Constitution

Australian Forestry Standard Limited

ACN 105 321 702

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1 Definitions and interpretation

1.1 Defined terms and interpretation

In this Constitution unless the contrary intention appears:

Act means the *Corporations Act 2001* (Cth);

Auditor means the Company's auditor;

Australian Forestry Standard means Australia/New Zealand Standard AS/NZS 4708-The Australian Standard for Sustainable Forest Management and Australian Standard AS4707-Chain-of-Custody Standard for Forest and tree-Based Products, or any other standard that applies to the Company's operations.

Board means the Board of Directors of the Company;

Chairperson means the chairperson of the Company as elected under clause 17;

Company means Australian Forestry Standard Limited;

Constitution means the constitution of the Company as amended from time to time;

Director means any person occupying the position of Director of the Company and **Directors** means, as the context requires, all or some of the Directors acting as the Board;

Guaranteed Amount means each Member's guarantee amount referred to in clause 54.1;

Insolvency Event means an event by which a person or a company:

(a) is insolvent, insolvent under administration, or states that it is unable to pay its debts when they become due and payable;

(b) is placed in or under any form of external administration including if a party or its property is subject to the appointment of an administrator, a controller, receiver or receiver and manager, a liquidator or an official manager;

(c) is made subject to any compromise or arrangement with any of its creditors or Members or scheme for its reconstruction or amalgamation, otherwise than as a result of voluntary corporate reconstruction;

(d) is wound up or dissolved, or an order or resolution is made to wind up or dissolve the party;

(e) has any event or conduct occurred which would enable a court to grant a petition, or an order is made, for the bankruptcy of the relevant person or its estate under any laws relating to insolvency;

(f) is or applies to be protected from any of its creditors under any applicable legislation, or

(g) has anything similar to any of the events in paragraphs (a) to (f) happen to it under the law of any applicable jurisdiction;

Material Personal Interest means a material personal interest for the purposes of the Act;

Member means a member of the Company from time to time and **Membership** has the equivalent meaning;

Objects means the objects specified in clause 3;

Office means the Company's registered office;

Register means the register of Members;

Registered Address means the last known address of a Member as noted in the Register;

Representative means a person appointed as such under clause 7;

Responsible Wood Certification Scheme means an independent third-party accredited certification scheme owned by the Company which provides certification against AS/NZS4708 and AS4707;

Seal means the Company's common seal (if any);

Secretary means any person appointed by the Directors to perform any of the duties of a secretary of the Company and if there are joint secretaries, any one or more of such joint secretaries;

Special Resolution has the meaning given to that term in the Act;

Standards Development Organisation means an organisation accredited by Standards Australia to develop Australian Standards, or by any other recognised accreditation body; and

Tax Act means the *Income Tax Assessment Act 1997* (Cth).

1.2 In this Constitution, unless the contrary intention appears:

(a) the singular includes the plural and vice versa and words importing a gender include other genders;

(b) words importing natural persons include corporations and bodies politic;

(c) words and expressions defined in the Act have the same meaning in this Constitution;

(d) headings are for ease of reference only and do not affect the construction of this Constitution; and

(e) a reference to any legislation includes legislation varying consolidating or replacing that legislation and includes all regulations or other instruments issued under that legislation; and

(f) an expression in a clause of this Constitution has the same meaning as in a provision of the Act that deals with the same matter as the clause.

1.3 To the extent permitted by law, the replaceable rules in the Act do not apply to the Company.

1.4 Severing invalid provisions

(a) while the Company is exempt from income tax under section 50-1 of the Tax Act, the Tax Act overrides any clauses in this constitution which is inconsistent with the Company maintaining that tax exempt status under the act;

(b) the Corporations Act overrides any clause in this constitution which is inconsistent with that Act;

(c) if at any time any provision of this constitution is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, it does not affect or impair:

(i) the legality, validity or enforceability in that jurisdiction of any other provision of this Constitution; or

(ii) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Constitution

2 Name and Structure

2.1 The name of the Company is Australian Forestry Standard Limited.

2.2 The Company will trade under the business name Responsible Wood, or such other name or names as resolved by the Board from time to time.

