

- (d) A Member remains a Member, and remains subject to the rights, entitlements, duties and obligations of a Member, until the Member's resignation or termination takes effect (except where expressly altered by the terms of this constitution).

## **2.9 Register of Members**

- (a) The secretary shall enter in the Register:
  - (i) the full names and addresses of Members;
  - (ii) the Zone applicable to each Member;
  - (iii) the date upon which Members became Members; and
  - (iv) the date upon which any Member ceased to be a Member.
- (b) The Register is to be open for inspection by Members.

## **2.10 Membership of Zones**

Each Member is a Member of the applicable Zone in which the Member for the time being principally carries on business as a Milk Producer.

# **3 GENERAL MEETINGS**

## **3.1 Annual general meeting**

An annual general meeting of the Company must be held in accordance with the Corporations Law.

## **3.2 Holding of general meetings**

General meetings are to be held at the times and places prescribed by the Company in general meeting or if no time or place is prescribed as are determined by the Directors.

## **3.3 Convening of general meetings**

The Directors may whenever they think fit, and must upon receipt of a request made in accordance with section 249D of the Corporations Law, convene a general meeting of the Company.

## **3.4 Notice of meetings**

- (a) At least twenty-one (21) days' notice must be given of a meeting of Members, unless shorter notice is permitted under the Corporations Law.
- (b) A notice convening a meeting of Members shall:
  - (i) specify the place, date and time of the meeting (and, if the meeting is to be held in two or more places, the technology that will be used to facilitate this);
  - (ii) specify the general nature of the meeting's business;

- (iii) if a special resolution is to be proposed at the meeting, set out an intention to propose the special resolution and state the resolution.

### **3.5 Omission to give notice**

The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice does not invalidate the proceedings at the meeting.

### **3.6 Business of annual general meeting**

The business of an annual general meeting includes:

- (a) the confirmation of the minutes of the preceding meeting;
- (b) the receipt and consideration of:
  - (i) the annual financial report;
  - (ii) the auditor's report ;
  - (iii) the Director's report;
- (c) announcement of the election of Directors;
- (d) the appointment of the auditor and the fixing of the auditor's remuneration; and
- (e) the transaction of any business which under the Corporations Law is required to be transacted at an annual general meeting.

## **4 PROCEEDINGS AT MEETINGS**

### **4.1 Quorum**

The number of Members required to constitute a quorum at a general meeting is double the number of Directors currently in office plus one. No business is to be transacted at any general meeting unless a quorum is present at the time the meeting proceeds to business.

### **4.2 Lack of quorum**

If within thirty (30) minutes after the time appointed for the meeting a quorum is not present, the meeting will stand adjourned to the same day in the next week at the same time and place or to such other day time and place as the Directors determine. If at the adjourned meeting a quorum is not present within thirty (30) minutes after the time appointed for the meeting three (3) Members present in person or by proxy or representative will be a quorum and if such reduced quorum is not then present the meeting will be dissolved.

### **4.3 Chairman**

The chairman of Directors or in his absence the deputy chairman may preside as chairman at every general meeting. If there is no chairman or deputy chairman or if neither is present within fifteen (15) minutes after the time appointed for the meeting or if they are both

unwilling to act as chairman of the meeting the Directors must choose another Director as chairman. If no Director is so chosen or if all the Directors present decline to take the chair the Members present must choose one of their own number to be chairman.

#### **4.4 Adjournment**

The chairman of a general meeting may with the consent of a meeting at which a quorum is present (and must if directed by the meeting) adjourn the meeting from time to time and place to place but no business is to be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### **4.5 Notice of adjourned meeting**

It is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting, unless the meeting is adjourned for thirty (30) days or more in which case notice of the adjourned meeting is to be given as in the case of an original meeting.

#### **4.6 Decision of resolutions**

At a general meeting a resolution put to the vote of the meeting is to be decided on a show of hands or a division of Members unless a poll is (before or on the declaration of the result of the show of hands or a division of Members) demanded by not less than one-fifth of the Members present and having the right to vote at the meeting.

#### **4.7 Minutes as evidence of result**

Unless a poll is duly demanded, a declaration by the chairman that a resolution has on a show of hands or division of Members been carried or carried unanimously or carried by a particular majority or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company signed by the chairman will be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

#### **4.8 Taking of poll**

- (a) If a poll is duly demanded, it must be taken in the manner and at the time and place as the chairman of the meeting directs, but a poll on the election of a chairman of a meeting or on any question of adjournment must be taken at the meeting and without adjournment.
- (b) The result of the poll is deemed to be the resolution of the meeting at which the poll was demanded.
- (c) The demand for a poll does not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- (d) The demand for a poll may be withdrawn.
- (e) In the case of a dispute as to the admission or rejection of a vote on a show of hands or on a poll the chairman shall determine the dispute, and the determination made in good faith will be final and conclusive.

## **5 VOTES OF MEMBERS**

### **5.1 Entitlement to vote**

- (a) Each Member present in person or by proxy, attorney or representative has one vote on a show of hands, on a poll or on a ballot, subject to any special voting rights applicable to Members of any class.
- (b) Despite **clause 5.1(a)**, a Member is not entitled to vote at a meeting where at the date of the meeting the Member's annual subscription, or any instalment of the annual subscription, is more than one month overdue.

