



Australian Government

Office of the Registrar of Indigenous Corporations

THE RULE BOOK INFO KIT

'Know your rules.'

Encourage your members to learn about the rules of your corporation.



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Reprinted with minor corrections April 2011

About the rule book

Aboriginal and Torres Strait Islander groups can incorporate under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). As a corporation, they must create and abide by a constitution (the rule book).

The corporation's constitution

An Aboriginal and Torres Strait Islander corporation must have a written constitution, which at a minimum:

- sets out the corporation's name and objectives
- sets out a dispute resolution mechanism for disputes internal to the corporation.

The constitution may also:

- modify or replace some or all of the 'replaceable rules', and/or
- add other rules, provided they are workable and consistent with the Act
- change the way some of the set laws work for the corporation.

The corporation's constitution is effectively a contract:

- between the corporation and each member
- between the corporation and each director and corporation secretary
- between a member and each other member.

Replaceable rules

The CATSI Act adopts a framework of rules that can be replaced similar to the *Corporations Act 2001*.

These rules can be adopted as is or replaced with a rule that better suits the corporation's own needs and circumstances. The replaced rule cannot simply state that the replaceable rule does not apply—it must cover the subject matter of that rule.

They allow corporations to adopt good governance procedures or tailor their rule book to their particular circumstances.

Set laws

The set laws apply to all corporations and cannot be changed like a replaceable rule because they are part of the CATSI Act. They cover things that are essential for ensuring good governance, such as members being able to ask directors to call a general meeting.

Optional rules

Corporations can create extra rules that suit their circumstances, as long as they comply with the CATSI Act.

Scope and purpose of this rule book kit

This rule book:

- sets out the internal governance of Aboriginal and Torres Strait Islander corporations (including set laws and all replaceable rules), to provide the context and a framework for a corporation's rules
- addresses matters which must be covered by a corporation's constitution
- suggests some additional rules which Aboriginal and Torres Strait Islander corporations may adopt in their constitutions as a matter of good corporate governance practice.

However, this rule book does not summarise all of the provisions of the Act which may affect the operations of Aboriginal and Torres Strait Islander corporations (for example, it does not cover annual reporting obligations or directors' duties).

Also, if any rules set out in this rule book are inconsistent with the Act, the equivalent provisions in the Act take precedence and apply.

You should also be aware that the provisions of the Act may be amended from time to time. If you printed this copy of your rule book some time ago, this could mean that any rules set out in this version of the rule book may be out-of-date. Please visit the ORIC website (www.oric.gov.au) or call on 1800 622 431 if you need assistance in updating your rule book.

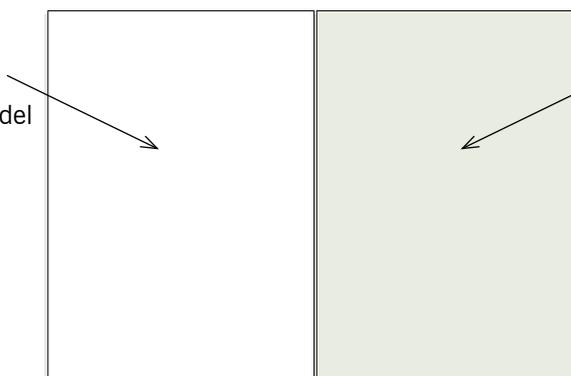
How to use this kit

This kit contains a lot of extra information and notes about the different rules in the rule book. These notes, on the right hand pages, are to help you think about and discuss your proposed rules. ORIC recommends you complete your responses in *The rule book etool*.

The rule book etool is an electronic program created by ORIC which matches this hard copy rule book. When you've finished drafting your rules the etool can print your proposed rule book with tracked changes to make it easier for your members to see what decisions were made. It also creates a special file (.igr file) which can be sent to other members and ORIC to view your proposed rule book using the etool.

Left hand pages:

This is the actual model rule book.



Right hand pages:

These notes will help you fill out your rule book. They explain more about the sections of the CATSI Act.

In this model rule book there are five types of rules:

CORPORATION RULE—MUST BE COMPLETED



These rules are special to a corporation.
The only rules that you **MUST** complete are:

Rule 1 name

Rule 3 objectives

Rule 5 membership

RULE CAN BE REPLACED



You can either adopt as is or change these rules.

However, ORIC suggests you change these only if a specific rule doesn't suit your corporation's needs.

RULE IS LAW THAT CAN BE CHANGED



You can either keep as is or change these rules.

However, ORIC suggests you change these only if a specific rule doesn't suit your corporation's needs.

RULE IS OPTIONAL AND PROMOTES GOOD GOVERNANCE



You can either adopt, change or delete these rules.

This rule is a good governance idea and is recommended by ORIC.

SET LAW UNDER CATSI



The remaining rules are set law under the CATSI Act. These rules cannot be changed.

Although corporations may be able to apply to the Registrar for exemption from some of these.

This information kit also includes extra information to help you fill out your rule book. For example, ORIC information sheets.



ORIC information sheets

ORIC information sheets supporting this rule book are:

1. Deductible gift recipient fund
2. Disqualification of directors.

To obtain them call 1800 622 431 or visit the website www.oric.gov.au.

Further help

ORIC runs workshops for new groups wanting to register, and for existing corporations who want to change their rules. Freecall 1800 622 431 (not free from mobiles).

Disclaimer of liability

This document is provided for guidance only.

This guide will help corporations registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* to develop a rule book. It is not legal advice and ORIC disclaims any liability arising from its use. People using this document may seek further assistance from ORIC or obtain other professional advice.

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Australian Government

Office of the Registrar of Indigenous Corporations

THE RULE BOOK INFO KIT

'Start working here.'

1

NAME



The name of the corporation is:



WHAT DO WE HAVE TO DO?



Must be completed.

State the name of the corporation in full.

You must include the words:

- 'Aboriginal Corporation'
- 'Torres Strait Islander Corporation'
- 'Aboriginal and Torres Strait Islander corporation'
- 'Torres Strait Islander and Aboriginal corporation' or
- 'Indigenous corporation'.

If you are an RNTBC

Include the words 'registered native title body corporate' or 'RNTBC' in the name.

If you are a new group wanting to incorporate as a prescribed body corporate

Do not include the words 'registered native title body corporate' or 'RNTBC' in the name when you apply to incorporate.

Once your corporation is registered as an RNTBC your name will automatically be updated to show that.



WHAT PARTS OF THE LAW ARE RELEVANT?

Corporation name requirements are set out in Division 85 of the CATSI Act.

The corporation's name may be:

- a name that is available (that is, it must not be identical to another corporation's name or unacceptable to the Registrar—see CATSI Act section 85-5) or
- the expression 'Indigenous Corporation Number' followed by the corporation's ICN.

QUESTIONS TO ASK YOURSELVES



What are you going to call yourself?

Does your group already have a name?

WHAT IS AN RNTBC?

A **Registered Native Title Body Corporate** is a Prescribed Body Corporate that has been registered on the National Native Title Register.

A **Prescribed Body Corporate** (PBC) is a group which holds and manages native title rights.

2

DICTIONARY AND INTERPRETATION



See 'Schedule 1—Dictionary and interpretation' for the meanings of terms and phrases used in this rule book.

→

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

- adopt** this rule as is
- change** this rule
- delete** this rule



You may wish to add terms and phrases that are used in your rule book to '**Schedule 1—Dictionary and interpretation**' if you want them clearly defined.



Schedule 1—Dictionary and interpretation

3

OBJECTIVES



The objectives of the corporation are:



a)

b)

c)

Note: If you want to change the objectives, the corporation will need to comply with rule 20.

WHAT DO WE HAVE TO DO?



Must be completed.

Your rule book must have at least one objective— i.e. a purpose, aim or activity that the corporation has been established for.



THINGS TO WATCH OUT FOR

- If a corporation does some activity that is not set out in its objectives, it may not be invalid. See CATSI Act section 72-10(2). However, a director or an officer who authorised the activity may be in breach of their duty of care and diligence to the corporation.
- If an activity is not in your objectives, you can't get funding for it.
- When drafting your objectives make them broad (but not too broad), and not too restrictive.

DEDUCTIBLE GIFT RECIPIENTS

If you want the corporation to be endorsed as a deductible gift recipient (formerly public benevolent institution) then set it out here. This means gifts of money or property to the corporation are deductible for the donors.



ORIC information sheet:
Deductible gift recipient rules

BUSINESS

If you want your corporation to be incorporated for business purposes then extra objectives may need to be added.

QUESTIONS TO ASK YOURSELVES



1. Why will your corporation exist— does it have more than one goal? For example, are you a native title group, do you receive mining royalties, is it a family business, do you deliver municipal services?
2. What region will your corporation cover in its operations?
3. What will the corporation do to help the community address community issues and challenges?
4. Who will benefit from the corporation?
5. How will they benefit from your corporation?



Send ORIC the answers to these questions and we can help you draft your objectives— info@oric.gov.au



WHAT PARTS OF THE LAW ARE RELEVANT?

The Act requires that the corporation must have a written rule book that sets out its objectives. See CATSI Act section 66-1(2).

It is compulsory under the Act for a corporation to have at least one objective. See CATSI Act section 66-1(2).

If a corporation does some activity that is not set out in its objectives, it may not be invalid. See CATSI Act section 72-10(2).

4

POWERS OF THE CORPORATION



Subject to the Act and these rules, the corporation has the power to do anything lawful to carry out the objectives, except:

- a) the corporation cannot charge application fees for membership or annual membership fees
- b) [insert any other restrictions you want to include]

Note: Rule 10.1 deals with powers of the directors.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



This rule is supposed to be very broad. Only amend it if you want to place specific restrictions on what the corporation can do.

Strictly speaking the CATSI Act does allow corporations to charge membership fees if their constitutions spell it out. However, ORIC strongly advises corporations not to do so to avoid any disputes and to encourage open and transparent processes.



WHAT PARTS OF THE LAW ARE RELEVANT?

Limiting your corporation's powers

This clause allows you to limit or place restrictions on the powers of the corporation.

See CATSI Act section 72-10.

If the corporation did something that was inconsistent with its objectives or outside their scope it may breach the corporation's constitution. If the constitution is breached a member or director of the corporation could sue the person responsible for the breach under the laws on contract. This is because the constitution is a contract between the members and the corporation. See CATSI Act section 60-10.

Membership fees

If you want to charge membership fees this has to be written in the rule book and the amount of the fees set by the corporation by resolution in general meeting.

See CATSI Act section 144-15.

5

MEMBERSHIP OF THE CORPORATION

5.1 Members on registration

- a) A person only becomes a member when the corporation is registered, as long as the registration complies with the Act.
- b) Members' names must be entered on the register of members.

5.2 Members by application

5.2.1 How to become a member after registration

A person becomes a member if:



- (a) the person wants to become a member and applies in writing

- (b) the person is eligible for membership
- (c) the directors accept the application
- (d) the person's name is entered on the register of members.

WHAT DO WE HAVE TO DO?



This rule is a **set** law under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



Extra eligibility requirements can be inserted at rule 5.2.2.

A register of members must be kept up to date. It must include names of members, their addresses and date joined and ceased.

This will reduce disputes over who can participate in a corporation's general meetings.



WHAT PARTS OF THE LAW ARE RELEVANT?

The members at the time of the application for registration become the members of the corporation when it is registered.

See CATSI Act section 42-10.

A register of members must be kept.

See CATSI Act section 180-1.

WHAT DO WE HAVE TO DO?



This rule is a **set** law under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



A register of members must be kept up to date. It must include names of members, their addresses and date joined and ceased.

This will reduce disputes over who can participate in a corporation's general meetings.



WHAT PARTS OF THE LAW ARE RELEVANT?

How does a person become a member?

See CATSI Act section 144-1.

If directors accept an application they must put that person's name on the register of members within 14 days.

See CATSI Act section 144-10(5).

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



If you replace this rule, you will need to specify how an application can be made—for example, in writing or over the telephone or in person but a corporation will still need to keep a record of applications made in this way and make sure they are entered on the register of members if they are accepted.



WHAT PARTS OF THE LAW ARE RELEVANT?

The application must be in writing.

See CATSI Act section 144-5(2).

5.2.2

Who can apply to become a member (eligibility for membership)?



A person who is eligible to apply for membership must be an individual who is (choose from the examples below or create your own):

- a) least 15 years of age
- b) at least 15 years of age and an Aboriginal and Torres Strait Islander person
- c) least 18 years of age
- d) at least 18 years of age and an Aboriginal and Torres Strait Islander person
- e) one of the above. Create your own

Note: You may add extra eligibility criteria here.



THINGS TO WATCH OUT FOR

- Some PBCs have a statement saying all members in a native title determination are eligible to be members of the corporation. However a native title group and a corporation are different entities. **Members of a corporation MUST fill in an application form for that corporation, which must then be accepted by the directors.**
- The difference between a community and a corporation: a community is made up of all the people living in a particular area. A corporation is made up of members and has a specific purpose, for example, accessing housing for the community, providing medical services to the community, nurturing artists and selling their work. Certainly many members of the community will benefit from these activities, but it is not necessary for all of them to be members of the corporation.

QUESTIONS TO ASK YOURSELVES



Do the objectives of the corporation mean you have to restrict membership—for example, are you a native title group, do you receive mining royalties, is it a family business, do you deliver municipal services? If so, that will partly determine your eligibility requirements for members.

Who will be your members?

- adult Aboriginal people?
- adult Torres Strait Islander people?
- adult spouses—Indigenous and/or non-Indigenous?
- people who belong to a particular Aboriginal group and family group?
- people who usually live in your community/communities?
- people who have lived in the area for 12 months or more?
- any other eligibility requirements?

Do you want observers?

These can be:

- spouses
- people under 15—some groups like to get their children involved.

However, observers have no voting rights and they can't be elected as a director (see rule 5.9). Observers can only be appointed if the rules allow (see rule 8.2.1).

WHAT DO WE HAVE TO DO?



Must be completed.

You must have at least one rule about eligibility of members.



If you want extra eligibility requirements for membership they need to be included in your rule book. Examples are:

- must be a member of [insert a clan or language group name]
- must reside in [insert town/community and if necessary attach a map of the area]
- must be a descendant of [insert name of person].

You will have to change this rule if you want to allow other bodies corporate to become a member. This is because the term 'individual' excludes bodies corporate. If you do not want body corporate members you may want to remove other references in your rule book to bodies corporate and body corporate representatives. See rules 5.5.1, 6.2.2, 6.4.2, 7.7.2, and 7.15.

If you allow non-Aboriginal and Torres Strait Islander members then you may want to remove rule 5.7.3. If you only allow Aboriginal and Torres Strait Islander members then you may want to remove rule 5.2.4(d) and 6.2.3.

You will have to change this rule if you want to allow joint members. If you do not allow joint members then you may want to remove rule 7.4.2(b) and the last sentence in rule 7.12(a).



Please contact the Registrar or seek independent legal advice about extra requirements.



WHAT PARTS OF THE LAW ARE RELEVANT?

Including rules about which people are eligible to apply for membership will generally be consistent with the CATSI Act. However, other laws, such as the *Sex Discrimination Act 1984*, may be relevant in some cases. For example, the Sex Discrimination Act may prohibit a corporation established for profit from having rules which discriminate on the basis of sex.

Indigeneity

If you select a) or c), you are indicating you are prepared to allow non-Indigenous people to be members. **However a majority of members must be Aboriginal and Torres Strait Islander people.**

See CATSI Act sections 29-5, 144-10(4) and CATSI Regulations 29-5.01.

Regardless of any eligibility requirements, the directors must not approve an application for membership if it would cause the corporation to fail to comply with the Indigeneity requirement.

Age

Minimum age of members is 15 years. If you want to set a higher minimum age, you can do so in this clause. Directors must be at least 18 years of age, so consider whether you want all members to be eligible for election or appointment as a director.

See CATSI Act sections 29-10, 141-15, 141-20 and 246-1(1).

Corporate members

Other corporations can become a member.

If you want to allow corporate members, it is a good idea to include this in your extra eligibility requirements.

See CATSI Act section 141-25.

SOME MEANINGS TO KEY WORDS

Member: person who belongs to a corporation. The members are the owners of the corporation. They are usually entitled to vote at meetings of the corporation and can be elected as a director of the corporation.

Observer: person who doesn't meet the full membership requirements. Observers usually are entitled to attend meetings, but cannot vote and cannot be elected as a director. They can be appointed as a director if the corporation's rules allow. See rule 8.2.1

5.2.3

Membership application

(a) A person (the applicant) who wants to become a member must apply to the corporation.



(b) The application must be in writing.



WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



Make sure your members apply in the proper way.

The members of the corporation

- must qualify for membership under rule 5.2.2
- must complete an application under rule 5.2.3
- must be accepted by the directors
- must be entered on the register of members.

If the applicant applies for membership after notice has been given for the holding of a general meeting, their name must not be entered on the register of members until after the meeting.



WHAT PARTS OF THE LAW ARE RELEVANT?

An applicant must apply to the corporation.
See CATSI Act section 144-5(1).

Directors are responsible for deciding membership applications.

See CATSI Act section 144-10.

If an application is accepted, the member's name must be entered on the register of members within 14 days.
See CATSI Act section 144-10(5).

If the applicant applies for membership after notice has been given for the holding of a general meeting, their name must not be entered on the register of members until after the meeting.

See CATSI Act section 144-10(8).

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



If you replace this rule, you will need to specify how an application can be made—for example, in writing or over the telephone or in person but a corporation will still need to keep a record of applications made in this way and make sure they are entered on the register of members if they are accepted.



WHAT PARTS OF THE LAW ARE RELEVANT?

The application must be in writing.
See CATSI Act section 144-5(2).



Schedule 2—Application for membership form

5.2.4

Deciding membership applications

(a) The directors will consider and decide membership applications.



(b) Applications will be considered and decided in the order in which they are received by the corporation.

(c) The directors must not accept an application for membership of the corporation unless the applicant:

(i) applies according to rule 5.2.3

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Directors are responsible for deciding membership applications.

See CATSI Act section 144-10.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule

QUESTIONS TO ASK YOURSELVES



1. Does the person applying meet the membership requirements?
2. Has the person applied in writing?
3. Have the directors made a decision about the membership application?
4. Have their names been added to the register of members?

If so, they can come to general meetings, speak and vote, and be elected or appointed a director.



