

**THE CONSTITUTION OF
AUSTRALIAN ORGANIC LTD**

A Company Limited By Guarantee Not Having A Share Capital

TABLE OF CONTENTS

1	NAME	5
2	REPLACEABLE RULES	5
3	DEFINITIONS AND INTERPRETATION.....	5
4	OBJECTS	6
5	POWERS.....	7
6	MEMBERSHIP.....	7
7	CLASSES OF MEMBERS.....	8
8	MEMBERSHIP RIGHTS.....	8
9	ELIGIBILITY FOR APPOINTMENT TO THE BOARD	9
10	CESSATION OF MEMBERSHIP.....	9
11	MEMBERSHIP	10
12	GENERAL MEETINGS	10
13	CONDUCT OF BUSINESS AT GENERAL MEETINGS	12
14	RULES FOR VOTING BY PROXY	15
15	DIRECTORS	16
16	POWERS AND DUTIES OF THE BOARD.....	19
17	PROCEEDINGS OF THE BOARD.....	21
18	CHAIRPERSON	23
19	INTERESTED DIRECTORS	23
20	SECRETARY	24
21	SIGNING ON BEHALF OF AUSTRALIAN ORGANIC	24
22	ACCOUNTS	25
23	AUDIT	26
24	NOTICES, REPORTS, POSTAL BALLOTS	26
25	INDEMNITY	28
26	ALTERATION OF CONSTITUTION	29
27	APPLICATION OF INCOME AND PROPERTY	29
28	AMALGAMATION	29
29	WINDING UP OR DISSOLUTION	30
	Schedule 1: Directors.	31
	Schedule 2: Membership Application Form	32
	Schedule 3: Director Nomination Form	33
	Schedule 4: Appointment of Proxy Form	34
	Schedule 5: Corporate Member Representative Appointment Form	36

CONSTITUTION

for

AUSTRALIAN ORGANIC LTD

A Company Limited By Guarantee Not Having A Share Capital

*Revised pursuant to a Special Resolution
of the Australian Organic Members resolved on 27 November 2018*

*Revised pursuant to a Special Resolution of the Australian Organic Member
resolved on 15 November 2019*

1. NAME

The name of the company is Australian Organic Ltd (hereinafter referred to as "Australian Organic").

2. REPLACEABLE RULES

This Constitution displaces the Replaceable Rules in the Law.

3. DEFINITIONS AND INTERPRETATION

3.1 Definitions

In this Constitution unless otherwise provided or unless there is something in the subject matter which is inconsistent, the following expressions shall have the definitions or meanings provided below:-

"annual membership fee" means the annual membership fee for each calendar year, payable by a Member to Australian Organic, as determined by the Board pursuant to clause 11.1.

"Auditor" means a person appointed as auditor of Australian Organic;

"Australian Organic" means Australian Organic Limited;

"Board" means the board of Directors of Australian Organic;

"Corporate Member" means a Member which is a corporation;

"Determination Date" means the date of the Company's 2018 General Meeting being 27 November 2018;

"Director" means a person named as a Director upon incorporation or a person who is thereafter elected or re-elected to the Board of Australian Organic in accordance with this Constitution;

"Disciplinary Subcommittee" means a subcommittee established in accordance with subclause 16.5;

"Financial Member" means a Member of Australian Organic who has paid in full the most recent instalment of its annual membership fee or who has paid to Australian Organic the most

recent levy or other license fee in consideration for holding an Organic Certificate in an amount which is at least the amount payable for the most recent annual membership fee.

"Instantaneous Communication Device" means any device by which the processes of a meeting may be conducted between persons in different places and includes telephone, television or any other audio and/or visual device or technology which permits instantaneous (or near as practical thereto) communication.

"Independent Director" means a Director who is elected or appointed to the Board in accordance with this Constitution, based on that person possessing skills and/or expertise which are considered to be beneficial to Australian Organic and who may or may not be a Member.

"joining fee" means the fee payable by a person upon submitting an application to become a Member of Australian Organic in accordance with clause 6.2(b).

"the Law" means the Corporations Act 2001 (Cth);

"Organic Certificate" means a certificate that certifies that a person is an organic operator and is licensed to use trade mark No. 1265566, being the bud logo (classes 1, 3, 4, 5, 18, 23, 24, 25, 29, 30, 31,32, 33, 35, 41 and 42) or any other trade mark bearing that bud logo.

"Organic Operator" means a person who holds a current Organic Certificate.

"meeting" means a general meeting of Australian Organic and includes special general meetings and annual general meetings (AGM) unless otherwise stated;

"Member" means a member of Australian Organic. Members may be of different classes of Membership.

"Ordinary Member" means a Member of Australian Organic from time to time as permitted by this Constitution, having the membership rights set out in clause 8.1.

"person" means a reference to a corporation as well as an individual;

"primary producer" means a farmer endeavouring to grow organic or biodynamic products.

"the Seal" means the common seal of Australian Organic;

"Secretary" means a person named as Secretary upon incorporation or any person thereafter appointed to perform the duties of a Secretary of Australian Organic;

"temporary" means for a period of not more than 3 months unless otherwise approved by the Chairperson.

3.2 Interpretation

In this Constitution:

- (a) words importing any gender include the other genders;
- (b) the singular includes the plural and vice versa;
- (c) a reference to a statute, code or the Law (or to a provision of same) means the statute, code or the Law (or provisions of same) as modified or amended and in operation for

the time being, or any statute, code or provision enacted (whether by the State or Commonwealth of Australia) in lieu thereof and includes any regulation or rule for the time being in force under the statute, code or the Law;

- (d) an expression used in a particular part or division of the Law that is given by that part or division a special meaning for the purpose of that part or division has, in any of these regulations that deals with the matter dealt with by that part or division, unless the contrary intention appears, the same meaning as in that part or division;
- (e) headings are inserted for convenience and do not affect the interpretation of this Constitution;
- (f) unless otherwise clear from the context that a different denomination of currency is intended a reference to dollars (\$) or to an amount of money shall be taken to mean a reference to Australian dollars and more generally to the Australian currency.

4 **OBJECTS**

The principal object of Australian Organic is to promote the development of the agricultural and environmental resources of Australia particularly in the area of organic and biological farming. Australian Organic aims to achieve its objects by:

- (i) conducting research into and undertaking development of agricultural and environmental resources in Australia particularly those utilized in, or which could be utilized in, organic and biological farming;
- (ii) training, including on-farm training in organic and biological farming, theory and practices, as well as training for value adders and marketers associated with organic and biological farming and produce;
- (iii) promoting the benefits of organic and biological farming and the produce of organic farming including through fairs, expos, trade shows and conferences;
- (iv) delivering services and support to persons engaged in organic farming, processing, trading as well as consumers with an interest in organic produce;
- (v) managing logos, standards and license agreements;
- (vi) liaising with stakeholders including regulators, government, industry members, growers, consumers, and farmers to ensure the efficient and effective promotion and development of agricultural and environmental resources in Australia particularly in the area of organic and biological farming and related trade; and
- (vii) doing such acts and things as may be deemed reasonably necessary or incidental to the carrying out of Australian Organic's principal object.

5 **POWERS**

Solely for the purpose of carrying out the objects of Australian Organic and not otherwise, Australian Organic shall have all powers of a natural person and any other powers of a company under the Law.

6 **MEMBERSHIP**

6.1 Condition of Membership

(a) Any person wishing to become a Member after the Determination Date, shall be entitled to so apply on the condition that the said person holds a current Organic Certificate.