2.3 The Company is limited by guarantee and the liability of the Members is limited as provided in this Constitution. The Company is bound to comply with its Objects and character as a not-for-profit company limited by guarantee that is a registered entity under the Act.

3 Objects

3.1 The Company is a not-for-profit institution established to protect and promote the Australian forest industry. In order to achieve this, the Company will:

(a) establish, provide and maintain an independent system for verification of sustainable forest management and associated products and services;

(b) administer the Australian Forestry Standard;

(c) support and maintain the development of the Australia Forestry Standard, and other related or complementary standards;

(d) maintain accreditation as a Standards Development Organisation;

(e) facilitate and promote the use of the Responsible Wood Certification Scheme, and any related standards;

(f) seek and maintain mutual recognition for Australian Forestry Standard internationally; and

(g) support the sustainable management of forests internationally by providing the following ancillary services where they do not impact upon the Company's ability to provide the primary services in items (a) to (e) above:

(i) provide a non-exclusive licence to use the Australian Forestry Standard in countries other than Australia;

(ii) administer forestry certification schemes in countries other than Australia, including the issuing of licences and collection of licence fees;

(iii) support and facilitate the use of forestry standards, and any related standards, for forestry certification in countries other than Australia.

3.2 The Company will achieve the objects in clause 3.1 by:

(a) the purchase, taking on lease or in exchange, and the hiring or otherwise acquiring of any real of personal property that may be deemed necessary or convenient for any of the objects of the Company;

(b) the letting of real or personal property for rent to benefit any of the objects of the Company;

(c) the buying, selling, and supplying of, and dealing in, goods of all kinds;

(d) the construction, maintenance and alteration of buildings or works necessary for convenient for any of the objectives of the Company;

(e) the accepting of any gift, whether subject to a special trust or not, for any one or more of the objects of the Company;

(f) the taking of such steps from time to time as the Directors or the Members in general meeting may deem expedient for the purpose of procuring contributions to the funds of the Company, whether by way of donations, subscriptions, or otherwise;

(g) the printing and publishing of such newspapers, periodicals, books, leaflets, or other documents as the Directors or the Members in general meeting may think desirable for the promotion of the objects of the Company;

(h) the borrowing and raising of money in such a manner and on such terms as the directors may think fit or as may be approved or directed by resolution passed as a general meeting;

(i) the investment of any moneys of the Company not immediately required for any of its objects or purposes in such manner as the Directors may from time to time determine; and

(j) employing staff and entering into contractual arrangements with suppliers, contractors, or any other necessary parties, as deemed appropriate.

3.3 The Company may only exercise its powers to:

(a) carry out the Objects; and

(b) do all things incidental or convenient in relation to the exercise of power under clause 3.1.

4 Admission of Members

4.1 The number of Members with which the Company proposes to be registered is unlimited.

4.2 The Company must establish and maintain the Register. The Register must be kept by the Secretary and must contain:

(a) for each current Member:

(i) name;

(ii) address;

(iii) any alternative address nominated by the Member for the service of notices; and

(iv) date the Member was entered on to the Register.

(b) for each person who ceased being a Member in the last 7 years:

(i) name;

(ii) address;

(iii) any alternative address nominated by the member for the service of notices; and

(iv) dates the membership started and ended.

4.3 The Company must give the current Members access to the Register.

4.4 The Members of the Company, from time to time, shall be such persons whom promote the objects of the Company which the Directors admit to membership in accordance with this Constitution and whom remain eligible to be a Member under this Constitution.

4.5 Applications for membership of the Company will be in a form approved by the Directors.

4.6 The Company has the following classes of membership with criteria listed below:

(a) **Forest Grower Members**, being persons who are accepted by the Directors as being custodians, owners or managers of forests producing forest products;

(b) **Primary Processors Members**, being persons who are accepted by the Directors as being substantively engaged in the primary processing of forest primary produce;

(c) **Supply Chain Members**, being persons who are accepted by the Directors as being substantively engaged in the secondary processing of forest primary produce or in any subsequent part of the supply chain of wood and paper products;

(d) **Employee Representative Organisation Members**, being persons who are accepted by the Directors as being an employee representative organisation representing the interests of workers in the forestry and forest products industry; and

(e) **Community, Social and Environment Members**, being persons who are accepted by the Directors as representing the interests of the community at large with respect to forestry and the forest products industry.