### **5.2 Casting vote**

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting is not entitled to a casting vote and the motion is deemed not to have been passed.

### **5.3 Proxies, attorneys and representatives**

- (a) A Member who is entitled to attend and vote at a meeting of Members is entitled to appoint a person as the Member's proxy to attend and vote for the Member at the meeting.
- (b) A proxy appointed to attend and vote for a Member has the same rights as the Member to:
  - (i) speak at the meeting;
  - (ii) vote (but only as allowed by the appointment); and
  - (iii) join in a demand for a poll.
- (c) An instrument appointing a proxy is valid if it is signed by the Member making the appointment and contains the following information:
  - (i) the Member's name and address;
  - (ii) the proxy's name or the name of the office held by the proxy;
  - (iii) the meeting or meetings at which the appointment may be used.
- (d) An instrument appointing a proxy may specify the way the proxy is to vote on a particular resolution, and if it does so:
  - (i) the proxy need not vote on a show of hands, but if the proxy does so the proxy must vote that way;
  - (ii) if the proxy has two (2) or more appointments that specify different ways to vote on a resolution – the proxy must not vote on a show of hands;
  - (iii) if the proxy is the chairman of the meeting - the proxy must vote on a poll, and must vote that way;

- (iv) if the proxy is not the chairman of the meeting - the proxy need not vote on a poll, but if the proxy does so the proxy must vote that way.
- (e) A Member may, by power of attorney executed in the presence of at least one witness and (if necessary) duly stamped, appoint an attorney (whether a Member or not) to act on the Member's behalf at all or any meetings of the Company or of any class of Members.
- (f) A Member may, if it is a body corporate, appoint a representative (whether a Member or not) to act on its behalf at all or any meetings of the Company or of any class of Members.
- (g) For an appointment of a proxy for a meeting of Members to be effective, the following documents must be received by the Company prior to the meeting:
  - (i) the proxy's appointment;
  - (ii) if the appointment is signed by the appointor's attorney, the authority under which the appointment was signed or a certified copy of the authority.
- (h) If a meeting of Members has been adjourned, an appointment and any authority received by the Company prior to the resumption of the meeting are effective for the resumed part of the meeting.
- (i) The Company is deemed to have received an instrument appointing a proxy when it is received at any of:
  - (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 the purpose in the notice of meeting.
- (j) A proxy, attorney or representative has the same rights as the Member:
  - (i) to agree to a meeting being convened by shorter notice than is required by the Corporations Law;
  - (ii) to demand or join in demanding a poll;
  - (iii) to speak at the meeting.

## **6 DIRECTORS**

### **6.1 Number of Directors**

The Company shall have the following number of Directors (the number in each case not counting any alternate Directors):

- (a) for the period from registration of the Company to the Company's first annual general meeting, 11 Directors;

- (b) for the period from the Company's first annual general meeting to the Company's second annual general meeting:
  - (i) a Director appointed by each Co-operative; and
  - (ii) a Director representing each Zone.
- (c) from the Company's second annual general meeting, 2 Directors representing each Zone.

## **6.2 Zones**

- (a) The Directors may from time to time determine the geographical areas in the State of Queensland which compromise the Zones.
- (b) On registration of the Company, the Members comprise the following Zones, delineated in the Zone Map:
  - North East Zone
  - North West Zone
  - South East Zone
  - South West Zone.
- (c) Members in each Zone have the right to elect 2 Directors.
- (d) The Directors may from time to time:
  - (i) vary the boundaries of a Zone;
  - (ii) include additional Zones;
  - (iii) amalgamate Zones;
  - (iv) create new Zones on an amalgamation of parts of Zones.
- (e) On any change to the Zones the Directors shall:
  - (i) determine which of them are to represent the new Zones;
  - (ii) if additional Zones are included, appoint 2 persons who are eligible to be Directors to represent each additional Zone.

## **6.3 First Directors**

The appointment of the first Directors takes effect in accordance with the Corporations Law on the date of the Company's registration.

## **6.4 Replacement of Directors at first and second annual general meetings**

- (a) At the Company's first annual general meeting:
  - (i) all of the Directors then in office must retire (but remain eligible to be appointed or elected);

- (ii) the chairman of the meeting must announce the persons who have been appointed or elected to take office as Directors.
- (b) At the Company's second annual general meeting:
  - (i) each Director then in office representing a Zone remains in office;
  - (ii) the Directors then in office appointed by the Co-operatives must retire (but remain eligible to be elected);
  - (iii) the chairman of the meeting must announce the persons who have been elected to take office as Directors.

## **6.5 Election and appointment of Directors**

- (a) To be eligible to hold office as a Director, a person must be:
  - (i) a Member; or
  - (ii) an associate of a Member.
- (b) Directors representing a Zone hold office for a 2 year term, for the period from the annual general meeting at which their election is announced to the annual general meeting in the second year after that annual general meeting. A retiring Director is eligible for re-election.
- (c) The Directors shall from time to time adopt by-laws or regulations setting out rules for the election of Directors in each Zone. The election process must provide sufficient time for nomination of candidates, mail out of ballot papers, and counting of ballot papers to be completed prior to the annual general meeting.
- (d) A Co-operative appoints a Director by written notice to the secretary.

