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INFORMATION AND AGREEMENT FOR ASPIRANT DIRECTORS

This document establishes an Agreement between Directors of the Radio Eastern Sydney Cooperative Limited and the Co-operative. It also provides basic information on the requirements of the role of Director.

The Cooperative

The cooperative is a formal legal structure established under an Act of the N.S.W. parliament (Co-operatives Act 1992 – 2006)

The radio Eastern Sydney Co-operative Limited was established in 1993 and changed its Rules in 2006 to accord with the revised Act. It now operates as a non-trading, non-share cooperative. That means that it has Members who are not Shareholders and that it operates what is essentially a not-for-profit business where any trading surplus cannot be distributed to its Members.

The Rules contain a limited number of the provisions by which the cooperative must be governed and operated. In addition, the provisions of the Act apply. This includes the Co-operatives Regulations, which essentially adopt and impose requirements which are the same as for any major company under the Corporations Law of the Commonwealth Government.

Governance

The Cooperative is controlled by a Board of Directors which is elected by Members at the Annual General Meeting. The Board comprises the Chair, Secretary and five others.

Officers are elected at the first meeting of the Board following each AGM.

The Board is responsible for promoting and maintaining to Objects of the Cooperative.

In addition to setting and monitoring budgets and financial performance, the focus of the Board is the establishment of broad level policy to guide the administration in day-to-day management of the affairs of the Cooperative.

The Board may appoint employees and volunteers or engage outside agencies as it sees fit to undertake the operational functions of its principal activity, the management of radio station 2RESFM, 89.7FM.

Duties of Directors

The law imposes duties upon the directors and officers of companies and hence, this Cooperative, for which they are personally liable for adherence. Some of these duties include:

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- Exercise a reasonable degree of care and due diligence in the conduct of their duties and use of the power of their position;
- Not make improper use of information or their position to gain advantage for themselves, or to disadvantage shareholders or the company;
- Act honestly in all of their dealings;
- Prevent the company from trading and continuing to incur liabilities whilst insolvent.

The Act requires that: “In the exercise of his or her powers and the discharge of his or her duties, a Director of a cooperative must exercise the degree of care and diligence that a reasonable person in a like position in a cooperative would exercise in the circumstances.”

In the context of the Radio Eastern Sydney Cooperative Limited, Directors are expected to take reasonable steps to inform themselves of issues indicated on the Agenda for Board meetings, including reading papers circulated BEFORE the meeting and coming to meetings with a view on the matters, which might include written amendments or other proposals for consideration at the meeting.

Directors are expected to use their skills and experience to make decisions in the best interest of the Cooperative as a whole and not to abuse their position to push personal interests or their own programming tastes.

Directors have an obligation of confidentiality and must not repeat or disclose discussions at Board meetings with other than fellow Directors.

Level of Commitment

The role of the Board is to set policy direction for the organisation and to oversee its operations at high level. Generally, a Director of the organisation should be prepared to commit a minimum of 6-8 hours per month to the role.

Some Directors may volunteer in other capacities at the Station in which case those activities should be undertaken in the context of all volunteer programs at the Station and are to be considered to be outside of the responsibilities as a Director.

Term

The normal term of appointment of a Director is two years, with four Directors being due for re-election in each even numbered year and the other three in odd numbered years. Directors hold office until the end of the Annual General Meeting in the year in which their term expires. In the case of a Director appointed or elected to fill a casual vacancy,

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their tenure will expire at the end of the first Annual General Meeting occurring after their appointment.

Resignation

A Director wishing to resign must do so in writing to the Cooperative. Resignation becomes effective only when accepted by the Board.

Under the terms of confidentiality, the Director is not entitled to communicate the letter or circumstances of resignation to other than the Board.

Confidentiality and Improper Use of Information

The Act requires: A Director or employee or former Director or employee of a cooperative ... must not make improper use of information acquired by reason of his or her position. To gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the cooperative.

Statutory penalties of up to two years imprisonment apply to breaches of this obligation.

Procedure at Board Meetings

It is the responsibility of the Chairperson to order and conduct the business of Board meetings.

It is practice to circulate an Agenda and business papers to be considered at least three days prior to a Board meeting. This allows time for documents to be read and considered. The order of business on the Agenda may be changed by consensus of the meeting.

Directors wishing to add items to the Agenda or to submit documents for consideration should do so by communicating them to the Chairperson or Station Manager at least 7 days prior to the appointed date of the Board meeting.

Discussions at Board meetings are to be conducted in a temperate manner respectful of the views of other Directors.

Procedure for Urgent Resolutions

A procedure exists for the determination of urgent matters between regular Board meetings by submitting a matter for resolution by circulation.

Other Procedures

Current approved procedures are maintained at the office. Directors should familiarise themselves with these documents.

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In accordance with the Community Broadcasting Code of Practice, the Board adopts a continuous quality improvement approach and seeks to review procedures from time to time and review all at least annually.

Consent

Prior to taking office, each Director must sign a formal consent as required under the Act. The information becomes part of the public record required to be maintained by the Registrar. The Manager is required to lodge Consent and Notice of Change of particulars of Directors and officers within 28 days of appointment or cessation.