(b) The membership of a person who, as at the Determination Date was a Member, shall not be affected by reason of paragraph (a) of this clause 6.1, even if that Member does not hold a current Organic Certificate as at the Determination Date.

(c) If after the Determination Date, a person who was a Member at the Determination Date ceases to be a Member after the Determination Date and then wishes again to become a Member after the Determination Date, that person must comply with paragraph (a) of this clause 6.1.

6.2 Application for Membership

(a) Any person who wishes to make an application for Membership shall do so in the form set out in Schedule 2: Membership Application Form, or in such form as may otherwise be approved by the Board from time to time specifying any information the board may reasonably require to assess the suitability of the applicant for membership.

(b) Upon making application, the applicant shall furnish:

- (i) the joining fee (if any) as determined by the Board in accordance with Clause 11.1; and
- (ii) a copy of that applicant's Organic Certificate.

If an applicant is refused Membership under sub-clause 6.3 such fees shall be refunded to the applicant in full.

6.3 Determination of Membership application

(a) The Board shall determine the outcome of a Membership application or may delegate its power to deal with Membership applications to the Secretary or such other duly appointed officer as the Board deems necessary from time to time.

(b) The Board or its duly appointed officer shall approve or reject any applicant for Membership at the Board's absolute discretion.

(c) The Board is not required to give or assign any reason or explanation for the approval or rejection of any application for Membership.

6.4 Notification of determination

(a) When an application for Membership has been accepted, the Secretary or other duly appointed officer shall notify the applicant in writing that their application has been approved and shall enter the applicant's name and details in Australian Organic's Register.

(b) When an application for Membership is rejected, the Secretary or other duly appointed officer shall notify the applicant in writing that their application has been rejected and shall refund in full any joining fee paid by that applicant.

6.5 Unlimited Members

The number of Members of Australian Organic is unlimited.

6.6 Register to be kept

A register of Members shall be kept in accordance with the Law.

7 **CLASSES OF MEMBERS**

7.1 Classes of Membership

Australian Organic has the following classes of Membership:

- (a) Ordinary Member; and
- (b) Other classes of members as may be determined by the Board as required from time to time and approved in accordance with the Law.

8 **MEMBERSHIP RIGHTS**

8.1 Rights of Ordinary Members

- (a) Ordinary Members who either were Members since before the Determination Date and have not ceased to be Members since then or who hold a current Organic Certificate are entitled to receive notices, attend and vote at all general, annual general or special general meetings. Only Ordinary Members who either were Members since before the Determination Date and have not ceased to be Members since then or who hold a current Organic Certificate are entitled to vote under this Constitution.
- (b) Each Ordinary Member who is entitled to vote has one (1) vote.

8.2 Exercise of rights by a Corporate Member

- (a) A Corporate Member as defined under clause 3.1 may only exercise the rights given to it under this Constitution, by appointing a representative who is a natural person or by reliance upon the rights set out in this Constitution to appoint a proxy.
- (b) A Corporate Member may appoint its representative by using the form set out in Schedule 5: Corporate Member Representative Appointment Form, or by such other form as may be approved by the Board from time to time. The appointment may set out restrictions on the representative's powers. The appointment may be a standing one.
- (c) The Corporate Member's representative may exercise all of the powers the Corporate Member may exercise:
 - (i) at meetings of Australian Organic's Members; or
 - (ii) at meetings of creditors; or
 - (iii) relating to resolutions to be passed without meetings; or
 - (iv) in the capacity of a Member's proxy appointed in accordance with this constitution and the Law.

8.3 Membership not transferable

Membership is personal to a Member and is not transferable.

9 ELIGIBILITY FOR APPOINTMENT TO THE BOARD

A person must meet the requirements established in clause 15 of this Constitution, in order to be eligible for appointment to the Board.

10 CESSATION OF MEMBERSHIP

10.1 When Membership ceases

A Member of any class shall cease to be a Member of Australian Organic:

- (a) if the Member resigns from Membership by giving notice in writing addressed to the Secretary of Australian Organic and such resignation shall be effective from the date of receipt of the notice by the Secretary; or
- (b) if, in the case where a Member is required to pay annual membership fees, such fees are in arrears for a period of at least three (3) months or for such other time as the Board in its discretion determines to be unacceptable; or
- (c) if Member's Membership is terminated by the Board in accordance with sub-clause 10.2;
- (d) the Member dies; or
- (e) in the case of a Corporate Member, the Corporate Member has a liquidator, a provisional liquidator, administrator, receiver or receiver and manager appointed to it or any of its assets, or is wound up or it is deregistered; or
- (f) if, in the case of a Member who became a Member after the Determination date (including a Member to which clause 6.1(c) relates);
 - (i) that Member's Organic Certificate remains withdrawn, terminated or expired for a period of at least three (3) months or for such other time as the Board shall in its discretion determine to be unacceptable; or
 - (ii) that Member ceases to hold a current Organic Certificate for three (3) months or for such other time as the Board shall in its discretion determine to be unacceptable.

10.2 Suspension or expulsion of Members

- (a) The Board may by resolution passed by a simple majority of the Board suspend or expel a Member from membership of Australian Organic:
 - (i) if their conduct is persistently inconsistent with expectations of Membership set out in this Constitution including the Objects; or
 - (ii) if they engage in conduct which is injurious or prejudicial to the interests of Australian Organic.
- (b) If the Board considers that the conduct of a Member warrants suspension or expulsion because of one of the reasons listed in sub-clause 10.2(a), the Board must give notice in writing to the Member of the proposed suspension or expulsion. The notice must:
 - (i) set out the full particulars of the conduct in question; and
 - (ii) advise the person of their right to appeal their suspension or expulsion before the Disciplinary Committee, provided that they lodge their appeal in writing to the Secretary within twenty-one (21) days of receiving the notice.

- (c) If no appeal is lodged within the time prescribed in sub-clause 10.2(b)(ii), the Member shall cease to be a Member at the expiration of the twenty-one (21) day period.
- (d) If an appeal is lodged within the twenty-one (21) day limit, then the Board shall refer the matter to a Disciplinary Committee which will be convened to consider the appeal. The meeting to consider the appeal must be held within two (2) months of the receipt of the appeal by the Secretary unless the appellant and the Disciplinary Committee otherwise agree in writing. The Secretary must inform the Member in writing of the date, time and venue for the meeting before the Disciplinary Committee at least twenty-one (21) days before the meeting. Such a meeting may be conducted using Instantaneous Communication Devices in the manner set down under sub-clause 17.8.
- (e) At the meeting at which the suspension or expulsion is considered the Disciplinary Committee must afford the person appealing a reasonable opportunity to be heard and must consider any representations in writing in relation to the appeal.
- (f) At the meeting before the Disciplinary Committee, the Disciplinary Committee may, after having afforded the Member concerned a reasonable opportunity to be heard, decide whether a suspension or expulsion is warranted and shall communicate its decision in writing to the Member.
- (g) A Member who is suspended under this sub-clause from Membership of Australian Organic shall be suspended for the period specified in the notice of suspension and is precluded from exercising any rights of Members as set out under Clause 8 for the period of the suspension.
- (h) A Member who is expelled under this sub-clause from the membership of Australian Organic ceases to be a Member from the date of issue of a notice to the Member advising that the Member's membership has been terminated.

