

**CONSTITUTION OF
AUSTRALIAN DAIRY FARMERS' LIMITED**

A.C.N. 060 549 653

A public company limited by guarantee

As at 26 November 2015

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1. PRELIMINARY

1.1 Name

1.1.1 The name of the Company is Australian Dairy Farmers' Limited.

1.2 Objects

1.2.1 The general object of the Company is to provide strong leadership and representation for the continued growth of internationally competitive, innovative and sustainable dairy farming.

1.2.2 The specific objects of the Company are:

- (a) to act where collective initiatives will lead to better outcomes for dairy farmers and/or State Dairy Farmer Organisations;
- (b) to promote the development of dairy farming and the dairy industry in Australia;
- (c) to co-operate with other primary producer bodies for the benefit of dairy farmers in Australia; and
- (d) to support research and farmer extension services, and delivery of appropriate educational resources through the publication of matters of significance and interest to the dairy farm sector to ensure necessary productivity gains are made on farms.

1.3 Capacity and Powers

1.3.1 The Company is a public company incorporated under the Act and limited by guarantee.

1.3.2 The Company may only exercise its powers for its objects.

1.4 Use of Income and Assets

1.4.1 The Company may only use its income and assets for its objects.

1.4.2 The Company may not distribute any profit to its Members.

1.4.3 Clause 1.4.2 does not prevent the Company from entering in good faith into contracts with Members on reasonable commercial terms and making payments to Members in accordance with those contracts. In this clause "contracts" includes contracts for the supply of goods and services, the borrowing of money, and the leasing of premises.

1.4.4 The Company may not make any payment or give any benefit to its Directors or National Councillors other than:

- (a) sitting fees for attending meetings or otherwise carrying out the duties of a Director, provided that the aggregate of all such fees paid or payable may not exceed the maximum amount determined by the Business Members and the State Members in general meeting;
- (b) sitting fees for attending meetings or otherwise carrying out the duties of a National Councillor, provided that the aggregate of all such fees paid or payable may not exceed

the maximum amount determined by the Business Members and the State Members in general meeting;

- (c) for the payment of out-of-pocket expenses incurred in carrying out the duties of a Director or National Councillor, where the payments do not exceed an amount previously approved by a resolution of the Board;
- (d) for any service rendered to the Company in a professional or technical capacity, where the provision of that service has the prior approval of the Board and the amount payable is approved by the Board and is on reasonable commercial terms; or
- (e) as an employee of the Company, where the terms of employment have been approved by the Board.

1.5 Accounts and Audit

1.5.1 The Company must keep true and fair accounts and have its accounts audited each year in accordance with the Act.

1.5.2 The Company must allow its Members and Directors to inspect its accounts, subject to any reasonable conditions contained in this Constitution or any regulations made under clause 4.1.3.

1.6 Winding Up

1.6.1 In the event of the organisation being dissolved, the amount that remains after such dissolution and the satisfaction of all debts and liabilities shall be transferred to another organisation with similar purposes and which has rules prohibiting the distribution of its assets and income to its members.

1.7 Definitions and Interpretation

1.7.1 The following definitions apply in this Constitution unless the context requires otherwise:

- (a) *Act* means the Corporations Act 2001 (Cth) as amended from time to time;
- (b) *Associate Member* means a person or organisation who is eligible and admitted to membership of the Company and recorded in the register of members as an Associate Member in accordance with clause 2.3.3;
- (c) *Board* means the Directors for the time being of the Company who are present at a meeting of Directors at which there is a quorum;
- (d) *Business of Dairy Farming* means the commercial production of bovine milk from one or more farms;
- (e) *Business Member* means a person or organisation who is eligible and admitted to membership of the Company and recorded in the register of members as a Business Member in accordance with clause 2.3.3;
- (f) *Business Director* means a Director who is or represents a Business Member and who conducts the Business of Dairy Farming in one of the Regions;
- (g) *Chair* means the person who is appointed for the time being as chairman of the Board in accordance with clause 4.6.1;
- (h) *Chief Executive Officer* means the person who is appointed for the time being as Chief Executive Officer in accordance with clause 4.13.1;