## **6.6 Casual vacancy in office of Director**

- (a) If there is a casual vacancy in the office of a Director before the first annual general meeting, the Directors may appoint a person who is eligible to be a Director to fill that casual vacancy.
- (b) If there is a casual vacancy in the office of Director who represents a Zone, the Directors may appoint a person who is:
  - (i) eligible to be a Director; and
  - (ii) resident in the applicable Zone,
 to fill that casual vacancy.
- (c) If there is a casual vacancy in the office of a Director appointed by a Co-operative, the Co-operative may appoint a Director in that Director's place by written notice to the secretary.

- (d) A Director appointed to fill a casual vacancy holds office for the balance of the term of the Director whose office is vacated, and (where applicable) is eligible for re-election on expiry of the term.

#### **6.7 Remuneration of Directors**

- (a) The Directors are entitled to receive such remuneration as is from time to time determined by the Company in general meeting.
- (b) Directors' fees accrue on a day to day basis and are apportionable accordingly.
- (c) Where a Director renders or is called upon to perform extra services or to make any special exertions or otherwise for the Company, the Directors may arrange with that Director special remuneration by payment of a stated sum of money determined by the Directors, and that special remuneration may be either in addition to or in substitution for the Director's remuneration provided for in this constitution.
- (d) In addition to a Director's remuneration, the Director is entitled to be reimbursed out of the funds of the Company reasonable travelling, accommodation and other expenses the Director incurs when travelling to or from and attending meetings of the directors or a committee of the Directors or when otherwise engaged on the business of the Company.
- (e) In addition to any other fees or remuneration otherwise provided by this constitution, on or after a Director, who is not engaged in the full time employment of the Company or of a subsidiary of the Company, ceasing to hold office by reason of retirement, death or otherwise, the Directors may pay that Director (or in the case of the Director's death, the Director's spouse, dependants or legal personal representatives) such sum as the directors decide, either in the form of a lump sum or instalments, but not exceeding the sum permitted by or approved in accordance with Division 2 of Part 2D.2 of the Corporations Law.

#### **6.8 Disqualification of Directors**

The office of a Director is vacated if:

- (a) the Director ceases to be or is removed as a Director pursuant to the Corporations Law;
- (b) the Director becomes an insolvent under administration or makes any composition or arrangement with his or her creditors or any class of them;
- (c) the Director becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (d) the Director resigns from office by notice in writing to the Company;
- (e) the period for which the Director is appointed expires, unless the Director is re-elected;
- (f) the Director, without the permission of the other Directors, is absent from the meetings of the Directors for 6 months continuously;



- (g) the Director is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of that interest as required by the Corporations Law.

## **6.9 Directors may act notwithstanding vacancy**

The continuing Directors may act notwithstanding any vacancy in their number but should the number of Directors fall below the minimum number fixed in accordance with this constitution the Directors may act for the purpose of increasing the number of Directors to the minimum or of summoning a general meeting of the Company or in emergencies but for no other purpose.

## **6.10 Powers of Directors**

- (a) Subject to the Corporations Law, the management of the business of the Company is vested in the Directors and they may exercise all the powers of the Company and do all such acts and things as the Company can exercise and do and are not required to be exercised or done by the Company in general meeting.
- (b) Without limiting the generality of **clause 6.10(a)**, the Directors may exercise all powers of the Company to:
  - (i) borrow or raise or secure the payment or repayment of any sum or sums of money;
  - (ii) charge, mortgage or otherwise encumber any or all of the undertakings, property, assets or business of the Company (both present and future whatsoever and wheresoever situate);
  - (iii) issue notes, bonds, debentures or any other securities whatsoever or give any other security or guarantee for any debt, liability or obligation of the Company or of any other person,

in such manner and on such terms and conditions as the Directors determine.
- (c) Where a Director or other officer of the Company becomes personally liable for the payment of a sum primarily due from the Company, the Directors may mortgage, charge or otherwise give security over the whole or any part of the Company's undertakings, property or assets (present or future) by way of indemnity to secure the Director against any loss in respect of that liability.
- (d) All cheques, bills of exchange, promissory notes, bankers drafts and other negotiable instruments and all receipts for money paid to the Company, shall be signed, accepted, drawn, made, endorsed or otherwise executed for and on behalf of the Company by such persons (whether Directors or officers of the Company or not) in such manner as the Directors determine.

## **7 DIRECTORS INTERESTS**

### **7.1 Directors' interests in contracts**

Subject to the Corporations Law:

- (a) a Director or proposed Director is not disqualified by that office from:
  - (i) entering into a contract, agreement or arrangement with the Company;
  - (ii) becoming or remaining a Director of any company in which the Company is in any way interested or which is in any way interested in the Company;
- (b) a contract, agreement or arrangement in which a Director is in any way interested, entered into by or on behalf of the Company cannot be avoided on the grounds of the Director's interest; and
- (c) a Director who:
  - (i) enters into a contract, agreement or arrangement in which the Director has an interest; or
  - (ii) is a director of the other company with which the Company has entered into the contract, agreement or arrangement,

is not liable to account to the Company for any profits or remuneration realised by that Director as a result of the Director being interested or being a director of the other company.