10.3 Liability for fees

If a Member's Membership is terminated for any reason, notwithstanding anything else to the contrary in this Constitution, the Member shall continue to be liable for any annual Membership fee and all arrears due and unpaid at the date of the cessation of Membership and for all moneys due by that Member to Australian Organic.

11 MEMBERSHIP FEES

11.1 Setting of the fee

The Board may set such joining fees and annual membership fees as it may determine from time to time.

11.2 Time for payment

Annual membership fees are to be invoiced annually and payable as determined by the Board.

12 GENERAL MEETINGS

12.1 Annual General Meeting

- (a) An annual general meeting of Australian Organic must be held once in every calendar year within five (5) months after the end of the financial year.

- (b) The notice convening an annual general meeting must be given to all Members of Australian Organic, entitled to receive notices of general meetings and attend and vote at them, in accordance with clause 24.

12.2 Business of annual general meeting

The business to be transacted at every annual general meeting may include any of the following, even if not referred to in the notice of meeting:

- (a) the consideration of the annual financial report, Directors' reports and Auditor's report;
- (b) the election of Directors;
- (c) the appointment of the Auditor, including the Auditor of any Public Funds or Trusts as established by Australian Organic if different to Australian Organic's Auditor;
- (d) approval of directors remuneration as proposed by the directors;
- (e) the fixing of the Auditor's remuneration; and
- (f) any other business of which proper notice has been given.

12.3 Directors may convene a general meeting

- (a) Any three (3) Directors may convene a general meeting.
- (b) The notice convening a general meeting shall state the particular matter or matters to be discussed at the meeting and no business other than that specified in the notice shall be transacted.

12.4 Board may convene a general meeting at the request of Members

- (a) The Board must call and arrange to hold a general meeting at the request of Members in accordance with section 249D of the Law.

Note: Section 249D relevantly provides:

"Calling of general meeting by directors when requested by members:

- (1) The directors of a company must call and arrange to hold a general meeting on the request of members with at least 5% of the votes that may be cast at the general meeting.
- (2) The request must:
 - (a) be in writing; and
 - (b) state any resolution to be proposed at the meeting; and
 - (c) be signed by the members making the request; and
 - (d) be given to the company.
- (3) 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.

- (4) The percentage of votes that members have is to be worked out as at the midnight before the request is given to the company.
- (5) The directors must call the meeting within 21 days after the request is given to the company. The meeting is to be held not later than 2 months after the request is given to the company."

12.5 Notice of general meeting

- (a) A general meeting may only be convened by giving the Members notice of the meeting.
- (b) A notice of a general meeting must:
 - (i) be given at least twenty-one (21) days before the date of the meeting unless otherwise agreed by all the Members entitled to notice; and
 - (ii) specify the place, the day and the time of the meeting; and
 - (iii) describe the nature of the business to be transacted at the meeting; and
 - (iv) contain any other information required by the Law.
- (c) If a Member does not receive a meeting notice or the Board accidentally omits to give the Member a meeting notice, that omission will not invalidate the proceedings or any resolution passed at the meeting.
- (d) No business is to be transacted at any general meeting except that contained in the meeting notice unless all the Members otherwise agree.

13 CONDUCT OF BUSINESS AT GENERAL MEETINGS

13.1 Quorum

- (a) No business shall be transacted at any general meeting unless a quorum of Members is physically present at the time when the meeting proceeds to business.
- (b) Unless otherwise determined by the Members in a general meeting, there will be quorum where the number of Financial Members present and entitled to vote is not less than twice the total number of Directors present plus one.
- (c) A quorum of Members must be present throughout each general meeting. If a quorum is not present at any time, the meeting is not validly convened but this will not affect the validity of any business conducted before the absence of a quorum occurs.

13.2 Procedure where no quorum

- (a) If a quorum is not present within thirty (30) minutes after the time appointed for the meeting:
 - (i) where the meeting was convened upon the requisition of Members, the meeting will be dissolved; or
 - (ii) in any other case, the meeting will be adjourned.

- (b) Any meeting adjourned will be rescheduled to take place on a day and time and at the place that the Board decides within 30 days of the adjourned meeting.
- (c) Such persons as attend any meeting adjourned pursuant to clause 13.2, will constitute a quorum if the number of Members that would otherwise be required to form a quorum is not present within thirty (30) minutes after the appointed time for commencement of the meeting.

13.3 Election of Chairperson

- (a) The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting.
- (b) Where a general meeting is held and:
 - (i) a Chairperson of the Board has not been elected;
 - (ii) the Chairperson of the Board is not present within fifteen (15) minutes after the appointed time; or
 - (iii) the Chairperson of the Board is unwilling to act;

the Directors present at the meeting will appoint a Member to be the Chairperson of the meeting. If no Directors are present at the meeting then the Members will elect one Member to be Chairperson of the meeting.

13.4 Casting vote

The Chairperson has a casting vote in addition to any vote the Chairperson may have as a Member and/or Director as applicable.

13.5 Adjournment of meeting

- (a) The Chairperson may adjourn any meeting of Members:
 - (i) with the consent of the meeting provided a quorum is present; or
 - (ii) if directed by the meeting to do so.
- (b) Any adjournment may change the time or the venue for the meeting as determined by the Chairman.
- (c) Only business left unfinished from the adjourned meeting can be transacted at any rescheduled meeting.
- (d) No meeting may be adjourned for longer than 30 days.
- (e) No notice of meeting is required for any adjourned meeting.

13.6 Show of hands or poll

At any general meeting, a resolution put to the vote of the meeting shall be decided by a show of hands, unless a poll is demanded in accordance with sections 250L(1), (3) and (4) of the Law. A poll may be demanded on any resolution except a resolution concerning the election of the Chairperson of the meeting.

Note: Sections 250L(1), (3) and (4) relevantly provide:

“When a poll is effectively demanded

- (1) At a meeting of a company’s members, a poll may be demanded by:
 - (a) at least 5 members entitled to vote on the resolution; or
 - (b) members with at least 5% of the votes that may be cast on the resolution on a poll; or
 - (c) the chair.
- (3) The poll may be demanded:
 - (a) before a vote is taken; or
 - (b) before the voting results on a show of hands are declared; or
 - (c) immediately after the voting results on a show of hands are declared.”

(4) The percentage of votes that members have is to be worked out as at the midnight before the poll is demanded.

13.7 Declaration on show of hands

If a poll is not demanded, the Chairperson’s declaration that a resolution has been carried or lost with an entry to that effect in the minute book is conclusive evidence of the fact. It is not necessary to record the number or proportion of votes recorded for or against the resolution.

13.8 Poll demanded

A poll will be taken immediately if one is demanded or at any other time after an interval or adjournment or otherwise as the Chairperson decides. The result of the poll will be recorded as the resolution of the meeting at which the poll was demanded.

13.9 Withdraw poll

The demand for a poll may be withdrawn at any time.

13.10 Poll of Adjournment

Any poll demanded on a question of adjournment must be taken immediately.

13.11 Which Members may vote

Only those Members who belong to a class of Members who are entitled to vote at a general meeting whether in person or by proxy will be entitled to vote or participate in a circulating resolution.

13.12 Voting

Subject to any rights or restrictions attached to any class of membership:

- (a) at meetings of Members or classes of Members, each Member entitled to vote may vote in person or by proxy; and

- (b) on a show of hands by every person physically present who is a Member or a representative of a Member has one (1) vote and on a poll, every person present in person or by proxy or attorney has one (1) vote.