Rule 5.2.4(b) can help in the situation where a number of applications for non-Indigenous membership are received, so that accepting all of them would put the corporation in breach of the Indigeneity requirement. Under this optional provision, the applications are processed in order until the non-Indigenous 'quota' is filled.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Directors must not accept applications for membership if:

- the application process is not followed
- the applicant does not meet eligibility requirements
- accepting the application would breach the Indigeneity requirement.

See CATSI Act sections 144-10(2), 144-10 (3) and 144-10 (4).

- (ii) meets all the eligibility for membership requirements.
- (d) The directors must not accept an application if it results in a majority of members being non-Indigenous
- (e) The directors may refuse to accept a membership application even if the applicant has applied in writing and complies with all the eligibility requirements.



- (f) However, they must notify the applicant in writing of the decision and the reasons for it.

Note: In deciding whether to accept or refuse an application for membership, the directors should be consistent and transparent, based on the corporation's policy about this issue.

5.2.5

Entry on the register of members

- (a) If the directors accept a membership application, the applicant's name must be entered on the register of members within 14 days.
- (b) However, if:
 - (i) the applicant applies for membership after a notice has been given for the holding of a general meeting, and
 - (ii) the meeting has not been held when the directors consider the application,

then the corporation must not enter the person on the register of members until after the general meeting has been held.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



In deciding whether to accept or refuse an application for membership, the directors should be consistent and transparent, based on the corporation's policy about this issue.

If you only allow Aboriginal and Torres Strait Islander members at rule 5.2.2 then you may want to remove rule 5.2.4(d).



WHAT PARTS OF THE LAW ARE RELEVANT?

Rule 5.2.4(d)

Circumstances when an application must not be accepted. See CATSI Act section 144-10(4).

Indigeneity—A corporation will meet the Indigeneity requirement if the corporation has the following required number or percentage of its members who are Aboriginal and Torres Strait Islander people:

- (a) if the corporation has 5 or more members, at least 51 per cent
 - (b) if the corporation has less than 5 members but more than 1 member, all of the members, or all but one of the members
 - (c) if the corporation has only one member, that member.
- See CATSI Act section 29-5.

Under the Act, the meaning of Aboriginal and Torres Strait Islander person can include bodies corporate incorporated under the CATSI Act. See CATSI Act section 700-1.

Rule 5.2.4(e)

Discretion to refuse a membership application. See CATSI Act section 144-10(3).

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

- adopt** this rule as is
- change** this rule



The requirement in rule 5.2.4(f) for a notice to be in writing is a replaceable rule. If you replace rule 5.2.4(f), you will need to specify how a notice may be given—for example, in writing or by telephone or in person.

See CATSI Act section 144-10(7).

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



A register of members must be kept up to date. It must include names of members, their addresses, date joined and ceased.

This will reduce disputes over who can participate in a corporation's general meetings.



WHAT PARTS OF THE LAW ARE RELEVANT?

If directors accept an application they must put that person's name on the register of members within 14 days.

See CATSI Act sections 144-10(5) and 144-10(8).

5.3

Membership fees



The corporation must not impose fees for membership of the corporation.

5.4

Members rights and obligations

5.4.1

Members rights



- (a) Each member has rights under the Act and these rules including the rights set out below. A member:
- (i) can attend, speak and vote at a general meeting of the corporation
 - (ii) can be elected or appointed as a director
 - (iii) cannot be removed as a member unless the directors and the corporation have complied with rule 5.7
 - (iv) can put forward resolutions to be voted on at a general meeting of the corporation in accordance with rule 7.6
 - (v) can ask the directors to call a general meeting of the corporation in accordance with rule 7.3.2
 - (vi) can access the following books and records of the corporation:
 - (A) the register of members, under rule 6.5
 - (B) the minute books, under rule 14.9
 - (C) the corporation's rule book, under rule 14.11
 - (D) certain reports prepared by or for the directors and the corporation, in accordance with the Act
 - (vii) can ask the directors to provide access to any other records or books of the corporation in accordance with rule 14.10
 - (viii) can have any disputes with another member or with the directors dealt with under the process in rule 17.

WHAT DO WE HAVE TO DO?



This rule is law that can be changed. You can:

keep this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation cannot charge membership fees unless its constitution says it can.

See CATSI Act section 144-15.



Strictly speaking the CATSI Act does allow corporations to charge membership fees if their constitutions spell it out. However, ORIC strongly advises corporations not to do so to avoid any disputes and to encourage open and transparent processes.

If you want to allow for membership fees to be charged you will need to change rule 5.3 to:

- allow for the charging of fees
- state that the charging of a fee and the amount of the fees is to be determined by resolution in a general meeting.

If you change this rule, you will also need to change rule 4(a)—Powers of the corporation.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation may impose other obligations on its members.

See CATSI Act section 147-5.

Additional rights

The CATSI Act confers some additional rights upon members. For example, a member can seek a court order that a corporation is conducting itself in an oppressive manner and seek an appropriate remedy. See CATSI Act Division 166.

The member could also seek the help of the Registrar or obtain their own professional advice.

General meeting

Members can ask for a general meeting to be called. See CATSI Act section 201-5.



Rule 5.4.1 is optional in that it provides a convenient summary of some of the rights a member has. However, the individual rights and obligations themselves may be contained in provisions which are not replaceable.

A member may also have remedies available under the Act or under the general law to enforce their rights.



(b) Members do not have the right to share in the profits of the corporation or take part in the distribution of the corporation's assets if it is wound up.

(c) If a member believes that their rights have been breached or ignored by the directors, the member can use the dispute resolution process in rule 17.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



This rule does not allow members to share profits or allow the corporation to distribute money to members.

If you want to set up a corporation which allows members to share profits, you will need to change this rule.

Refer to:

rule 14.1—Application of funds and property

rule 19—Winding up



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act is silent on profit-sharing among members when a corporation is wound up. See CATSI Act Division 526.

Assets should be distributed according to the constitution.

See CATSI Act sections 526-25(2) and 526-30(2).

The constitution may allow other rules about membership of the corporation.

See CATSI Act section 147-5.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



A member may also have remedies available under the Act or under the general law to enforce their rights. The member could also seek the help of the Registrar or obtain their own professional advice.



WHAT PARTS OF THE LAW ARE RELEVANT?

Rights and remedies to protect interests of members. See CATSI Act section 166.

5.4.2



Members' responsibilities

Each member has the following responsibilities:

- (a) to comply with the Act and these rules
- (b) to notify the corporation of any change in their address within 28 days
- (c) to comply with any code of conduct adopted by the corporation
- (d) to treat other members and the directors with respect and dignity
- (e) to not behave in a way that significantly interferes with the operation of the corporation or of corporation meetings.

5.4.3



Liability of members

- (a) The members are not liable to contribute to the property of the corporation on winding up.

Note: Directors may be liable for damages or compensation if they breach their duties as directors.

- (b) If the application for registration of the corporation states that members and former members are:
 - (i) not to be liable to contribute towards the payment of the debts and liabilities of the corporation, then they are not liable to contribute, or
 - (ii) to be liable to contribute towards the payment of the debts and liabilities of the corporation on a particular basis, then they are liable so to contribute on that basis.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



If a member does not follow the Act or the rules, it may mean that their membership can be cancelled under rule 5.7.

Being uncontactable at a registered address may be grounds for cancellation of membership under rule 5.7.2.

See rule 18 for ways that notices and communications can be given.



WHAT PARTS OF THE LAW ARE RELEVANT?

A special resolution in a general meeting can cancel a member's membership. This applies if people at the meeting are satisfied that the member has behaved in a way that interfered with the operation of the corporation or of corporation's meetings.

See CATSI Act section 150-35.

The constitution is effectively a contract between the corporation and each member and between a member and each other member.

See CATSI Act section 60-10.

WHAT DO WE HAVE TO DO?



This rule is law that can be changed. You can:

keep this rule as is

change this rule



You can change this rule to say that a member must contribute to the property of the corporation when winding up.

Directors may be liable for damages or compensation if they breach their duties as a director.



WHAT PARTS OF THE LAW ARE RELEVANT?

Typically, if members of a corporation are to be liable, that liability is limited to a set amount—for example, a nominal amount of \$10 or the amount unpaid on any membership fees (if these apply). However, this will depend on the specific circumstances of the corporation.

See CATSI Act section 147-1.

Applications for registration must state whether members will be liable for any debts of the corporation.

See CATSI Act sections 21-1(1)(k) and 147-10.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

The liability of members and former members under this rule is set by and must be consistent with the corporation's application for registration.

See CATSI Act section 147-10.

5.5 How a person stops being a member

5.5.1 A person will stop being a member if:

- (a) the person resigns as a member (see rule 5.6)
- (b) the person dies
- (c) the person's membership of the corporation is cancelled (see rules 5.7.1 to 5.7.4)
- (d) the member is a body corporate and it ceases to exist.

5.5.2 When a person ceases to be a member

A person ceases to be a member when the member's name is removed from the register of members as a current member of the corporation.

5.6 Resignation of member

(a) A member may resign by giving a resignation notice to the corporation.



(b) A resignation notice must be in writing.

(c) the corporation must remove the member's name from the register of current members of the corporation within 14 days after receiving the resignation notice.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.

QUESTIONS TO ASK YOURSELVES



How will people stop being members—for example, if they:

- die
- resign in writing
- are expelled by members at a general meeting?

You may want to include extra rules to cover situations where a members might:

- move away from community
- miss three consecutive general meetings
- be too sick to take an active part as members.



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act sets out various ways in which a person stops being a member (some rules are replaceable rules or are exemptible).

See CATSI Act section 150-1(1).

However, consideration should be given to amending this rule to ensure consistency with rule 5.7—Process for cancelling membership.

For instance, the CATSI Act provides that a member stops being a member when their name is removed from the current register of members.

See CATSI Act section 150-1(2).



The ceased member's name should be moved to the register of former members. However, corporations can have the register of members and the register of former members in one document—see rule 6.3(b).

If you do not allow body corporate members at rule 5.2.2 you may want to remove rule 5.5.1(d).

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act sets out the process for a member resigning from a corporation.

See CATSI Act section 150-10.



If you replace rule 5.6(b), specify how a notice may be given—for example, 'in writing or orally (in person or by telephone)'.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

- adopt** this rule as is
- change** this rule

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Register to be amended within 14 days of resignation.

See CATSI Act section 150-10(3).



The resigned member's name should be moved to the register of former members. However, corporations can have the register of members and the register of former members in one document—see rule 6.3(b).

5.7

Process for cancelling membership

5.7.1

Cancelling membership if member is not or ceases to be eligible



- (a) The directors may, by resolution, cancel the membership of a member if the member:
 - (i) is not eligible for membership or
 - (ii) has ceased to be eligible for membership,
- (b) Before cancelling the membership, the directors must give the member notice in writing stating that:
 - (i) the directors intend to cancel the membership for the reasons specified in the notice, and
 - (ii) the member has 14 days to object to the cancellation of the membership, and
 - (iii) the objection must be in writing
- (c) If the member does not object, the directors must cancel the membership.
- (d) If the member does object as set out in rule 5.7.1(b)(iii):
 - (i) the directors must not cancel the membership
 - (ii) only the corporation by resolution in general meeting may cancel the membership.
- (e) If a membership is cancelled, the directors must give the member a copy of the resolution (being either the resolution of the directors or the resolution of the general meeting) as soon as possible after it has been passed.

5.7.2

Membership may be cancelled if member cannot be contacted

- (a) The membership may be cancelled by special resolution in a general meeting if the corporation:
 - (i) has not been able to contact that member at their address entered on the register of members for a continuous period of two years before the meeting and
 - (ii) has made two or more reasonable attempts to contact the member during that 2-year period but has been unable to.
- (b) If the corporation cancels the membership, the directors must send that person a copy of the resolution at their last known address, as soon as possible after the resolution has been passed.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



If the corporation does cancel the membership, the directors must give the member a copy of the resolution as soon as possible after it has been passed.

The cancelled member's name should be moved to the register of former members. However, corporations can have the register of members and the register of former members in one document—see rule 6.3(b).



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act provides a consistent process for cancelling the membership of a member if they are no longer eligible. This rule can be replaced.

See CATSI Act section 150-20.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



If the corporation does cancel the membership, the directors must send a copy of the resolution to the last known address of the member as soon as possible after it has been passed.

The cancelled member's name should be moved to the register of former members. However, corporations can have the register of members and the register of former members in one document—see rule 6.3(b).



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act provides a process for cancelling the membership of a member when the member is no longer contactable.

See CATSI Act section 150-25.

A corporation can apply to the Registrar under section 187-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

5.7.3

Membership may be cancelled if a member is not an Aboriginal and Torres Strait Islander person

- (a) If rule 5.2.2 includes an eligibility requirement that an individual be an Aboriginal and Torres Strait Islander person, membership may be cancelled if member is not an Aboriginal and Torres Strait Islander person
- (b) The corporation, by special resolution in a general meeting, may cancel the member's membership if the general meeting is satisfied that member is not an Aboriginal or Torres Strait Islander person.
- (c) If the corporation cancels a person's membership under this rule, the directors must give that person a copy of the resolution, as soon as possible after it has been passed.

5.7.4

Membership may be cancelled if a member misbehaves

- (a) The corporation may cancel the membership by special resolution in a general meeting if the general meeting is satisfied that member has behaved in a way that significantly interfered with the operation of the corporation or of corporation meetings.
- (b) If the corporation cancels a membership under this rule, the directors must give that person a copy of the resolution, as soon as possible after it has been passed.

5.7.5

Amending register of members after a membership is cancelled

- (a) Within 14 days of a member's membership being cancelled, the corporation must remove their name from the register of current members of the corporation.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



If the corporation does cancel the membership, the directors must give the member a copy of the resolution as soon as possible after it has been passed.

The cancelled member's name should be moved to the register of former members. However, corporations can have the register of members and the register of former members in one document—see rule 6.3(b).

If you allow non-Aboriginal and Torres Strait Islander members at rule 5.2.2 then you may want to remove rule 5.7.3.



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act provides a process for cancelling the membership of a member when a member is not an Aboriginal or Torres Strait Islander person. See CATSI Act section 150-30.

A corporation can apply to the Registrar under section 187-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



If the corporation does cancel the membership, the directors must give the member a copy of the resolution as soon as possible after it has been passed.

The cancelled member's name should be moved to the register of former members. However, corporations can have the register of members and the register of former members in one document—see rule 6.3(b).



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act provides a process for cancelling the membership of a member when a member misbehaves. See CATSI Act section 150-35.

A corporation can apply to the Registrar under section 187-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



The cancelled member's name should be moved to the register of former members. However, corporations can have the register of members and the register of former members in one document—see rule 6.3(b).



WHAT PARTS OF THE LAW ARE RELEVANT?

Register to be amended within 14 days of cancellation of membership.

See CATSI Act section 150-15(3).



5.8

Different classes of members

The corporation does not have different classes of members.



5.9

Observers

The corporation does not have observers.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

Corporations can have different classes of members with different rights attaching to them.

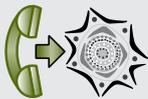
See CATSI Act section 153-1.



Under the Act the corporation's constitution can create different classes of membership with different rights attaching to them.

If you would like different classes of membership, rule 5.8 will need to be replaced with requirements for setting up different classes. Other changes to the rules will be needed—for example, detailing any class rights and changes to rules about meetings including the ability to call a meeting of any class of members.

One right that may be affected by having different classes is voting rights. This may be useful, for example, if it is intended that certain members from a particular area are the only members with a right to vote on specified matters relating to that particular area. Also, class rights may have an impact on the number of members required for a quorum at a general meeting.



Setting up different classes of member can be complex. If you would like different classes of members, please contact ORIC or seek independent legal advice.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

If observers are allowed the corporation's rules must explain the application process, their rights and obligations and how they cease to be observers.

See CATSI Act section 158-5.



This rule can be changed so that observers are allowed. If you want to have observers the rules have to cover the following matters:

- the application process for becoming an observer of the corporation
- the eligibility criteria for becoming an observer of the corporation
- any obligations imposed on an observer of the corporation
- any rights that an observer has in relation to the corporation
- how an observer ceases to be an observer of the corporation.



If you require rules for observers, please contact ORIC or seek independent legal advice.

If you do not allow observers then you may want to remove rule 7.4.2(a)(v).

6

REGISTERS OF MEMBERS AND FORMER MEMBERS

6.1 Corporation to maintain register of members

The corporation must set up and maintain a register of members.

6.2 Information on the register of members

6.2.1 Information about individuals

- (a) The register of members must contain the following information about individual members:
 - (i) the member's name (given and family name) and address.
The register may also contain any other name by which the member is or was known.
 - (ii) the date on which the member's name was entered on the register.

6.2.2 Information about bodies corporate

- (a) The register of members must contain the following information about body corporate members:
 - (b) the member's name and address
 - (c) the date on which the member's name was entered on the register.

6.2.3 Information about Indigeneity



- (a) If a member is not an Aboriginal and Torres Strait Islander person, their entry in the register of members must say so.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



A register of members must be kept up to date. It must include names of members, their addresses, date joined and ceased.

This will reduce disputes over who can participate in a corporation's elections.

If you do not allow body corporate members at rule 5.2.2 you may want to remove rule 6.2.2.



WHAT PARTS OF THE LAW ARE RELEVANT?

A register of members must be kept. Information on it should include the following information about each member:

- first name and last name
- address
- date their name was added to the register.

If the rules allow non-Indigenous members, those members must be shown on the register.

A register of former members must also be kept. However, corporations can have the register of members and the register of former members in one document—see rule 6.3(b).

See CATSI Act Division 180.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



Only include rule 6.2.3 if you have allowed non-Indigenous people as members at rule 5.2.2.



WHAT PARTS OF THE LAW ARE RELEVANT?

The register must show if a member is non-Indigenous (if such members are allowed to be members by a corporation's rule book).

See CATSI Act Division 180-5(2).

6.3 Corporation to maintain register of former members

- (a) The corporation must set up and maintain a register of former members.
- (b) The corporation may maintain the register of former members in one document with the register of members.

6.4 Information on the register of former members

6.4.1 Information about individuals

The register of former members must contain the following information about each individual who stopped being a member within the last 7 years:

- (a) the member's name (given and family name) and address
- (b) the date on which the individual stopped being a member.

The register may also contain any other name by which the individual is or was known.

6.4.2 Information about bodies corporate

The register of former members must contain the following information about each body corporate that stopped being a member within the last 7 years:

- (a) the member's name and address
- (b) the date on which the body stopped being a member.