## **7.2 Material personal interests**

- (a) A Director who has a material personal interest in a matter that relates to the affairs of the Company must give the other Directors notice of the interest, if required to do so under section 191 of the Corporations Law.
- (b) A Director who has a material personal interest in a matter that is being considered at a Directors' meeting must not:
  - (i) be present while the matter is being considered at the meeting; or
  - (ii) vote on the matter,

unless the Corporations Law permits the Director to be present or to vote.

## **8 PROCEEDINGS OF DIRECTORS**

### **8.1 Procedure generally**

The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings and proceedings as they think fit.

### **8.2 Calling of meetings**

A Director may at any time and the secretary must upon the request of a Director convene a meeting of Directors.

**8.3 Notice of meetings**

- (a) Not less than 14 days notice of a meeting of Directors is to be given to all Directors, except to a Director whom the secretary when giving notice to other Directors reasonably believes to be outside Australia.
- (b) However a meeting of Directors may be convened on less than 14 days notice if all of the Directors then in office (except a Director whom the secretary reasonably believes to be outside Australia) agree to the shorter notice period.

**8.4 Chairman of meetings**

The Directors may elect a chairman and a deputy-chairman of their meetings and determine the period for which each is to hold office. If no chairman or deputy-chairman is elected or if at any meeting neither the chairman nor the deputy-chairman is present at the time appointed for holding that meeting the Directors present must elect one of their number to be chairman of that meeting.

**8.5 Quorum for Directors' meetings**

- (a) A simple majority of the number of Directors for the time being in office constitutes a quorum at a meeting of Directors.
- (b) If within thirty (30) minutes after the time appointed for commencement of a meeting of Directors a quorum is not present, the meeting stands adjourned to the same day in the next week at the same time and place, and if at the adjourned meeting a quorum is not present within thirty (30) minutes from the time appointed for commencement of the meeting the Directors present constitute a quorum.

**8.6 Decision of questions**

Subject to **clause 8.10**, questions arising at any meeting of Directors are to be decided by a majority of votes of the Directors present. Each Director has one vote. In case of an equality of votes at a meeting at which more than 2 Directors are present the chairman has a second or casting vote in addition to the Chairman's deliberative vote.

**8.7 Delegation to Committees**

The Directors may delegate any of their powers to Committees consisting of Directors or other persons as the Directors think fit. Any Committee formed must in exercise of the powers delegated comply with the regulations that may be imposed on it by the Directors.

**8.8 Procedure of Committees**

The meetings and proceedings of Committees consisting of more than one person are to be governed by the provisions of this constitution regulating the meetings and proceedings of the Directors so far as they are applicable and are not superseded by any regulations made by the Directors under this constitution.

### **8.9 Validation of irregular acts**

All acts done by any meeting of the Directors or by a Committee or by any person acting as a Director, even if it is later discovered that there was some defect in the appointment or continuance in office of a Director or person acting or that they or any of them were disqualified or had vacated office or were not entitled to vote, is as valid as if every person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director and had been entitled to vote.

### **8.10 Signed document passing resolution of Directors**

- (a) The Directors may pass a resolution without a Directors' meeting being held if all the Directors entitled to vote on the resolution (which does not include any alternate Director whose appointor signs the document) sign a document containing a statement that they are in favour of the resolution set out in the document.
- (b) Separate copies of a document may be used for signing by Directors if the wording of the resolution and statement is identical in each copy. An electronically transmitted facsimile copy of a document, the original of which in the opinion of the secretary has been apparently signed by a Director, is deemed to be a document signed by that Director for these purposes.
- (c) The resolution is passed when the last Director signs.

### **8.11 Meetings by electronic means**

- (a) The Directors may meet by radio, telephone, close circuit television or other electronic means of audio or audiovisual communications, or by any other form of technology consented to by all of them, which consent:
  - (i) may be a standing one;
  - (ii) may only be withdrawn within a reasonable time before the meeting.
- (b) A resolution passed at a meeting held in such a manner is deemed to have been passed at a meeting of Directors held on the day on which and at the time at which the meeting was held.
- (c) The provisions in this constitution relating to proceedings of Directors apply, so far as they are capable of application (*mutatis mutandis*), to meetings held by these means.

### **8.12 Minutes**

The Directors shall ensure that the Company keeps minute books, and that minutes of meetings are signed, as required by the Corporations Law.

### **8.13 Appointment of attorney**

- (a) The Directors may, by power of attorney under the seal of the Company, appoint a person or persons, jointly or severally, to be the attorney or attorneys of the Company for such purposes and with such powers (not exceeding those conferred

on the Directors by this constitution) and on such terms and conditions as the Directors determine.