13.13 No voting unless fees and debts fully paid

A Member may not vote at a meeting of Australian Organic if that Member has fees, or other amounts payable to Australian Organic and/or its subsidiaries unless, excluding members fees, the amount is in dispute and the member has notified Australian Organic in writing prior to the meeting or the amount remains within the commercial terms of the account (generally 30 days).

13.14 Rights of third parties to attend meetings

Even if they are not Members of Australian Organic, the following persons have the right to attend any general meeting, and if requested by the Board, to speak at such meeting:

- (a) external consultants with expert knowledge in a relevant field; or
- (b) any other person invited by the Board.

14 **RULES FOR VOTING BY PROXY**

14.1 Appointment of Proxy

- (a) Subject to clause 14.1(b), any Member who has rights to attend and vote at a meeting of Australian Organic is entitled to appoint any person as the Member's proxy to attend and vote at meetings on their behalf.
- (b) The proxy must be a Member of Australian Organic or the Chairperson.
- (c) An appointment of a proxy may be revoked at any time before the vote to which the proxy relates is exercised by written notice delivered to the Secretary.

14.2 Proxy in writing

Any instrument appointing a proxy must be in writing and signed by:

- (a) the appointor; or
- (b) the appointor's attorney.

14.3 Authority for a poll

A document appointing a proxy confers the authority to demand a poll.

14.4 Form of proxy

The appointment of a proxy must be substantially in the form as set out in Schedule 4: Appointment of Proxy Form.

14.5 Delivery of proxy before meeting

- (a) The appointment of a proxy is not valid unless the documents specified in sections 250B(1), (2) and (3) of the Law are received by Australian Organic at least forty eight (48) hours before the meeting.

Note: Sections 250B(1), (2) and (3) provide:

“Proxy documents

Documents to be received by company before meeting

- (1) For an appointment of a proxy for a meeting of a company’s members to be effective, the following documents must be received by the company at least 48 hours before that meeting:

- (a) the proxy’s appointment;
- (b) if the appointment is signed, or otherwise authenticated in a manner prescribed by regulations made for the purposes of subsection 250A(1), by the appointor’s attorney - the authority under which the appointment was signed authenticated or certified copy of the authority.

Documents received following adjournment of meeting

- (2) If a meeting of the company’s members has been adjourned, an appointment and any authority received by the company at least 48 hours before a resumption of the meeting are effective for the resumed part of the meeting.
- (3) A company receives a document referred to in subsection (1):
 - (a) when the document is received at any of the following:
 - (i) the company’s registered office;
 - (ii) a fax number at the company’s registered office;
 - (iii) a place, fax number or electronic address specified for that purpose in the notice of meeting; and
 - (b) if a notice of meeting specifies other electronic means by which a member may give the document - when the document given by those means is received by the company as prescribed by the regulations.

15 DIRECTORS

15.1 Number of Directors

- (a) A Board shall govern Australian Organic. The Board must comprise a minimum of three (3) Directors and no more than seven (7) directors.
- (b) Subject to paragraph (a) of this clauses 15.1 and 15.5(a) and to the requirements of the Law, Australian Organic may from time to time by ordinary resolution passed at an annual general meeting increase or decrease the number of Directors.

- (c) Subject to paragraph (a) of this clause 15.1 and clause 15.5(a), the Board may comprise up to two (2) Independent Directors.

15.2 Independent Director

Subject to the requirements of clause 15.1 and clause 15.5(a), Independent Directors:

- (a) may be elected in accordance with clause 15.4; or
- (b) appointed by a resolution of the Board from time to time.

Independent Directors who are appointed in accordance with paragraph (b) of this clause 15.2, shall hold office until the day immediately preceding the day of the next general meeting following his or her appointment.

15.3 Directors must be Members of Australian Organic

A person must be a Financial Member of Australian Organic in order to be eligible for election to the office of Director and meet the requirements established within this clause 15, except that an Independent Director does not need be a Member or Financial Member of Australian Organic.

15.4 Election of Directors

The annual election of Directors to be announced at each annual general meeting of Australian Organic shall take place in the following manner:

- (a) any two Members shall be at liberty to nominate a person to serve as a Director.
- (b) the nomination must be in writing and signed by the nominee, the proposer and seconder, and shall be in the form provided in Schedule 3: Director Nomination Form and shall be provided to the Secretary not less than six (6) weeks before the proposed date of the annual general meeting at which the election is to be announced (to be notified to members in accordance with clause 24.8).
- (c) there will be an election for the positions of Director on the Board as identified available and those positions on the Board will be filled by nominees on the basis that the person with the most ballot votes is appointed first, the person with the second most ballot votes second, third most ballot votes third, and so on until all the total number of Directors determined by Australian Organic is achieved, subject to clause 15.4(d) and to clause (c).
- (d) accounting for clause 15.1(a), any vacant primary producer director positions must be filled first by applying the method detailed at clause 15.4(c) to those nominees that are primary producers only, specifically excluding all non-primary producer nominees. Once this is completed, and subject to paragraph (c) of clause 15.1, all other vacant positions, specifically the non-primary producer positions, may be filled utilising the method detailed at clause 15.4(c) from all remaining nominees including the unsuccessful nominees that met the primary producer classification.
- (e) voting for the appointment of directors shall be by ballot, following the procedure set out in clause 24.8.

15.5 Office of Directors

- (a) At any time a minimum of 3 directors must be primary producers, referred to as the “primary producer directors”.
- (b) Each elected Director shall take office at the first meeting of the Board after the annual general meeting at which his/her election is announced, which will be held immediately after the annual general meeting as directed by the Chairperson, or at the first meeting of the Board after his/her election pursuant to clause 15.8 or 15.11 (whichever meeting of the Board occurs first).
- (c) A Director shall hold office for a term until the close of the general meeting that is in the third year following the year in which they were appointed as Director at the general meeting and must retire pursuant to clause 15.5(d). The tenure of each Independent Director who is appointed by the Board in accordance with paragraph (b) of this clause 15.2 shall be deemed to have served for one full year of his or her term by the time of the annual general meeting following his or her appointment.
- (d) The Directors to retire in any year shall be those who have held their position as Director longest in the office since their last election, or any director so appointed per clause 15.10, including the time in office for Australian Organic. In relation to Directors appointed at the same time, the Director to retire shall be identified by agreement or as nominated by drawing lots, in which case the order for retirement shall be the order in which names are drawn as controlled and directed by the Chairperson. The Chairperson’s decision shall be final.

15.6 Eligibility for re-appointment

A retiring Director shall be eligible for re-election.

15.7 Re-election of retiring Directors

Australian Organic will, unless otherwise decided under this constitution, at the annual general meeting at which a Director so retires, as per sub-clause 15.5, by resolution, fill the vacated office by electing a person by resolution to that office. If that office is not so filled, the retiring Director shall, if then offering himself or herself for re-election and not being disqualified under the Law from holding office as a Director and subject to compliance with clauses 15.4(a) and (b), be deemed to have been re-elected unless at that meeting it is expressly resolved not to fill the vacated office.

15.8 Removal of Director

- (a) Australian Organic may by ordinary resolution remove any Director and appoint another Director as a replacement.
- (b) Any Director so appointed shall hold office in the manner as specified in sub-clause 15.5.