- (i) **Company** means Australian Dairy Farmers' Limited ACN 060 549 653;
- (j) **Director** means a person for the time being holding office as a Director in accordance with this Constitution and **Directors** means all such persons;
- (k) **Independent Director** means an independent Director with expertise in a field or discipline determined by the Board to be important for its work. An Independent Director need not be or represent a Member;
- (l) **Member** means an Associate Member, a Business Member, a Life Member or a State Member;
- (m) **National Council** means the council of persons appointed or elected as National Councillors in accordance with this Constitution who are present at a meeting of National Councillors at which there is a quorum;
- (n) **National Councillor** means a person for the time being elected or appointed as a National Councillor in accordance with this Constitution and **National Councillors** means all such persons;
- (o) **President** means the person holding office for the time being as president of the National Council in accordance with clause 5.5.1;
- (p) **Region** means any of the eight dairy producing regions of Australia referred to in clause 5.2.3 or such other dairy producing regions as may be determined by special resolution of the Company in general meeting and **Regions** means all of them;
- (q) **Secretary** means the person who is appointed for the time being as secretary of the Company in accordance with clause 4.14.1; and
- (r) **State** means a State or Territory of the Commonwealth of Australia and **States** means all of them; and
- (s) **State Member** means an organisation that is eligible and admitted to membership of the Company and recorded in the register of members as a State Member in accordance with clause 2.3.3.

1.7.2 Unless the context requires otherwise, a term used in this Constitution that is defined in the Act has the same meaning in this Constitution.

1.8 Replaceable Rules

1.8.2 The Replaceable Rules specified in the Act are expressly excluded and do not apply to this Constitution.

2. MEMBERSHIP

2.1 Membership Eligibility

2.1.1 There is no limit on the number of Members of the Company.

2.1.2 The Members are those persons or organisations admitted to membership of the Company whose names are entered into the Company's register of members as Associate Members, Business Members or State Members.

2.1.3 Any person or organisation that in the Board's opinion is engaged in whole or in part in the Business of Dairy Farming in Australia and is a member of a State Member is eligible to be a Business Member of the Company.

- 2.1.4 Any person or organisation that in the Board's opinion is not engaged in the Business of Dairy Farming but is an active supporter of or participant in the dairy industry in Australia is eligible to be an Associate Member of the Company.
- 2.1.5 Any organisation which in the Board's opinion most represents the dairy farmers of a particular State and supports the objects of the Company is eligible to be a State Member of the Company, provided that there can only be one State Member for each State. As at the date of this constitution the current State Members are:
- (a) Victorian Farmers Federation, through its commodity group United Dairyfarmers of Victoria;
 - (b) N.S.W Farmers Association, through its Dairy Committee;
 - (c) Queensland Dairyfarmers' Organisation Ltd;
 - (d) South Australian Dairyfarmers Association;
 - (e) The Tasmanian Farmers and Graziers Association Ltd, through its Dairy Council; and
 - (f) The Western Australian Farmers Federation (Inc), through its Dairy Council.
- 2.1.6 The Board may appoint a person as a Life Member in recognition of their service to the Company of a very high order. The appointment may be made by the Board of its own volition or from names proposed by Members and must be made in accordance with any criteria determined by the Board. A Life Member has the same rights and entitlements as a Business Member but is only entitled to vote if they carry on the Business of Dairy Farming in Australia.

2.2 Liability of Members

- 2.2.1 The liability of the Members of the Company is limited.
- 2.2.2 If the Company is wound up while a Member is a Member, or within one year after a Member ceases to be a Member, that Member undertakes to contribute such amount as may be required not exceeding \$1.00 to the Company's property for payment:
- (a) of the Company's debts and liabilities contracted before the Member ceases to be a Member; and
 - (b) of the costs, charges and expenses of winding up.

2.3 Admission as a Member

- 2.3.1 A person who is eligible and wishes to apply for membership must submit a written application for membership in the form determined by the Board.
- 2.3.2 The Board will consider applications for membership and determine whether to admit each applicant in its absolute discretion. If the Board decides not to admit an applicant to membership, it does not have to give any reason for its decision.
- 2.3.3 The Company must enter persons admitted to membership in the register of members, clearly distinguishing between those admitted as Business Members, Associate Members, Life Members and State Members.

2.4 Membership Fees

- 2.4.1 The Board may determine:

- (a) fees for membership of the Company and national formulae for calculating membership fees, both of which may be different for different classes of membership; and
- (b) the terms of payment of membership fees on any basis the Board reasonably determines

following consultation with the National Council and State Members.