6.5 Location and inspection of registers of members and former members

6.5.1 Location of registers

The corporation must keep the register of members and the register of former members at:

- (a) the corporation's registered office if it is registered as a large corporation, or
- (b) the corporation's document access address if it is registered as a small or medium corporation.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



A register of members and former members must be kept up to date. It must include names of members, their addresses, date joined and ceased.

This will reduce disputes over who can participate in a corporation's elections.



If you do not allow body corporate members at rule 5.2.2 you may want to remove rule 6.4.2.



WHAT PARTS OF THE LAW ARE RELEVANT?

Corporations must keep a register of former members, which includes the following information about each member:

- first name and last name
- address
- date they stopped being a member.

See CATSI Act Division 180.

The register of members and register of former members can be maintained in one document.

See CATSI Act section 180-22.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



The register must be open for inspection to the public.



WHAT PARTS OF THE LAW ARE RELEVANT?

The corporation's register of members and register of former members must be kept at the:

- registered office—large corporations
- document access address—small and medium corporations.

There may be an inspection fee.

See CATSI Act sections 180-25 and 376-1.

6.5.2

Right to inspect registers

- (a) The register of members and register of former members must be open for inspection by any person, and any person has a right to inspect the registers.
- (b) If a register is kept on a computer, the corporation must allow the person to inspect a hard copy of the information on the register (unless the person and the corporation agree that the person can access the information by computer).

6.5.3

Inspection fees

- (a) A member may inspect the registers without charge.
- (b) A person who is not a member may inspect the registers only on payment of any fee required by the corporation.

6.5.4

Right to get copies

The corporation must give a person a copy of the registers (or a part of either register) within 7 days (or such longer period as the Registrar may allow) if the person:

- (a) asks for the copy, and
- (b) pays any fee (up to the prescribed amount) required by the corporation.

6.6

Making register of members available at AGM

The corporation must:

- (a) make the register of members available for inspection (without charge) by members at the AGM
- (b) ask each member attending the AGM to check and update their entry.

6.7

Provision of registers to Registrar

If the Registrar requests a copy of the register of members, or the register of former members, it must be provided within 14 days or such longer period as the Registrar specifies.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Any person has a right to inspect or get a copy of a corporation's register of members and register of former members.

There may be an inspection fee.

See CATSI Act sections 180-25 and 376-1.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

The register of members must be available for checking and updating at the AGM.

See CATSI Act section 180-30.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

The register of members must be given to the Registrar within 14 days if asked.

See CATSI Act section 180-35.

7

ANNUAL GENERAL MEETINGS (AGMS) AND GENERAL MEETINGS

7.1

AGMs

7.1.1

Holding AGMs

- (a) The corporation must hold an AGM within 5 months after the end of its financial year.
- (b) If the corporation has only 1 member, it is not required to hold an AGM.

7.1.2

Extension of time for holding AGMs

- (a) The corporation may apply to the Registrar to extend the period within which the corporation must hold an AGM, provided the application is made before the end of that period.
- (b) If the Registrar grants an extension, the corporation must hold its AGM within the extended period specified by the Registrar.

7.1.3

Business of AGM

The business of an AGM may include any of the following, even if not referred to in the notice of meeting:



- (a) confirmation of the minutes of the previous general meeting, except at the first AGM



If you are having difficulty complying with this rule, you can apply to the Registrar for **exemption** from it.

The Registrar will only give an exemption if satisfied the rule is inappropriate for your corporation or it imposes an unreasonable burden.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



If you are having difficulty complying with this rule, you can apply to the Registrar for **exemption** from it.

The Registrar will only give an exemption if satisfied the rule is inappropriate for your corporation or it imposes an unreasonable burden.



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation must hold an AGM within five months after the end of its financial year.

See CATSI Act section 201-150(1).

An exemption can be given for this rule so that, for example, they hold a general meeting every two years instead.

Definition of the corporation's 'financial year'.

See CATSI Act section 333-5.

QUESTIONS TO ASK YOURSELF



By when will annual general meetings (AGMs) of the corporation be held?

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation can apply to the Registrar, before the period for holding an AGM ends, to extend the period.

See CATSI Act section 201-155.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule makes it clear that the members in general meeting can consider these items even if the meeting notice has not referred to them. Giving members an opportunity to ask questions of management and the corporation's auditor (if they are present) encourages good communication between the corporation and its members.

See CATSI Act section 201-160.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule

- (b) the consideration of the reports that under Chapter 7 of the Act are required to be presented at the AGM
- (c) the election of directors
- (d) the appointment and remuneration of the auditor (if any)
- (e) checking of details on the register of members (see rule 6.6(b))
- (f) asking questions about management of the corporation and asking questions of the corporation's auditor (if any) (see rule 7.16).

7.2

General meetings

The corporation must hold its **first** general meeting within 3 months after the corporation is registered.

7.2.1

Purpose of general meeting

A general meeting must be held for a proper purpose.

7.2.2

Time and place of general meeting

(a) A general meeting must be held at a reasonable time and place.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



Rule 7.1.3(b): Chapter 7 of the Act—Record keeping, reporting requirements—sets out different types of reports that corporations will have to present, depending on size and income. Additional business meeting items may be inserted under rule 7.1.3



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule makes it clear that the members in general meeting can consider these items even if the meeting notice has not referred to them. Giving members an opportunity to ask questions of management and the corporation's auditor (if they are present) encourages good communication between the corporation and its members.

See CATSI Act section 201-160.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

The corporation must hold its **first** general meeting within 3 months after the corporation is registered. See CATSI Act section 201-145.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

A general meeting must be held for a proper purpose. See CATSI Act section 201-55.



The meeting must be held for a purpose related to the corporation's business.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

A general meeting must be held at a reasonable time and place.

See CATSI Act section 201-60.



Holding a general meeting at a reasonable time and place means that members will not have too much difficulty attending.

For example, it might not be reasonable to hold a general meeting on Christmas Day, or at a location that certain members cannot get to.

The CATSI Act is silent on the power of directors to postpone or cancel a general meeting or change its location. Directors have no power to postpone a meeting of the corporation unless the constitution authorises them to do so. If there is a power to postpone, it must be exercised in good faith and for the benefit of the members not the directors.



(b) If the directors change the place of a general meeting, notice of the change must be given to each person who is entitled to receive it.



7.2.3

Business of general meeting

The business at each general meeting must include:

- (a) confirmation of the minutes of the previous general meeting
- (b) all matters set out in the notice of the general meeting.

7.3

Calling general meetings

7.3.1

Director may call meetings



A director may call a general meeting of the corporation.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act is silent about the notice requirements of changed, postponed or cancelled general meetings. This notice rule is a good idea if directors are to have the power to change, postpone or cancel meetings.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



The Act is silent on the business that must be included in a general meeting. The requirement would generally promote good practice at meetings. Additional business meeting items may be inserted under rule 7.2.3.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A director may call a general meeting of the corporation. See CATSI Act section 201-1.

QUESTIONS TO ASK YOURSELVES



Who will be allowed to call general meetings?

7.3.2

Members may ask directors to call general meetings

- (a) The directors must call and arrange to hold a general meeting on the request of at least the required number of members specified under rule 7.3.2.

Number of members in corporation	Number of members needed to ask for a general meeting
2 to 10 members	= 1 member
11 to 20 members	= 3 members
21 to 50 members	= 5 members
51 members or more	= 10 per cent of members

- (b) A request under rule 7.3.2(a) must:
- (i) be in writing
 - (ii) state any resolution to be proposed at the meeting
 - (iii) be signed by the members making the request
 - (iv) nominate a member to be the contact member on behalf of the members making the request
 - (v) be given to the corporation.
- (c) Separate copies of a document setting out a request under rule 7.3.2(a) may be used for signing by members if the wording of the request is identical in each copy.

7.3.3

Directors may apply to deny a members' request to call a general meeting

- (a) If the directors resolve:
- (i) that a request under rule 7.3.2 is frivolous or unreasonable, or
 - (ii) that complying with a request under rule 7.3.2 would be contrary to the interests of the members as a whole,
 - (iii) a director, on behalf of all of the directors, may apply to the Registrar for permission to deny the request.
- (b) An application must:
- (i) be in writing
 - (ii) set out the ground on which the application is made
 - (iii) be made within 21 days after the request was made.
- (c) The directors must, as soon as possible after making an application, give the contact member (see 7.3.2(b)(iv)) notice that an application has been made.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Members can ask directors to call general meetings. See CATSI Act section 201-5.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

A request from members for a general meeting must be given to the corporation in writing. It must include the objectives of the meeting, a contact person and be signed by the members making the request. See CATSI Act section 201-5.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Meetings should be held for a proper purpose. This rule makes it clear that directors can seek the Registrar's permission to deny a request to call a meeting if the request is being used to improperly interfere with the director's power to manage the corporation's business.

If the directors seek the Registrar's permission to deny the request to call the meeting, they have to let the contact member know as soon as possible after the application to the Registrar has been made.

See CATSI Act section 201-10(3)

7.3.4

Timing for a requested general meeting

- (a) The directors must call the meeting within 21 days after the request was sent to them.
- (b) If:
 - (i) a director has applied to deny a request, and
 - (ii) the Registrar refuses that request,
 - (iii) the directors must call the meeting within 21 days after being notified of the Registrar's decision.

7.4

Requirement for notice of general meeting

7.4.1

Notice for general meeting



- (a) At least 21 days notice must be given of a general meeting.

- (b) The corporation:
 - (i) may call an AGM on shorter notice, if all the members agree beforehand
 - (ii) may call any other general meeting on shorter notice, if at least 95 per cent of the members agree beforehand.
- (c) At least 21 days notice must be given of a general meeting at which a resolution will be moved to:
 - (i) remove a director
 - (ii) appoint a director in place of a director removed or
 - (iii) remove an auditor.

Shorter notice cannot be given for these kinds of meetings.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

If a director does not apply to the Registrar to deny the request for for a general meeting, they must call the meeting within 21 days.

If a director applies to the Registrar to deny the request and the Registrar decides the ground is not made out, then the meeting must be called within 21 days after notification by the Registrar.

See CATSI Act section 201-15.

WHAT DO WE HAVE TO DO?



This rule is law that can be changed. You can:

keep this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

Normally 21 days notice of general meetings must be given. However this rule can be changed to a longer period.

See CATSI Act section 201-20.

QUESTIONS TO ASK YOURSELVES



Who will decide how notice of meetings will be given?



How will notice of meetings be given (including date, place and time for meetings)?

How much time is appropriate for the notice period?



Rule 7.4.1(a): A notice period greater than 21 days can be inserted.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Normally 21 days notice of general meetings must be given. However in some situations this rule can be changed to a shorter period.

See CATSI Act section 201-20.



Rule 7.4.1(c)(i): Notice period for a meeting to consider removal of a director. See rule 8.10.1.

An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

7.4.2

Requirement to give notice of general meeting to members, officers and observers

- (a) The corporation must give written notice of a general meeting to the following people:
- (i) each member entitled to vote at the meeting
 - (ii) each director



- (iii) the secretary (if any)
- (iv) the contact person (if any)
- (v) any observer entitled to attend the meeting.



- (b) A notice to joint members must be given to the joint member named first in the register of members.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



See rule 7.4.4 for what must be included in a notice of a general meeting.



WHAT PARTS OF THE LAW ARE RELEVANT?

Written notice must be given to members entitled to vote, directors, the secretary or contact person and any observer entitled to attend the meeting.

See CATSI Act section 201-25.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



Rules 7.4.2(a)(iii), (iv) and (v) can be deleted if they don't apply.



WHAT PARTS OF THE LAW ARE RELEVANT?

Written notice must be given to members entitled to vote, directors, the secretary or contact person and any observer entitled to attend the meeting.

See CATSI Act section 201-25.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



If you do not allow joint members at rule 5.2.2 then you may want to remove rule 7.4.2(b).



WHAT PARTS OF THE LAW ARE RELEVANT?

Notice to joint members must be given to the joint member named first in the register of members.

See CATSI Act section 201-25(2).

- (c) The corporation may give the notice of meeting to a member personally or by sending it by post, fax or other electronic means nominated by the member.



- (d) A notice of meeting:
 - (i) sent by post is taken to be received 3 days after it is posted
 - (ii) sent by fax, or other electronic means, is taken to be received on the business day after it is sent.

7.4.3

Requirement to give notice of general meeting and other communications to auditor

The corporation must give its auditor (if any):

- (a) notice of a general meeting in the same way that a member is entitled to receive notice
- (b) any other communications relating to the general meeting that a member is entitled to receive.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



A defect in the notice given under rule 7.4.2(c) may not invalidate a meeting (see CATSI Act section 576-15).
Additional means of giving notice can be inserted into rule 7.4.2(c).



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation can give notice of a meeting to a member personally, by sending it by post, fax or other electronic means nominated by the member.

See CATSI Act sections 201-25(3) and 201-25(4).

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A notice by post is taken to be received three days after it is sent. A notice sent by fax or other electronic means is taken to be received on the business day after it is sent.

See CATSI Act sections 201-25(5) and 201-25(6).

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



Under rule 7.10(d) an auditor may authorise a person to attend and speak at any general meeting.



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation must give its auditor (if any) the same notices and other communications that a member is entitled to receive.

See CATSI Act section 201-30.

An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

7.4.4

Contents of notice of general meeting

- (a) A notice of a general meeting must:
 - (i) set out the place, date and time for the meeting (and, if the meeting is to be held in 2 or more places, the technology that will be used to do this)
 - (ii) state the general nature of the meeting's business
 - (iii) if a special resolution is to be proposed at the meeting, set out an intention to propose it and state what it is
 - (iv) if a member is entitled to appoint a proxy, contain a statement setting out:
 - (A) that the member has a right to appoint a proxy
 - (B) whether or not the proxy needs to be a member of the corporation
- (b) The information included in a notice of a general meeting must be worded and presented clearly and concisely.

7.5

Failure to give notice



A general meeting, or any proceeding at a general meeting, will not be invalid just because:

- (a) the notice of the general meeting has accidentally not been sent or
- (b) a person has not received the notice.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under CATSI—that is, you have to adopt this rule. It can't be taken out or changed.



Rule 7.4.4 sets out the minimum requirements for a notice of a general meeting. Other requirements for disclosure to members may exist.

Rule 7.4.4(iv): If your rule book allows for different classes of members, then a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.



WHAT PARTS OF THE LAW ARE RELEVANT?

A notice must contain the place, date and time of the meeting, the general nature of the meeting's business, details of any special resolutions and rights regarding proxies.

See CATSI Act section 201-35.

A person can be a proxy for a maximum of three people. See CATSI Regulations 201-95.01.

An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A meeting is not invalid because of accidentally not giving notice or because someone doesn't receive the notice. However a person entitled to attend the meeting or the Registrar may apply to the court to invalidate the meeting. If the court finds there has been a substantial injustice that cannot be fixed by any other court order, then the meeting may be invalidated.

See CATSI Act section 576-15.

7.6

Members' resolutions

7.6.1

Notice of members' resolutions

- (a) If a member or members wish to move a resolution at a general meeting, a notice of that resolution must be given to the corporation by at least the required number of members under rule 7.6.1(d).
- (b) A notice of a members' resolution must:
 - (i) be in writing
 - (ii) set out the wording of the proposed resolution
 - (iii) be signed by the members proposing to move the resolution.
- (c) Separate copies of a document setting out the notice may be used for signing by members if the wording of the notice is identical in each copy.
- (d) Members can propose a resolution by giving notice of it to the corporation.

Number of members in corporation	Number of members needed to propose a resolution
2 to 10 members	= 1 member
11 to 20 members	= 3 members
21 to 50 members	= 5 members
51 members or more	= 10 per cent of members

The notice must set out the resolution in writing and must be signed by the members proposing it.

The corporation must give notice of the resolution to all people entitled to it (see rule 4.5).

The corporation must consider the resolution at the next general meeting held more than 28 days after the notice has been sent out.

7.6.2

Consideration of members' resolutions

- (a) If the corporation has been given notice of a members' resolution it must be considered at the next general meeting that occurs more than 28 days after the notice is given.
- (b) The corporation must give all its members notice of that resolution at the same time, or as soon as possible afterwards, and in the same way, as it gives notice of a general meeting.
- (c) The corporation does not have to give notice of a resolution if it is defamatory.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Members' resolutions must be in writing, set out the proposed resolution and be signed by the members proposing it.

See CATSI Act section 201-40.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation must give all members a copy of a proposed members' resolution so it can be considered at the next general meeting which cannot be held in less than 28 days.

See CATSI Act section 201-45.



Rule 7.6.2(c) protects the corporation and its directors from publishing something that may expose them to the risk of legal proceedings. A resolution may be defamatory if it would harm a person's reputation, usually by subjecting the person to public contempt, disgrace or ridicule, or by affecting the person's business. If you think a statement could be defamatory you should get legal advice.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

7.6.3

Members' statements to be distributed

- (a) Members may ask the corporation to give all its members a statement about:
 - (i) a resolution that is proposed to be moved at the general meeting or
 - (ii) any other matter that may be considered at that general meeting.
- (b) This request must be:
 - (i) made by at least the required number of members under rule 7.6.3(f)
 - (ii) in writing
 - (iii) signed by the members making the request
 - (iv) given to the corporation.
- (c) Separate copies of a document setting out the request may be used for signing by members if the wording of the request is identical in each copy.
- (d) After receiving a request, the corporation must distribute a copy of the statement to all its members at the same time, or as soon as possible afterwards, and in the same way, as it gives notice of the relevant general meeting.
- (e) The corporation does not have to comply with a request to distribute a statement if it is defamatory.
- (f) For the purposes of rule 7.6.3(a), the required number of members for the corporation is:

Number of corporation members	Number of members needed to ask for statements to be distributed
2 to 10	= 1 member
11 to 20	= 3 members
21 to 50	= 5 members
51 members or more	= 10 per cent of members

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



Rule 7.6.3(e):

Protects the corporation and its directors from publishing something that may expose them to the risk of legal proceedings. A statement may be defamatory if it would harm a person's reputation, usually by subjecting the person to public contempt, disgrace or ridicule, or by affecting the person's business. If you think a statement could be defamatory you should get legal advice.



WHAT PARTS OF THE LAW ARE RELEVANT?

Members can ask a corporation to distribute a statement to all members about a proposed resolution.

