



Unit 21, 17 Cairns Street
Loganholme, Queensland
PO Box 1628, OXENFORD QLD 4210
Ph: (07) 3077 7070 Fax: (07) 3806 1845
Email: secretary@qldlifestyle.com.au

11 February 2021

Member No: 1

Mr David Michael Mitchell
11 Bluejay Street
Burleigh Waters QLD 4220
Attn: Mr David Mitchell

Dear David,

RE: NOTICE OF 2020 ANNUAL GENERAL MEETING

We wish to invite you to the 2020 Annual General Meeting of the Cooperative to be held at 10.00am on Thursday 25 February 2021 at our offices. The formal Notice of the meeting is attached.

To assist with catering it would be appreciated if you could email if you will be attending.

Note to vote at the meeting your membership status must be as an Active Member and be over 18 years old. If you are an Active Member over 18 years of age but are unavailable to attend, you may lodge a Proxy Form.

Your current Membership status is: Active.

To assist you the following is a summary of the business of the meeting;

Previous Minutes – Confirm the minutes of the last general meeting, in this case the 2019 AGM.

Annual Report – Receive Directors' Report/Declaration, Audit Report and 2020 Financial Statements.

Dividend/Rebate/Bonuses – Decide on the returns to Members (none recommended by the board).

Directors – Elect directors and decide the director's remuneration.

Special Business – Given the number of directors elected at this meeting, consideration of the number of Directors.

This is the first AGM held under the new Co-operatives National Law (Queensland) that came into effect on 1 December 2020 so please read the notice carefully.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Len O'Mara', is written over a light blue horizontal line.

Len O'Mara
Secretary

Note: Proxy Forms must be emailed to secretary@qldlifestyle.com.au, posted to the PO Box, delivered to the Registered Office or faxed by the due time and date as noted in the Notice to be valid.

NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS

Notice is hereby given that an Annual General Meeting of Members of the Queensland Lifestyle Cooperative Limited ("AGM") is to be held at 10.00am on Thursday 25 February 2021 at Unit 21, 17 Cairns Street, Loganholme Queensland ("Meeting") to conduct the following:

BUSINESS

Ordinary Business

Item

1. PREVIOUS MINUTES

To receive, consider, and if thought fit, to pass, with or without modification and/or supplementation, the following as an ordinary resolution:

"That, the minutes of the AGM held 28 February 2020 tabled at this Meeting be confirmed."

2. ANNUAL REPORT

To receive, consider and if thought fit, to pass, with or without modification and/or supplementation, the following as an ordinary resolution:

"That, the Financial Statements, the Directors' Report and the Independent Audit Report for the year ended 30 June 2020 tabled at this Meeting be received and adopted."

3. DIVIDEND/BONUS/REBATE

To consider, and if thought fit, to pass, with or without modification and/or supplementation, the following as an ordinary resolution:

"That, no dividend/bonus or rebate be declared for the year ended 30 June 2020"

4. ELECTION OF DIRECTORS AND DIRECTOR'S REMUNERATION

Under the Rules two directors must retire at each AGM by rotation as required. Mr Kevin Doodney resigned during the year (his position wasn't able to be filled) and Mr Leonard O'Mara retires by rotation.

Nominations for the vacant directorships were called from Members and as Mr O'Mara is the only nomination for the vacant directorships (Nominations - Attachment 1) under CNR cl. 47. (7) he will be declared elected at the AGM and nominations from Members to fill the remaining vacancy will be called from the floor and a ballot held if required (important read Information on Directorships – Attachment 2).

5. DIRECTOR'S REMUNERATION

To consider, and if thought fit, to pass, with or without modification and/or supplementation, the following as an ordinary resolution:

"It is ratified that, 100 shares in the Cooperative be allocated free of charge to each of the Directors for the year ending 30 June 2021 and that the 2021 Annual Subscription Fees be waived for each current Director"

Special Business

6. NUMBER OF DIRECTORS

Given the Directors elected pursuant to Item 4. at this meeting, consideration of the number of Directors.

By Order of the Board of Directors



Len O'Mara
Secretary

NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS **- EXPLANATORY MEMORANDUM**

Introduction

The following provides information and explanation of each resolution and with the other attachments to the Notice should be read with and form part of the Notice. An ordinary resolution is one passed by a simple majority of votes.