- 2.4.2 Members must pay the relevant membership fees within the terms of payment determined by the Board from time to time.
- 2.4.3 The Board may suspend the voting and other rights of a Member who has not paid a membership fee within 90 days of it becoming payable until the fee is paid or the Member complies with another course of action as determined by the Board.
- 2.4.4 The Company must provide at least 90 days' written notice to each State Member of any material amendment to the formulae for calculating membership fees prior to the amendment coming into operation.

2.5 Rights and Obligations

- 2.5.1 Members must at all times comply with this Constitution and any regulations of the Company that may be determined by the Board under clause 4.1.3.
- 2.5.2 The rights of Members are not transferable, and terminate when the Member ceases to be a Member.

2.6 Cessation of Membership

- 2.6.1 A Member may resign by giving notice in writing to the Board. For Business Members, Associate Members or Life Members the resignation will be effective 90 days after it is received by the Company, and for State Members the resignation will be effective 12 months after it is received by the Company.
- 2.6.2 The Board may in its absolute discretion recommend to the National Council the removal from the Company of any Member who in the opinion of the Board:
 - (a) is no longer eligible for membership under clause 2.1;
 - (b) has engaged in conduct prejudicial to the Company; or
 - (c) has failed to comply with this Constitution.
- 2.6.3 Where the Board has recommended the removal of a Member in accordance with clause 2.6.2:
 - (a) the National Council may remove the Member from the Company for any of the reasons set out in clause 2.6.2 and must determine whether to remove the Member; and
 - (b) before doing so, the National Council must give the Member a reasonable opportunity to explain their case.
- 2.6.4 Subject to clause 2.6.5, a resolution of the National Council to remove a Member can only be passed if:
 - (a) at least 75% of the National Councillors who are present and entitled to vote, vote in favour of the resolution; and

- (b) National Councillors representing at least 75% of the States also vote in favour of the resolution. Where more than one National Councillors representing a particular State are present and entitled to vote, the State will be deemed to vote in favour of a resolution only if a majority of those National Councillors votes in favour of the resolution. Where a State is not represented by any National Councillor being present and entitled to vote on the resolution, the State is excluded from the calculation of a majority of the States under this clause 2.6.4(b).

2.6.5 Where the National Council is determining whether to remove a State Member:

- (a) the National Councillors appointed by the State Member are not entitled to vote on the resolution; and
- (b) the relevant State is excluded from the calculation of a majority of the States under clause 2.6.4(b).

2.6.6 A Member's membership of the Company will automatically cease if the Member:

- (a) being a natural person dies or becomes of unsound mind; or
- (b) being a body corporate, is subject to the appointment of a liquidator or an order for the winding up or deregistration of the Member.
- (c) in the case of a Business Member, any person or organisation that in the Board's opinion ceases to be engaged in the Business of Dairy Farming in Australia or ceases to be a member of a State Member.

2.6.7 A Member who ceases to be a Member must pay to the Company all membership fees or other amounts owing to the Company which are due and unpaid at the time the Member ceases to be a Member, and any amounts which the Member is liable to pay under clause 2.2.2. If the Member ceases to be a Member as a result of their resignation in accordance with clause 2.6.1, the membership fees owing will be calculated based on the formula for determining membership fees and the rate that apply on the date the Member's written notice of resignation is received by the Board. If the Member ceases to be a Member in accordance with clauses 2.6.3 or 2.6.6, the membership fees owing will be calculated based on the formula for determining membership fees and the rate that apply on the date of cessation of membership.

2.7 Registers

2.7.1 The Company must keep a register of Members in accordance with the Act.

2.7.2 Members must inform the Company in writing of any change to their address and the Company must enter the change in the register of Members. The latest address in the register of Members is deemed to be the Member's registered address.

3. GENERAL MEETINGS

3.1 Power to Call General Meetings

3.1.1 The Board may at any time convene a general meeting of the Company.

3.1.2 The Board must convene a general meeting as soon as practicable if a general meeting is requisitioned in accordance with the Act.

3.2 Notice

- 3.2.1 The Company must give notice of general meetings in accordance with the Act.
- 3.2.2 The fact that a person entitled to receive notice of a general meeting does not receive that notice or is accidentally not given notice does not invalidate any business conducted at the meeting.

3.3 Right to Attend General Meetings

- 3.3.1 All Members and their proxies, attorneys or properly appointed representatives are entitled to attend and speak at any general meeting.
- 3.3.2 A Director or Secretary who is not a Member is entitled to attend and, at the request of the Chair, to speak at any general meeting.
- 3.3.3 Any other person (whether a Member or not) invited by the Board to attend any general meeting is entitled to attend and, at the request of the Chair, to speak at that general meeting.

