

NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS

Notice is hereby given that an Annual General Meeting of Members of the Queensland Lifestyle Cooperative Limited (“AGM”) is to be held at 10.00am on Monday 29 November 2021 at Unit 21, 17 Cairns Street, Loganholme Queensland (“Meeting”) to conduct the following:

BUSINESS

Ordinary Business

Item

1. PREVIOUS MINUTES

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

“That, the minutes of the AGM held 25 February 2021 tabled at this Meeting be confirmed.”.

2. ANNUAL REPORT

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

“That, the Financial Statements, the Directors’ Report and the Independent Audit Report for the year ended 30 June 2021 tabled at this Meeting be received and adopted.”.

3. DIVIDEND/BONUS/REBATE

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

“That, no dividend/bonus or rebate be declared for the year ended 30 June 2021”.

4. ELECTION OF DIRECTORS AND DIRECTOR’S REMUNERATION

To consider, and if thought fit, to pass, the following as an **ordinary resolution**:

That, Mr David Mitchell be elected as a director of the Cooperative”.

5. DIRECTOR’S REMUNERATION

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

“It is ratified that, 100 shares in the Cooperative be allocated free of charge to each of the Directors for the year ending 30 June 2022 and that the 2022 Annual Subscription Fees be waived for each current Director”.

Special Business

6. ADOPTION OF CNL MODEL RULES (“NEW RULES”)

Notice is given under sections 239 (3) and 152 of the CNL for the proposed New Rules, refer Attachment 2, to be tabled at the Meeting, considered and if thought fit adopted under the following **special resolution**:

“That, the rules as tabled at this Meeting be adopted as the Rules of the Cooperative from after this meeting on 29 November 2021 and adopt under CNL s65(a) all provisions of the model rules as in force from time to time in Rule 58(1).”

By Order of the Board of Directors



Len O’Mara
Secretary

NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS

- EXPLANATORY MEMORANDUM

Introduction

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

Definitions

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

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

“**Annual Report**” means the Financial Statements, the Director’s Report, Directors’ Declaration and the Independent Audit Report of the Cooperative for the year ended 30 June 2021 to be tabled at this Meeting.

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

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

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

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

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

“**Financial Statements**” means the Cooperative’s financial reports year ended 30 June 2021 tabled at this AGM.

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

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

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

“**Notice**” means this Notice of the Annual General Meeting of Members of the Cooperative to be held at 10.00am on Monday 29 November 2021 including the preceding letter to Members, Proxy Form and Attachments.

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

“**Registrar**” has the meaning given under CNL.

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

Ordinary Business

Item 1. – PREVIOUS MINUTES

Rule 34.(1) (a) require the Members to confirm the minutes of the previous AGM held 25 February 2021 (copy at www.qldlifestyle.com.au/forms-and-legislative-requirements).

Item 2. – ANNUAL REPORT

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

Item 3. – DIVIDEND/BONUS/REBATE

Rule 34.(1) (c) requires the Members to decide on the dividend, bonus and rebate provided to Members for each year at an AGM. The board have recommended no dividend, bonus or rebate for the year 30 June 2021.

Item 4. - ELECTION OF DIRECTORS

Rule 34. (1) (d) requires the Members elect directors as required at an AGM and decide remuneration. Rule 48 requires that in this year that two (2) directors must retire by rotation at an AGM. Mr Robert Eadie and Mr David Mitchell must retire by rotation at this AGM but are not disqualified from nominating for reelection. Nominations for the vacant directorships were called under a notice sent 15 October 2021 with the Nominations received included in Attachment 1.

Item 5. - DIRECTOR’S REMUNERATION

A resolution was approved at the 2012 AGM that “each Director could be allocated 100 fully paid shares in the Cooperative free of charge for each board meeting attended in the past or the future assignable at the discretion of the Director, such incentive to be increased by the Board to 200 shares per meeting any time after 12 months from the date of this Annual General Meeting for meetings after this period if the Board considers it financially responsible and also that the Annual Subscription fee of the Cooperative be waived for any Director acting when the fee is due in lieu of any payment for the director’s services”. The Board’s view is that it is reasonable to continue with the 100 shares as per previous years. Directors cannot vote on this resolution.

Special Business

NOTE: Special resolutions must be passed by a two-thirds majority of Members' votes.

Item 6. - ADOPTION OF CNL MODEL RULES (“NEW RULES”)

Section 65 of the CNL, the operative legislation, is as follows:

65 Adoption of model rules

The rules of a co-operative may adopt by reference all or any of the provisions of the model rules—

- (a) as in force from time to time, unless paragraph (b) applies; or
- (b) as in force at a particular time, if the rules so provide.

