announced at the annual general meeting (regardless of whether it is increased or not) in accordance with Rule 20.8;
- iii) be payable, in advance, within the period set by the board; and
- iv) not exceed the sum specified in Schedule 2 in any financial year.

Replace model rule 7.2 c) with the following

c) Any annual subscriptions paid by a member are not refundable and a member whose membership ceases may not have their pre-paid subscriptions refunded.

Replace model rule 11.2 with the following

11. 2 Qualifications of directors

- a) A person is eligible to be elected as a director of the co-operative provided the person is

an active member of the co-operative (active member director);

b) There shall be no independent directors, as specified in Part 2 of Schedule 4.

Replace model rule 11.3 with the following

### 11.3 Election of directors

a) Directors will be elected in the manner specified in this rule. At an annual general meeting at which a director retires, each vacated office may only be filled in the manner specified in this rule.

b) At least 21 days before an annual general meeting, the board must:

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

ii) advise members of:

A) their eligibility to nominate as a director;

B) the duties and responsibilities of a director;

C) the anticipated numeration (if any); and

D) the nomination and election procedures.

c) A notice must also be displayed at the place of business of the co-operative inviting nomination of nominees to serve as directors.

d) A nomination must be proposed by one (1) member at the annual general meeting and seconded by one (1) or more members at the annual general meeting. The nominee must consent to the nomination at the annual general meeting. This will be recorded in the minutes.

e) Nominees shall provide members present at the annual general meeting with the following details:

i) name;

ii) qualifications and experience; and

iii) length of any previous service as a director of the co-operative or of any other co-operative

which shall be recorded in the minutes.

f) Where the number of nominees is less than or equal to the maximum number of vacancies, the nominees will be declared elected at the annual general meeting.

g) Where the number of nominees exceeds the maximum number of vacancies, the election

of directors shall be conducted at the meeting by ballot as follows:

- i) a returning officer is elected at the meeting. The directors, secretary or anyone who has an interest in the election, are not eligible to be the returning officer;
- ii) all nominees are to be listed on the ballot form in alphabetical order;
- iii) the returning officer is responsible for determining the validity of and counting of the votes;
- vi) if there is an equality of votes, the outcome shall be determined by lot; and
- vii) the returning officer is to declare the election results
- h) If any vacancies remain at the end of the meeting, such vacancies shall be casual vacancies and shall be filled in accordance with Rule 11.6.

Rule 11.7 b) DELETED

Replace model Rule 12.1 b) with the following

b) Questions arising at any meeting will be decided by consensus. If it is not possible to reach consensus, the decision will be deferred to the next meeting unless it is an urgent decision that cannot be deferred. If consensus cannot be reached at a second meeting, the decision in question shall be decided using a 2/3 majority vote. Urgent decisions that cannot be deferred from a first meeting shall be decided using a 2/3 majority vote.

Replace model Rule 12. 1 c) with the following

- c) The quorum for a meeting of the board shall be:
- i) three (3) directors when there are five (5) or less currently elected directors; or
  - ii) 50% of the number of directors when there are more than five (5) currently elected directors.

Replace model Rule 12.4 c) with the following

c) Directors present at any meeting shall have their names included in the attendance section of the minutes.

Replace model Rule 12.4 d) with the following

d) The minutes of the board meeting shall be kept in the English language and be available for inspection by members.

Replace model Rule 14.1 c) with the following

c) Any amount not exceeding ten (10) percent of the surplus arising in any year from the business of the co-operative may be applied to any charitable purpose providing it fits the objects of the co-operative.

Replace model Rule 14.2 c) with the following

c) The board shall make available all documents required to be submitted to each member at least 21 days before the annual general meeting of the co-operative, by:

i) sending a copy to each member; or

ii) giving members notice that the documents are available for inspection at the registered office of the co-operative.

Replace model Rule 17 with the following

#### 17. Financial Year

The financial year of the co-operative shall end on January 31 each year.

Replace model Rule 20.3 with the following

#### 20.3 Notice of general meetings

a) Any member who has a resolution to submit to a general meeting shall give written notice of the terms of the resolution to the co-operative not less than 28 days prior to the date of the meeting.

b) Any member who has a special resolution to submit to a general meeting shall give written notice of the terms of the resolution to the co-operative not less than 28 days prior to the date of the meeting.

Replace model Rule 20.6 d) with the following

d) As there are no joint memberships and no joint share holding, there is no need to specify how notice may be given by the co-operative to joint members.

Replace model Rule 21.5 d) with the following

d) A member of the co-operative is not entitled to vote at a meeting of the co-operative:

- i) if the person is not an active member of the co-operative; or
- ii) the person is excluded from voting under the Act or these rules.

Replace model Rule 21.5 f) with the following

f) As there are no joint memberships, there is no need to specify the voting rights of joint members and how their votes may be exercised.

Replace model Rule 21.8 with the following

#### 21.8 Proxy votes

There shall be no proxy votes.

Rule 21.9 DELETED

Rule 21.10 DELETED

Replace model Rule 24.3 with the following

#### 24.3 Applications for additional shares

Members may hold a maximum of one (1) share each so there shall be no applications for additional shares.

Replace model Rule 25.1 a) with the following

a)

i) only members may hold shares in the co-operative; and

ii) members may only hold one (1) share in the co-operative; and

iii) no person, whether or not a member, shall hold or have a relevant interest in more than 20% of the nominal value of issued share capital of the co-operative, except in accordance with section 289 of the Act.

Replace model Rule 29.1 b) with the following

b) Shares may only be transferred:

i) on the death of a member; or

ii) if a member becomes incapacitated; or

iii) if a member is declared bankrupt.

Shares can be transferred in the form given in Appendix 2 to these rules or any other form which the board shall approve.

APPENDIX 1 DELETED