See CATSI Act section 201-50.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

7.7

Quorum for general meeting

7.7.1

Quorum



Number of members in corporation	Number of members to make a quorum
30 or less members	= 2 members
31 to 90 members	= 5 members
91 members or more	= 10 members

The quorum must be present during the whole meeting. If there's no quorum after one hour, the meeting is adjourned until the next week at the same time. If there's still no quorum, the meeting is cancelled.

7.7.2

Quorum to be present

- (a) The quorum must be present at all times during the meeting.
- (b) In determining whether a quorum is present, individuals attending as proxies or body corporate representatives will be counted as follows:
 - (i) if a member has appointed more than 1 proxy or representative, only 1 of them will be counted, and
 - (ii) if an individual is attending both as a member and as a proxy or body corporate representative, counting that individual only once.

7.7.3

Adjourned meeting where no quorum



(a) A meeting of the corporation's members that does not have a quorum present within 1 hour after the time for the meeting set out in the notice is adjourned to the same time of the same day in the next week, and to the same place, unless the directors specify otherwise.

(b) If no quorum is present at the resumed meeting within 1 hour after the time for the meeting, the meeting is dissolved.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

This is a replaceable rule, so corporations can work out their own formula for a quorum.

See CATSI Act sections 201-70(1), (2).



You may want to change your quorum requirements to reflect whether (for example) certain families should be represented, or to increase the numbers required to meet a quorum.

QUESTIONS TO ASK YOURSELVES



What will be the quorum for meetings?



SOME MEANINGS TO KEY WORDS

Quorum: the minimum number of people required for a meeting to be valid.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

The quorum must be present at all times during the meeting.

See CATSI Act sections 201-70(3), 201-70(4).



If you do not allow body corporate members at rule 5.2.2 you may want to remove rule 7.7.2 and add a rule without the references to body corporate representatives.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

A person can be a proxy for a maximum of three people. See CATSI Regulations 201-95.01.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act also has two rules that cover adjourning meetings which don't reach a quorum. These rules, which can be replaced, don't provide for the directors to extend the 1 hour period and also don't provide for adjournment if a quorum ceases to be present once a meeting has begun.

See CATSI Act sections 201-70(5), (6).

7.8

Chairing general meetings



- (a) The directors may elect an individual to chair general meetings.
- (b) If a chair has not been elected or the chair is not available or does not want to chair the meeting, the directors must elect an individual present to chair it.
- (c) The members at a general meeting must elect a member present to chair the meeting (or part of it) if:
 - (i) the directors have not already elected a chair, or
 - (ii) a previously elected chair is not available, or does not want to chair the meeting.
- (d) The chair must adjourn a general meeting if the majority of members present agree or direct that the chair to do so.

7.9

Use of technology for general meeting

The corporation may hold a general meeting at 2 or more venues using any technology that gives the members as a whole a reasonable opportunity to participate.

7.10

Auditor's right to be heard at general meetings

- (a) If the corporation has an auditor, the auditor is entitled to attend any general meeting of the corporation.
- (b) The auditor is entitled to be heard at a general meeting on any part of the business of that meeting that concerns the auditor in their professional capacity.
- (c) The auditor is entitled to be heard even if:
 - (i) the auditor retires at that meeting, or
 - (ii) that meeting passes a resolution to remove the auditor from office.
- (d) The auditor may authorise a person in writing as the auditor's representative for the purpose of attending and speaking at any general meeting.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

- adopt** this rule as is
- change** this rule

QUESTIONS TO ASK YOURSELVES



Who will chair meetings?

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act sections 201-75 and 60-5.

The rule can be replaced.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 201-65.

Members need to be given a reasonable opportunity to participate in meetings although if a member isn't given this opportunity the meeting will not necessarily be invalid.

See CATSI Act section 576-15.

If a member believes they have not been given a reasonable opportunity to participate they can apply to a court to have the matter considered.

See CATSI Act Division 166.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 201-80.

When a financial report is required to be audited.

See CATSI Act section 333-20 and CATSI Regulations 333-15.01.

Under the Regulations, an audit report may be required for some corporations, depending on their size and income.



An application may be made under section 353-3 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

7.11

Voting at general meetings

7.11.1

Entitlement to vote



- (a) At a general meeting, each member has 1 vote, both on a show of hands and a poll.
- (b) The chair has a casting vote, and also, if he or she is a member, any vote he or she has as a member.

7.11.2

Objections to right to vote



A challenge to a right to vote at a general meeting:

- (a) may only be made at the meeting, and
- (b) must be determined by the chair, whose decision is final.

7.11.3

How voting is carried out



- (a) A resolution put to the vote at a general meeting must be decided by simple majority on a show of hands unless a poll is demanded.
- (b) Before a vote is taken the chair must inform the meeting whether any proxy votes have been received and how the proxy votes are to be cast.
- (c) On a show of hands, a declaration by the chair is conclusive evidence of the result, provided that the declaration reflects the show of hands and the votes of the proxies received. Neither the chair nor the minutes need to state the number or proportion of the votes recorded for or against.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



Minutes of directors' meetings must be made and kept in accordance with rule 14.2.1.



WHAT PARTS OF THE LAW ARE RELEVANT?

Each member has one vote, both on a show of hands and a poll. The rule can be replaced. See CATSI Act section 201-115.

QUESTIONS TO ASK YOURSELVES



How will decisions be made at meetings?

How will voting take place?

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

Challenges about voting rights can only be made at a general meeting and must be decided by the chair. This rule can be replaced. See CATSI Act section 201-120.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A resolution put to the vote at a general meeting must be decided on a show of hands unless a poll is demanded. The rule can be replaced. See CATSI Act section 201-125.



Despite this rule, certain resolutions can only be passed by at least 75 per cent of the votes cast by members entitled to vote on the resolution. These include, for example:

- amending the constitution (see rule 20).
- removing a member for misbehaviour (see rule 5.7.4).

Rule 7.11.3(c): Even though the chair's declaration is conclusive of the voting results, the members present may demand a poll under rule 7.11.4.

7.11.4

Matters on which members can demand a poll

(a) At a general meeting, a poll may be demanded on any resolution.

(b) A demand for a poll may be withdrawn.

7.11.5

When members can demand a poll

(a) At a general meeting, a poll may be demanded by:

- (i) at least 5 members entitled to vote on the resolution
- (ii) members with at least 5 per cent of the votes that may be cast on the resolution on a poll, or
- (iii) the chair.

(b) The poll may be demanded:

- (i) before a vote is taken
- (ii) before the voting results on a show of hands are declared, or
- (iii) immediately after the voting results on a show of hands are declared.

7.11.6

When and how polls must be taken



(a) At a general meeting, a poll on the election of a chair or on the question of an adjournment must be taken immediately.

(b) At a general meeting, a poll demanded on other matters must be taken when and in the manner the chair directs.

WHAT DO WE HAVE TO DO?



This rule can be changed.
You can:

keep this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation's constitution may provide that a poll cannot be demanded on any resolution to elect the chair or a meeting.

See CATSI Act section 201-130.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.



This rule can be amended so that a poll cannot be demanded on any resolution concerning:

- the election of the chair of a meeting or
- the adjournment of a meeting.

See CATSI Act section 201-130(2).

SOME MEANINGS TO KEY WORDS

Poll: means voting by signing a paper headed 'for' or 'against' a motion or resolution, as the case may be (as opposed to voting by a show of hands). A poll can include a secret ballot.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 201-135



Rule 7.11.5(a): These rules may provide that fewer members or members with a lesser percentage of votes may demand a poll.

A proxy may join in the demand for a poll—see rule 7.14.2(a)(iii).



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule can be replaced.

This rule is from the CATSI Act section 201-140 and 60-5.

7.12

Resolutions without a general meeting

- (a) The corporation may pass a resolution without a general meeting being held if all the members entitled to vote on the resolution sign a document stating that they are in favour of it. Each member of a joint membership must sign.
- (b) Auditors cannot be removed by a resolution without a general meeting.
- (c) Separate copies of a document under rule 7.12(a) may be used for signing by members if the wording of the resolution and statement is identical in each copy.
- (d) A resolution under rule 7.12(a) is passed when the last member signs.
- (e) The corporation in passing a resolution under this rule without holding a meeting satisfies any requirement in the Act:
 - (i) to give members information or a document relating to the resolution—by giving members that information or document with the document to be signed
 - (ii) to lodge with the Registrar a copy of a notice of meeting to consider the resolution—by lodging a copy of the document to be signed by members
 - (iii) to lodge a copy of a document that accompanies a notice of meeting to consider the resolution—by lodging a copy of the information or documents referred to in rule 7.12(e)(i).
- (f) The passage of the resolution satisfies any requirement in the Act, or the corporation's rules, that the resolution be passed at a general meeting.
- (g) This rule does not affect any rule of law relating to the assent of members not given at a general meeting.

7.13

Resolutions if corporation has only 1 member

- (a) If the corporation has only 1 member, the corporation may pass a resolution by the member recording it and signing the record.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



Passage of a resolution under rule 7.12 must be recorded in the corporation's minute books (see rule 14.2.1).

A body corporate representative may sign a circulating resolution (see rule 7.15).

Rule 7.12(g): This provision mirrors the *Corporations Act 2001* at section 249A which allows a corporation to pass an ordinary or special resolution without a meeting— as long as all members who are entitled to vote have signed a document that outlines the relevant matters, accompanied by a statement that they are in favour of the resolution. However, according to common law, formalities may be disregarded if they have been waived by all members acting in together who want the same substantial result.

If you do not allow joint members at rule 5.2.2 then you may want to remove rule 7.12(a) and add a rule without the reference to joint members.



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act has a rule which is essentially identical with this rule.

See CATSI Act section 204-1.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



Passage of a resolution under rule 7.13 must be recorded in the corporation's minute books (see rule 14.2.1).

A body corporate representative may sign a circulating resolution (see rule 7.15).

If you have more than one member you may want to remove rule 7.13.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 204-5.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

7.14

Proxies

7.14.1

Who may appoint a proxy



- (a) A member who is entitled to attend and cast a vote at a general meeting may appoint a person as proxy to attend and vote for them at the meeting.
- (b) The person appointed as a member's proxy may be an individual or a body corporate.
- (c) The appointment may specify the proportion or number of votes that the proxy may exercise if the person appointing the proxy has more than one vote.

7.14.2

Rights of proxies

- (a) Subject to this rule, a proxy appointed to attend and vote for a member has the same rights as the member:
 - (i) to speak at the meeting
 - (ii) to vote (but only to the extent allowed by the appointment)
 - (iii) join in a demand for a poll.



- (b) A proxy's authority to speak and vote for a member at a meeting is suspended if the member is present at the meeting.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule

QUESTIONS TO ASK YOURSELVES



Will proxies be allowed?



If you do not allow proxies you may want to remove rules 7.7.2(b), 7.14.2, 7.14.3, 7.14.4 and schedule 3.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



These rules may provide that a proxy is not entitled to vote on a show of hands. Examples of how this could be done include:

(a) to amend rule 7.14.2(a)(ii) to read 'to vote (but only to the extent allowed by the appointment) other than on a show of hands'; or

(b) to make paragraph (a) subject to a new paragraph stating 'A proxy is not entitled to vote on a show of hands'.

If these or similar changes are made an exemption will also be needed to amend rule 7.14.3(c)(i).

However, even if a proxy is not entitled to vote on a show of hands, they may make or join in the demand for a poll.

If you do not allow proxies at rule 7.14.1 you may want to remove rule 7.14.2.

WHAT DO WE HAVE TO DO?



This rule can be changed. You can:

keep this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is based on a CATSI Act rule that provides that a member who is entitled to attend and cast a vote at a general meeting may appoint a person as the member's proxy to attend and vote for the member at the meeting. This rule can be replaced.

A person can be a proxy for a maximum of three people. See CATSI Act sections 201-90(1), 201-95(4) and CATSI Regulations 201-95.01.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is based on a rule from the CATSI Act.

A corporation's constitution may say that a proxy is not entitled to vote on a show of hands. However, even if a proxy is not entitled to vote on a show of hands, they may make or join in the demand for a poll.

See CATSI Act section 201-95.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation's constitution may provide for the effect that a member's presence has on the authority of a proxy to attend and vote.

See CATSI Act section 201-95(3).

- (c) A person must not exercise proxies for more than 3 members:
However, a contravention of this rule 7.14.2(c) does not affect the validity of the votes cast.

7.14.3

Appointing a proxy

- (a) An appointment of a proxy is valid if it is signed, or otherwise authenticated as prescribed by the Regulations, by the member making the appointment and contains the following information:
 - (i) the member's name and address
 - (ii) the corporation's name
 - (iii) the proxy's name or the name of the office held by the proxy
 - (iv) the meetings at which the appointment may be used.
- (b) An undated appointment is taken to have been dated on the day it is given to the corporation.
- (c) An appointment may specify the way the proxy is to vote on a particular resolution. If it does:
 - (i) the proxy need not vote on a show of hands
 - (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands
 - (iii) if the proxy is the chair, the proxy must vote by poll, and must vote as directed
 - (iv) if the proxy is not the chair, the proxy need not vote by poll
 - (v) if a proxy is also a member, this rule 7.14.3(c) does not affect how the person casts any votes they hold as a member.
- (d) A person who contravenes this rule commits an offence under the Act, but only if the person's appointment as a proxy resulted from the corporation sending to members:
 - (i) a list of persons willing to act as proxies, or
 - (ii) a proxy appointment form holding the person out as being willing to act as a proxy.
- (e) An appointment of a proxy does not have to be witnessed.
- (f) A later appointment of a proxy revokes an earlier one if both appointments could not be validly exercised at the meeting.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



For the purposes of rule 7.14.2(c), a person may hold a maximum of three proxies.



WHAT PARTS OF THE LAW ARE RELEVANT?

A person must not exercise proxies for more than three members. However, a contravention of this rule does not affect the validity of the votes cast.

See CATSI Act section 201-95(4),(5), and CATSI Regulations 201-95.01.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



You can provide that an appointment is valid even if it contains only some of the information required by rule 7.14.3(a). To do so would involve amendments to the constitution as set out in this rule book.

If you do not allow proxies at rule 7.14.1 you may want to remove rule 7.14.3.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 201-100.

An appointment may be a standing one.

See CATSI Act section 201-100(1).

An appointment is valid if it is signed by the member making the appointment and contains the member's name and address, the corporation's name, the proxy's name or the name of the office held by the proxy and the meetings at which the appointment may be used.

See CATSI Act section 201-100(1).

The corporation's constitution may provide that the appointment is valid even if it contains only some of this information.

See CATSI Act section 201-100(3).



Form: Schedule 3—
Appointment of proxy form



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

7.14.4

Receipt of proxy documents

- (a) For an appointment of a proxy for a meeting of members to be effective, the following documents must be received by the corporation at least 48 hours before the meeting:
 - (i) the proxy's appointment
 - (ii) if the appointment is signed by the appointor's attorney, the authority or a certified copy of the authority.
- (b) If a meeting has been adjourned an appointment and any authority received by the corporation at least 48 hours beforehand is still valid when the meeting resumes.
- (c) The period of notice for appointing proxies may be reduced.

7.15

Body corporate representative

- (a) A body corporate may appoint an individual to represent it and that person has all the powers of membership:
 - (i) at meetings of the corporation's members
 - (ii) at meetings of creditors
 - (iii) relating to resolutions to be passed without meetings
 - (iv) in the capacity of a member's proxy
 - (v) the appointment may be a standing one.
- (b) An appointment may set out restrictions on the representative's powers. If the appointment applies to a particular position within the body corporate, the appointment must identify that position.
- (c) A body corporate may appoint more than 1 representative but only 1 representative may exercise the body's powers at any one time.

7.16

Questions at AGMs

7.16.1

Questions and comments by members on corporation management at AGM

The chair of an AGM must give members a reasonable opportunity to ask questions about or make comments on the management of the corporation.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



In addition to rule 7.14.4(c), you can also reduce the 48-hour period under either or both rules 7.14.4(a) and (b). To do so, specific amendments would be needed to rule 7.14.4. See CATSI Act section 201-105(3).

If you do not allow proxies at rule 7.14.1 you may want to remove rule 7.14.4.



WHAT PARTS OF THE LAW ARE RELEVANT?

A proxy notice and documents must be received at least 48 hours before a meeting, or a resumed meeting, to be effective but a corporation's constitution or the notice of meeting may reduce this period.

See CATSI Act section 201-105.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



This rule only applies if you allow other corporations to be members.

If you do not allow body corporate members at rule 5.2.2 you may want to remove rule 7.15.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 201-110.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 201-165.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

7.16.2

Questions by members of auditors at AGM

If the corporation's auditor or the auditor's representative is at an AGM, the chair of the meeting must give members a reasonable opportunity to ask the auditor or the auditor's representative questions relevant to:

- (a) the conduct of the audit
- (b) the preparation and content of the auditor's report
- (c) the accounting policies adopted by the corporation in the preparation of the financial statements
- (d) the independence of the auditor in relation to the conduct of the audit.

7.17

Adjourned meetings

7.17.1

When resolution passed after adjournment of meeting

A resolution passed at a general meeting resumed after an adjournment is passed on the day it was passed.

Note: This means that new business cannot be added.:

7.17.2

Business at adjourned meetings



Only unfinished business is to be transacted at a general meeting resumed after an adjournment.

7.17.3

Re-notification of adjourned meeting



If a general meeting is adjourned for 30 days or more, at least 21 days' notice must be given to the members, directors and the secretary or contact person of the day, time and place of when the general meeting will be resumed.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 201-170.

Any financial reports prepared by a corporation must be audited if this is required by the Regulations or by a determination of the Registrar.

See CATSI Act section 333-20.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 201-85(1).

An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.



WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule can be replaced.

This rule is from the CATSI Act section 201-85(2).



This means that new business cannot be added.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act is silent about the notice requirements of adjourned meetings.

8

DIRECTORS OF THE CORPORATION

8.1 Numbers of directors

8.1.1 Minimum number of directors

If the corporation has:

- (a) 1 member, the corporation must have at least 1 director
- (b) 2 members, the corporation must have at least 2 directors
- (c) more than 2 members, the corporation must have at least 3 directors.

8.1.2 Maximum number of directors

- (a) The corporation must not have more than 12 directors.

8.2 Eligibility to be a director

8.2.1 Eligibility for appointment as a director



(a) An individual is eligible for appointment as a director if they are an individual who is (choose one from the examples below):

- (i) least 18 years of age
- (ii) member and at least 18 y
- (iii) an Aboriginal and Torres Strait Islander p
and at least 18 years of age
- (iv) a member, an Aboriginal and Torres S
person and at least 18 years of age

Note: You may add additional criteria restricting who may become a director by amending your constitution.