Definitions

“**Act**” means the Co-operatives National Law Act 2020 (Queensland).

“**AGM**” means an annual general meeting of the Cooperative.

“**Annual Report**” means the Financial Statements, the Director’s Report, Directors’ Declaration and the Independent Audit Report of the Cooperative for the year ended 30 June 2020 to be tabled at this Meeting.

“**Board**” or “**Board of Directors**” means the Directors of the Cooperative.

“**CNL**” means the Co-operatives National Law, as in force from time to time, set out in the appendix to the Co-operatives (Adoption of National Law) Act 2012 NSW) as modified by the Act and as so applying may be referred to as Co-operatives National Law (Queensland).

“**CNR**” means the National Regulation under the Co-operatives National Law, as in force from time to time, as modified by the Act and as so applying may be referred to as Co-operatives National Regulation (Queensland).

“**Cooperative**” mean Queensland Lifestyle Cooperative Limited QC0318.

“**Director(s)**” means a director(s) of the Cooperative.

“**Financial Statements**” means the Cooperative’s financial reports year ended 30 June 2020 tabled at this AGM.

“**Letter**” means the letter preceding the Notice which should be read with and forms part of the Notice.

“**Member(s)**” means a member(s) of the Cooperative.

“**Minutes**” means the minutes of the previous general meeting of the Cooperative to be tabled at this Meeting.

“**Notice**” means this Notice of the Annual General Meeting of Members of the Cooperative to be held at 10.00am on Thursday 25 February 2021 including the preceding letter to Members, Proxy Form and Attachments.

“**Proxy**” means the Proxy Form attached to this Notice which forms part of this Notice.

“**Rule(s)**” means the rule(s) of the Cooperative.

Item 1. - PREVIOUS MINUTES

Rule 34.(1) (a) require the Members to confirm the minutes of the previous AGM held 28 February 2020 (copy at www.qldlifestyle.com.au/forms-and-legislative-requirements).

Item 2. - ANNUAL REPORT

Rule 34.(1) (b) requires the Members to receive from the board, auditors or any other officers of the Cooperative reports as at 30 June at an AGM and the state of affairs of the Cooperative.

Item 3. - DIVIDEND/BONUS/REBATE

Rule 34.(1) (c) requires the Members to decide on the dividend, bonus and rebate provided to Members for each year at an AGM. The board have recommended no dividend, bonus or rebate for the year 30 June 2020.

Item 4. - ELECTION OF DIRECTORS

Rule 34. (1) (d) requires the Members elect directors as required at an AGM and decide remuneration. Rule 48 requires that two (2) directors must retire by rotation at an AGM. Mr Kevin Doodney resigned during the 2020 year and Mr Leonard O’Mara retires by rotation at this AGM.

Nominations for the vacant directorships were called for from Members and as Mr O’Mara is the only nomination under CNR cl. 47. (7) he will be declared elected at the AGM and nominations from Members to fill the remaining vacancy will be called from the floor and a ballot held if required.

Item 5. - DIRECTOR’S REMUNERATION

A resolution was approved at the 2012 AGM that “each Director could be allocated 100 fully paid shares in the Cooperative free of charge for each board meeting attended in the past or the future assignable at the discretion of the Director, such incentive to be increased by the Board to 200 shares per meeting any time after 12 months from the date of this Annual General Meeting for meetings after this period if the Board considers it financially responsible and also that the Annual Subscription fee of the Cooperative be waived for any Director acting when the fee is due in lieu of any payment for the director’s services”.

The Board’s view is that it is reasonable to continue with the 100 shares as per previous years. Directors cannot vote on this resolution.

PROXY FORM (Appointment of Proxy)

I/We being Member No. (please insert) of the Cooperative and entitled to vote at the Annual General Meeting of the Cooperative to be held at 10.00am on Thursday 25 February 2021 hereby appoint:

☐ the Chairman of the Meeting (mark with 'X') **OR** ☐ Member No. Write the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

or failing the person named, or if no person named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting and any adjournments of the meeting on my/our behalf, as the proxy sees fit.