3.4 Quorum

- 3.4.1 The quorum for general meetings is the presence in person or by proxy, attorney or properly appointed representative of at least two thirds of the State Members. A person who is both a Member and the proxy, attorney or representative of a Member or is the proxy, attorney or representative of more than one Members counts only once toward the quorum.
- 3.4.2 If a quorum is not present within one hour after the time specified in the notice of meeting the meeting is dissolved unless the Chair adjourns the meeting to a date, time and place determined by the Chair. If no quorum is present at any adjourned meeting within one hour after the time appointed for the meeting, the meeting is dissolved.

3.5 Chair of General Meetings

- 3.5.1 The Chair is entitled to chair general meetings.
- 3.5.2 If the Chair is not present or does not wish to chair a general meeting, the Directors present may select one of their number to chair the meeting, and if none of the Directors present wishes to chair the meeting, the Members present may elect one of their number to chair the meeting.
- 3.5.3 The chairman of a general meeting has a deliberative vote but does not have a casting vote.

3.6 Conduct of General Meetings

- 3.6.1 The conduct of general meetings and the procedures to be followed at each general meeting are as determined by the chairman of the meeting.
- 3.6.2 The chairman of a general meeting may make rulings and determine procedural matters to ensure the orderly conduct of the meeting. Any determination by the chairman of the meeting is final.
- 3.6.3 Any challenge to a right to vote at a general meeting or to a determination to allow or disregard a vote may only be made at the meeting and may be determined by the chairman of the meeting whose decision is final.

- 3.6.4 If a person purports to cast a vote in contravention of the Act or this Constitution, the chairman of the general meeting may determine that the vote be disregarded and treated as not having been cast.
- 3.6.5 Nothing in this Constitution limits the powers conferred by law on the chairman of a general meeting.

3.7 Adjournments

- 3.7.1 The chairman of a general meeting may, and if so directed by the meeting must, adjourn the meeting or any business, motion, question, resolution, debate or discussion to a later time or a different place as determined by the chairman of the meeting.
- 3.7.2 The only business that may be transacted at any adjourned general meeting is the business left unfinished at the meeting from which the adjournment took place.

3.8 Voting

- 3.8.1 Only Business Members whose rights have not been suspended under clause 2.4.3 and their proxies, attorneys and properly appointed representatives are entitled to vote on the election or removal of Directors. Associate Members, State Members and their proxies, attorneys or representatives are not entitled to vote on the election of Directors.
- 3.8.2 On matters other than the election or removal of Directors only Business Members and State Members whose rights have not been suspended under clause 2.4.3 and their proxies, attorneys and properly appointed representatives are entitled to vote. Associate Members and their proxies, attorneys or representatives are not entitled to vote.
- 3.8.3 Resolutions on which both Business Members and State Members are entitled to vote can only be passed if a majority of the votes of Business Members and a majority of the votes of State Members are cast in favour of the resolution. Special resolutions on which both Business Members and State Members are entitled to vote, including a special resolution to amend or modify this Constitution, can only be passed if at least 75% of the votes of Business Members and at least 75% of the votes of State Members are cast in favour of the resolution.
- 3.8.4 Any resolution at a general meeting is to be decided by a show of hands unless a poll is validly demanded.
- 3.8.5 Unless a poll is validly demanded, a declaration by the chairman of the meeting following a vote on a show of hands that a resolution has been carried or lost is conclusive.
- 3.8.6 A poll may be demanded by the chairman of the meeting or by Members present in accordance with the Act. No poll may be demanded on the election of a chairman of the meeting or, unless the chairman of the meeting determines otherwise, the adjournment of a meeting. A demand for a poll may be withdrawn.
- 3.8.7 Any poll validly demanded must be conducted in accordance with the determinations of the chairman of the meeting. A demand for a poll does not prevent a general meeting continuing to transact any business except the question on which the poll is demanded.
- 3.8.8 On a show of hands each Business Member and each State Member or their proxy, attorney or properly appointed representative present has one vote.

- 3.8.9 On a poll, a direct vote within the meaning of clause 3.8.10 or a ballot in accordance with clause 4.2.7:
- (a) each Business Member or their proxy, attorney or properly appointed representative present has one vote; and
 - (b) each State Member or their proxy, attorney or properly appointed representative present has one vote.
- 3.8.10 The Board may determine that at any general meeting a Member who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote in respect of that resolution. A “direct vote” includes a vote delivered to the Company by post, fax or other electronic means approved by the Board. The Board may prescribe regulations and procedures for direct voting.