Who are the directors?

The directors are a group of members selected by members, usually at an annual general meeting, to run the corporation on behalf of all members, to make decisions about the affairs of the corporation, and to always be aware of what is happening.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Corporations with more than 2 members must have at least three directors.

See CATSI Act section 243-1.

WHAT DO WE HAVE TO DO?



This rule can be changed. You can:

keep this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation must not have more than 12 directors.

See CATSI Act section 243-5.



You can add additional criteria in your constitution, depending on your needs, for example:

- requiring an equal number of men and women as directors, or
- requiring one representative from each family or language or traditional owner or community/town group, etc.



You can ask the Registrar for an exemption from this rule if it is inappropriate in the circumstances or would impose an unreasonable burden. See CATSI Act section 310-5.

QUESTIONS TO ASK YOURSELVES



How many directors will you have?

Are there any special requirements for directors?

WHAT DO WE HAVE TO DO?



Must be completed.

You must have at least one rule about eligibility of directors—i.e. that directors must be at least 18 years of age.



WHAT PARTS OF THE LAW ARE RELEVANT?

Only members 18 years of age and older can be appointed as a director.

See CATSI Act section 246-1.

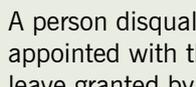


Corporations should check to make sure that directors or managers are not disqualified from managing corporations—see information about disqualification on the website or contact ORIC.

If you have selected rule 8.2.1(a)(iv) you may want to remove rule 8.2.2(a).

If you have selected 8.2.1(a)(ii) or 8.2.1(a)(iv) then you may want to remove rule 8.2.2(c).

If you do not allow directors to be employees then you may want to remove rule 10.3(b).



A person disqualified under Part 6-5 may only be appointed with the permission of the Registrar or with leave granted by the court.

See CATSI Act section 279-30 and 279-35.



ORIC fact sheet:

Duties of directors and other officers

- (b) An individual who is disqualified from managing Aboriginal and Torres Strait Islander corporations under Part 6–5 of the Act may only be appointed as a director of the corporation if the appointment is made:
 - (i) with permission granted by the Registrar, or
 - (ii) with leave granted by the court.

8.2.2

Majority of director requirements

- (a) A majority of the directors of the corporation must be individuals who are Aboriginal and Torres Strait Islander persons.
- (b) A majority of the directors must ordinarily reside in Australia.
- (c) A majority of the directors must be members.
- (d) A majority of the directors must not be employees of the corporation.
- (e) The chief executive officer:
 - (i) may be a director but cannot chair the directors' meetings and
 - (ii) counts as an employee for the purposes of rule 8.2.2(d).

8.2.3

Consent to act as director

- (a) Before a person may be appointed as a director, that person must give the corporation a signed consent to act as a director of the corporation.
- (b) The corporation must keep the consent.

8.3

Directors on registration

A person becomes a director, secretary or contact person of the corporation on registration of the corporation if the person is specified in the application for registration and they have given their consent.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 246-1(2).

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 246-5.

For the meaning of chief executive officer function.
See CATSI Act section 694-85.



Rule 8.2.2 (a)

This rule is *relevant* if at rule 8.2.1(a) you selected (i) or (ii) allowing people who are not Aboriginal or Torres Strait Islander to become a director.

This rule is *not relevant* if you have selected (iii) or (iv) allowing only Aboriginal or Torres Strait Islander people to become directors. You may want to remove rule 8.2.2(a).

Rule 8.2.2 (c)

This rule is *relevant* if at rule 8.2.1(a) you selected (i) or (iii) allowing a person who is not a member to become a director.

This rule is *not relevant* if at rule 8.2.1(a) you have selected (ii) or (iv) allowing only members to become directors. You may want to remove rule 8.2.2(c).

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 246-10.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

The application for registration must include the director details of each person who consents in writing to become a director, and the name and address of the person who consents in writing to be the contact person or secretary.

See CATSI Act section 21-1(1).

8.4 Becoming a director by appointment

8.4.1 The corporation may appoint a director



The corporation may appoint a person as a director by resolution passed in general meeting.

8.4.2 Directors may appoint other directors to make up a quorum



- (a) As long as the maximum number of directors is not exceeded, the directors of the corporation may appoint a person as a director to make up a quorum.
- (b) If the total number of directors does not make up a quorum, a person can be appointed under rule 8.4.2(a) to make up a quorum for a directors' meeting.
- (c) If a person is appointed under rule 8.4.2(a), the corporation must confirm the appointment by resolution at the corporation's next AGM. If the appointment is not confirmed, the person ceases to be a director of the corporation at the end of the AGM.

8.5 Term of appointment



- (a) If the application for registration of the corporation identifies a director who is to be appointed for only one year, that appointment ends at the first AGM that occurs more than one year after the date of the corporation's registration.

- (b) Subject to rule 8.5(d), a director must not be appointed for more than 2 years.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 246-15.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



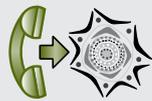
WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 246-20.



This rule is subject to rule 8.1.2—that the maximum number of directors is 12.

You may need to change your constitution to modify this rule if different options for eligibility have been selected.



Please contact ORIC if you need help.

QUESTIONS TO ASK YOURSELVES



How long will directors be elected for—one year, two years?

Who will elect or appoint directors, and how?

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 246-25.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 246-25.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.



(c) A director is eligible for reappointment.

(d) If the terms of appointment of all of the directors of the corporation expire so that there are no directors at a particular time, the terms are extended until the next general meeting that occurs after the last director's appointment has expired.



8.6

Rotation of directors

- (a) Directors will be elected on rotation for a two-year term, so that the appointment of half of the directors expires each year.
- (b) To implement the rotational system:
 - (i) the directors of the corporation on registration of the corporation will only hold office until the first AGM of the corporation and will be eligible for re-appointment
 - (ii) at the first AGM of the corporation:
 - (A) half of the directors will be appointed for a term of two years and
 - (B) the other half of the directors will be appointed for a term of one year and
 - (iii) at subsequent AGMs of the corporation, the appointment of any directors at that AGM will be for two years.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 246-25.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 246-25.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

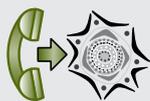
This rule is from the CATSI Act section 246-25.



There are various ways in which you could control the election and term of directors.

For example, you could have one-year terms, two-year terms without rotation, and your choice may also depend on how you have set eligibility for directors.

Your constitution may need to be changed to reflect your choice.



Please contact ORIC if you need help with this.

8.7

Alternate directors



- (a) With the other directors' approval, a director (appointing director) may appoint an alternate to exercise some or all of the director's powers for a specified period.
- (b) If the appointing director asks the corporation to give the alternate director notice of directors' meetings, the corporation must do so.
- (c) The appointing director may terminate the alternate's appointment at any time.
- (d) An appointment of an alternate or its termination must be in writing. A copy must be given to the corporation.

8.8

How a person ceases to be a director

8.8.1

A person ceases to be a director if:

- (a) the person dies
- (b) the person resigns as a director as provided for in rule 8.9
- (c) the term of the person's appointment as a director expires
- (d) the person is removed as a director by the members as provided for in rule 8.10.1
- (e) the person is removed as a director by the other directors as provided for in rule 8.10.2, or
- (f) the person becomes disqualified from managing Aboriginal and Torres Strait Islander corporations under Part 6–5 of the Act.

8.9

Resignation of director

- (a) A director may resign as a director by giving notice of resignation to the corporation.



- (b) A notice of resignation must be in writing.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



When an alternate exercises the director's powers, it is just as valid as if the powers were exercised by the director.

Alternate directors are subject to directors duties, see rule 9.



WHAT PARTS OF THE LAW ARE RELEVANT?

Alternative directors can be appointed to exercise some or all of the director's powers over a certain time. This rule can be replaced.

See CATSI Act section 246-30.

They must still abide by the duties that apply to all directors.

See CATSI Act Division 265.

The Registrar must be given notice of the appointment of and the termination of the appointment of an alternate director.

See CATSI Act sections 304-5(3) and (6).

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



ORIC information sheet:
Disqualification of directors



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 249-1.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 249-5.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



If replacing rule 8.9, you will need to specify how the notice may be given—for example, 'in writing or orally (in person or by telephone)'.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule can be replaced.

This rule is from the CATSI Act section 249-5.

8.10

Process for removing a director

8.10.1

Removal by members

- (a) The corporation may, by resolution in general meeting, remove a director from office despite anything in:
 - (i) the corporation's constitution
 - (ii) an agreement between the corporation and the director concerned, or
 - (iii) an agreement between any or all members of the corporation and the director concerned.
- (b) A notice of intention to move a resolution to remove a director must be given to the corporation at least 21 days before the meeting is to be held. However, if the corporation calls a meeting after the notice of intention is given, the meeting may pass the resolution even though the meeting is held less than 21 days after the notice is given.
- (c) The corporation must give the director concerned a copy of the notice as soon as possible after it is received.
- (d) The director concerned is entitled to put his or her case to members by:
 - (i) giving the corporation a written statement for circulation to members (see rules 8.10.1(e) and (f))
 - (ii) speaking to the motion at the meeting (whether or not the director concerned is a member).
- (e) The corporation is to circulate the written statement given under rule 8.10.1(d)(i) to members by:
 - (i) sending a copy to everyone to whom notice of the meeting is sent if there is time to do so, or
 - (ii) if there is not time to comply with rule 8.10.1(e)(i), having the statement distributed to members attending the meeting and read out at the meeting before the resolution is voted on.
- (f) The written statement given under rule 8.10.1(d)(i) does not have to be circulated to members if it is defamatory.
- (g) If a person is appointed to replace a director removed under this rule, the time at which:
 - (i) the replacement director, or
 - (ii) any other director,is to retire is to be worked out as if the replacement director had become a director on the day on which the replaced director was last appointed a director.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



Short notice of a meeting to consider a resolution to remove a director cannot be given—see rule 7.4.1(c)(i).



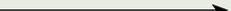
WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act provides a way for members to remove a director by resolution at a general meeting. See CATSI Act section 249-10.

8.10.2

Removal by other directors

- (a) The only ground on which the directors may remove a director from office is that they fail without reasonable excuse to attend 3 or more consecutive directors' meetings. The directors may remove a director by resolution.
- (b) Rule 8.10.2(a) operates despite anything in:
 - (i) the corporation's constitution
 - (ii) an agreement between the corporation and the director concerned, or
 - (iii) an agreement between any or all members and the director concerned.
- (c) Before removing the director concerned, the directors must give the director concerned notice in writing:
 - (i) stating that the directors intend to remove the director concerned from office because they have failed without reasonable excuse to attend 3 or more consecutive directors' meetings
 - (ii) stating that the director concerned has 14 days to object in writing to the removal
- (d) If the director concerned does not object, the directors must remove the director concerned.
- (e) If the director concerned does object:
 - (i) the directors cannot remove the director concerned
 - (ii) the corporation, by resolution in general meeting, may remove the director in accordance with rule 8.10.1.
- (f) If the director concerned is removed, the corporation must give them a copy of the resolution as soon as possible after the resolution has been passed.
- (g) If a person is appointed to replace a director removed under this rule, the time at which:
 - (i) the replacement director or
 - (ii) any other director,is to retire is to be worked out as if the replacement director had become director on the day when the replaced director was last appointed a director.



WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

The CATSI Act provides a way for directors to remove another director by resolution.

See CATSI Act section 249-15.

9

GENERAL DUTIES

9.1

General duties

- (a) The directors, secretary, other officers and employees must comply with the duties imposed on them by the Act and the general law. These may include, for example:
 - (i) a duty of care and diligence
 - (ii) a duty of good faith
 - (iii) a duty of disclosure of material personal interests (see rule 10.2)
 - (iv) a duty not to improperly use position or information
 - (v) a duty to prevent insolvent trading.
- (b) The directors will be liable for debts and other obligations incurred by the corporation while acting, or purporting to act, as trustee.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



ORIC fact sheet:
Duties of directors and other officers



Duties of directors and other officers include:

- a duty of care and diligence (section 265)
- a duty to act in good faith (section 265)
- a duty to not improperly use their position to gain a personal advantage or to hurt the corporation (section 265)
- a duty to not improperly use their position to obtain information that might give them a personal advantage or hurt the corporation (section 265)
- a duty to let other directors know if they have a conflict of interest (section 268)
- a duty to prevent insolvent trading by the corporation (section 531)



WHAT PARTS OF THE LAW ARE RELEVANT?

The directors, secretary, other officers and employees are required to comply with duties imposed upon them under the Act and general law.

See Divisions 265, 268, 271 and 531.

For large corporations, the secretary may also be responsible for certain contraventions of the Act by the corporation.

See CATSI Act section 265-40.

For the meaning of 'director' and 'officer', see CATSI Act section 683-1.

10

FUNCTIONS, POWERS AND DUTIES OF DIRECTORS

10.1

Powers of directors



- (a) The business of the corporation is to be managed by or under the direction of the directors.
- (b) The directors may exercise all the powers of the corporation except any that the Act or the corporation's constitution requires the corporation to exercise in general meeting.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



Rule 10.1(b): For example, the directors may enter into contracts and borrow money on behalf of the corporation.

QUESTIONS TO ASK YOURSELVES



Do we want sub-committees?



What are our rules for sub-committees?

Do we want to include experts from outside on our sub-committees to provide advice—e.g. finance, policy and procedures on OH&S—but who have no decision-making power or voting power?



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 274-1.

Under the CATSI Act, the directors should manage the business of the corporation. Also, the directors may exercise all the powers of the corporation except any that the Act or the constitution requires the corporation to exercise in a general meeting.

10.2

Duty of director to disclose material personal interests

- (a) A director who has a material personal interest in a matter that relates to the affairs of the corporation must give the other directors notice of the interest unless rule 10.2(b) says otherwise.
- (b) A director does not need to give notice of an interest under rule 10.2(a) if:
 - (i) the interest:
 - (A) arises because the director is a member and is held in common with the other members
 - (B) arises in relation to the director's remuneration as a director
 - (C) relates to a contract the corporation is proposing to enter into that is subject to approval by the members and will not impose any obligation on the corporation if it is not approved by the members
 - (ii) all the following conditions are satisfied:
 - (A) the director has already given notice of the nature and extent of the interest and its relation to the affairs of the corporation under rule 10.2(a)
 - (B) if a person who was not a director when the notice under rule 10.2(a) was given is appointed as a director, the notice is given to that person
 - (C) the nature or extent of the interest has not materially increased above that disclosed in the notice or
 - (iii) the director has given a standing notice of the nature and extent of the interest and that notice is still effective.
- (c) The notice required by rule 10.2(a) must:
 - (i) give details of:
 - (A) the nature and extent of the interest
 - (B) the relation of the interest to the affairs of the corporation
 - (ii) be given at a directors' meeting as soon as possible after the director becomes aware of their interest in the matter
 - (iii) The details must be recorded in the minutes of the meeting.
- (d) A contravention of this rule 10.2 by a director does not affect the validity of any act, transaction, agreement, instrument, resolution or other thing.
- (e) This rule 10.2 does not apply to the corporation if the corporation has only 1 director.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



A conflict of interest may arise when a director is involved in making a decision about an issue in which they stand to benefit in some way (direct conflict), or a relative or business they are involved with stands to benefit (indirect conflict).

A 'material personal interest' includes direct and indirect financial interests, as well as direct and indirect non-financial interests (e.g. if a director's relative would get the main benefit of the goods or services to be provided by a contract to be entered into). Generally, it would have to be enough of an interest to influence the director's decision, and there must be a real or substantial conflict.

Rule 10.2(a): Failing to comply with the requirement of this rule is an offence with a penalty of up to 10 penalty units, imprisonment for up to 3 months or both.

Rule 10.2(b)(ii)(B): The notice may be given to the person referred to in this rule by someone other than the director to whose interests it relates (for example, by the secretary).



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act Division 268.

There are other instances where a director does not need to give notice of an interest.

See CATSI Act section 268-1(3)(a).

A standing notice of the nature and extent of an interest can be made in accordance with section 268-10 of the CATSI Act. This would be particularly effective if a director has an ongoing interest which could give rise to future conflicts of interest (e.g. directorship of another corporation) because the notice only has to be given once, and does not have to be given at every directors' meeting.

Under section 268-5 of the CATSI Act, if:

- (i) the corporation is a registered native title body corporate and
- (ii) a director has a particular interest as one of the common law holders of native title, being native title:
 - (A) which the corporation holds in trust for the common law holders of the native title or
 - (B) for which the corporation acts as agent or representative for the common law holders of the native title,

that director does not need to give the other directors notice of the interest under rule 10.2(a).

10.3

Remuneration



(a) The directors are not to be paid remuneration.

(b) Rule 10.3(a) does not prevent:

(i) a director who is an employee of the corporation from receiving remuneration as an employee of the corporation, or



(ii) reasonable payments (having regard to the market costs of obtaining similar goods or services) to the director for a contract for goods or services, provided that rule 10.2 has been complied with.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



If rule 10.3(a) is amended it must say that the directors may be paid provided the remuneration is agreed to by the corporation by resolution in general meeting. See CATSI Act section 252-1(2).

Remuneration does not include travel and other expenses related to corporation business see rule 10.3(c).



WHAT PARTS OF THE LAW ARE RELEVANT?

Unless the rules say otherwise, directors are not be paid remuneration.

See CATSI Act section 252-1.

QUESTIONS TO ASK YOURSELVES



Can directors receive remuneration payments? If so, what for and how much?



Are any directors also employees of the corporation?

Does the funding body from whom you receive grants allow employees to be directors?

Does the funding body allow wages to be paid to directors?

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



If you do not allow directors to be employees at rule 8.2.1 then you may want to remove rule 10.3(b).



WHAT PARTS OF THE LAW ARE RELEVANT?

Directors who are employees of the corporation can be paid.

See CATSI Act section 252-1.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

Directors can also be paid if they have provided goods or services under contract to the corporation.

See CATSI Act section 252-1.

- (c) The corporation may pay the directors' travelling and other expenses that the directors incur:
 - (i) in attending directors' meetings or any meetings of committees of directors
 - (ii) in attending any general meetings of the corporation
 - (iii) in connection with the corporation's business.

10.4 Negotiable instruments



- (a) Any 2 directors of the corporation, or the director if the corporation has only 1 director, may sign, draw, accept, endorse or otherwise execute a negotiable instrument.
- (b) The directors may determine that a negotiable instrument may be signed, drawn, accepted, endorsed or otherwise executed in a different way.