15.9 Vacancy in Board

The office of a Director becomes vacant if:

- (a) required by the Law;
- (b) the Director is removed under these Rules;

- (c) the Director dies or becomes mentally incapacitated or the Director's estate is liable to be dealt with under a law relating to mental health;
- (d) the Director becomes bankrupt or makes any arrangement or composition with creditors; or
- (e) the Director resigns or ceases to be a Member; and
- (f) the Director is absent from three (3) consecutive meetings of the Board without leave of the Board.

15.10 Absent Directors

A director may by notifying the board in writing, be temporarily absent from their position as director:

- (a) If they nominate a member that meets the qualifications to be a director, to hold their position as director in their absence; and
- (b) That member is approved to hold that position during their absence by a majority of the board; and
- (c) The nominated director shall meet and adhere to all requirements as set out in these rules of a normal director as if they were the director that is absent and shall receive remuneration as a director in accordance with this constitution; and
- (d) Shall vacate that position as a director immediately the absent director returns and notifies the board in writing they are available to assume their position as director, unless their position as director has ceased due to the application of sub-clause 15.5.

15.11 Filling of Vacancy

If there is a vacancy on the Board, the Board may appoint such a Member as it thinks fit to fill the vacancy and the person so appointed shall hold office, subject to the rules in this Constitution, until the next annual general meeting following the date of his or her appointment at which time they must retire as one of the directors retiring as noted at 15.5(c).

15.12 Directors Qualifications

To qualify as an elected Director a person must be and must retain these qualifications throughout their term as director:

- (a) in the case of the directors who are not Independent Directors, be a current financial member of Australian Organic; and
- (b) A natural person who is nominated for Directorship and validly elected: and
- (c) In the case of joint membership, the natural person whose name appears first in the register of members; and
- (d) Formal nomination by a person or entity licensed to use the logo as an official representative for that person or entity in regard to and eligible for nomination for Directorship of the Australian Organic Board.

15.13 Directors Remuneration

The Directors shall receive such remuneration for their services as shall be determined at a general meeting.

15.14 Reimbursement of Expenses

Subject to the approval of the Board, a Director shall be entitled to be reimbursed out of the funds of Australian Organic for all reasonable expenses properly incurred by them:

- (a) in attending Board or sub-committee meetings;
- (b) in attending general meetings of Australian Organic; or
- (c) in connection with Australian Organic's business as approved by the Chairman or the majority of the Board and such claim must be accompanied by evidence of the expense, such as a receipt or tax invoice, or other evidence deemed acceptable as evidence of an expense by the Income Tax Assessment Act, 1997 or later compilations.

16 POWERS AND DUTIES OF THE BOARD

16.1 Powers and duties of the Board

Subject to the Law and to any other provisions of this Constitution, the Board:

- (a) shall have the control and management of the activities, property and funds of Australian Organic;
- (b) may pay all expenses incurred in forming Australian Organic; and
- (c) may exercise all the powers of Australian Organic except any powers that, by the Law or by this Constitution are required to be exercised by Australian Organic in general meeting.

16.2 Specific powers of the Board

Notwithstanding the generality of the sub-clause 16.1, the Board shall have the following powers:

- (a) to make, alter or repeal by-laws as to:
 - (i) the management of Australian Organic and the affairs thereof;
 - (ii) the duties of any officers or servants of Australian Organic;
 - (iii) the conduct of business by the Board or any subcommittee; or
 - (iv) any of the matters or things within the power or under control of the Board.

For the purposes of this sub-clause, no by-law may be inconsistent with this Constitution or with the provisions of the Law, and any by-law in relation to any subcommittee responsible for the management of a tax deductible fund must not be inconsistent with the conditions of such tax deductibility;

- (b) to authorise any Director or other person nominated by the Board to sign all cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and to sign all receipts for money paid to Australian Organic as the case may be; and

- (c) to authorise payment by Australian Organic of an insurance premium in respect of liability incurred as an officer of Australian Organic to which Section 212 of the Law refers.

16.3 Minutes to be kept

The Board must ensure that proper minutes are made of:

- (a) all annual general meetings, special general meetings and Board meetings of Australian Organic;
- (b) all appointment of officers;
- (c) the proceedings of all general meetings;
- (d) the attendance at and business transacted at general meetings;

The minutes of any meeting, if purporting to be signed by the Chairperson of the meeting or by the Chairperson of the next succeeding meeting, will be conclusive evidence of the matters recorded in them without any further proof.

16.4 Subcommittees and Public Funds

- (a) The Board may delegate any of its powers and functions (not being duties imposed on the Board as the Directors of Australian Organic by the Law or the general law and not being duties imposed on the Nomination and Remunerations Committee or the Advisory Committee) to one or more subcommittees or advisory groups consisting of such members of the Board as the Board thinks fit.
- (b) Any subcommittee or advisory group so formed shall conform to any by-laws that might be imposed by the Board and shall have power to co-opt any Member or Members of Australian Organic
- (c) The Board may form a Committee to operate and control a Public Fund within Australian Organic for the purposes of receiving gifts and to meet the Deductible Gift Recipient legislation as established by the Income Tax Assessment Act, 1997, its associated regulations and future compilations.

16.5 Disciplinary Subcommittee

- (a) The Board may from time to time establish a Disciplinary Committee which will consist of up to three (3) Members.
- (b) The Disciplinary Committee must be provided with such resources as are reasonably necessary to discharge its duties including independent legal advice and assistance.

16.6 Advisory Committee

The Board shall facilitate the appointment of an Advisory Committee consisting of at least six (6) Members, with at least one (1) Member being engaged in each of:

- (a) livestock;
- (b) cropping including horticulture;
- (c) farm inputs;
- (d) vignerons;

- (e) cosmetics; and
- (f) processing/manufacturing.

16.7 Advisory Committee Meetings

The Advisory Committee meetings shall take place in person, by telephone or by video-conference, as shall be determined to be convenient from time to time and, in any event with at least two (2) weeks' advance notice or such shorter period as may be agreed to by the members of the committee. The Advisory Committee is expected to convene twice a year:

- (a) once between 1 February and 31 May; and
- (b) once in the period of time between 1 June and 31 August.

16.8 Advisory Committee Function

The Advisory Committee shall:

- (a) review organic industry policies and priorities; and
- (b) deliver to the Board its written recommendations within two (2) weeks of the date on which its meeting was convened.

16.9 Nomination and Remuneration Committee

The Board shall facilitate the appointment of a Nomination and Remuneration Committee consisting of up to three (3) members. One of the members of that committee shall be a person who is neither a Member nor a Director and who the Board considers to have corporate experience that is both sufficient and suitable for the purposes of the Nomination and Remunerations Committee performing its role and function. The Board shall:

- (a) determine from time to time the remuneration payable to the members of the Nomination and Remunerations Committee; and
- (b) provide to the Nomination and Remunerations Committee such resources as are reasonably necessary for it to discharge its duties in accordance with clause 0.

16.10 The Role and Function of the Nomination and Remunerations Committee

The Nomination and Remunerations Committee shall:

- (a) be entitled to request from the Board and access information in relation to Directors' skills, qualifications and activity in their respective capacity as Board members; and
- (b) advise the Board in writing of its opinion and recommendations in relation to each Director's skills and ability to contribute to the Board and to further Australia Organic's objects as set out in clause 4.

16.11 Meetings of the Nomination and Remunerations Committee

The Nomination and Remunerations Committee's meetings shall take place in person, by telephone or by video-conference, as shall be determined to be convenient from time to time and, in any event with at least two (2) weeks' advance notice or such shorter period as may be agreed to by the members of the committee. The Nomination and Remunerations Committee shall meet each year, at a minimum, as follows:

- (a) once at least three (3) months before each Annual General Meeting;
- (b) within four (4) weeks of the Board delivering to the Nomination and Remunerations Committee notice of a need to fill a vacancy on the Board; and

- (c) at least an additional two times, to review the composition of the Board and the suitability of its members to Australian Organics' requirements at the time.