3.9 Proxies

- 3.9.1 A Member may appoint one proxy. A proxy need not be a Member.
- 3.9.2 An instrument appointing a proxy must be:
- (a) in the form determined by the Board from time to time; and
 - (b) correctly completed, executed and lodged with the Company in accordance with the Act and the requirements determined by the Board from time to time.
- 3.9.3 The Board has discretion to accept an instrument appointing a proxy notwithstanding that it does not comply with clause 3.9.2.
- 3.9.4 A proxy is not revoked if the Member who appointed the proxy attends and takes part in the general meeting unless the Member actually votes on a resolution.

4. THE BOARD AND DIRECTORS

4.1 The Board’s Powers

- 4.1.1 Notwithstanding clause 4.1.2, the Board is responsible for management of the Company and may exercise all powers of the Company subject to the Act, this Constitution and any regulations made under clause 4.1.3.
- 4.1.2 The Board determines the Company’s strategic direction and strategic plans as developed by the Chief Executive Officer in consultation with the National Council. The Board must consult with and seek input from the National Council prior to determining or amending the Company’s strategic direction or strategic plans. The National Council contributes to the development of the Company’s policy position and makes policy recommendations on matters of importance to dairy farmers, for approval by the Board.
- 4.1.3 The Board may make regulations to give effect to this Constitution.

4.2 Board Membership

- 4.2.1 The number of Directors must be five unless otherwise determined by the Company in general meeting.
- 4.2.2 The composition of the Board must be as follows:

- (a) at least four Business Directors, provided that there may be no more than two Business Directors who conduct the Business of Dairy Farming in any one State; and
- (b) no more than one Independent Director.

The Board in its absolute discretion may determine the circumstances in which a person represents a Business Member and the circumstances in which a person conducts the Business of Dairy Farming in a State or Region.

- 4.2.3 The National Council may at any time appoint an eligible person to be a Business Director to fill a casual vacancy, provided clauses 4.2.1 and 4.2.2 are complied with.
- 4.2.4 Where there is no Independent Director for the time being, the Board may appoint an eligible person to be the Independent Director.
- 4.2.5 Any Director appointed under clause 4.2.3 or 4.2.4 holds office only until the next annual general meeting and is eligible for election at that meeting.
- 4.2.6 The Company in general meeting may appoint or remove Directors in accordance with the Act.
- 4.2.7 Prior to an election of Business Directors:
 - (a) the Board must advise Members of the deadline for receiving nominations from candidates for the position of Business Director;
 - (b) the Board must inform the National Council of the candidates for the position of Business Director and the Board's criteria for assessing each candidate;
 - (c) the Board must seek from the National Council a statement in writing of the independent assessment of each candidate against the Board's stated criteria;
 - (d) the National Council must appoint an independent panel to assess each candidate for the position of Business Director against the criteria specified by the Board. The independent panel must consist of people who are both suitably qualified and independent in the reasonable opinion of the National Council and must include at least one National Councillor who is not a Director and is not a candidate for the position of Director;
 - (e) the National Council must provide to the Company a statement in writing of the independent panel's assessment of each candidate for the position of Business Director; and
 - (f) the Company must distribute to Members copies of the written statement of the independent panel's assessment of each candidate.
- 4.2.8 An election of Directors may be conducted at a general meeting or by ballot in the manner determined by the Board from time to time in its absolute discretion.

4.3 Directors' Terms of Office

- 4.3.1 Subject to clauses 4.3.2 the maximum term:
 - (a) a Business Director may serve is three years without submitting for re-election; and
 - (b) an Independent Director may serve is two years without submitting for re-election.
- 4.3.2
 - (a) a Business Director may not hold office for a period longer than three years or past the third annual general meeting following the Business Director's last election or re-