4.7 A person must not be a Member in more than one class of membership.

4.8 At the next meeting of Directors after the receipt of an application for membership, the application will be considered by the Directors. The Directors will:

(a) determine the admission or rejection of the applicant and notify the applicant of the outcome;

(b) where an application is rejected, they will not be required to give reasons for the rejection;

(c) if the applicant is to be admitted, specify the class of membership to which they are to be admitted;

(d) as soon as practicable following acceptance of an application, the Secretary will send the applicant written notice of the acceptance and request payment of the applicant's first annual subscription.

4.9 An applicant will become a Member of the Company on payment of the of the first annual subscription under clause 4.8(d) and when that Member has agreed in writing to comply with this Constitution and any policies and/or procedures implemented by the Board from time to time.

4.10 If an amount due under clause 4.9 is not paid within 30 days after the date the applicant is notified of acceptance, the Directors may cancel their acceptance of the applicant for membership of the Company.

4.11 The rights and privileges of every Member will be personal to each Member and will not be transferable by the Member's own act or by operation of law.

4.12 Subject to this Constitution, all Members have the right to receive notices of general meetings and to attend and vote at any general meeting.

5 Fees

5.1 The Board may, in its discretion, charge an annual subscription fee to Members.

5.2 The amount of the annual subscription will be determined by the Board from time to time (and the Board may determine to charge none).

5.3 The Board may, in its discretion, determine that:

(a) different classes of Members will pay different annual subscriptions fees; or

(b) any Member(s) are:

(i) not required to pay the annual subscription fee in a given year; or

(ii) required to pay a different amount from other Members for the annual subscription fee.

5.4 The annual subscription period will commence on 1 July of each year. If a Member does not pay a subscription after it becomes due, the Secretary will give the Member notice of that fact, if the subscription remains unpaid, the Directors may declare that Member's membership forfeited.

6 Ceasing to be a Member

6.1 A Member's membership of the Company will cease:

(a) if the Member gives the Secretary written notice of resignation, from the date of receipt of that notice by the Secretary;

(b) if no less than two-thirds of the Directors present and voting at a meeting of Directors by resolution terminate the membership of a Member:

(i) whose conduct in their opinion renders it undesirable that that Member continue to be a Member of the Company; and

(ii) only after the Member has been given at least 21 days' notice of the resolution to expel the Member and has had the opportunity to be heard at and, if the Member wishes, provide a written explanation to, the meeting at which the resolution is proposed;

(c) if membership is forfeited because it has failed to pay the amount due under clause 5.4.

(d) where the Member is an individual, if the Member:

(i) dies;

(ii) becomes bankrupt;

(iii) becomes mentally incapacitated or whose person or estate is liable to be dealt with in any way under the laws relating to mental health; or

(iv) is convicted of an indictable offence;

(e) where the Member is not an individual, if:

(i) an Insolvency Event has occurred; or

(ii) an order is made by a Court for the winding-up or deregistration of the Member.

6.2 Any Member ceasing to be a Member:

(a) will not be entitled to any refund (or part refund) of any annual subscription fee; and

(b) will remain liable for and will pay to the Company all subscriptions and moneys which were due at the date of ceasing to be a Member.

7 Representatives

7.1 Any body corporate which is a Member must by written notice to the Secretary:

(a) appoint one natural person with a direct relationship to the Member to act as its Representative in all matters connected with the Company as permitted by the Act; and

(b) set out any restrictions on the Representative's powers.

7.2 A Member may remove and replace its Representative by notice to the Board.

7.3 The actions of a Member's Representative bind that Member.

7.4 The Representative cannot, in the view of the Board, have conflicting commitments to another body corporate for the duration of its appointment as Representative. The decision of the Board on conflicting commitments is final.

7.5 A Representative is entitled to:

(a) represent its Member at general meetings;

(b) exercise at a general meeting all the powers which the corporation or organisation which appointed him or her could exercise if it were a natural person;

(c) subject to clause 9, stand for election as an officer of the Company or Director; and

(d) be counted towards a quorum on the basis that the Member body corporate or organisation is to be considered personally present at a general meeting by its Representative.