- (b) An attorney may be, but need not be, a Director or a Member.
- (c) A power of attorney may:
  - (i) contain such provisions for the protection or convenience of persons dealing with the attorney as the Directors determine;
  - (ii) authorise the attorney to delegate all or any of the powers for the time being vested in the attorney.

#### **8.14 Alternate Directors**

- (a) A Director may by notice in writing to the Company appoint a person (whether a member of the Company or not and whether otherwise a Director or not) who is:
  - (i) eligible to be a Director; and
  - (ii) approved by a majority of the other Directors,
 to act as an alternate Director in the Director's place on such terms and conditions and for such period as the Director specifies.
- (b) An appointment, or the termination of an appointment, of an alternate Director is effected by notice in writing signed by the Director who makes or made the appointment and served on the Company, either by delivery of the notice to the Company's registered office or sending the notice to the Company by post, courier, airmail or facsimile transmission.
- (c) An alternate Director:
  - (i) may at any time be removed or suspended from office by writing under the hand of the Director by whom the alternate was appointed, notwithstanding that the period of the appointment of the alternate has not expired;
  - (ii) is entitled to receive notice of meetings of the Directors and to attend and vote at those meetings if the Director by whom the alternate was appointed is not present;
  - (iii) where the alternate is also a Director, has a separate additional vote on behalf of the Director the alternate is representing;
  - (iv) may exercise all the powers reposed in the appointor (subject to any conditions or restrictions imposed in that regard by the appointor) but does not have the power to appoint an alternate Director;
  - (v) automatically ceases to be an alternate Director if the Director by whom the alternate was appointed ceases to be a Director;

- (vi) whilst acting as a Director, is responsible to the Company for the alternate's own acts and defaults, and the Director by whom the alternate was appointed is not responsible for those acts or defaults;
- (vii) may receive fees or remuneration from the Company as a Director, of an amount determined by the Directors, and is entitled to be reimbursed out of the funds of the Company for all reasonable travelling, accommodation and other expenses incurred by the alternate in travelling to or from and attending meetings of the Directors or a committee of the Directors or when otherwise engaged on the business of the Company; and
- (viii) is counted in determining a quorum for the purposes of **clause 8.5**, but where the alternate Director is also a Director is not counted in both capacities.

## **9 SECRETARY**

### **9.1 Appointment**

- (a) The Directors shall appoint at least one secretary of the Company and may at any time terminate the appointment of any secretary.
- (b) The appointment of the first secretary or secretaries of the Company takes effect in accordance with the Corporations Law on the date of the Company's registration.

### **9.2 Terms of office**

A secretary of the Company holds office on such terms and conditions as the Directors determine.

## **10 SEAL**

### **10.1 Types of seals**

- (a) The Directors may adopt a common seal of the Company.
- (b) Where the Company has a common seal, the Company may have a duplicate common seal, which must be a copy of the common seal with the words "duplicate seal", "share seal" or "certificate seal" added.
- (c) The Directors shall provide for the safe custody of all seals in such manner as they determine.

### **10.2 Use of seal**

- (a) The seal shall be used only by the authority of the Directors.
- (b) Every document to which the seal is affixed shall be signed by a Director and countersigned by the secretary or a second Director or by some other person appointed generally or in a particular case by the Directors for that purpose.

- (c) The Directors may determine, generally or in a particular case, that the seal and the signatures of the Director, secretary or other person appointed by the Directors for the purpose of signing documents to which the seal is affixed, may be affixed or written on documents by a specified mechanical means so as to produce a facsimile of such seal and signatures.

## **11 DISTRIBUTION OF INCOME AND PROPERTY**

### **11.1 Income and property to be applied for objects**

The income and property of the Company, however derived, must be applied solely towards the promotion of the objects of the Company.

### **11.2 No profit to Members**

No part of the income or property of the Company shall be transferred directly or indirectly by way of profit to or amongst the Members.

### **11.3 Remuneration, reimbursement and refund**

Nothing in this constitution prevents:

- (a) the repayment to any Member of money lent to the Company by that Member, or the payment in good faith of interest at reasonable rates on moneys lent to the Company by a Member;
- (b) the payment of remuneration to any officers, agents, employees or other servants of the Company, or to any Member or to any person in return for services rendered to the Company by that person;
- (c) the reimbursement or repayment to any Member of out-of-pocket expenses, reasonable and proper charges for plant, equipment or other goods hired by the Company from a Member, payment for goods supplied by a Member in the ordinary and usual course of business, or reasonable and proper rent for premises leased to the Company by a Member;
- (d) payments to Members in accordance with **clause 11.4**.

### **11.4 Refund of the amounts not required for objects**

- (a) It is intended that the annual subscriptions payable by Members are for the purpose of defraying the operating expenses of the Company.
- (b) The Directors may from time to time pay to Members, by way of refund, such amounts out of the income and property of the Company as the Directors decide are not required for the operating expenses of the Company.

## **12 ACCOUNTS AND AUDIT**

### **12.1 Accounting and Other Records**

The Directors must cause proper accounting and other records to be kept.