- election, whichever is longer, without submitting for re-election. A Business Director retires from office at the third annual general meeting after their appointment or last re-election (whichever is later) and is eligible for re-election; and
- (b) an Independent Director may not hold office for a period longer than two years or past the second annual general meeting following the Independent Director's last election or re-election (whichever is longer) without submitting for re-election. An Independent Director retires from office at the second annual general meeting after their appointment or last re-election (whichever is later) and is eligible for re-election.
- 4.3.3 Subject to clauses 4.3.1, 4.3.2 and 4.3.5, at every annual general meeting one third of the Business Directors or, if their number is not a multiple of three, the number nearest to but not exceeding one third retire from office and are eligible for re-election. In calculating the number of Business Directors to retire under this clause:
- (a) any Business Director appointed by the National Council to fill a casual vacancy under clause 4.2.3 and facing election at the annual general meeting; and
- (b) any Business Director who has held office for nine years or longer and is facing annual re-election under clause 4.3.5;
- is not counted in the total number of Business Directors to retire.
- 4.3.4 the Business Directors to retire at each annual general meeting will be those who have held office the longest since last being elected or re-elected. Between Business Directors who have held office for the same period, the Business Director to retire will be determined by lot unless they agree otherwise.
- 4.3.5 a Director who has held office for nine years or longer retires from office at each annual general meeting commencing from the next annual general meeting after the Director has served nine years in office. Any such Director is eligible for re-election at each annual general meeting.
- 4.3.6 A Director vacates office if the Director:
- (a) resigns by notice in writing to the Company;
- (b) is removed by resolution of the Company in general meeting in accordance with the Act;
- (c) becomes of unsound mind or insolvent under administration;
- (d) vacates office under the Act or is otherwise prohibited by the Act from holding office; or
- (e) is absent or fails to attend meetings of the Board for a continuous period of six months without the consent of the Board.
- 4.3.7 The Board may continue to act despite any vacancy in the office of a Director.

4.5 Meetings of the Board

- 4.5.1 The Directors will meet together as often as required and may adjourn and otherwise regulate their meetings as they see fit.
- 4.5.2 Any Director may, and the Secretary must on the request of a Director, call a Board meeting.

- 4.5.3 Reasonable notice must be given to every Director of the place, date and time of every Board meeting.
- 4.5.4 The quorum for Board meetings is the presence of three Business Directors.
- 4.5.5 The Board may meet by use of any technology consented to by all Directors. Each Director, by consenting to be a Director consents to the use of video, telephone and other technologies whereby each Director attending the meeting can clearly hear and be heard by all other Directors in attendance.

4.6 Chair

- 4.6.1 The Chair will be elected by a ballot in which:
- (a) each Director has two votes; and
 - (b) for each Region that is not represented on the Board by a Director who conducts the Business of Dairy Farming in that Region, the National Councillor or Councillors representing that Region have two votes. Where there is one National Councillor representing the Region, that National Councillor has two votes. Where there are two National Councillors representing the Region, each of them has one vote; and
 - (c) the Directors and National Councillors who are entitled to vote in accordance with this clause 4.6.1 will also determine the period for which the person elected as Chair will hold office, provided that no person may hold the office of Chair for longer than seven years over a lifetime.
- 4.6.2 The Chair:
- (a) must be a Business Director;
 - (b) may not be the chairman or president of any State Member or the dairy committee, section or division of any State Member; and
 - (c) once elected, will also serve as the President in accordance with clause 5.5.1.
- 4.6.3 If at a Board meeting a Chair has not been elected, or if the Chair is not present or does not wish to chair part or all of the meeting, the Directors present may elect one of their number to chair that part or all of the meeting.

4.7 Voting at Board Meetings

- 4.7.1 Subject to clause 4.6.1, each Director is entitled to one vote at meetings of the Board.
- 4.7.2 At Board meetings the Chair has a deliberative vote but does not have a casting vote.
- 4.7.3 A resolution of the Board can only be passed if it receives a majority of the Directors present and entitled to vote voting in support.

4.8 Resolutions in Writing

- 4.8.1 A resolution in writing signed by all of the Directors for the time being entitled to vote on the resolution (not being less than the number required for a quorum for a Board meeting) has the same effect as a resolution passed at a meeting of the Board and is effective when signed by all Directors.
- 4.8.2 A resolution in writing may consist of more than one document in the same form each signed by one or more of the Directors.

4.9 Disclosure of Interests

- 4.9.1 Each Director must disclose any interest they have in a contract, proposed contract or arrangement with the Company and any actual or potential conflict of interest they may have in accordance with the Act. A Director's failure to disclose an interest does not render void or voidable a contract or arrangement in which the Director has a direct or indirect interest.
- 4.9.2 Any Director with a conflict of interest in a matter that is before the Board may not vote on any resolution in respect of that matter unless permitted to do so by the Act but may nevertheless be counted toward a quorum for the meeting and may execute a document in respect of the matter on behalf of the Company as directed by the Board.