10.5 Delegation

- (a) The directors may by resolution delegate any of their powers to:
 - (i) a committee of directors
 - (ii) a director
 - (iii) an employee of the corporation, or
 - (iv) any other person.
- (b) A delegate must exercise the powers delegated in accordance with any directions of the directors.
- (c) The exercise of a power by a delegate is as effective as if the directors had exercised it.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



Payments under this rule 10.3(c) should be limited to payments that are reasonable having regard to the circumstances of the corporation, and the costs of basic economy-class travel, accommodation and food in the relevant areas where the travel occurs.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 252-1(3).

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



For example, the constitution may specify that only certain directors can execute negotiable instruments (such as cheques) or that the directors may not determine a different way of execution.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act sections 274-5 and 60-5.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule is from the CATSI Act section 274-10.

A director may be responsible for the exercise of any power of a delegate as though the power had been exercised by that director.

See CATSI Act section 265-50.

10.6

Member approval needed for related party benefit

- (a) For the corporation, or an entity that the corporation controls, to give a financial benefit to a related party of the corporation:
 - (i) the corporation or entity must:
 - (A) obtain the approval of the members in the way set out in Division 290 of the Act, and
 - (B) give the benefit within 15 months after the approval, or
 - (ii) the giving of the benefit must fall within an exception to the requirement for member approval set out in Division 287 of the Act.
- (b) If:
 - (i) the giving of the benefit is required by a contract
 - (ii) the making of the contract was approved in accordance with rule 10.6(a)(i)(A) and
 - (iii) the contract was made:
 - (A) within 15 months after that approval, or
 - (B) before that approval, if the contract was conditional on the approval being obtained,

member approval for the giving of the benefit is taken to have been given and the benefit need not be given within the 15 months.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Members must approve anyone associated with the corporation receiving a financial benefit.

See CATSI Act Part 6-6.

Division 290 of the Act sets out in detail the procedure that the corporation must follow in seeking the approval of members for a financial benefit to be given to a related part of the corporation.

Division 287 of the Act sets out various exemptions to the requirement for the approval of members for a financial benefit to be given to a related part of the corporation including matters relating to:

- remunerating or reimbursing officers or employees
- benefits to or by a closely-held subsidiary
- benefits given to comply with Native Title legislation obligations or
- court orders.



An application may be made under section 310-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

If the corporation or an entity controlled by the corporation fails to comply with rule 10.6:

- (a) the breach does not affect the validity of any contract or transaction connected with the giving of the benefit; and
- (b) the corporation or entity does not commit an offence.

A court may order an injunction to stop the corporation or entity giving the benefit to the related party.

See CATSI Act sections 284-5 and 576-25.

A person contravenes a civil penalty provision if they are involved in a contravention of rule 10.6 by the corporation or entity.

See CATSI Act section 386-1.

Section 694-55 of the Act defines 'involved in'.

Section 293-1 defines 'related party'.

Section 293-5 gives guidance to the meaning of 'giving a financial benefit'.

Section 700-1 defines 'entity'.

Section 689-25 defines 'control'.

11

DIRECTORS' MEETINGS

11.1

Frequency of directors meetings



The directors will meet as often as the directors consider necessary for the good functioning of the corporation, but must meet at least once every 3 months.

11.2

Calling and giving notice of directors' meetings



(a) The directors will normally determine the date, time and place of each directors' committee meeting at the previous meeting.



(b) A directors' meeting may be called by a director giving reasonable notice individually to every other director.

WHAT DO WE HAVE TO DO?



This rule is law that can be changed. You can:

keep this rule as is

change this rule



You may choose other timeframes for meetings, depending on the nature of your corporation (e.g. every 2 months).



WHAT PARTS OF THE LAW ARE RELEVANT?

The rules of the corporation must set out how often directors meetings are to be held. See CATSI Act section 212-1.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

However, holding regular directors' meetings and specifying the minimum frequency of those meetings is a matter of good governance.

The Registrar will only give an exemption if satisfied the rule is inappropriate for your corporation or it imposes an unreasonable burden. For example, land holding bodies might apply for exemptions from holding meetings. See CATSI Act section 225-20.

QUESTIONS TO ASK YOURSELVES



How often will directors' meetings be held?

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule can be replaced. This rule is from the CATSI Act section 212-5.



A director who has appointed an alternate director may ask for the notice to be given to the alternate director—see rule 8.7(b).

If the corporation has only 1 director, meetings will not need to be held. Refer to rule 11.6.3 for how resolutions of 1 director corporations are passed.



- (c) The date, time and place for a directors' meeting must not unreasonably prevent a director attending.
- (d) Reasonable notice of each directors' meeting must be given to each director. The notice must state:
 - (i) the date, time and place of the meeting
 - (ii) the general nature of the business to be conducted at the meeting
 - (iii) any proposed resolutions.
- (e) A resolution passed at a directors' meeting will not be invalid only because of an unintentional omission or mistake in giving notice of the directors' meeting under rule 11.2(d) or in giving notice of any changes to the item, date or place of the directors' meeting.

11.3

Quorum at directors' meetings

The quorum for a directors' meeting is a majority of the directors, and the quorum must be present at all times during the meeting.

11.4

Chairing directors' meetings



- (a) The directors may elect a director to chair their meetings. The directors may determine the period for which that director is to be the chair.
- (b) The directors must elect a director present to chair a meeting, or part of it, if:
 - (i) a director has not already been elected to chair the meeting, or
 - (ii) a previously elected chair is not available, or declines to act, for the meeting or the part of the meeting.

11.5

Use of technology

A directors' meeting may be called or held using any technology consented to by all the directors. The consent may be a standing one. A director may only withdraw his or her consent within a reasonable period before the meeting.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



If the corporation has only 1 director see rule 11.6.3 for passing resolutions without meetings.



WHAT PARTS OF THE LAW ARE RELEVANT?

A majority of directors makes up a quorum.
See CATSI Act section 212-20.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

Directors may elect a chair.
See CATSI Act section 212-15.



If the corporation has only 1 director see rule 11.6.3 for passing resolutions without meetings.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Directors can use technology to call and hold their meetings.
See CATSI Act section 212-10.

11.6 Resolutions at directors' meetings

11.6.1 Passing of directors' resolutions



- (a) A resolution of the directors must be passed by a majority of the votes cast by directors entitled to vote on the resolution.
- (b) The chair has a casting vote if necessary in addition to any vote they have as a director.

11.6.2 Circulating resolutions if the corporation has more than 1 director



- (a) the directors may pass a resolution without a directors' meeting being held if all the directors entitled to vote on the resolution sign a statement that they are in favour of the resolution set out in the document.
- (b) Separate copies of a document under rule 11.6.2(a) may be used for signing by directors if the wording of the resolution and statement is identical in each copy.
- (c) A resolution under rule 11.6.2(a) is passed when the last director signs.

11.6.3 Resolutions and declarations of 1 director corporation

- (a) the director may pass a resolution by recording it and signing the record.
- (b) the director may make a declaration by recording it and signing the record. This satisfies any requirement in the Act that the declaration be made at a directors' meeting.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



Minutes of director's meetings must be made and kept according to rule 14.2.1.



WHAT PARTS OF THE LAW ARE RELEVANT?

Directors' resolutions must be passed by a majority of directors' votes.

See CATSI Act section 212-25.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



Passage of a resolution under rule 11.6.2 must be recorded in the corporation's minute books—see rule 14.2.1.



WHAT PARTS OF THE LAW ARE RELEVANT?

Circulating resolutions of corporations with more than one director.

See CATSI Act section 215-1.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under CATSI—that is, you have to adopt this rule. It can't be taken out or changed.



Passage of a resolution under rule 11.6.3 must be recorded in the corporation's minute book—see rule 14.2.1.



WHAT PARTS OF THE LAW ARE RELEVANT?

Resolutions and declarations of one-director corporations.

See CATSI Act section 215-5.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

12

SECRETARY AND CONTACT PERSON

12.1 Requirements for secretary or contact person

12.1.1 Who may be a secretary or contact person

- (a) Only an individual who is at least 18 years of age may be appointed as a secretary or contact person of the corporation.
- (b) A person who is disqualified from managing an Aboriginal and Torres Strait Islander corporation under Part 6-5 of the Act may only be appointed as a secretary or contact person if the appointment is made with:
 - (i) the Registrar's permission under section 279-30(7) of the Act, or
 - (ii) the leave of the court under section 279-35 of the Act.

12.1.2 Consent to act as secretary or contact person

- (a) The corporation must receive a signed consent from a person to act as secretary or contact person of the corporation, before that person is appointed as secretary or contact person of the corporation
- (b) The corporation must keep each consent received under rule 12.1.2(a).

12.2 Becoming a secretary or a contact person on registration

- (a) A person becomes a secretary or a contact person of the corporation on registration of the corporation, if the person is specified in the application with his or her consent as a proposed secretary or contact person of the corporation.
- (b) If
 - (i) the corporation is registered as a small or medium corporation and
 - (ii) the application for registration does not specify a person to be the contact person for the corporation
 - (iii) the applicant becomes the contact person for the corporation on registration.

→

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Who may be a secretary or contact person.
See CATSI Act sections 257-10 and 257-15.

→

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

How to become a member, director, corporation secretary and contact person of a corporation.
See CATSI Act section 42-10.

- (c) If:
- (i) a person is specified in the application for registration of the corporation as the contact person for the corporation
 - (ii) that person is specified without his or her consent
 - (iii) before registration, the Registrar becomes aware of that fact and
 - (iv) the Registrar determines, by notice in writing given to the applicant, that the applicant for registration is the contact person for the corporation on registration,
 - (v) the applicant becomes the contact person for the corporation on registration.

12.3 How a secretary or contact person is appointed

The directors appoint a secretary or contact person.

12.4 Terms and conditions of office

12.4.1 Terms and conditions of office for secretaries



A secretary holds office on the terms and conditions (including remuneration) that the directors determine.

12.4.2 Terms and conditions of contact person's appointment



A contact person's appointment is subject to the terms and conditions (including remuneration) that the directors determine.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



You may want to remove rule 12.2 if your corporation is already registered.



WHAT PARTS OF THE LAW ARE RELEVANT?

How to become a members, director, corporation secretary and contact person of a corporation.

See CATSI Act section 42-10.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

How a secretary or contact person is appointed.

See CATSI Act section 257-20.

The corporation must notify the Registrar of the appointment within 28 days. This includes the name and address of directors and secretaries.

See CATSI Act section 304-5(1).

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule can be replaced.

This rule is from the CATSI Act section 257-45.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

adopt this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

This rule can be replaced.

This rule is from the CATSI Act section 257-50.

12.5 Duties of secretary and contact person

12.5.1 Contact person must pass on communications received

While entered on the Register of Aboriginal and Torres Strait Islander Corporations as the contact person, a person:

- (a) appointed with his or her consent as the contact person, or
 - (b) determined to be the contact person,
- must pass on to a least one of the directors each communication received by that person for the corporation within 14 days after receiving it.

12.5.2 Secretary must pass on communications received

While entered on the Register of Aboriginal and Torres Strait Islander Corporations as the secretary, a person appointed with his or her consent to be the secretary must pass on to a least one of the directors each communication received by that person for the corporation within 14 days after receiving it.

12.5.3 Effectiveness of acts by secretaries

- (a) An act done by the secretary is effective even if their appointment is invalid because the corporation or secretary did not comply with the corporation's constitution or the Act.
- (b) Rule 12.5.3(a) does not deal with the question whether an effective act by a secretary:
 - (i) binds the corporation in its dealings with other people or
 - (ii) makes the corporation liable to another person.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Secretaries are also responsible for a number of important lodgments. A secretary can commit an offence if the corporation fails to lodge certain reports or updates. This includes the requirements to lodge any changes to the details of a director.

See CATSI Act section 265-40.

Rule 12.5.3 validates acts such as those that are only legally effective if the person doing them is a secretary (for example, signing and sending out a notice of a meeting of directors if the corporation's rule book authorises the secretary to do so or signing a document to be lodged with the Registrar). Division 104 of the Act contains rules about the assumptions people are entitled to make when dealing with an Aboriginal and Torres Strait Islander corporation and its officers.

13

EXECUTION OF DOCUMENT AND THE COMMON SEAL OF THE CORPORATION

13.1

Corporation may have common seal

- (a) The corporation may have a common seal.
- (b) If the corporation does have a common seal:
 - (i) the corporation must set out on it the corporation's name and ICN



- (ii) the common seal must be kept by a person nominated by the directors.

- (iii) The corporation may have a duplicate common seal. The duplicate must be a copy of the common seal with the words 'duplicate seal' added.

WHAT DO WE HAVE TO DO?

 This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.

 If you do not want a common seal you can remove rule 13.1. If you remove rule 13.1 you may also want to remove rule 13.2.2(b).



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation may have a common seal.
See CATSI Act section 42-25.

However, a corporation may make contracts and execute documents without using a seal. This option is at rule 13.2.1 and 13.2.2.

For abbreviations that can be used on a seal, see CATSI Act section 85-10.

WHAT DO WE HAVE TO DO?

 This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule

 While rule 13.1(b)(ii) is optional, if the corporation is to have a common seal it is necessary in the interests of good governance for the directors to make provision for the safe custody of the seal.



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation may have a common seal.
See CATSI Act section 42-25.

However, a corporation may make contracts and execute documents without using a seal. This option is at rule 13.2.1 and 13.2.2.

For abbreviations that can be used on a seal, see CATSI Act section 85-10.

WHAT DO WE HAVE TO DO?

 This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation may have a duplicate seal.
See CATSI Act section 42-25(2).

13.2 Execution of documents

13.2.1 Agent exercising corporation's power to make contracts etc.

The corporation's power to make, vary, ratify or discharge a contract may be exercised by an individual acting with the corporation's express or implied authority and on behalf of the corporation. The power may be exercised without using a common seal.

13.2.2 Execution of documents (including deeds) by the corporation

- (a) The corporation may execute a document without using a common seal if the document is signed by:
 - (i) 2 directors
 - (ii) a director and a secretary (if any), or
 - (iii) if the corporation has only 1 director, that director.
- (b) If the corporation has a common seal, the corporation may execute a document if the seal is fixed to the document and the fixing of the seal is witnessed by:
 - (i) 2 directors
 - (ii) a director and a secretary, or
 - (iii) if the corporation has only 1 director, that director.
- (c) The corporation may execute a document as a deed if the document is expressed to be executed as a deed and is executed in accordance with rules 13.2.2(a) or 13.2.2(b).
- (d) This rule 13.2.2 does not limit the ways in which the corporation may execute a document (including a deed).

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



Rule 13.2.10 does not affect the operation of a law that requires a particular procedure to be complied with in relation to the contract.

If you have chosen not to have a common seal at rule 13.1 you may want to remove rule 13.2.2(b).



WHAT PARTS OF THE LAW ARE RELEVANT?

If the corporation executes a document in accordance with rules 13.2.2(a) or 13.2.2(b), people will be able to assume it has been done correctly.

See CATSI Act sections 99-1 and 99-5.

See CATSI Act section 104-5(6) or (7) for dealings in relation to the corporation.

14

FINANCES AND RECORD KEEPING



14.1

Application of funds and property

- (a) Subject to the Act and the corporation's constitution, all funds or property of the corporation not subject to any special trust can be used at the discretion of the directors to carry out the corporation's objectives.
- (b) Subject to the Act and the corporation's constitution, no portion of the funds and property of the corporation may be paid or distributed to any member of the corporation.
- (c) Nothing in rule 14.1(b) is intended to prevent:
 - (i) the payment in good faith of reasonable wages to a member who is an employee of the corporation (having regard to the circumstances of the corporation and the qualifications, role and responsibilities of the member as an employee), or
 - (ii) reasonable payment in good faith to a member for a contract for goods or services provided by that member (having regard to the market costs for obtaining similar goods or services in the area where the goods or services are to be provided).

14.2

Minutes of meetings

14.2.1

Obligation to keep minutes

- (a) The corporation must keep minute books in which it records within 1 month:
 - (i) proceedings and resolutions of general meetings
 - (ii) proceedings and resolutions of directors' meetings (including meetings of a committee of directors)
 - (iii) resolutions passed by members without a meeting
 - (iv) resolutions passed by directors without a meeting
 - (v) if the corporation has only 1 director, the making of declarations by the director.
- (b) The minutes of the meeting may be kept:
 - (i) in writing, or
 - (ii) by means of an audio, or audio-visual, recording.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



These rules do not permit members to share profits. If you want to set up a corporation which allows members to share profits you will need to change your rule book.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



If you have more than one director you may want to remove rule 14.2.1(a)(v).



WHAT PARTS OF THE LAW ARE RELEVANT?

The corporation must keep minutes of meetings. See CATSI Act section 220-5.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

- (c) If the minutes of the meeting are kept by means of an audio, or audio-visual, recording of the meeting, the corporation must ensure that, on the recording:
 - (i) each person attending the meeting states their name and
 - (ii) if a person attending the meeting holds a proxy, the person states the name of the person for whom the person is acting as proxy.
- (d) If the minutes of the meeting are kept in writing, the corporation must ensure that either:
 - (i) the chair of the meeting, or
 - (ii) the chair of the next meeting,signs those minutes within a reasonable time after the first meeting.
- (e) If the minutes of the meeting are kept by means of an audio, or audio visual, recording, the corporation must ensure that either:
 - (i) the chair of the meeting, or
 - (ii) the chair of the next meeting,
 - (iii) signs a declaration under rule 14.2.1(f) within a reasonable time after the first meeting.
- (f) The declaration under this rule 14.2.1(f) must:
 - (i) identify the audio, or audio-visual, recording
 - (ii) if the recording is not a recording of the whole of the meeting, identify the part of the meeting that is recorded
 - (iii) declare that the recording constitutes the minutes of the meeting or that part of the meeting.
- (g) The corporation must ensure that minutes of the passing of a resolution without a meeting are signed by a director within a reasonable time after the resolution is passed.
- (h) If the corporation has only 1 director, that director must sign the minutes of the making of a declaration by that director within a reasonable time after the declaration is made.
- (i) The corporation must keep its minute books at:
 - (i) its registered office if it is registered as a large corporation, or
 - (ii) its document access address if it is registered as a small or medium corporation.
- (j) A minute that is recorded and signed in accordance with this rule 14.2.1 is evidence of the proceeding, resolution or declaration to which it relates, unless the contrary is proved.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

The corporation must keep minutes of meetings.
See CATSI Act section 220-5.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

14.3 Constitution and records about officers, contact person, etc.

The corporation must keep:

- (a) an up-to-date copy of its constitution (incorporating any changes to the constitution made in accordance with the Act and the terms of the constitution)
- (b) written records relating to:
 - (i) the names and addresses of the corporation's current officers and secretary or contact person (as the case may be)
 - (ii) the corporation's registered office (if any)
 - (iii) the corporation's document access address (if any)

14.4 Financial records

14.4.1 Obligation to keep financial records

The corporation must keep written financial records that:

- (a) correctly record and explain its transactions and financial position and performance
 - (b) would enable true and fair financial reports to be prepared and audited.
- This obligation extends to transactions undertaken as trustee.