## **12.2 Inspection of records**

- (a) The Directors must from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them are to be open to the inspection of Members not being Directors.
- (b) A Member (not being a Director):
  - (i) has no right to inspect any account or book or paper of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting;
  - (ii) is not entitled to require or receive any information concerning the business, trading or customers of the Company or any trade secret or secret process of or used by the Company.

## **12.3 Auditor**

The auditor, or the auditor's agent authorised in writing for the purpose, is entitled to:

- (a) attend general meetings;
- (b) receive all notices of and other communications relating to general meetings which a Member is entitled to receive;
- (c) speak at any general meeting which the auditor attends on any part of the business of the meeting which concerns the auditor in that capacity,

but does not have the right to vote at general meetings.

## **13 NOTICES**

### **13.1 Modes of service**

The Company may give any document to any Member by:

- (a) delivering it to the Member personally;
- (b) sending it by post, courier or airmail to the Member at the address recorded in the Register or the address supplied by the Member to the Company for the giving of notices to the Member;
- (c) sending it to the Member by facsimile transmission to the facsimile number (if any) supplied by the Member to the Company for the giving of notices to the Member; or
- (d) sending it to the Member by electronic mail to the electronic address (if any) supplied by the Member to the Company for the giving of notices to the Member.



### **13.2 Deemed receipt of notices**

- (a) A document sent by way of ordinary post, courier or airmail is deemed to have been received on the business day next following that on which it was posted or dispatched. In proving that the document was sent, it is sufficient to prove that the envelope or wrapper containing the document was properly addressed and stamped (if posted) and was posted or dispatched.
- (b) A document sent by way of facsimile transmission is deemed to be received on production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient if produced before 5pm on a business day, otherwise on the next business day.
- (c) A document sent by way of electronic mail is deemed to be received on the day and at the time specified in a delivery report indicating the document has been delivered or, if no delivery report is received, on the next business day (but is not deemed to have been received if a delivery report indicates a delivery failure).

### **13.3 Proof of service**

A certificate in writing signed by a Director, secretary or other officer of the Company that:

- (a) a document or its envelope or wrapper was addressed and stamped and was posted or dispatched;
- (b) a document was sent by facsimile transmission and that a transmission report was produced by the machine from which it was sent which indicated that the facsimile was sent in its entirety;
- (c) a document was sent by electronic mail, and that a delivery report was received indicating the document was delivered, or that no delivery report was received indicating a delivery failure,

is conclusive evidence of those facts.

### **13.4 Persons entitled to notice of general meeting**

- (a) The following persons are entitled to receive notice of every general meeting:
  - (i) every Member (including Members not entitled to vote);
  - (ii) the auditor for the time being of the Company.
- (b) No other person is entitled to receive notices of general meetings.

### **13.5 Signature to notice**

The signature to any notice to be given by the Company may be written or printed or stamped.

## **14 WINDING UP**

### **14.1 Surplus property on winding up**

If upon the winding up or dissolution of the Company, and after satisfaction of all its debts and liabilities, any property remains, the property shall be paid or applied to any fund, institution or authority which is a non profit organisation and which has objects which are reasonably similar to or compatible with the objects of the Company.

### **14.2 Selection of recipient of property on winding up**

The Directors shall, at or before the time of winding up or dissolution of the Company, select the fund, institution or authority to which any property remaining on winding up or dissolution is to be paid or applied in accordance with **clause 14.1**, but if they fail to do so a Judge of the Supreme Court of Queensland who has or acquires jurisdiction in the matter shall select the fund, institution or authority.

## **15 INDEMNITY OF OFFICERS AND AUDITORS**

### **15.1 Definition of “officer” and “auditor”**

In this **clause 15** references to “**officer**” or to “**auditor**” include references to former officers and former auditors.

### **15.2 Indemnity to officers and employees**

The Company shall indemnify every officer or auditor of the Company, and any employee of the Company, out of the assets of the Company against all costs, losses, expenses and liabilities incurred by that officer, auditor or employee in the person’s capacity as an officer, auditor or employee of the Company by reason of any act or thing done or omitted to be done by that person in that capacity or in any way in the discharge of that person’s duties or by reason of or relating to the person’s status as an officer, auditor or employee of the Company, except where the Corporations Law prohibits the Company from giving that indemnity.

### **15.3 Indemnity for proceedings**

Without limiting **clause 15.2**, the Company shall indemnify every officer, auditor or employee of the Company out of the assets of the Company against legal costs incurred in defending an action for a liability incurred in that capacity, unless the Corporations Law prohibits the Company from giving that indemnity.

### **15.4 Liability as between officers**

An officer is not liable for the negligence, default or breach of duty of any other officer except to the extent of the officer’s own negligence, default or breach of duty.

### **15.5 Reimbursement of expenses**

Every officer is entitled to have reimbursed to the officer out of the funds of the Company all expenses which the officer may from time to time incur in consequence of and in discharge or attempted discharge of the officer’s duties.



## **REGULATIONS FOR THE SUPPLY OF MILK BY MEMBERS**

### **1 QUANTITY OF MILK TO BE SUPPLIED**

#### **1.1 Agreement as to the supply of milk**

An applicant for membership shall provide to the Company the prescribed details of the terms on which the applicant proposes to supply milk to the Company.