7.6 A certificate executed in accordance with section 127 of the Act is rebuttable evidence of the appointment or of the removal of the appointment (as appropriate) of the Representative.

7.7 The Chairperson of a general meeting may allow a Representative to vote on the condition that he or she subsequently establishes his or her status as a Representative within a period prescribed by and to the satisfaction of the Chairperson of the general meeting.

7.8 The appointment of a Representative may set out restrictions on the Representative's powers.

8 Number of Directors

There will not be less than six and no more than nine Directors at any time.

9 Nomination of Member Elected Directors

9.1 A person is not eligible for election as a Director unless the person, or a Member who intends to propose the person, provides:

(a) the person's consent to the nomination;

(b) confirmation that either the person is a candidate for the office of Director or that the Member intends to propose that person for election as a Director; and

(c) evidence of their experience relevant to the Membership class and corporate governance.

9.2 The Board shall appoint the Chairperson, or committee of Independent Directors, tasked with the review of each nominee for Director. When assessing potential nominees, the following must be considered:

(a) whether the candidate has the relevant skills and adds value to the Board;

(b) the candidate's understanding of the Company's operations and objects;

(c) if the candidate can work effectively with the Board;

(d) the candidate's business experience, expertise, integrity and judgment; and

(e) the candidate's interest in becoming a Director, and any other directorships held (currently or formerly) by the candidate and the candidates other commitments.

9.3 The Board shall consider the nomination and determine the admission or rejection of the nomination and notify the applicant of the outcome. Where a nomination is rejected, they will give reasons for the rejection. A notice given in accordance with clause 9.1 must be provided no less than 30 days before the relevant general meeting.

9.4 A notice referring to all Director vacancies and each candidate for election, must be sent to all Members with the notice of general meeting at which an election of a Director will take place, in accordance with clause 10.

10 Appointment and removal of Directors

10.1 The Company may, subject to the Act, by resolution passed in general meeting:

(a) subject to clause 8 increase or reduce the number of Directors; and

(b) remove any Director before the end of the Director's period of office.

10.2 Each class of Membership may, by a majority ballot, appoint Directors as follows:

(a) Forest Grower Members, up to two Directors;

(b) Primary Processors Members, no more than one Director;

(c) Supply Chain Members, no more than one Director;

(d) Community, Social and Environment Members, no more than one Director;

(e) Employee Representative Organisation Members, no more than one Director.

10.3 In the event of a tied ballot, the Chairperson shall consult the membership class and appoint a candidate from amongst those nominated.

10.4 Each class of Members may, by resolution of Members of that class passed in general meeting of the Company or the class:

(a) remove any Director appointed by that Membership class and appoint another person in the Director's place; and

(b) appoint another person in place of any Director appointed by the class that has been removed under clause 10.1(b).

10.5 A person appointed under clause 10.4 will hold office for the period for which the Director replaced would have held office if the Director had not been removed.

10.6 If the conduct or position of any Director is such that continuance in office is resolved by the majority of the Directors to be prejudicial to the interests of the Company that Director may be suspended, provided that the Board meeting at which such decision is resolved was called by no less than two-thirds of the Directors specifically for the purpose of deciding on whether to suspend that Director.

10.7 Within 14 days of the suspension, the Directors must call a general meeting, at which the Members may either confirm the suspension and remove the Director from office in accordance with clause 10.1 or annul the suspension and reinstate the Director.

11 Vacation of Office

The office of a Director immediately becomes vacant if the Director:

(a) dies;

(b) becomes bankrupt or makes any arrangement or composition with creditors generally;

(c) becomes prohibited by the Act from holding office or continuing as a Director;

(d) is liable to have a person appointed, under a law relating to the administration of estates of persons who through mental or physical incapacity are incapable of managing their affairs, to administer it, or becomes in the opinion of the Directors incapable of performing his or her duties;

(e) resigns by notice in writing to the Company;

(f) is removed under clause 10.1 or clause 10.4;

(g) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of the interest as required by the Act; or

(h) is an employee of a Member that ceases to be a Member under clause 6.