PLEASE SIGN HERE This section must be signed in accordance with the instructions overleaf to enable your directions.

Individual or Joint Member 1

Sole Director/Company Secretary

Joint Member 2

Director

Joint Member 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone No.

Date

/ /

INSTRUCTIONS FOR PROXY FORM (Appointment of Proxy)

(For guidance only and proxy forms are ultimately subject to the Co-operatives National Law Act 2020 (Queensland) and the Rules of the Cooperative)

1. A proxy must be an active member of the Cooperative not under the age of 18 years old.
2. No person can act as proxy for more than 10 Members, unless the proxy acts under an instrument which states the way in which the proxy is to vote in relation to a particular resolution
3. Joint Members only have 1 vote between them.
4. An instrument appointing a proxy must not be treated as valid until the instrument, and the power of attorney or other authority (if any) under which the instrument is signed, or a notary certified copy of the power or authority, is or are deposited, at least 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
5. You must sign this form as follows in the spaces provided:
 - Individual: where the holding is in one person's name the Individual must sign.
 - Joint Holding: where the holding is in more than one name all of the Joint Member should sign.
 - Power of Attorney: to sign under Power of Attorney, you must concurrently lodge or have already lodged the original Power of Attorney or copy certified by a notary with the Cooperative.
 - Companies: where the company has a Sole Director who is also the Sole Company Secretary, the proxy form must be signed by that person. If the company (pursuant to the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the meeting the appropriate Certificate of Appointment of Corporate Representative must be produced prior to admission.
6. This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address/PO Box/number given below no later than 48 business hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies must be received by the Cooperative no later than 10.00am Tuesday 23 February 2021 in order to be valid:

IN PERSON Unit 21, 17 Cairns Street, Loganholme Qld 4129

BY MAIL PO Box 1628, Oxenford Qld 4210

BY FAX 07 3806 1845

BY EMAIL: secretary@qldlifestyle.com.au

ATTACHMENT 1

NOMINATIONS FOR DIRECTORSHIPS

To: Queensland Lifestyle Co-operative Limited QC0318

We nominate Mr Leonard Timothy O'Mara for the position of board member of the Queensland Lifestyle Co-operative Limited QC0318 to be considered at the 2020 Annual General Meeting.



David Michael Mitchell
Member No. 1



Kenneth James Mitchell
Member No. 7

I consent to being nominated for election and if elected acting as a director of the Cooperative.

My details are:

Full Name: Leonard O'Mara

Address: 11 The Promenade, Hendra QLD 4011

Date of Birth: 13 February 1956

Qualifications: Bachelor of Business (Queensland University of Technology)
Master of Business Administration (University of Queensland)

Director and Secretary of Queensland Lifestyle Cooperative Limited QC0318 since
2011

Date: 11 January 2021



Leonard Timothy O'Mara
Member No. 3

ATTACHMENT 2

INFORMATION ON DIRECTORSHIPS

Rule – 50.(b)

A director must not absent themselves from 3 consecutive ordinary meetings of the board without its leave

Rule - 54.1

Board meetings must be held at least quarterly.

(Board meetings are normally held at the registered offices of the Cooperative and when directors aren't able to physically attend they can participate via video conferencing or telephone.)

Division 4 Duties and liabilities of directors, officers and employees**192 Care and diligence—civil obligation only** (of Corporations Act s 180)**(1) Care and diligence—directors and other officers**

A director or other officer of a co-operative must exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise if they:

- (a) were a director or officer of a co-operative in the co-operative's circumstances; and
- (b) occupied the office held by, and had the same responsibilities within the co-operative as, the director or officer.

Note. This subsection is a civil penalty provision (see section 554).

(2) **Business judgment rule**

A director or other officer of a co-operative who makes a business judgment is taken to meet the requirements of subsection (1), and their equivalent duties at common law and in equity in respect of the judgment, if they:

- (a) make the judgment in good faith for a proper purpose (taking into account the co-operative principles where relevant and other relevant matters); and
- (b) do not have a material personal interest in the subject matter of the judgment; and
- (c) inform themselves about the subject matter of the judgment to the extent they reasonably believe to be appropriate; and
- (d) rationally believe that the judgment is in the best interests of the co-operative.