#### **1.2 Change of milk supply**

- (a) A Member may at any time lodge with the Company a notice proposing to alter the terms on which the Member supplies milk to the Company.
- (b) The Directors must consider a Member's proposal to alter the terms on which the Member supplies milk to the Company, and may accept or reject the proposal.

#### **1.3 Prescribed details**

The prescribed details for the terms on which milk is to be supplied to the Company shall be as determined by the Directors from time to time, but shall include:

- (a) the quantity of milk to be supplied;
- (b) the intervals at which milk is to be supplied;
- (c) the time, place and manner of delivery of milk.

### **2 POWERS OF DIRECTORS IN RELATION TO SUPPLY OF MILK**

#### **2.1 Standards prescribed by Directors**

The Directors may prescribe:

- (a) a minimum quality of milk which is acceptable for milk supplied to the Company;
- (b) criteria for different levels of quality of milk supplied to the Company;
- (c) prices payable to Members for milk supplied to the Company, including different prices for different categories of milk quality;
- (d) minimum quantities of milk which must be supplied by a Member within a prescribed timeframes.

#### **2.2 Notification to Members**

The Directors must notify the Members of any standards prescribed under **regulation 2.1**.

### **3 MEMBER'S OBLIGATIONS TO SUPPLY MILK**

#### **3.1 Milk to be supplied in accordance with agreed terms**

A Member shall supply milk to the Company on the following terms:

- (a) The Members must comply with the terms:
  - (i) proposed with the Member's application; or
  - (ii) subsequently altered in accordance with a proposal accepted by the Directors.
- (b) The Member must supply milk of the minimum quality prescribed by the Directors.
- (c) The Member must supply the minimum quantities of milk prescribed by the Directors within the prescribed time frames.

#### **3.2 Failure to supply**

- (a) Where a Member does not supply milk in accordance with these regulations, the Directors may give the Member a notice specifying details of the breach and giving a reasonable time for the Member to remedy the breach.
- (b) Failure to remedy a breach within the time prescribed in the notice is a breach by the Member of the Member's obligations under these regulations.
- (c) Without limiting **regulation 3.2(a)**, where a Member supplies milk which is not of the minimum quality prescribed by the Directors, the Company may refuse to accept the milk and is not required to pay the prescribed price for the milk.

## **REGULATIONS FOR ELECTION OF DIRECTORS**

### **1 BASIS OF ELECTION PROCEDURE**

#### **1.1 Election for each Zone**

An election for a Director who is to be a representative of the Zone shall be conducted by ballot amongst the Members in that Zone in accordance with these regulations.

#### **1.2 Which Director is to retire**

- (a) The Director who is to retire in each Zone at an annual general meeting is the Director whose term expires at that annual general meeting.
- (b) On any change of Zones which involves assigning Directors to different Zones, the Directors shall where necessary decide which Director in each Zone is to retire at the next election.

#### **1.3 Returning officer**

The secretary shall be the returning officer for each election.

### **2 NOMINATION PROCEDURES**

#### **2.1 Calling for nominations**

The returning officer must, no later than two months before each annual general meeting, send a notice to Members calling for nominations from each Zone for election as a Director representing the Zone.

#### **2.2 Eligibility for nomination**

- (a) Any natural person who is:
  - (i) eligible to be a Director; and
  - (ii) resident in the Zone,
 may nominate as a representative of that Zone.
- (b) Nominations must be in writing and set out the following details:
  - (i) the candidate's full name and address;
  - (ii) where the candidate is not a Member, the name and address of the Member with whom the candidate is associated and details of the association.
- (c) The returning officer may require the production of reasonable evidence that the candidate has an association with the Member.

- (d) A nomination must be signed by two Members other than the Member the candidate is associated with.

### **2.3 Closing date for nominations**

Nominations must be received by the returning officer by no later than one month prior to the annual general meeting.

## **3 ELECTION PROCEDURE**

### **3.1 Notice of candidates**

Where at the closing date for nominations more than one nomination is received in any Zone, the returning officer must:

- (a) prepare a ballot paper containing the names of the candidates for that Zone in alphabetical order; and
- (b) send ballot papers and instructions for voting to Members in that Zone no later than 21 days before the annual general meeting.

### **3.2 Voting by Members**

Each Member is entitled to vote for the Member's preferred candidate by marking the ballot paper and returning the ballot paper to the registered office address of the Company no later than 5.00pm on the Business Day prior to the annual general meeting.

## **4 COUNTING OF VOTES**

### **4.1 Counting of votes by returning officer**

The returning officer has responsibility for determining the validity of votes and counting votes.

### **4.2 Results of election**

- (a) Where an election has been held for a Zone, the candidate who receives the greatest number of votes is elected for that Zone.
- (b) Where only one nomination is received for a Zone and the candidate is eligible to be a Director, the candidate is deemed to be elected for that Zone.
- (c) If for any Zone none is nominated who is eligible to be a Director, the Directors may appoint a natural person who:
  - (i) is eligible to be a Director; and
  - (ii) is resident in that Zone,
 as a representative for that Zone.