4.10 Defects in Appointment

- 4.10.1 All acts of the Board or a person acting as a Director are valid as if each person were duly appointed and qualified to be a Director, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of a person to be a Director or to act as a Director or that a person so appointed was disqualified.

4.11 Expenses

- 4.11.1 Directors are entitled to sitting fees and to be reimbursed for all reasonable travel, accommodation and other expenses incurred in the performance of their duties, subject to clause 1.4.4.

4.12 Committees

- 4.12.1 The Board may establish standing and ad hoc committees with such membership and terms of reference as the Board thinks fit.
- 4.12.2 The Board may delegate any of its powers to a committee, one or more Directors or employees or any other person as the Board thinks fit and may at any time withdraw, suspend or vary any of those powers.
- 4.12.3 Any committee, person or group to which the Board has delegated powers must exercise those powers in accordance with any directions of the Board.

4.13 Chief Executive Officer

- 4.13.1 The Board may appoint a Chief Executive Officer of the Company for the period, on the terms and conditions and with such powers, duties and authorities as the Board thinks fit.
- 4.13.2 The Board may remove the Chief Executive Officer at any time, subject to the terms of any agreement with that person. A resolution to remove the Chief Executive Officer can only be passed if at least two thirds of the Directors present and entitled to vote on the resolution vote in favour of it.

4.14 Secretary

- 4.14.1 The Board must appoint at least one secretary of the Company in accordance with the Act for the period, on the terms and conditions and with such powers, duties and authorities as the Board thinks fit.

4.14.2 The Board may remove the Secretary at any time, subject to the terms of any agreement with that person.

4.15 Public Statements

4.15.1 No person may make any public statement on behalf of the Company unless authorised by the Board or, in cases of urgency, by the Chair.

5. NATIONAL COUNCIL

5.1 National Council's Powers

5.1.1 The National Council is responsible for:

- (a) reporting national issues of importance to dairy farmers and participating in the Company's advocacy and other activities from time to time;
- (b) providing a vehicle for Members to raise issues;
- (c) developing the Company's policy position and advising the Board on issues of importance to dairy farmers;
- (d) appointing an independent panel and reporting on the independent panel's assessment in accordance with clause 4.2.7; and
- (e) providing input to the Board on the Company's strategic plan and other matters as requested.

5.2 National Council Membership

5.2.1 The number of National Councillors must be not less than twelve and not more than eighteen unless otherwise determined by the Company in general meeting.

5.2.2 Each National Councillor must be or represent a Business Member and must represent dairy farmers of one of the Regions. The Board, acting reasonably may determine the circumstances in which a person represents a Business Member and the circumstances in which a person represents dairy farmers of a Region.

5.2.3 The eight dairy producing Regions are:

- (a) Eastern Victoria;
- (b) Northern Victoria;
- (c) Western Victoria;
- (d) New South Wales;
- (e) Queensland;
- (f) South Australia;
- (g) Tasmania; and
- (h) Western Australia.

5.2.4 The National Council must:

- (a) determine the number of National Councillors to represent each Region having regard to the proportional volumes of milk produced in each Region; and

(b) periodically review the representation of Regions and determine the number of National Councillors to represent each Region having regard to the proportional volumes of milk produced in each Region.

5.2.5 National Councillors are appointed and removed by the relevant State Members. Each State Member may at any time appoint a person who is eligible to be a National Councillor to represent the Region or Regions that State Member represents, provided that clauses 5.2.1, and 5.2.2 are complied with.

5.2.6 Each State Member may determine the manner and circumstances in which it will appoint or remove National Councillors representing the Region or Regions that State Member represents.

5.3 National Councillors' Terms of Office

5.3.1 A National Councillor holds office until removed by the relevant State Member or vacating office in accordance with clauses 5.3.2 or 5.3.3.

5.3.2 A National Councillor immediately vacates office if the State Member that appointed them ceases to be a Member.

5.3.3 A National Councillor vacates office if the National Councillor:

- (a) resigns by notice in writing to the Company;
- (b) ceases to be a Member;
- (c) is removed by the State Member who appointed them; or
- (d) becomes of unsound mind or insolvent under administration

and a replacement National Councillor may be appointed by the relevant State Member in accordance with clause 5.2.5.