Model rules may change

The model rules are part of the Co-operatives National Regulations, and like the Regulations they may change if it is considered appropriate at some future time. If a co-operative wishes, it may adopt the model rules in a form that is static. That is, the model rules as adopted will not change unless the co-operative makes a change in the manner authorised under the Co-operatives National Law.

Alternatively, the co-operative may adopt the model rules as they are from time to time. If this is done, then any future changes to the model rules will automatically change without the need for the co-operative to undertake any process to amend its rules. Note it is proposed by the board under New Rule 58 (1) that the Cooperative adopt model rules as in force from time to time under section 65 (a).

The proposed New Rules are contained in Attachment 2 and at <https://www.qldlifestyle.com.au/forms-and-legislative-requirements> . The following is some brief information on the CNL Model Rules and their adoption:

A. Introduction

As from 1 December 2020 a co-operative is governed primarily by the Co-operatives National Law and the Co-operatives National Regulations as applied in this jurisdiction. In addition, its operations and its relationship with its members are governed by its rules, which are a contract between the co-operative and its members as well as between each member.

Model rules that apply to a distributing co-operative which are included in the CNL have been adapted to include the Primary Activity, Active Membership requirements and other specific requirements from the Rules a copy of which is available at the website page <https://www.qldlifestyle.com.au/forms-and-legislative-requirements> .

B. What are model rules?

The Co-operatives National Regulations contain a set of rules that may be used by a general co-operative. These rules are called “model rules” because they are drafted to ensure that they include all matters that are required to be included in a co-operative’s rules. A co-operative is not required to use the model rules, but instead it may prepare its own rules or it may use some of the model rules and draft others to complete its rules so that they comply with the Co-operatives National Law.

C. Major Changes with New Rules

The co-operative needs to consider whether each of the model rules suits its activities and either adapt the rule or prepare its own rule on a particular topic. All members should take particular note of Rule 4 which covers Active membership provision and has been approved for inclusion in this Notice by the Registrar including the Primary Activities of the Cooperative in Rule 4 (1) and the highlighting the requirement for funds to be used in line with the primary activities of the Cooperative as in Rule 4 (2) as follows:

(2) Active membership requirements

A member must pay the fees as set out in rule 6 (2) to provide funds for investment by the cooperative in line with its primary activities to establish and maintain active membership of the co-operative.

Note. Failure to maintain active membership may lead to cancellation of membership (see rule 21).

The proposed rule 6 (2) is as follows:

- (2) The annual subscription fee for each member of \$100 or such lesser amount determined each year by the board but not less than \$20, is payable on 30 June of each year.

There are strict requirements under CNL for the cancellation of membership of Inactive members as below:

156 Cancellation of membership of inactive member

- (1) Subject to sections 159 and 160, the board of a co-operative must declare the membership of a member cancelled if—
 - (a) the whereabouts of the member are not presently known to the co-operative and have not been known to the co-operative for at least the required period before that time; or
 - (b) the member is not presently an active member of the co-operative and has not been an active member of the co-operative at any time during the required period immediately before that time.
- (2) This section applies to a member only if he or she was a member of the co-operative throughout the required period.
- (3) The question of whether a member was an active member at a particular time in the past is to be decided as if the active membership provisions concerned had been in force at that time.
- (4) The board's declaration under this section has the effect of cancelling the membership concerned.
- (5) A person may apply for an order under section 162 in relation to the cancellation of the person's membership under this section.
- (6) In this section—

the required period, in relation to a co-operative, means—

 - (a) 3 years; or
 - (b) if a shorter period is stated in the rules of the co-operative—that period.

There are other New Rules proposed that are significant changes from the existing rules as follows:

Undirected Proxies - New Rule 40.3 Proxy Votes (s229)

The New Rules would allow unlimited undirected proxies at a general meeting as follows:

- (3) An instrument appointing a proxy may direct the way the proxy is to vote in relation to a particular resolution and, if an instrument of proxy directs, the proxy is not entitled to vote on the resolution other than as directed in the instrument.

whereas the current Rule 39. (4) allows no more than 10:

- (4) No person can act as proxy for more than 10 members, unless the proxy acts under an instrument of proxy mentioned in subsection (2).

Small co-operative may choose not to have an auditor – New Rule 65 (1)

Although the board is recommending at this time that the Cooperative maintain an auditor, the Cooperative as a small co-operative (Revenue less than \$8M in the financial year, consolidated gross assets less than \$4M and less than 30 employees at the end of year) not to have an auditor to save costs as follows:

65 Appointing an auditor or reviewer for small co-operative (CNL s298)

- (1) The co-operative must appoint an auditor if it is a large co-operative or if it is a small co-operative the cooperative may determine to appoint an auditor, reviewer or neither.

