



Members' rights



As a member of a corporation you have certain rights. If you know what they are, it puts you in a better position to play an active part in your corporation.

RIGHT TO Vote at meetings

Members should try to attend all corporation meetings because that is the best way to find out what's going on at the corporation. It's also at these meetings that you can have your say—by voting.

Voting at a general meeting is a powerful way of being involved in your corporation's decisions. Directors may manage the corporation, but it is the members who can help decide its direction when they vote at meetings.

The difference between an annual general meeting (AGM) and a general meeting

An **annual general meeting (AGM)** is normally held at a specific time of the year. Under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act)* AGMs must be held before 30 November each year. It deals with specific matters, such as considering the audited financial statements.

A **general meeting** can be held at any time of the year. This is a good time to discuss specific resolutions and other corporation business.

RIGHT TO Request to call a general meeting

Members have the right to ask their directors to call a general meeting. A good reason might be when, for example, you have a concern about the governance of your corporation or you want to propose a change to the rule book.

Depending on your corporation's size, your request must be in writing and be signed by the required number of members, see the following table.



Did you know you can see a rule book on the ORIC website?

Go to the public register, put in the corporation's name or ICN and look under 'documents'.

Table 1: Number of required members to request a general meeting or propose a resolution

For corporations with	
between 2–10 members	one member
between 11–20 members	three members
more than 20 members	either five members or 10 per cent of the membership, whichever is the greater number.

For more information

See ORIC's fact sheet, *Meetings*

Note: The request must also be in writing, signed, contain contact details and be given to the corporation (check your rule book).

RIGHT TO Propose a resolution at general meetings

If you have a good idea that you think would benefit the corporation, you might want to share that at a general meeting. This is called 'proposing a resolution'. To do that you have to give notice to the corporation well beforehand and there must be support for your idea from a certain number of members (see table 1).

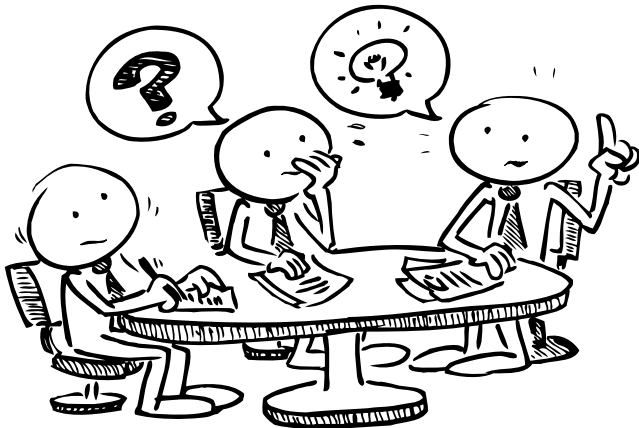
For more details about the practical aspects of how members propose resolutions see the ORIC fact sheet *Meetings*.

What is a poll?

A poll is a formal vote that is counted. Often it is carried out by, for example, marking a voting paper or placing marbles in a jar. It is not a 'show of hands' which is informal.

AGM vote

1	_____
3	_____
5	_____
2	_____
4	_____



RIGHT TO Demand a poll at a general meeting

Members generally have the right to demand a poll on all matters. You can, for example, demand a poll on a resolution that has been put to a general meeting if there are at least five members present who are entitled to vote on the resolution. (But always check your rule book—some rule books allow fewer members to demand a poll).

RIGHT TO

Remove directors

Members have the right to put forward a resolution at a general meeting to remove a director(s), despite anything that might be in:

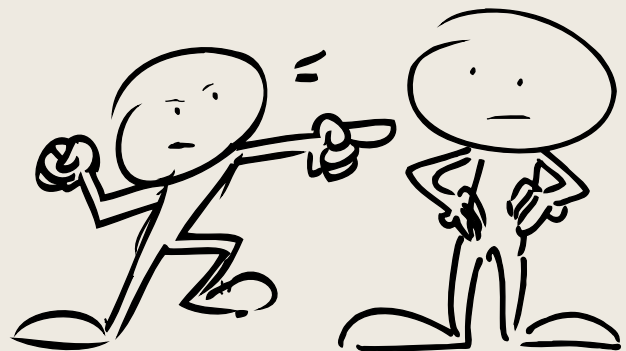
- the corporation's rule book
- an agreement between the corporation and the director
- an agreement between any or all members of the corporation and the director.

There are rules around how members go about doing this—for example, members must give a notice of intention to the corporation at least 21 days before the next general meeting.

Right of reply

Bearing in mind that directors are also members they too, of course, have rights.

Directors who face being removed have the right to defend their case to members in two ways—by giving the corporation a written statement for circulation to members, and speaking to the motion at the general meeting.



Financial benefit to related parties

The corporation cannot provide a financial benefit (such as a car or a loan of money) to a related party (such as a director or family member of a director), without first asking for the members' approval. This is usually done through a resolution at a general meeting. Members have the right to vote for or against the proposed resolution.

For more information see ORIC's fact sheet, *Related party financial benefits*.