17 PROCEEDINGS OF THE BOARD

17.1 Regulation of meeting

- (a) The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit.
- (b) Two (2) or more Directors, or the Chairperson alone, may, at any time call a meeting, and the Secretary shall, on their or his or her requisition, summon a meeting of the Board.

17.2 Notice of meeting

Notice of every meeting of the Board, stating in general terms all business to be considered at such meeting, shall be sent to each Director at least five (5) working days before such meeting is due to be held unless urgent circumstances require shorter notice as agreed by the Chairperson unless the meeting is to appoint a new Chairperson.

17.3 Decisions by majority

- (a) Subject to this Constitution, questions arising at any meeting of the Board shall be decided by a majority of votes. A determination by a majority of the Directors present shall, for all purposes, be deemed to be a determination of the Board.
- (b) In case of an equality of votes, the Chairperson of the meeting shall have not only a deliberative vote but also a casting vote.

17.4 Quorum

- (a) The quorum necessary for the transaction of the business of the Board must be a majority of the total number of Directors.
- (b) A quorum must be present throughout each meeting of the Board. If a quorum is not present at any time, the meeting is not validly convened but this does not affect the validity of any business conducted before the absence of a quorum occurs.

17.5 Board to continue to act

- (a) If a vacancy on the Board occurs, the remaining Directors on the Board may continue to act.
- (b) If the number of remaining Directors is insufficient to constitute a quorum, the Board may act only for the purpose of increasing the number of Directors to that required to constitute a quorum or to convene a general meeting.

17.6 Validity of acts of Board

All acts done by any meeting of the Board or by any person acting as a Director will be valid even though it subsequently becomes known:

- (a) that there was some defect in the appointment of a person to be a Director; or

- (b) that a person appointed was disqualified.

17.7 Resolution in writing

- (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 document containing a statement that a majority are in favour of the resolution set out in the document.
- (b) Separate copies of a document may be used for signing by the Directors if the wording of the resolution and the statement is identical in each copy.
- (c) The resolution is passed when the last Director signs subject to sub-clause 17.3.

17.8 Electronic communication

- (a) For the purposes of this Constitution, the contemporaneous linking together by Instantaneous Communication Device of a number of consenting Directors being not less than the quorum (whether or not any one or more of the Directors is out of Australia), shall be deemed to constitute a meeting of the Board duly convened and held with persons actually present so long as:
 - (i) all the Directors being entitled to receive notice of a meeting shall receive notice of such meeting given by any means authorised by this Constitution;
 - (ii) each of the Directors taking part in the meeting by Instantaneous Communication Device is able to hear or see the Chairperson's and each of the other Directors' (taking part during the meeting) voices or written communication; and
 - (iii) at the commencement of the meeting, each Director acknowledges their presence to all the other Directors taking part.
- (b) A Director may not leave the meeting by disconnecting their Instantaneous Communication Device unless the person has previously obtained the consent of the Chairperson of the meeting.
- (c) A meeting of the Board by Instantaneous Communication Device shall not be invalidated by any voluntary or involuntary disconnection of a participant, provided sufficient Directors are still able to hear each other to constitute a quorum.
- (d) A minute of the proceedings at a meeting by Instantaneous Communication Device shall be prepared by the Secretary or such duly appointed person and shall be prima facie evidence of the proceedings and of the observance of all necessary formalities if certified as a correct minute by the Chairperson of the meeting.

18 **CHAIRPERSON**

18.1 Election of Chairperson

- (a) The Chairperson of the Board shall be elected by a majority decision of the Board.
- (b) A Chairperson shall continue in this office until:
 - (i) he/she is removed by the Board; or
 - (ii) he/she no longer holds a position as Director; or

- (iii) he/she resigns;

and provided further that a person can only serve as Chairperson over a maximum period of six (6) years as an appointed Director (although to avoid doubt, that person can act as a Director for more than three (3) terms).

18.2 Chairperson's Membership of subcommittees

The Chairperson is an ex-officio Member of all subcommittees from time to time created and shall be notified of the time and place of all meetings of subcommittees unless the Chairperson or the Board otherwise directs.

19 INTERESTED DIRECTORS

19.1 Notice Requirements

- (a) Subject to the Law, all Directors must disclose, at all times all benefits received as a result of their position as a Director, and/or interests, financial or otherwise, directly or indirectly, no matter how material, in all entities, contracts, natural persons, structures, ventures or otherwise that have any actual dealings or proposed dealings with Australian Organic or any related entity of Australian Organic at any time, to the Board, in writing, within 7 days, of becoming aware of such relationship or change of relationship.
- (b) Subject to the Law, provided a Director of Australian Organic has made a disclosure as noted in sub-section 19.1(a) and has declared the nature of his or her interest at a meeting of the Board, and the Board, excluding the affected Director, has passed the resolution that:
 - (i) specifies the Director and identifies the nature and extent of their interest in the matter and its relation to the affairs of Australian Organic; and
 - (ii) states that the Directors voting for the resolution are satisfied that the interest should not disqualify the Director from being present while the matter is being considered or voting on the matter, then the following shall apply by default unless the Directors voting for the resolution otherwise vary these clauses (being clauses 19.1(b)(ii)(I) to (IV)) :
 - I. that Director shall not be disqualified by his or her office from contracting with Australian Organic either as vendor, purchaser or otherwise;
 - II. no contract made by that Director with Australian Organic and no contract or arrangement entered into by or on behalf of Australian Organic in which that Director is in any way interested shall be avoided by reason only of such Director holding his or her office or of the fiduciary relationship thereby established;
 - III. that Director so contracting or being so interested shall not be liable to account to Australian Organic for any profit realised by such contract or arrangement or by reason only of such Director holding his or her office or of the fiduciary relationship thereby established; and

- IV. that Director may in respect of any contract or arrangement in which he or she is so interested may:
- a. vote;
 - b. execute any deed or document on behalf of Australian Organic;
and
 - c. count in a quorum.

19.2 Non-disclosure

A Director that is found in breach of clause 19.1(a) is required to retire from the Board immediately and their position considered vacant, subject to the Chairpersons decision, which will be final.

19.3 Other office may be held

A Director may hold any other office or place of profit, except that of auditor or an employee of Australian Organic (or any of its related bodies corporate) – as defined in the Law, in conjunction with his or her directorship and may be appointed upon such terms as to remuneration, tenure of office and otherwise as the Board decides.

20 **SECRETARY**

- (a) The Secretary will be appointed by the Board on terms and conditions determined by the Board.
- (b) The Board may appoint a person as an additional Secretary or as acting Secretary or as a temporary substitute for the Secretary who will, for the purposes of these Rules, be deemed to be the Secretary.
- (c) The Board may at any time remove or replace the Secretary.
- (d) The Secretary does not have the right to vote unless the Secretary is also a Director.

21 **SIGNING ON BEHALF OF AUSTRALIAN ORGANIC**

21.1 Signing by company

Australian Organic may execute a document without using a common seal if the document is signed by:

- (a) two (2) Directors of Australian Organic; or
- (b) a Director and a Secretary of Australian Organic.