The director's or officer's belief that the judgment is in the best interests of the co-operative is a rational one unless the belief is one that no reasonable person in their position would hold.

Note. This subsection only operates in relation to duties under this section and their equivalent duties at common law or in equity (including the duty of care that arises under the common law principles governing liability for negligence)—It does not operate in relation to duties under any other provision of this Law or under any other laws.

(3) In this section:

business judgment means any decision to take or not take action in respect of a matter relevant to the business operations of the co-operative.

193 Good faith—civil obligations (cf Corporations Act s 181)

(1) **Good faith—directors and other officers**

A director or other officer of a co-operative must exercise their powers and discharge their duties:

- (a) in good faith in the best interests of the co-operative; and
- (b) for a proper purpose.

Note. This subsection is a civil penalty provision (see section 554).

(2) A person who is involved in a contravention of subsection (1) contravenes this subsection.

Note 1. This subsection is a civil penalty provision (see section 554).

Note 2. Section 9 defines "involved" in a contravention.

194 Use of position—civil obligations (cf Corporations Act s 182)

(1) **Use of position—directors, other officers and employees**

A director, secretary, other officer or employee of a co-operative must not improperly use their position to:

- (a) gain an advantage for themselves or someone else; or
- (b) cause detriment to the co-operative.

Note. This subsection is a civil penalty provision (see section 554).

(2) A person who is involved in a contravention of subsection (1) contravenes this subsection.

Note 1. This subsection is a civil penalty provision (see section 554).

Note 2. Section 9 defines "involved" in a contravention.

195 Use of information—civil obligations (cf Corporations Act s 183)

(1) Use of information—directors, other officers and employees

A person who obtains information because they are, or have been, a director or other officer or employee of a co-operative must not improperly use the information to:

- (a) gain an advantage for themselves or someone else; or
- (b) cause detriment to the co-operative.

Note. This subsection is a civil penalty provision (see section 554).

(2) The duty under subsection (1) continues after the person stops being a director or other officer or employee of the co-operative.

(3) A person who is involved in a contravention of subsection (1) contravenes this subsection.

Note 1. This subsection is a civil penalty provision (see section 554).

Note 2. Section 9 defines "involved" in a contravention.

196 Good faith, use of position and use of information—criminal offences (cf Corporations Act s 184)

(1) Good faith—directors and other officer

A director or other officer of a co-operative commits an offence if they:

- (a) are reckless; or
 - (b) are intentionally dishonest;
- and fail to exercise their powers and discharge their duties:
- (c) in good faith in the best interests of the co-operative; or
 - (d) for a proper purpose.

(2) Use of position—directors, other officers and employees

A director, other officer or employee of a co-operative commits an offence if they use their position dishonestly:

- (a) with the intention of directly or indirectly gaining an advantage for themselves, or someone else, or causing detriment to the co-operative; or
- (b) recklessly as to whether the use may result in themselves or someone else directly or indirectly gaining an advantage, or in causing detriment to the co-operative.

(3) Use of information—directors, other officers and employees

A person who obtains information because they are, or have been, a director or other officer or employee of a co-operative commits an offence if they use the information dishonestly:

- (a) with the intention of directly or indirectly gaining an advantage for themselves, or someone else, or causing detriment to the co-operative; or
- (b) recklessly as to whether the use may result in themselves or someone else directly or indirectly gaining an advantage, or in causing detriment to the co-operative.

Maximum penalty: \$200,000 or imprisonment for 5 years, or both.

197 Interaction of preceding sections with other laws (cf Corporations Act s 185)

Sections 192–196:

- (a) have effect in addition to, and not in derogation of, any rule of law relating to the duty or liability of a person because of their office or employment in relation to a co-operative; and
- (b) do not prevent the commencement of civil proceedings for a breach of a duty or in respect of a liability referred to in paragraph (a).

This section does not apply to section 192 (2) and (3) to the extent to which they operate on the duties at common law and in equity that are equivalent to the requirements of section 192 (1).

198 Indemnification and exemption of officer or auditor

(1) Exemptions not allowed (cf Corporations Act s 199A (1))

A co-operative or a related corporation must not exempt a person (whether directly or through an interposed entity) from a liability to the co-operative incurred as an officer or auditor of the co-operative.