14.4.2 Period for which financial records must be retained

The financial records must be retained for 7 years after the transactions covered by the records are completed.

14.5 Physical format

If the records that the corporation is required to keep under rules 14.3 and 14.4 are kept in electronic form:

- (a) the records must be convertible into hard copy;
- (b) that hard copy must be made available, within a reasonable time, to a person who is entitled to inspect the records.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



The corporation is also required to maintain a register of members and a register of former members—see rule 6.



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation must keep a copy of its rule book and records about officers, contact person etc.
See CATSI Act section 322-5.



An application may be made under section 353-3 of the CATSI Act to exempt the corporation, the directors and/or the auditor from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation must keep written financial records.
See CATSI Act section 322-10.



An application may be made under section 353-3 of the CATSI Act to exempt the corporation, the directors and/or the auditor from the requirements of this rule.

Financial records are defined under section 700-1 of the CATSI Act and include:

- (a) invoices, receipts, orders for the payment of money, bills of exchange, cheques, promissory notes and vouchers
- (b) documents of prime entry
- (c) working papers and other documents needed to explain:
 - (i) the methods by which a financial report is made up
 - (ii) adjustments to be made in preparing a financial report.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

If a corporation keep its records electronically, they must be convertible to hard copy.
See CATSI Act section 322-15.



An application may be made under section 353-3 of the CATSI Act to exempt the corporation, the directors and/or the auditor from the requirements of this rule.

14.6

Place where records are kept

If the corporation is registered as:

- (a) a large corporation, the records that the corporation is required to keep under rules 14.3 and 14.4 must be kept at the corporation's registered office, or
- (b) a small or medium corporation, the records that the corporation is required to keep under rules 14.3 and 14.4 must be kept at the corporation's document access address.

14.7

Right of access to corporation books by director or past director

- (a) A director may inspect the books of the corporation (other than its financial records) for the purposes of a legal proceeding:
 - (i) to which that person is a party
 - (ii) which that person proposes in good faith to bring, or
 - (iii) which that person has reason to believe will be brought against him or her.
- (b) A person who has ceased to be a director may inspect the books of the corporation (including its financial records) for the purposes of a legal proceeding:
 - (i) to which that person is a party
 - (ii) which that person proposes in good faith to bring, or
 - (iii) which that person has reason to believe will be brought against him or her.
 - (iv) This right continues for 7 years after the person ceased to be a director.
- (c) A person authorised to inspect books under this rule 14.7 for the purposes of a legal proceeding may make copies of the books for the purposes of those proceedings.
- (d) The corporation must allow a person to exercise the person's rights to inspect or take copies of the books under this rule 14.7.
- (e) This rule 14.7 does not limit any right of access to corporation books that a person has apart from this rule 14.7.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Where records are kept.

See CATSI Act section 322-20.



An application may be made under section 353-3 of the CATSI Act to exempt the corporation, the directors and/or the auditor from the requirements of this rule.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

The right to inspect books.

See CATSI Act section 274-15.

Books are defined under section 700-1 of the CATSI Act and include:

- (a) a register
- (b) any other record of information
- (c) financial reports or financial records
- (d) a document

however compiled, recorded or stored.

Rule 14.7(a): Section 322-25 of the CATSI Act gives a director a right of access to financial records.

See CATSI Act section 376-1.

Rule 14.7(b):

See CATSI Act section 376-1.

14.8

Access to financial records by directors

- (a) A director has a right of access to the records that the corporation is required to keep under rule 14.3 or rule 14.4.
- (b) On application by a director, the court may authorise a person to inspect on the director's behalf the records that the corporation is required to keep under rule 14.3 or rule 14.4 subject to any other orders the court considers appropriate.
- (c) A person authorised to inspect records under rule 14.8(b) may make copies of the records unless the court orders otherwise.

14.9

Members' access to minutes

- (a) If the corporation is registered as a large corporation, the corporation must make available for inspection by members, at its registered office, the minute books for the meetings of its members and for resolutions of members passed without meetings. The books must be made available for inspection each business day from at least 10 am to 12 noon and from at least 2 pm to 4 pm.
- (b) If the corporation is registered as a small or medium corporation, the corporation must make available for inspection by members, at its document access address, the minute books for the meetings of its members and for resolutions of members passed without meetings. The books must be made available within 7 days of a member's written request for inspection.
- (c) The corporation must make minutes available free of charge.
- (d) A member may ask the corporation in writing for a copy of:
 - (i) any minutes of a meeting of the corporation's members or an extract of the minutes or
 - (ii) any minutes of a resolution passed by members without a meeting.

Note: The member may ask the corporation for an English translation under section 376 5(3) of the Act if the minutes are not in the English language.

- (e) If the corporation does not require the member to pay for the copy, the corporation must send it:
 - (i) within 14 days after the member asks for it or
 - (ii) within any longer period that the Registrar approves.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Directors have a right of access to the records.
See CATSI Act section 322-25



An application may be made under section 353-3 of the CATSI Act to exempt the corporation, the directors and/or the auditor from the requirements of this rule.

Under section 322-25(4) of the CATSI Act, the orders a court may make include an order limiting either or both of the following:

- (a) an order limiting the use that a person who inspects the records may make of information obtained during the inspection
- (b) an order limiting the right of a person who inspects the records to make copies in accordance with rule 14.8(c).

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Members can access minutes of meetings.
See CATSI Act section 220-10.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

Rule 14.9(g): The prescribed amount referred to in this rule is set by the CATSI Regulations at 50 cents per page as at 1 July 2007.

See CATSI Regulations 220-10.01.

- (f) If the corporation requires payment for the copy, the corporation must send it:
 - (i) within 14 days after the corporation receives the payment or
 - (ii) within any longer period that the Registrar approves.
- (g) The amount of any payment the corporation requires cannot exceed 50 cents per page.

14.10 Inspection of books by members



The directors, or the corporation by a resolution passed at a general meeting, may authorise a member to inspect the books of the corporation.

14.11 Access to governance material

14.11.1 Corporation to provide member with rules, if requested.

If a member asks for a copy of the corporation's rule book, the corporation must provide it:

- (a) free of charge and
- (b) within 7 days.

14.11.2 Registered office

If the corporation is registered as a large corporation, the corporation must make available for inspection by members and officers at its registered office, its rule book. This rule book must be available for inspection each business day from at least 10 am to 12 noon and from at least 2 pm to 4 pm.

14.11.3 Document access address

If the corporation is registered as a small or medium corporation, the corporation must make available for inspection by members and officers at its document access address, its rule book. This rule book must be made available for inspection within 7 days of a member's or officer's written request for inspection.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Members can access minutes of meetings.
See CATSI Act section 220-10.



An application may be made under section 225-5 of the CATSI Act to exempt the corporation and/or the directors from the requirements of this rule.

Rule 14.9(g): The prescribed amount referred to in this rule is set by the CATSI Regulations at 50 cents per page as at 1 July 2007.
See CATSI Regulations 220-10.01.

WHAT DO WE HAVE TO DO?



This rule can be replaced. You can:

- adopt** this rule as is
- change** this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

Members may be allowed to inspect books.
See CATSI Act section 175-15.

A member can also seek a court order authorising the inspection of the books of the corporation.
See CATSI Act section 175-1.

The term 'books' is defined under section 700-1 of the Act.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Members can inspect the corporation's rule book.
See CATSI Act section 72-5.

14.11.4

General provisions regarding access to rules

- (a) The rule book of the corporation includes:
- (i) the corporation's constitution
 - (ii) any replaceable rules that apply to the corporation
 - (iii) any other material concerning the internal governance of the corporation that is prescribed.



15 AUDITOR

The corporation must comply with any requirements set out in the Act relating to the examination or auditing of its financial records.



16 ANNUAL REPORTING

The corporation must comply with the annual reporting requirements set out in the Act.

17 DISPUTE RESOLUTION PROCESS

17.1



This rule sets out the steps which must be taken to try to resolve any disagreement or dispute about the affairs of the corporation or how the Act or the corporation's constitution applies, which arises between:



- (a) members
- (b) members and directors, or
- (c) directors.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



WHAT PARTS OF THE LAW ARE RELEVANT?

Members can inspect the corporation's rule book. See CATSI Act section 72-5.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

Corporations must obtain an audit report if they are required to. Under the CATSI Regulations, this applies to large corporations, and some medium and small corporations depending on their income.

See CATSI Act section 333-20.

See CATSI Regulations 333-15.01.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation must prepare a general report for each financial year. The CATSI Act Regulations require some corporations to prepare other reports, including financial reports and directors' reports.

Small, medium and large corporations will have differing levels of financial reporting requirements, depending on their consolidated gross operating income

See CATSI Act Division 333.

See CATSI Regulations Part 7-3.

WHAT DO WE HAVE TO DO?



Must be completed. You must have a rule about dispute resolution. You can:

keep this rule as is

change this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation's constitution must set out how it will resolve internal disputes.

See CATSI Act section 66-1(3A).

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



Your corporation should have dispute resolution policies to support what is in your constitution.



17.2 Informal negotiations

If a dispute arises, the parties must first try to resolve it themselves on an informal basis.



17.3 Giving of dispute notice

- (a) If the dispute is not resolved in accordance with rule 17.2 within 10 business days, any party to the dispute may give a dispute notice to the other parties.
- (b) A dispute notice must be in writing, and must say what the dispute is about.
- (c) A copy of the notice must be given to the corporation.



17.4 Seeking assistance from the Registrar

Seeking assistance from the Registrar about the meaning of the Act or the corporation's rule book

- (a) If a dispute or any part of a dispute relates to an issue arising out of the meaning of any provision of the Act or the corporation's rule book, the directors or any party to the dispute may seek an opinion from the Registrar about the correct meaning of the relevant provision.
- (b) The Registrar's opinion will not be binding on the parties to a dispute.



17.5 Referring dispute to the directors

The directors must make a reasonable effort to help the parties resolve the dispute within 20 business days after the corporation receives the dispute notice.



17.6 Referring dispute to a general meeting

- (a) If the directors cannot resolve the dispute within 20 business days after receiving the dispute notice, it must hold a general meeting of the corporation and put the matter to the members to resolve. The general meeting must be held within 3 months after the corporation receives dispute notice.
- (b) When passing any resolution about a dispute, the members in the general meeting are subject to the Act and these rules.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A corporation's constitution must set out how it will resolve internal disputes.

See CATSI Act section 66-1(3A).



Your corporation should have dispute resolution policies to support what is in your constitution.

QUESTIONS TO ASK YOURSELVES



How will your corporation sort out disputes?



What do you want to include in your rules?

What processes will you follow?



18 NOTICES

18.1 General

- (a) Unless the Act or these rules otherwise requires, notices must be given in writing (including by fax).
- (b) Notices of directors' meetings given under rule 11.211.2(b) can be given in writing, by email, by telephone or orally, if all the directors agree to notice being given in that way.

18.2 How a notice to a member may be given

Unless the Act or these rules require otherwise, a notice or communication may be given:

- (a) personally
- (b) left at a member's address as recorded in the register of members
- (c) sent by pre-paid ordinary mail to the member's address as recorded in the register of members
- (d) sent by fax to the member's current fax number for notices (if the member has nominated one)
- (e) sent by email to the member's current email address (if the member has nominated one).

18.3 When notice taken as being given

Unless the Act or these rules require otherwise, if a notice or communication:

- (a) is given by post, it is taken to have been given 3 days after posting
- (b) is given by fax, it is taken to have been given on the business day after it is sent
- (c) is given:
 - (i) after 5:00 pm in the place of receipt or
 - (ii) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,it is taken as having been given at 9:00 am on the next day which is not a Saturday, Sunday or public holiday in that place.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



WHAT PARTS OF THE LAW ARE RELEVANT?

A notice, demand, summons, writ or other document or process may be served on the corporation in accordance with section 120-1 of the CATSI Act.

Rule 18.3: The Act is silent on after-hours communications. However, this rule is a good idea and consistent with section 201-25(5) of the CATSI Act which provides that a notice of a general meeting sent by fax or electronic means is generally taken to be given the business day after it is sent. If it is sent by post, it is taken to be given three days after it is posted.

See CATSI Act section 201-25(5).



19 WINDING UP

19.1 Resolution to distribute surplus assets

Subject to rule 19.2, where:

- (a) the corporation is wound up
 - (b) after all debts and liabilities have been taken care of, and costs of winding up have been paid, surplus asset of the corporation exist
- the members may pass a special resolution relating to the distribution of the surplus assets of the corporation.

19.2 No distribution of surplus asset to members

The distribution of surplus assets must not be made to any member or to any person to be held on trust for any member.

WHAT DO WE HAVE TO DO?



This rule is a good idea and promotes good governance. You can:

adopt this rule as is

change this rule

delete this rule



These rules do not permit surplus assets to be shared among members upon wind-up. If you want to set up a corporation which does allow it, you will need to modify your constitution in this area.

You can include provisions for the distribution of surplus assets in the event that the corporation is wound up. The constitution can provide for different rules to those provided here.

The provisions in these rules or a special resolution of members setting out the distribution of surplus assets may be overridden by the court if the court considers the distribution would be unjust.

If the constitution or special resolution is overridden or the constitution does not contain relevant provisions or there is no special resolution, the court will make orders for the distribution of the surplus assets having regard to the objects of the corporation which the court considers just.



WHAT PARTS OF THE LAW ARE RELEVANT?

Distribution of surplus assets when the court winds up a corporation.

See CATSI Act section 526-25(2).

Distribution of surplus assets with the voluntary winding up of a corporation.

See CATSI Act section 526-30(2).

20

AMENDMENT OF THE CONSTITUTION

20.1 Corporation wants to change this constitution

For the corporation to change its constitution, the following steps must be complied with:

- (a) the corporation must pass a special resolution effecting the change
- (b) if, under the corporation's constitution, there are further steps that must also be complied with to make a change, those steps must be complied with
- (c) the corporation must lodge certain documents under rule 20.2
- (d) the Registrar must make certain decisions in respect of the change and, if appropriate, must register the change.

20.2 Corporation to lodge copy of changes

- (a) If there is no extra requirement, within 28 days after the special resolution is passed, the corporation must lodge with the Registrar:
 - (i) a copy of the special resolution
 - (ii) a copy of those parts of the minutes of the meeting that relate to the passing of the special resolution
 - (iii) a directors' statement signed by:
 - (A) 2 directors or
 - (B) if there is only 1 director, that director, to the effect that the special resolution was passed in accordance with the Act and the corporation's constitution, and
 - (iv) a copy of the constitutional change.
- (b) If a change is not to have effect until an extra requirement has been complied with, the corporation must lodge:
 - (i) the documents referred to in rule 20.2(a)
 - (ii) proof that the extra requirement has been met, within 28 days after it has been met.
- (c) If the Registrar directs the corporation to lodge a consolidated copy of the corporation's constitution as it would be if the Registrar registered the change, it must do so.

20.3 Date of effect of change

A constitutional change under this rule 20 takes effect on the day the change is registered.

WHAT DO WE HAVE TO DO?



This rule is a **set law** under the CATSI Act—that is, you have to adopt this rule. It can't be taken out or changed.



If you do not require any further steps before changing your constitution then you may want to remove rule 20.1(b).



WHAT PARTS OF THE LAW ARE RELEVANT?

Corporation wants to change its constitution.
See CATSI Act section 69-5(1).

Corporation must lodge copy of constitutional changes.
See CATSI Act section 69-20.

Registrar to determine if constitution change should be registered.
See CATSI Act section 69-30.

Date of effect of constitutional change.
See CATSI Act section 69-40(a).

Schedule 1— Dictionary and interpretation

1. Dictionary

In this rule book.

Aboriginal person means a person of the Aboriginal race of Australia.

Aboriginal and Torres Strait Islander person means the following:

- a) an Aboriginal person
- b) a Torres Strait Islander
- c) an Aboriginal and Torres Strait Islander person
- d) a Torres Strait Islander and Aboriginal person
- e) an Aboriginal and Torres Strait Islander corporation
- f) a body corporate prescribed by name in the regulations made under the Act
- g) a body corporate in which a controlling interest is held by any, or all, of the following persons:
 - i) Aboriginal persons
 - ii) Torres Strait Islanders
 - iii) Aboriginal and Torres Strait Islander persons
 - iv) Torres Strait Islander and Aboriginal persons.

Act means the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* as amended from time to time and any regulations made under it.

Alternate director means a person appointed according to rule 8.7.

Annual general meeting or *AGM* means a general meeting held in accordance with rule 7.1.

Applicant means a person who is eligible to become a member of the corporation and has applied to become a member according to rule 5.2.

Application for membership form means the form included in *Schedule 2—Application for membership form*.

Books include a register, any record of information, financial reports or records, or documents of a corporation however compiled, recorded or stored.

Business day means a day which is not a Saturday, Sunday or bank or public holiday in the place concerned.

Circulating resolution means a resolution of the directors passed according to rule 11.6.2.

Common seal means the common seal of the corporation referred to in rule 13.

Constitution means the set of special rules that govern the activities of a particular corporation or its members. The constitution includes corporation rules, recommended rules that have been either adopted or changed, replaceable rules that have been changes, rules that the corporation has added, and set laws that have been changed.

Contact person means a person elected or appointed according to rule 12.

Corporation means the corporation referred to at rule 1.

Director means a person elected or appointed according to rule 8 to manage the affairs of the corporation in accordance with the Act and these rules.

Directors' meeting refers to the meetings of the directors held according to rule 11.

Directors' meeting minute book means the books and records in which the minutes of all directors' meetings (made under rule 14.2.1) and copies of any written resolutions passed without a directors' meeting (under rule 11.6.2) are kept.

Dispute has the meaning given in rule 17.