21.2 Common seal

Australian Organic may use a common seal. If the seal is fixed to a document the Seal is to be witnessed by:

- (a) two (2) Directors of Australian Organic; or
- (b) a Director and a Secretary of Australian Organic.

22 **ACCOUNTS**

22.1 Proper records to be kept

The Board must ensure that proper accounting and other records are kept.

22.2 Annual financial reporting to Members

Australian Organic must report to Members for a financial year by:

(a) sending Members copies of:

- (i) the financial report for the year; and
- (ii) the directors' report for the year; and
- (iii) the auditor's report on the financial report;

using any of the methods referred to in sub-clause 24.1; or

(b) sending Members a concise report for the year that complies with the Law using any of the methods referred to in sub-clause 24.1; or

(c) making the financial report for the year and the directors' report for the year and the auditors' report on the financial report available for download from the Australian Organic website,

22.3 Bank accounts

(a) The Board shall cause to be opened with such bank as the Board selects a bank account in the name of Australian Organic into which all moneys received shall be paid as soon as possible after receipt thereof.

(b) The Board shall be responsible for ensuring that all receipts and payments are processed as required by Law and good management practices but may, subject to the approval of Australian Organic's auditor, adopt such methods of receipts, payments and practices as they see fit.

22.4 Subcommittee bank accounts

(a) Any subcommittee bank accounts established by authority of the Board shall be opened at the bankers for the time being of Australian Organic and all cheques on each such account shall be signed by such person or persons as the Board shall appoint for that purpose.

(b) A subcommittee shall not open a bank account without the authority of the Board.

22.5 Accounts in relation to tax deductible funds

In addition to the obligations set out in sub-clause 22.1 and 22.3, Australian Organic and any subcommittee of Australian Organic must conduct all and any accounts in relation to tax deductible funds in accordance with the conditions of such tax deductibility and must keep the Auditor of such funds aware of all and any particular obligations in relation to such funds.

23 **AUDIT**

23.1 Audits generally

Australian Organic must appoint a properly qualified Auditor who shall report and otherwise discharge his or her duties as Auditor of Australian Organic under the Law.

23.2 Audits in relation to tax deductible funds

In addition to all and any duties of the Auditor set out in sub-clause 23.1 the Auditor shall also separately audit and report on any Trusts or Funds as established in accordance with sub-clause 16.4(c) of this constitution.

23.3 Duration of an Auditor's appointment

An Auditor appointed in accordance with sub-clause 23.1 must be appointed for a maximum period not exceeding five consecutive financial years, inclusive of the first financial year in which the appointment is made.

24 **NOTICES, REPORTS, AND BALLOTS**

24.1 Method of service by Australian Organic

In addition to any other means expressly included in this constitution, Australian Organic may give a notice or document required under this constitution or the Law, to any Member or Director:

- (a) personally; or
- (b) by prepaid post; or
- (c) by facsimile transmission; or
- (d) by email; or
- (e) by any other means the Law permits.

24.2 Method of service by Members and Directors

Subject to the Law, a Member or Director may give a notice or document to Australian Organic by any of the means set out in clause 24.1.

24.3 Service by post

- (a) Where a notice or document is sent by post, service of the notice or document shall be deemed to be effective by properly addressing, prepaying and posting a letter containing the notice or document, whether the notice or document forms part of or is accompanied by other material.
- (b) The letter containing the notice of document will be properly addressed:
 - (i) to Australian Organic – if addressed to Australian Organics' registered office;
 - (ii) to a Member - if addressed to the Member's address for the person in the register of Members for an alternative address (if any) nominated by the person;
 - (iii) to a Director - if addressed to the Director's address for the person as notified by the Director to Australian Organic from time to time.

(c) A notice or document sent by post is taken to be given on the date which is 3 days after the day on which it is posted.

24.4 Service by facsimile

(a) A notice or document may be given by facsimile transmission to:

- (i) Australian Organic - by sending it to Australian Organics' facsimile number as published on its website from time to time;
- (ii) a Member - by sending it to the Member's nominated fax number (if any);
- (iii) a Director - by sending it to the Director's nominated fax number (if any).

(b) Where a notice is sent by facsimile, service of the notice is taken to be given on the date and at the time shown on the transmission report as the time that the whole fax was sent.

24.5 Service by email

(a) A notice or document may be given by email to:

- (i) Australian Organic - by sending it to Australian Organics' email address as published on its website from time to time;
- (ii) a Member - by sending it to the Member's nominated email address (if any);
- (iii) a Director - by sending it to the Director's nominated email address (if any).

(b) A communication is given if sent by email and shall be deemed to be effected on the day and at the time at which the transmitting computer indicates that the email was sent to the email address of the recipient, unless a delivery failure report is received by the sender in relation to that email.

24.6 Manner of notice

Notice of every general meeting shall be given in any manner authorised in this Constitution to every Member eligible to attend and whether or not eligible to vote at general meetings and whose name and address are recorded in the Register.

24.7 Non-delivery of notice or report

The non-delivery of any notice or report shall not invalidate the proceedings at any meeting of Australian Organic.

24.8 Ballots

Ballots for the annual election of Directors to be announced at each year's annual general meeting, are to be conducted in accordance with the following rules and requirements:

- (a) the Board will inform Members of the the proposed date of the annual general meeting, not less than 3 months before the proposed date.
- (b) the Board will immediately notify Members, if the proposed date of the annual general meeting is changed, however the proposed date must not be moved forward.

- (c) nominations for the appointment of a Director must be received by Australian Organic in accordance with clause 15.4(b) and may be accompanied by a digital photo of the nominee, together with a statement to Members of no more than 250 words, which cannot be defamatory, abusive or obscene. The Secretary in his/her discretion, may reject any statement which he/she reasonably considers to be defamatory, abusive or obscene.
- (d) ballot voting papers, listing all persons who have lodged a nomination in accordance with clause 15.4(b), together with a copy of any photos and statements received in accordance with clause 24.8(c) will be sent to all Members at the same time as the notice of the annual general meeting and must contain sufficient information for a reasonable person to make a decision regarding the matter to be voted on;
- (e) subject to clause 24.8(f), each Member may exercise only one vote for a single nominee to be elected as a Director;
- (f) Members may only vote if they meet the criteria set out in this constitution to attend and vote at a general meeting;
- (g) completed ballot voting papers must be:
 - (i) fully completed with the Member's name, address and Membership number; and
 - (ii) be signed by the Member, the Members duly authorised attorney (in which case a certified copy of the power of attorney must also be lodged with the completed ballot voting paper) or, in the case of a Corporate Member, signed by the Corporate Member's representative appointed pursuant to clause 8.2, or otherwise in accordance with section 127 of the Law; and
 - (iii) received by Australian Organic not less than 7 days before the date of the annual general meeting at which the results of the election of Directors will be announced;

in order to be valid and counted. Completed ballot voting papers may be given to the Company by any of the means set out in clause 24.2.
- (h) the results of the election of Directors by ballot will be announced at the annual general meeting.

25 INDEMNITY

25.1 Indemnity against liability

To the extent permitted by the Law, the Company shall indemnify every person who is, or who has been a Director or officer of the Company against:

- (a) any liability incurred by them in their capacity as a Director or officer, to a person other than the Company, except where the liability relates to a wilful breach or a contravention of Sections 181-184 of the Law;
- (b) any liability for legal costs or expenses incurred by them in defending any proceedings in which judgement is given in their favour; or
- (c) any liability for legal costs or expenses incurred by them in defending any proceedings in which they are acquitted or the Court grants relief in their favour.