(2) When indemnity for liability (other than for legal costs) not allowed (cf Corporations Act s 199A (2))

A co-operative or a related corporation must not indemnify a person (whether by agreement or by making a payment and whether directly or through an interposed entity) against any of the following liabilities incurred as an officer or auditor of the co-operative:

- (a) a liability owed to the co-operative or a related corporation;
- (b) a liability that is owed to someone other than the co-operative or a related corporation and did not arise out of conduct in good faith.

This subsection does not apply to a liability for legal costs.

(3) When indemnity for legal costs not allowed (cf Corporations Act s 199A (3))

A co-operative or related corporation must not indemnify a person (whether by agreement or by making a payment and whether directly or through an interposed entity) against legal costs incurred in defending an action for a liability incurred as an officer or auditor of the co-operative if the costs are incurred:

- (a) in defending or resisting proceedings in which the person is found to have a liability for which they could not be indemnified under subsection (2); or
- (b) in defending or resisting criminal proceedings in which the person is found guilty; or
- (c) in defending or resisting proceedings brought by the Registrar or a liquidator for a court order if the grounds for making the order are found by the court to have been established; or
- (d) in connection with proceedings for relief to the person under this Law in which the court denies the relief.

Paragraph (c) does not apply to costs incurred in responding to actions taken by the Registrar or a liquidator as part of an investigation before commencing proceedings for the court order.

(4) Meaning of outcome of proceedings (cf Corporations Act s 199A (4))

For the purposes of subsection (3), the outcome of proceedings is the outcome of the proceedings and any appeal in relation to the proceedings.

199 Insurance premiums for certain liabilities of director, secretary, other officer or auditor (cf Corporations Act s 199B)

- (1) A co-operative or a related corporation must not pay, or agree to pay, a premium for a contract insuring a person who is, or has been, an officer or auditor of the co-operative against a liability (other than one for legal costs) arising out of conduct involving a wilful breach of duty in relation to the co-operative.

Maximum penalty: \$500.

- (2) This section applies to a premium whether it is paid directly or through an interposed entity.

- (3) An offence based on subsection (1) is an offence of strict liability.

200 Certain indemnities, exemptions, payments and agreements not authorised and certain documents void (cf Corporations Act s 199C)

- (1) Sections 198 and 199 do not authorise anything that would otherwise be unlawful.
- (2) Anything that purports to indemnify or insure a person against a liability, or exempt them from a liability, is void to the extent that it contravenes section 198 or 199.

201 Application of Corporations Act—offences by officers of co-operatives

A co-operative is declared to be an applied Corporations legislation matter for the purposes of the Corporations application legislation of this jurisdiction in relation to Part 5.8 of the Corporations Act, subject to the following modifications:

- (a) section 589 (2) and (3) of the Corporations Act are taken to be omitted;
- (b) the reference in section 592 (1) (a) of the Corporations Act to 23 June 1993 is, if the Co-operatives National Law Act of this jurisdiction so provides, to be read as a reference to a date specified in that Act of this jurisdiction for the purposes of this paragraph;
- (c) the modifications referred to in section 13 (3) of this Law so far as they are relevant.

Note. See section 13, including Note 1 to that section.

202 Application of Corporations Act—employee entitlements

A co-operative is declared to be an applied Corporations legislation matter for the purposes of the Corporations application legislation of this jurisdiction in relation to Part 5.8A of the Corporations Act, subject to the modifications referred to in section 13 (3) of this Law so far as they are relevant.

Note. See section 13, including Note 1 to that section.

203 Directors' remuneration

A director of a co-operative must not receive remuneration for services as a director other than:

- (a) fees, concessions and other benefits approved at a general meeting of the co-operative; and
- (b) director's travelling and other expenses that the director properly incurs:
- (i) in attending meetings of the board of directors of the co-operative or any meetings of committees of directors of the co-operative; and
- (ii) in attending any general meetings of the co-operative.

Maximum penalty: \$24,000 or imprisonment for 2 years, or both.