**4.3 Determination of result**

The secretary shall notify the Directors prior to the commencement of the annual general meeting of the results of the election for each Zone.

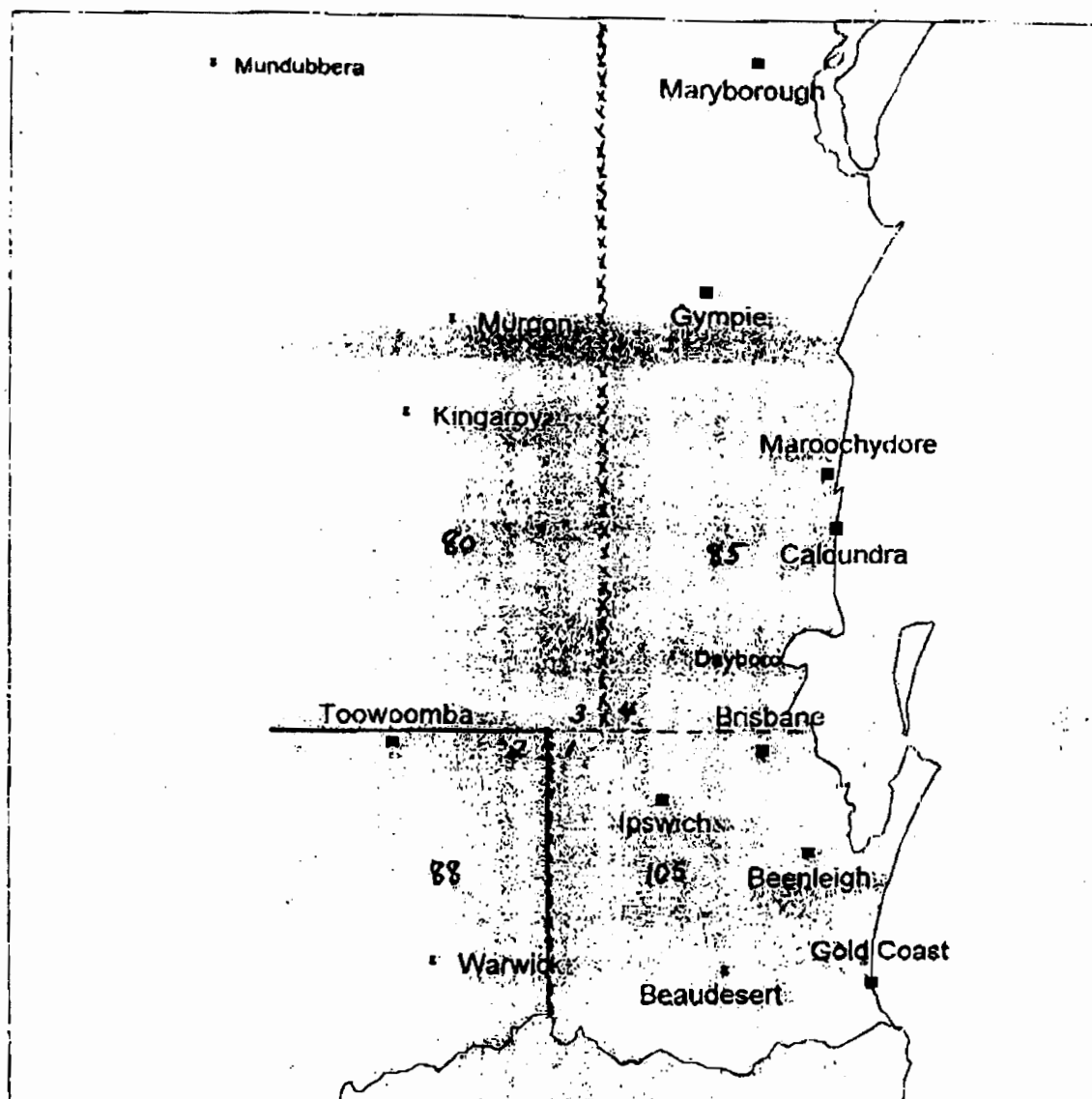


**SCHEDULE – ZONE MAP**

***ATTACH ZONE MAP***

Sheet1

2001



| Groups     | 1   | 2  | 3   | 4   | Total |
|------------|-----|----|-----|-----|-------|
| MCDA       | 0   | 2  | 37  | 0   | 39    |
| SMPCA      | 0   | 0  | 3   | 74  | 77    |
| BMPCA      | 0   | 0  | 58  | 0   | 58    |
| DFMSCA     | 75  | 93 | 0   | 0   | 168   |
| MMPCA      | 51  | 3  | 6   | 36  | 96    |
| Total 2000 | 126 | 98 | 104 | 110 | 438   |
| Total 2001 | 105 | 88 | 80  | 85  | 358   |

**APPENDIX – CO-OPERATIVES**

Burnett Milk Producers Co-operative Association  
Maryborough Co-Operative Dairy Association  
Metropolitan Milk Producers Co-operative Association  
Suncoast Milk Producers Co-operative Association  
Dairyfields