What does related party mean?

A related party refers to a person or group with a close relationship to a corporation

RIGHT TO

Access information

Members have the right to ask questions about the management of their corporation at an AGM. They can also inspect certain documents, such as the register of members or the rule book.

What are internal governance framework rules?

These include:

- the corporation's rule book (constitution)
- any replaceable rules that apply to the corporation
- any other material concerning the internal governance of the corporation (for example, the corporation's internal policies and procedures).

Internal governance framework rules

The corporation must provide a copy free of charge of the internal governance framework rules within seven days after a request is made by a member.

If you are a member of a corporation which is registered as 'large' you have the right to inspect the internal governance framework rules at the registered office during specified office hours.

A corporation registered as either 'small' or 'medium' must also make its internal governance framework rules available to members. You as a member have the right to view them at the document access address within seven days of making your written request.



Minute books for members' meetings

Members have the right to inspect the minutes of members' meetings. Arrangements are as above depending on a corporation's size.

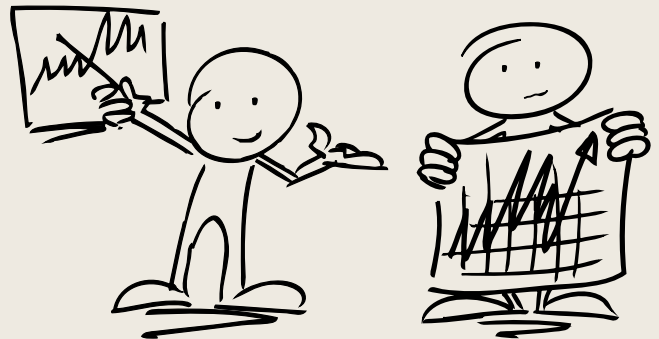


A corporation member also has the right to ask for a copy of any minutes of the corporation's meetings of members or any minutes of a resolution passed by members without a meeting. This must be in writing. Sometimes corporations are entitled to charge a fee for this (see your rule book).

Financial report, directors' report and audit reports

Members are within their rights to ask for a copy of a corporation's financial report, directors' report and the auditor's report.

Note: small corporations may not produce audited financial statements. Such a request must be made during the financial year of the report in question, or within 12 months of the end of the relevant financial year.



Ask the auditor questions

Members have the right to ask questions of the auditor or the auditor's representative at the AGM. It's the chairperson's responsibility to ensure that members have a reasonable opportunity to question the auditor (or the auditor's representative) about:

- how the audit was done
- the content of the auditor's report
- accounting policies used by the corporation in the preparation of the financial statements
- the independence of the auditor in relation to the conduct of the audit.

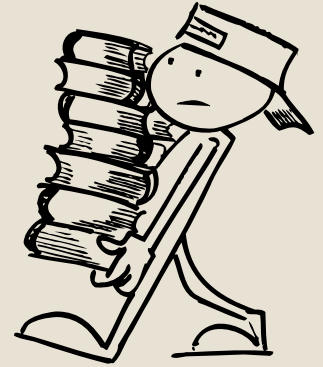
Ask the directors questions or make comments

Members have the right to ask questions about or comment on the management of the corporation at the AGM. It's the chairperson's responsibility to ensure that members have a reasonable opportunity to ask questions and make comments.



Information on remuneration/and or expenses to directors

Members can request information about the remuneration and/or expenses paid to individual directors by the corporation (for example, sitting fees)—or by any entity controlled by the corporation. The request must be made by the required number of members—see table 1).



RIGHT TO Make an application to a court

Members have the right to make an application to a court on various grounds. These grounds include:

- investigating oppressive conduct by the corporation
- wanting to inspect the books of the corporation
- needing to wind up the corporation.

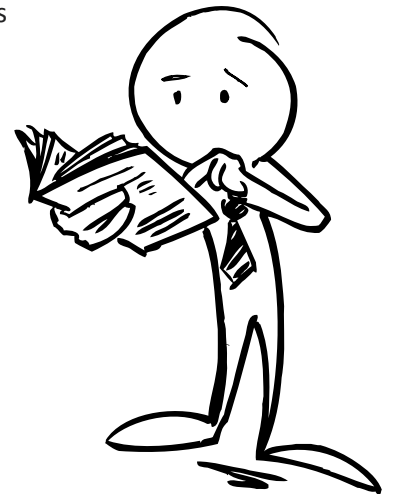


RIGHT TO Amend the rule book

The rule book governs how a corporation should be run. It sets out how to elect directors and hold valid meetings. Having a rule book that is carefully followed and works well for a corporation is essential to maintaining good governance.

Most corporations set their rules when they first register. Over time things change, a corporation should update their rule book to deal with these changes.

For more information, see ORIC's fact sheet, *What's in the corporation's rule book?*



Note: This fact sheet is only an overview of members' rights. For more detail, corporation members should consult their rule book.

Got a question?



CONTACT ORIC
freecall 1800 622 431
(not free from mobiles)
email info@oric.gov.au
website www.oric.gov.au