5.3.4 The National Council may continue to act despite any vacancy in the office of a National Councillor.

5.4 Meetings of National Council

5.4.1 The National Councillors will meet together at least three times each year and as often as required and may adjourn and otherwise regulate their meetings as they see fit.

5.4.2 Reasonable notice must be given to every National Councillor of the place, date and time of every National Council meeting.

5.4.3 The quorum for National Council meetings is the presence of National Councillors representing at least 75 % of the Regions that are currently represented on the National Council.

5.4.4 The National Council may meet by use of any technology consented to by all National Councillors. Each National Councillor, by consenting to be a National Councillor consents to the use of video, telephone and other technologies whereby each National Councillor attending the meeting can clearly hear and be heard by all other National Councillors in attendance.

5.4.5 All Directors are entitled to attend meetings of the National Council but only National Councillors are entitled to vote at those meetings.

5.5 President

- 5.5.1 The President is the person who holds the office of Chair in accordance with clause 4.6.1.
- 5.5.2 The President is entitled to chair meetings of the National Council.
- 5.5.3 If at a National Council meeting a President has not been appointed, or if the President is not present or does not wish to chair part or all of the meeting, the National Councillors present may elect one of their number to chair that meeting.

5.6 Voting at National Council Meetings

- 5.6.1 Subject to clause 4.6.1, each National Councillor is entitled to one vote at meetings of the National Council.
- 5.6.2 At National Councillor meetings the President has a deliberative vote but does not have a casting vote.
- 5.6.3 A resolution of the National Council can only be passed if:
 - (a) a majority of the National Councillors present vote in favour of it; and
 - (b) National Councillors representing a majority of the States also vote in favour of it.
Where more than one National Councillors representing a particular State are present and entitled to vote, the State will be deemed to vote in favour of a resolution only if a majority of those National Councillors votes in favour of the resolution. Where a State is not represented by any National Councillor being present and entitled to vote on the resolution, the State is excluded from the calculation of a majority of the States under this clause 5.6.3(b).

5.7 Expenses

- 5.7.1 National Councillors are entitled to sitting fees and to be reimbursed for all reasonable travel, accommodation and other expenses incurred in the performance of their duties, subject to clause 1.4.4.

5.8 Committees of National Council

- 5.8.1 With the prior agreement of the Board, the National Council may establish standing and ad hoc committees with such membership and terms of reference as the National Council thinks fit, provided that the National Council may not delegate any of its powers to:
 - (a) appoint an independent panel and report on the independent panel's assessment in accordance with clause 4.2.7; or
 - (b) provide input to the Board on the Company's strategic plan and other matters as requested.
- 5.8.2 Any committee to which the National Council has delegated powers must exercise those powers in accordance with any directions of the National Council.

5.9 Public Statements

- 5.9.1 No person may make any public statement on behalf of the National Council unless authorized by the Board or, in cases of urgency, by the Chair.

6. FINANCIAL AND LEGAL

6.1 Cheques

- 6.1.1 All cheques, electronic funds transfers and negotiable instruments must be signed or authorised by any two persons authorised by the Board.

6.2 Common Seal

- 6.2.1 The Company may have a common seal and a duplicate common seal, which may only be used by the Company as determined by the Board.
- 6.2.2 The Board must provide for the safe keeping of any common or duplicate seal.

6.3 Notices

- 6.3.1 Members and Directors must notify the Company of their preferred address and any change in their preferred address.
- 6.3.2 The Company must enter any preferred address or change in preferred address notified by a Member or Director in the appropriate register.
- 6.3.3 Any Member or Director who fails to notify the Company of a preferred address or electronic mail address to which notices may be sent is not entitled to receive any notice.
- 6.3.4 Notice may be given to a Member or Director by delivering it personally, sending it by post or courier to the preferred address most recently notified to the Company, or sending it to the fax number or electronic mail address most recently notified to the Company.
- 6.3.5 A notice sent by post is deemed to be delivered on the day three days after posting.
- 6.3.6 A notice sent by fax or electronic mail is deemed to be delivered on the day it is received at the addressee's preferred fax number or electronic mail address.
- 6.3.7 Notices of meetings must include the time, day and place of the meeting, and the nature of the business proposed.

6.4 Indemnity

- 6.4.1 To the extent permissible under the Act, the Company indemnifies each of its Directors, National Councillors and officers against any liability incurred by them arising out of the conduct of the business of the Company or the discharge of their duties in that capacity, including legal and other costs incurred in defending any proceedings or appearing before any court, tribunal, government authority or other body.