25.2 Insurance

To the extent permitted by the Law, Australian Organic may insure or pay any premiums on a policy of insurance for a Director or officer of Australian Organic against any liability for which Australian Organic indemnifies the Director or Officer under sub-clause 25.1.

25.3 Resolution to grant indemnity

A Director may vote in favour of a resolution that Australian Organic grant an indemnity pursuant to sub-clause 25.1, take insurance or pay the premiums on an insurance policy pursuant to sub-clause 25.2 even though the Director has a direct and material interest in the outcome of that resolution.

26 ALTERATION OF CONSTITUTION

26.1 Method of altering Constitution

This Constitution or any other constitution for the time being in force, may be altered, rescinded or repealed and a new constitution may be adopted by special resolution passed by at least seventy-five percent (75%) of the votes cast by Members of Australian Organic present in person or by proxy and entitled to vote and that do vote, on the resolution in a general meeting in the manner prescribed by the Law.

27 APPLICATION OF INCOME AND PROPERTY

27.1 No distribution to Members

The income and property of Australian Organic shall be applied solely towards the promotion of the objects of Australian Organic and no portion shall be paid or transferred directly or indirectly by way of bonus, dividends or otherwise howsoever by way of profit to the Members of Australian Organic provided that nothing prevents the Directors approving payment in good faith of:

- (a) reimbursement of out-of-pocket expenses to any of the Directors, Secretary or servants of Australian Organic or to any Member of Australian Organic for expenses incurred in the conduct of services rendered to Australian Organic;
- (b) remuneration to any Member of Australian Organic in return for any services actually rendered to Australian Organic or for goods or services supplied in the ordinary and usual way of business; or
- (c) a financial benefit to or on behalf of a Director to which Section 212 of the Law refers.

28 AMALGAMATION

28.1 Amalgamation generally

In furtherance of the objects of Australian Organic, Australian Organic may amalgamate with any one or more organisations, by ordinary resolution, having objects similar to those of Australian Organic and which shall prohibit the distribution of its or their income and property amongst its or their Members to an extent at least as great as that imposed upon Australian Organic and which is a fund, authority or institution which is similarly exempt from income tax under Division 50 of the Income Tax Assessment Act 1997 (Cth) or its later compilations.

28.2 Amalgamation if there is a tax deductible fund

Notwithstanding the general provision set out in sub-clause 28.1, if Australian Organic conducts any funds which is tax deductible then upon any amalgamation, procedures must be put in place and notifications given to ensure that the conditions of such tax deductibility are not breached.

29 **WINDING UP OR DISSOLUTION**

29.1 Members liability limited

The liability of the Members is limited.

29.2 Members contribution on winding up

Every Member of Australian Organic undertakes to contribute to the assets of Australian Organic in the event of its being wound up while that person is a Member or within one year afterwards for payment of the debts and liabilities of Australian Organic contracted before that person ceases to be a Member and the costs, charges and expenses of winding up provided that the amount that may be required from any Member shall not exceed ten dollars (\$10.00).

29.3 Distribution of surplus on winding up of Australian Organic

If, upon the winding up or dissolution of Australian Organic, there remains after the satisfaction of all debts and liabilities, any property whatsoever, the property shall not be paid to or distributed among the Members of Australian Organic but shall be given or transferred to some other organisation having one or more objects similar to those of Australian Organic, and which, in either case, shall prohibit the distribution of its or their income and property among its or their Members, and also is a fund, authority or institution which is similarly exempt from income tax under Division 50 of the Income Tax Assessment Act 1997 (Cth) or its later compilations.

Schedule 1: Directors

The current Directors of Australian Organic will be the Directors of Australian Organic at the time of execution of this document.

Schedule 2: Membership Application Form

I, of
..... hereby
apply to become an Ordinary Member of Australian Organic.

I hereby declare that I hold a certificate that certifies that I am an organic operator and am licensed to use trade mark No. 1265566, being the bud logo (classes 1, 3, 4, 5, 18, 23, 24, 25, 29, 30, 31,32, 33, 35, 41 and 42) or any other trade mark bearing that bud logo.

I agree to be bound by the terms of the Constitution of Australian Organic and to supply to the board such information as it may reasonably require to assess this application for membership.

Dated this day of 20.....

.....
[Signature of applicant]

Schedule 3: Director Nomination Form

I,, of
.....whose
signature appears below hereby consent to my nomination for election as a Director of Australian
Organic subject to the terms of the Constitution of Australian Organic.

Dated this day of 20.....

.....
[Signature of nominee]

Nomination

I,being a Member of Australian Organic hereby certify
that I believe that the above named applicant is a person suitable to be a Director of Australian Organic.

Dated this day of 20.....

.....
[Signature of proposer]

Ibeing a Member of Australian Organic hereby certify
that I believe that the above named applicant is a person suitable to be a Director of Australian Organic.

Dated this day of 20.....

.....
[Signature of seconder]

Schedule 4: Appointment of Proxy Form

AUSTRALIAN ORGANIC LIMITED
ABN 75 699 664 781 ("Australian Organic")
PROXY FORM

I/We
Of
Membership Number
being a member of the Company entitled to vote, appoint
of

or, if no person is appointed above, then the Chairperson of the meeting as my proxy to vote for me on my behalf at the [general meeting/annual general meeting/special general meeting] of Australian Organic to be held on [date] and any day to which that meeting is postponed or adjourned.

My proxy is authorised to exercise all of my voting rights.

My proxy is hereby authorised to vote in the following manner :

Resolution No. 1	FOR	AGAINST	ABSTAIN
[Insert text of the resolution]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution No. 2 (if required)	FOR	AGAINST	ABSTAIN
[Insert text of the resolution]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
[Insert text of further resolutions as required]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGNATURES:

Date: _____
20XX

Signing by corporate member

Director or Authorised Officer

Print Name _____

Signing by individual member

INSTRUCTIONS ON HOW TO USE THIS FORM

1. Each member entitled to attend and vote at this meeting is entitled to appoint a proxy to vote on his/her/its behalf.
2. Please refer to summary attached to this form which sets out the relevant provisions of the Corporations Act governing the appointment and rights of proxies.
3. A proxy must be a member of Australian Organic or the Chairperson of the meeting.
4. If this proxy form is completed by a corporate member, then it must be signed by a director or other authorised officer of the corporate member. If signed by an authorised officer, then an original or certified copy of the authority must be attached to this proxy form.
5. You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.
6. If you send this proxy form to Australian Organic by email, then you must complete your Australian Organic Membership Number.
7. This original signed Proxy Form (and the original or a certified copy of any Power of Attorney under which it is signed) must be received at Australian Organic's address below or delivered to Australian Organic's secretary no later than 48 hours before the commencement of the Special General Meeting.

Australian Organic's address for receipt of Proxy Forms is:

Address: 18 Eton Street, Nundah, Queensland 4012

Facsimile: (07) 3266 5996

Email: contact@austorganic.com

Schedule 5: Corporate Member Representative Appointment Form

[NAME OF CORPORATE ENTITY], being an Ordinary Member of Australian Organic and entitled to vote hereby appoints
of as its representative to vote on its behalf at the / general* / annual general* / special general* meeting of Australian Organic to be held on [DATE] and at any adjournment thereof.

Signed for and on behalf of the above named Corporate Member by its duly authorized officer on the day of 20.....

.....
[Signature of Director / Secretary]