Dispute resolution process means the process set out in rule 17.

General meeting refers to both special general meetings and annual general meetings of the members of the corporation called and held according to rule 7.

General meeting minute book means the books and records in which the minutes of all general meetings (made under rule 14.2.1) and copies of any written resolutions passed without a general meeting (under rule 7.12) are kept.

Indigenous corporation number or ICN means that number given by the Registrar to the corporation on registration.

Material personal interest has the meaning given to it in rule 10.2.

Member means a person whose name appears on the Register of members.

Objectives means the objectives set out in rule 3.

Officer is a director, corporation secretary, administrator, special administrator, receiver, receiver and manager, liquidator or trustee of the corporation or a person who makes decisions that affect a substantial part of the business of the corporation, or could significantly affect the corporation's financial position.

Poll means voting at a general meeting by the members signing a paper headed 'for' or 'against' a motion or resolution, as the case may be (as opposed to voting by a show of hands). A poll can include a secret ballot.

Proxy form means the form included in *Schedule 3—Appointment of proxy form*.

Proxy means a person who has been appointed to attend, speak and vote at a general meeting on behalf of a member, according to rule 7.14.

Registered native title body corporate or RNTBC means a prescribed body corporate whose name and address are registered on the National Native Title Register under the Native Title Act 1993.

Register of members means the register of members kept according to rule 5.2.5.

Registrar means the Registrar of Aboriginal and Torres Strait Islander corporations appointed in accordance with the Act.

Replaceable rule is a rule under the Act that can be either apply as is or changed.

Rule book means a document consisting of set laws under the CATSI Act, the corporation's constitution and any replaceable rules that apply to the corporation.

Secretary means a person elected or appointed according to rule 12.

Set law means provisions extracted from the Act.

Special general meeting or SGM means a general meeting other than an annual general meeting.

Special resolution means a resolution that has been passed by at least 75 per cent of the votes cast by members entitled to vote on the resolution.

Surplus assets has the meaning given in rule 19.

Torres Strait Islander means a descendant of an indigenous inhabitant of the Torres Strait Islands.

2. Interpretation (rules for understanding these rules)

In these rules:

- a) words in the singular include the plural and vice versa
- b) any gender includes the other genders
- c) the words 'including', 'include' and 'includes' are to be read without limitation
- d) a reference to:
 - i) legislation is to be read as a reference to that legislation, any subordinate legislation under it, and that legislation and subordinate legislation as amended, re-enacted or replaced for the time being
 - ii) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions
 - iii) a rule or schedule is a reference to a rule or schedule, as the case may be, of this document
- e) headings and notes are used for convenience only and are not intended to affect the interpretation of these rules
- f) a word or expression defined in the Act and used, but not defined, in these rules has the same meaning given to it in the Act when used in these rules
- g) if a word or phrase is defined its other grammatical forms have corresponding meanings
- h) where time is to be calculated by reference to a day or event, that day or the day of the event is excluded
- i) any inconsistency with the Act is to be resolved in favour of the Act.

Schedule 2— Application for membership form

Application for membership

(name of Aboriginal and/or Torres Strait Islander corporation)

I, (first name of applicant)

(last name of applicant)

of (address of applicant)

hereby apply for membership of (name of Aboriginal and/or Torres Strait Islander corporation)

Signature of applicant

Date

day **20** **year**

day

month

year

Schedule 3— Appointment of proxy form

Appointment of proxy

I, (full name of member)

of (address of member)

being a member of (name of Aboriginal and/or Torres Strait Islander corporation)

hereby appoint (full name of proxy)

of (address of proxy)

being a member of that Aboriginal and/or Torres Strait Islander corporation, as my proxy to vote for me on my behalf at the general meeting of the corporation (annual general meeting or other general meeting, as the case may be) to be held on the

day **20**
day month year

and at any adjournment of that meeting.

Signature of member appointing proxy

Date **day** **20**
day month year

NOTE: A proxy vote may not be given to a person who is not a member of the corporation.



ORIC INFORMATION SHEET

Supporting the rule book

Deductible gift recipient fund

Do you want your corporation to be endorsed as a deductible gift recipient? This means gifts of money or property to the corporation are deductible for the donors. If so, you will need to include the following rules in your rule book.

Objectives rules

Include this rule in your objectives:

To operate and maintain a gift fund to be known as 'The *[insert name of gift fund]* Gift Fund' in accordance with the requirements of the *Income Tax Assessment Act 1997*.

Gift fund rules

Include these rules in your rule book:

GIFT FUND RULES

- (1) The corporation shall maintain for the main purpose of the corporation a gift fund:
 - (a) to be named 'The *[insert name of gift fund]* Gift Fund'
 - (b) which can receive gifts of money or property for the purposes of the objectives of the corporation
 - (c) which can have credited to it any money received by the corporation because of those gifts.
- (2) The gift fund cannot receive any money or property other than that stated at (b).

- (3) The corporation shall use gifts made to the gift fund and any money received because of them **only** for the principal purpose of the corporation.
- (4) Receipts issued for gifts to the gift fund must state:
 - (a) the full name of the corporation
 - (b) the Australian Business Number (if applicable) and the Indigenous Corporation Number (ICN) of the corporation
 - (c) the fact that the receipt is for a gift.
- (5) As soon as:
 - (a) the gift fund is wound up, or
 - (b) the corporation's endorsement as a deductible gift recipient is revoked under section 426-55 of the *Taxation Administration Act 1953*

any surplus assets of the gift fund must be transferred to another fund, authority or institution, which has similar objectives to the corporation. This body must also be able to receive tax deductible gifts under division 30 of the *Income Tax Assessment Act 1997*.

MORE INFORMATION

If you want any further information or help, please contact ORIC on 1800 622 431 (free call except for mobiles) or the Australian Tax Office on 1300 130 248 or ato.gov.au/nonprofit.



Disqualification of directors

A person is automatically disqualified from managing corporations if they:

- are undischarged bankrupts or
- have been convicted of certain offences (such as offences involving dishonesty with a minimum penalty of imprisonment for three months).

People who are disqualified from managing corporations under the *Corporations Act 2001* are also disqualified from managing Aboriginal and Torres Strait Islander corporations, and vice versa.

In some circumstances, the Registrar can apply to the court to have a person disqualified if they have breached the Act or been involved in two or more corporations that have experienced corporate failure.

The Registrar can disqualify people from managing corporations (without seeking a court order) under some circumstances, provided that the person has had an opportunity to respond to a notice of the Registrar.

The length of time that a person is disqualified depends on why they were disqualified.

The Registrar and the court have the power to grant leave to a disqualified person to manage a corporation.

ORIC will maintain a register of people who have been disqualified by the court or the Registrar.

MORE INFORMATION

If you require further information or help, please contact ORIC on 1800 622 431 (free call except for mobiles) or info@oric.gov.au.



ORIC INFORMATION SHEET

Supporting the rule book

How to adopt new rules under the CATSI Act (transitional corporations)

This fact sheet includes suggested wording for a resolution so that a corporation which was incorporated under the Aboriginal Councils and Associations Act can adopt a new rule book which complies with the new *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act).

Background

All Aboriginal and Torres Strait Islander associations incorporated under the *Aboriginal Councils and Associations Act 1976* become 'transitional corporations' under CATSI Act.

Generally corporations have until 30 June 2009 to adopt new rules which comply with the CATSI Act (although the Registrar may allow an extra six months for certain corporations).

To help corporations adopt new rules, the Registrar has prepared the rule book etool computer program (available on the website, www.oric.gov.au).

Steps to take

The steps will differ depending on your current constitution and how many members you have, but might include for example:

- directors preparing new draft rules
- sending to all members and officers:
 - a notice of a general meeting setting out the date, place and time of the meeting
 - a copy of the proposed resolution to adopt a new rule book (see the attached example of minutes)
 - a copy of the proposed new rule book.

Also follow any extra requirements for rule change in your current constitution.

What to do at the general meeting

- make sure a quorum is present at all times
- members will need to pass the resolution (follow your current constitution)
 - If your current constitution allows you to change your constitution by an **ordinary resolution**:
 - you can pass the resolution with an ordinary majority (i.e. more than 50%).
 - If your current constitution does **not** allow you to change your constitution by an ordinary resolution:
 - you will need to pass a **special resolution** which must be passed by 75% or more of the members present and entitled to vote.
- keep accurate minutes of the meeting (you can use the example attachment)
- make sure the chairperson signs it.

What to send to the Registrar

This is what you need to send to ORIC after the general meeting has been held:

- a copy of the notice for the meeting
- a copy of the minutes of the meeting which include the resolution
- a 'Request to change corporation rule book' form (including a statement signed by 2 directors stating that the resolution was passed according to the CATSI Act and the corporation's previous constitution, if there is only 1 director, then you only need that directors signature)
- a copy of the proposed rule book (if you are using the rule book etool computer program you can send the file by email or on CD or disk).

Decision by the Registrar

The Registrar then decides whether or not to approve the proposed rule book as set out in the resolution (and rule book).

REMEMBER—Your new rules do not take effect until the Registrar has approved and registered them. Until then, you should use your current constitution.

Attachment— Resolution (and draft minutes) to adopt new rules at a meeting of members

Corporation name: _____
_____ (corporation)

ICN: _____

Minutes of meeting of members

Date: _____/_____/_____

Location: _____

Time: _____

Present: see attached attendance list

Apologies: see attached list of apologies

Chairperson: _____ was appointed chairperson of the meeting.

Notice of meeting: The notice of the meeting of members was, with the permission of the members, taken as being read.

Quorum: A quorum of members entitled to vote on the resolution was present at all times during the meeting.

Resolution: The following resolution was passed by the members of the corporation as an **ordinary resolution** / **special resolution** (cross out whichever does not apply) according to the corporation's constitution and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*:

THE MEMBERS RESOLVED:

1. that the whole current constitution of the corporation be repealed and
2. that the proposed rule book attached to the notice of the meeting of the members of the corporation be adopted as the constitution of the corporation.

Closure: There being no further business the meeting was declared closed at _____.

Confirmed

(Signature of chairperson)

(Name of chairperson)



How to adopt rules under the CATSI Act (**new corporations**)

To help new corporations adopt rules under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act), the Registrar has prepared the rule book tool.

This fact sheet includes suggested wording for a resolution so that a corporation registering under the CATSI Act can adopt a rule book which complies with the Act (meeting the pre-incorporation requirement).

What to do before adopting new rules

When applying for registration, your group will need to:

1. complete the application for registration form—a copy is available from our website www.oric.gov.au
2. draft proposed rules for the proposed corporation—to help you do this ORIC has prepared a rule book etool computer program which is available to download at www.oric.gov.au
3. approve those rules (and meet the pre-incorporation requirement).

The Registrar can write to the corporation asking for more information.

What is the pre-incorporation requirement?

This is when at least 75 per cent of people who have agreed in writing to become a member of the proposed corporation, have done the following:

- They have authorised the applicant (the person filling out the application for registration) to apply for registration.
- They have approved the proposed rule book.
- They have agreed to adopt the replaceable rules in the CATSI Act that have not been changed or replaced in the corporation's proposed rule book.
- They have nominated who will become directors.
- They have nominated who will become contact people or secretaries.

You can complete the form at **Attachment A** to show that your group has done this or the group can pass a resolution at a pre-incorporation meeting (refer to **Attachment B** for draft minutes you can use).

What to do after adopting the rules

The corporation must send to the Registrar:

- a copy of the completed resolution (either **Attachment A** or **Attachment B**)
- a copy of the **proposed rule book** (if you are using the rule book etool computer program you can send the file by email or on CD or disk).
- the completed **application for registration** form.

Decision by the Registrar

The Registrar then decides whether or not to approve the proposed rule book as set out in the special resolution (and rule book).

REMEMBER—Your new rules do not take effect until the Registrar has approved and registered them. Until then, you should use your current constitution.

What is the rule book under the CATSI Act?

The rule book includes all the relevant parts of the law that affect how a corporation is run:

- the constitution of the corporation
- 'replaceable rules' that have not been changed
- set rules under the law that the corporation cannot change.

What is the constitution under the CATSI Act?

The constitution includes all the parts of the Act that the corporation can change so that it suits your own circumstances and needs.

- corporation rules, such as name and objectives
- 'replaceable rules' that have been changed
- laws that can be changed, such as whether members are liable for the corporation's debts
- extra rules that the corporation has added itself
- rules recommended by ORIC that are a good governance idea.

Attachment A— List of replaceable rules

List of replaceable rules in the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

SUBJECT OF PROVISION	PROVISION	
Chapter 4—Members and observers		
Application to corporation	section 144-5	<i>subsection (2) can be replaced</i>
Determination of applications for membership	section 144-10	<i>subsection (7) can be replaced</i>
Resignation	section 150-10	<i>subsection (2) can be replaced</i>
Member not eligible for membership etc.	section 150-20	<i>this section can be replaced</i>
Observers	section 158-5	<i>subsection (2) can be replaced</i>
Corporation or directors may allow member to inspect books	section 175-15	<i>this section can be replaced</i>
Chapter 5—Meetings		<i>this chapter can be exempted</i>
Director may call meetings	section 201-1	<i>this section can be replaced</i>
Notice of general meeting to members, officers and observers	section 201-25	<i>subsections (2), (5) and (6) can be replaced</i>
Quorum	section 201-70	<i>subsections (1), (2), (5) and (6) can be replaced</i>
Chairing general meetings	section 201-75	<i>this section can be replaced</i>
Adjourned meetings	section 201-85	<i>subsection (2) can be replaced</i>
Who may appoint a proxy	section 201-90	<i>this section can be replaced</i>
How many votes a member has	section 201-115	<i>this section can be replaced</i>
Objections to right to vote	section 201-120	<i>this section can be replaced</i>
How voting is carried out	section 201-125	<i>this section can be replaced</i>
When and how polls must be taken	section 201-140	<i>this section can be replaced</i>
Calling directors' meetings	section 212-5	<i>this section can be replaced</i>
Chairing directors' meetings	section 212-15	<i>this section can be replaced</i>
Passing of directors' resolutions	section 212-25	<i>this section can be replaced</i>
Circulating resolutions of corporation with more than 1 director	section 215-1	<i>this section can be replaced</i>
Chapter 6—Officers		
Corporation may appoint a director	section 246-15	<i>this section can be replaced</i>
Directors may appoint other directors to make up a quorum	section 246-20	<i>this section can be replaced</i>
Term of appointment	section 246-25	<i>subsections (1) and (3) can be replaced</i>
Alternate directors	section 246-30	<i>this section can be replaced</i>
Director may resign	section 249-5	<i>subsection (2) can be replaced</i>
Terms and conditions of office for secretaries	section 257-45	<i>this section can be replaced</i>
Terms and conditions of contact person's appointment	section 257-50	<i>this section can be replaced</i>
Powers of directors	section 274-1	<i>this section can be replaced</i>
Negotiable instruments	section 274-5	<i>this section can be replaced</i>

Attachment B— Evidence of pre-incorporation requirement: at a pre-incorporation meeting (draft minutes)

Proposed corporation name: _____
_____ (corporation)

Name of authorised applicant: _____

Date: ____/____/____

Location: _____

Time: _____

Present: see attached attendance list

Apologies: see attached list of apologies

Chairperson: _____ was appointed chairperson of the meeting.

Resolution: The following resolution was passed by the members listed on the application for registration of the corporation under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*:

THE PROPOSED MEMBERS RESOLVED:

1. that the applicant is authorised to apply for registration
2. that the proposed rule book attached to the notice of the meeting be adopted as the rule book of the corporation
3. that the laws of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) referred to as set laws in the rule book apply to the corporation
4. the attached list of replaceable rules from the CATSI Act will apply to the corporation except if they are modified or replaced in the proposed rule book
5. that the persons specified become directors on registration
6. that the person/people specified become contact persons or secretaries on registration

Closure: There being no further business the meeting was declared closed at _____.

Confirmed

(Signature of chairperson)

(Name of chairperson)

Attachment B— List of replaceable rules

List of replaceable rules in the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

SUBJECT OF PROVISION	PROVISION	
Chapter 4—Members and observers		
Application to corporation	section 144-5	<i>subsection (2) can be replaced</i>
Determination of applications for membership	section 144-10	<i>subsection (7) can be replaced</i>
Resignation	section 150-10	<i>subsection (2) can be replaced</i>
Member not eligible for membership etc.	section 150-20	<i>this section can be replaced</i>
Observers	section 158-5	<i>subsection (2) can be replaced</i>
Corporation or directors may allow member to inspect books	section 175-15	<i>this section can be replaced</i>
Chapter 5—Meetings		<i>this chapter can be exempted</i>
Director may call meetings	section 201-1	<i>this section can be replaced</i>
Notice of general meeting to members, officers and observers	section 201-25	<i>subsections (2), (5) and (6) can be replaced</i>
Quorum	section 201-70	<i>subsections (1), (2), (5) and (6) can be replaced</i>
Chairing general meetings	section 201-75	<i>this section can be replaced</i>
Adjourned meetings	section 201-85	<i>subsection (2) can be replaced</i>
Who may appoint a proxy	section 201-90	<i>this section can be replaced</i>
How many votes a member has	section 201-115	<i>this section can be replaced</i>
Objections to right to vote	section 201-120	<i>this section can be replaced</i>
How voting is carried out	section 201-125	<i>this section can be replaced</i>
When and how polls must be taken	section 201-140	<i>this section can be replaced</i>
Calling directors' meetings	section 212-5	<i>this section can be replaced</i>
Chairing directors' meetings	section 212-15	<i>this section can be replaced</i>
Passing of directors' resolutions	section 212-25	<i>this section can be replaced</i>
Circulating resolutions of corporation with more than 1 director	section 215-1	<i>this section can be replaced</i>
Chapter 6—Officers		
Corporation may appoint a director	section 246-15	<i>this section can be replaced</i>
Directors may appoint other directors to make up a quorum	section 246-20	<i>this section can be replaced</i>
Term of appointment	section 246-25	<i>subsections (1) and (3) can be replaced</i>
Alternate directors	section 246-30	<i>this section can be replaced</i>
Director may resign	section 249-5	<i>subsection (2) can be replaced</i>
Terms and conditions of office for secretaries	section 257-45	<i>this section can be replaced</i>
Terms and conditions of contact person's appointment	section 257-50	<i>this section can be replaced</i>
Powers of directors	section 274-1	<i>this section can be replaced</i>
Negotiable instruments	section 274-5	<i>this section can be replaced</i>