Cooperative Capital Units (CCU's) – New Rule 28 and 29

The board is very interested in using the CNL's Co-operative Capital Units to raise funds at very low costs for its activities from Members and non-members as this rule allows:

28 Issue of CCUs (CNL ss345–354)

- (1) The board may confer an interest in the capital of the co-operative by issuing CCUs in accordance with the Law.
- (2) Each holder of a CCU is entitled to one vote per CCU held at a meeting of the holders of CCUs.
- (3) The rights of the holders of CCUs may be varied only in the way and to the extent provided by their terms of issue and only with the consent of at least 75% of those holders of CCUs who, being entitled to do so, cast a formal vote to accept the variation at a meeting.
- (4) The holder of a CCU has, in the person's capacity as a holder of a CCU, none of the rights or entitlements of a member of the co-operative.
- (5) The holder of a CCU is entitled to receive notice of all relevant meetings of the cooperative and all other documents in the same manner as the holder of a debenture of the co-operative.

Note. Debenture holders receive notice of meetings of debenture holders, not general meetings of the co-operative.

29 Transfer and transmission of CCUs

- (1) Subject to subrule (2), the transfer and transmission of a CCU is to follow the same process as for a debenture under rule 27.
- (2) If the terms of issue of a CCU differ from rule 27 in respect of the manner of transfer or transmission, the terms of its issue prevail.

Use of Technology for General Meetings – Rule 29A

To assist Members in having more access to meetings is proposing the following:

29A Use of technology at general meetings

At the discretion of the board general meetings may be held using technology that permits a member to participate contemporaneously in the meeting and enables the member to hear proceedings, ask questions of the board or the auditor and to cast a vote.

D. Enactment of New Rules

If the special resolution is carried the New Rules would be enacted on their registration by the Registrar.

PROXY FORM (Appointment of Proxy)

I/We being Member No. (please insert) of the Cooperative and entitled to vote at the Annual General Meeting of the Cooperative to be held at 10.00am on Monday 29 November 2021 hereby appoint:

the Chairman
of the Meeting
(mark with 'X')

OR

Member
No.

Write the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

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

Voting Directions to your Proxy – please mark 'X' to indicate your direction for each Item in the boxes below:

Item	For	Item Against	Item Abstain*
3. DIVIDEND/BONUS/REBATE	<input type="checkbox"/>	3. <input type="checkbox"/>	3. <input type="checkbox"/>
4. ELECTION OF DIRECTORS	<input type="checkbox"/>	4 <input type="checkbox"/>	4 <input type="checkbox"/>
5. DIRECTOR'S REMUNERATION	<input type="checkbox"/>	5. <input type="checkbox"/>	5. <input type="checkbox"/>
6. ADOPTION OF CNL MODEL RULES	<input type="checkbox"/>	6. <input type="checkbox"/>	6. <input type="checkbox"/>

Note Voting Directions can't be given on Resolution 1 and 2 as the Minutes and Annual Report will be tabled at the Meeting.

* If you mark the abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the majority on a poll.

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

Individual or Joint Member 1

Sole Director/Company Secretary

Joint Member 2

Director

Joint Member 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone No.

_____/_____/_____
Date

INSTRUCTIONS FOR PROXY FORM (Appointment of Proxy)

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

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

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

Proxies must be received by the Cooperative no later than 10.00am Thursday, 25 November 2021 in order to be valid:

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

BY MAIL PO Box 1628, Oxenford Qld 4210

BY FAX 07 3806 1845

BY EMAIL: secretary@qldlifestyle.com.au

ATTACHMENT 1

NOMINATIONS FOR DIRECTORSHIPS

To: Queensland Lifestyle Co-operative Limited QC0318

We nominate **David Michael Mitchell** for the position of board member of the Queensland Lifestyle Co-operative Limited QC0318 ("Cooperative") to be considered at the 2021 Annual General Meeting.

Signed:  _____

Name: Kenneth Mitchell

Member No: 7

Signed:  _____

Name: Leonard O'Mara

Member No: 3

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

My details are:

Full Name: David Michael Mitchell

Address: 11 Blue Jay Street, Burleigh Water Qld 4220

Date of Birth: 1 October 1980

Qualifications: - Director and Chairman of the Cooperative since formation.

- Director of housing development group for 20+ years.

- Bachelor of Education.

Signed:  _____ Date: 15 October 2021

Name: David Michael Mitchell

Member No: 1