204 Certain financial accommodation to officers prohibited

- (1) An officer of a co-operative who is not a director of the co-operative must not obtain financial accommodation from the co-operative other than:
 - (a) with the approval of a majority of the directors; or
 - (b) under a scheme about providing financial accommodation to officers that has been approved by a majority of the directors.Maximum penalty: \$24,000 or imprisonment for 2 years, or both.
- (2) For the purposes of this section, financial accommodation is taken to be obtained by an officer of a co-operative if it is obtained by:
 - (a) a proprietary company in which the officer is a shareholder or director; or
 - (b) a trust of which the officer is a trustee or beneficiary; or
 - (c) a trust of which a corporation is trustee if the officer is a director or other officer of the corporation.
- (3) A co-operative must not give financial accommodation to an officer of the co-operative if:
 - (a) by giving the financial accommodation, the officer would contravene this section; and
 - (b) the co-operative knows or should reasonably know of the contravention.Maximum penalty (for subsection (3)): \$50,000.

205 Financial accommodation to directors and associates

- (1) A co-operative must not provide financial accommodation to a director, or to a person the co-operative knows or should reasonably know is an associate of a director, unless:
 - (a) the accommodation is:
 - (i) approved under subsection (2); or
 - (ii) given under a scheme approved under subsection (2); or
 - (iii) provided on terms no more favourable to the director or associate than the terms on which it is reasonable to expect the co-operative would give if dealing with the director or associate at arm's length in the same circumstances; and
 - (b) the directors have approved the accommodation, at a meeting of the board at which a quorum was present, by a majority of at least two-thirds of the directors present and voting on the matter.Maximum penalty: \$50,000.
- (2) For the purposes of subsection (1) (a) (i) and (ii), financial accommodation or a scheme is approved if:
 - (a) it is approved by a resolution passed at a general meeting; and
 - (b) the full details of the accommodation or scheme were made available to members at least 21 days before the meeting.
- (3) A director or an associate of a director must not obtain financial accommodation given in contravention of subsection (1).
Maximum penalty: \$24,000 or imprisonment for 2 years, or both.
- (4) For the purposes of this section, a concessional rate of interest for a borrower from a co-operative is a normal term only if the borrower is entitled to the concession by being a member of a class of borrowers from the co-operative specified in its rules as being entitled to the concession.

- (5) If a director of a co-operative or an associate of a director accepts, in payment of a debt owed by a member of the co-operative to the director or associate, any proceeds of financial accommodation provided to the member by the co-operative, this section has effect as if the financial accommodation has been provided to the director or associate.
- (6) In this section, a reference to:
- (a) the provision of financial accommodation to a director or an associate of a director; or
 - (b) the obtaining of financial accommodation by a director or an associate of a director; or
 - (c) a debt owed to a director or an associate of a director;
- includes a reference to a provision of financial accommodation to, or an obtaining of financial accommodation by, the director or associate, or a debt owed to the director or associate, jointly with another person.
- (7) In this section:
- associate* of a director means:
- (a) the director's spouse or de facto partner; or
 - (b) a person when acting in the capacity of trustee of a trust under which:
 - (i) the director or director's spouse or de facto partner has a beneficial interest; or
 - (ii) a corporation referred to in paragraph (c) has a beneficial interest; or
 - (c) a corporation if:
 - (i) the director or director's spouse or de facto partner has a material interest in shares in the corporation; and
 - (ii) the nominal value of the shares is not less than 10% of the nominal value of the issued share capital of the corporation.
- (8) For the purposes of this section, a person has a *material interest* in a share in a corporation if:
- (a) the person has power to withdraw the share capital subscribed for the share or to exercise control over the withdrawal of the share capital; or
 - (b) the person has power to dispose of the share or to exercise control over the disposal of the share; or
 - (c) the person has power to exercise or to control the exercise of any right to vote conferred on the holder of the share.

206 Restriction on directors of certain co-operatives selling land to co-operative

A director of a co-operative, the primary activity of which is or includes the acquisition of land to settle or retain people on the land and of providing any community service or benefit, must not sell land to the co-operative except under a special resolution of the co-operative.

Maximum penalty: \$24,000 or imprisonment for 2 years, or both.

207 Management contracts

- (1) A co-operative must not enter into a management contract unless the contract has first been approved by special resolution.
- (2) A management contract entered into in contravention of subsection (1) is void.
- (3) In this section:

management contract means a contract or other arrangement under which:

- (a) a person who is not an officer of the co-operative agrees to perform the whole, or a substantial part, of the functions of the co-operative, whether under the control of the co-operative or not; or
- (b) a co-operative agrees to perform the whole or a substantial part of its functions:
 - (i) in a particular way; or
 - (ii) in accordance with the directions of any person; or
 - (iii) subject to stated restrictions or conditions.

Division 5 Declaration of interests

208 Declaration of interest

- (1) A director of a co-operative who is or becomes in any way, whether directly or indirectly, interested in a contract or proposed contract with the co-operative must declare the nature and extent of the interest to the board of directors under this section.

Maximum penalty: \$24,000 or imprisonment for 2 years, or both.

- (2) In the case of a proposed contract, the declaration must be made:
 - (a) at the meeting of the board at which the question of entering into the contract is first considered; or
 - (b) if the director was not at that time interested in the proposed contract—at the next meeting of the board held after the director becomes interested in the proposed contract.
- (3) If a director becomes interested in a contract with the co-operative after it is made, the declaration must be made at the next meeting of the board held after the director becomes interested in the contract.
- (4) For the purposes of this section, a general written notice given to the board by a director to the effect that the director:
 - (a) is a member of a stated entity; and
 - (b) is to be regarded as interested in any contract that may, after the giving of the notice, be made with the entity;

is a sufficient declaration.

- (5) A director of a co-operative who holds an office or has an interest in property whereby, whether directly or indirectly, duties or interests might be created that could conflict with the director's duties or interests as director must, under subsection (6), declare at a meeting of the board of directors the fact and the nature, character and extent of the conflict.

Maximum penalty: \$24,000 or imprisonment for 2 years, or both.

- (6) A declaration required by subsection (5) in relation to holding an office or having an interest must be made by a person:
 - (a) if the person holds the office or has the interest when he or she becomes a director—at the first meeting of the board held after whichever is the later of the following:
 - (i) the person becomes a director;
 - (ii) the relevant facts as to holding the office or having the interest come to the person's knowledge; or

- (b) if the person starts to hold the office or acquires the interest after the person becomes a director—at the first meeting of the board held after the relevant facts as to holding the office or having the interest come to the person's knowledge.
 - (7) If a director has made a declaration under this section, then, unless the board otherwise decides, the director must not:
 - (a) be present during any deliberation of the board in relation to the matter; or
 - (b) take part in any decision of the board in relation to the matter.
 - (8) For the purpose of the making of a decision of the board under subsection (7) in relation to a director who has made a declaration under this section, the director must not:
 - (a) be present during any deliberation of the board for the purpose of making the decision; or
 - (b) take part in the making by the board of the decision.
 - (9) Any vote cast in contravention of this section is not to be counted.
- 209 Declarations to be recorded in minutes**
- Every declaration under this Division is to be recorded in the minutes of the meeting at which it was made.
- 210 Division does not affect other laws or rules**
- Except as provided in section 211, this Division is in addition to, and does not limit, the operation of a rule of law or a provision in the rules of a co-operative restricting a director from having an interest in contracts with the co-operative or from holding offices or possessing properties involving duties or interests in conflict with his or her duties or interests as director.
- 211 Certain interests need not be declared**
- The interest in a contract or proposed contract that a director is required by this Division to declare does not include an interest in:
- (a) a contract or proposed contract for a purchase of goods and services by the director from the co-operative; or
 - (b) a lease of land to the director by the co-operative; or
 - (c) a contract or proposed contract for the sale of agricultural products or livestock by the director to the co-operative; or
 - (d) a contract or proposed contract that, under the rules of the co-operative, may be made between the co-operative and a member; or
 - (e) a contract or proposed contract of a class of contracts prescribed by the National Regulations for the purposes of this section;
- but only if the contract is made in good faith, in the ordinary course of the business of the co-operative, and on the terms that are usual and proper in similar dealings between the co-operative and its members.

Division 6 Co-operative's registers, books and returns

- 212 Registers to be kept by co-operatives**
- (1) A co-operative must keep the following registers under this section:
 - (a) a register of directors;
 - (b) a register of members (including their shareholding, if any);