12 Additional Independent Directors

12.1 Subject to clause 8, the Directors may, by resolution passed by at least three-quarters of the Directors, appoint up to three persons as independent Directors as additions to the existing Directors from time to time.

12.2 A Member is ineligible to be appointed as a Director under clause 12.1.

12.3 An independent Director is entitled to vote as an ordinary Member.

13 Retirement of Directors

13.1 At the close of each annual general meeting:

(a) a Director who has served a four year term as at the date of that annual general meeting; or

(b) a Director who will have served a four year term prior to the date 12 months after the annual general meeting,

must retire from office.

13.2 A Director retiring at an annual general meeting who is not disqualified by law or by clause 11 from being re-elected is eligible for re-election, and may act as a Director throughout the annual general meeting at which that Director retires.

13.3 A Director who has held office for a continuous period of eight years or more may only be re-appointed or re-elected where the Members have specifically determined to extend this period by the passing of a Special Resolution.

14 Filling vacated Office

When a Director retires at a general meeting or otherwise resigns, the Company may fill the vacated office pursuant to clause 10.2 or 12.1 (as the case may be).

15 Powers and duties of Directors

15.1 The business of the Company is managed by the Directors who may exercise all powers of the Company that this Constitution, Tax Act and the Act do not require to be exercised by the Company in general meeting.

15.2 The Directors must act in the best interests of the Company, for a proper purpose and to further the objects of the Company.

15.3 Without limiting the generality of clause 15.1, the Directors may exercise all the powers of the Company to:

(a) borrow money;

(b) charge any property or business of the Company;

(c) issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person;

(d) guarantee or to become liable for the payment of money or the performance of any obligation by or of any other person; and

15.4 determine organisational policies and procedures including, without limitation, the rights and privilege of each class of membership, including for voting at general meetings.

16 Directors' meetings

16.1 The Chairperson appointed under clause 17.1 may at any time, and the Secretary must on the request of that Chairperson or not less than three Directors, call a Directors' meeting.

16.2 A Directors' meeting must be called on no less than 48 hours written notice of a meeting to each Director.

16.3 Subject to the Act, a Directors' meeting may be held by the Directors communicating with each other by any technological means by which they are able simultaneously to hear each other and to participate in discussion.

16.4 Subject to clause 45, a Director who participates in a meeting held in accordance with this Constitution is taken to be present and entitled to vote at the meeting.

16.5 In accordance with section 248G of the Act, a resolution must be passed by a majority of the votes cast by Directors entitled to vote on the resolution.

16.6 In the event of a tied vote on a resolution, the Chairperson may exercise a casting vote.

16.7 A quorum is a majority of Directors for the time being.

17 Chairperson

17.1 Where the Directors have appointed a Director under clause 12, the Directors must elect the Chairperson of Directors' meetings from among the Directors appointed under clause 12 and may determine the period for which the Chairperson will hold office.

17.2 The Directors may elect a Director as deputy chairperson to act as Chairperson of Directors' meetings in the Chairperson's absence.

17.3 The Chairperson, or in the Chairperson's absence the deputy chairperson, will be the Chairperson at every meeting of Directors.

17.4 If:

(a) there is no Director appointed under clause 12, available or willing to act as Chairperson; or

(b) there is no Chairperson or deputy chairperson; or

(c) the Chairperson and deputy chairperson are unwilling to act as Chairperson of the Directors' meeting,

the Directors present may elect a Chairperson from among the Directors present.

18 Out of session resolutions

18.1 The Directors may pass a resolution without a Directors' meeting being held if a majority of the Directors entitled to vote on the resolution endorse a document containing a statement that they are in favour of the resolution set out in the document. The resolution is passed when a majority of Directors sign.

18.2 For the purposes of clause 18.1, 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.

19 Validity of acts of Directors

If it is discovered that:

(a) there was a defect in the appointment of a person as a Director, or member of a Directors' committee; or

(b) a person appointed to one of those positions was disqualified,

all acts of the Directors or the Directors' committee before the discovery was made are as valid as if the person had been duly appointed and was not disqualified.

20 Remaining Directors

20.1 The Directors may act even if there are vacancies on the Board.

20.2 If the number of Directors is not sufficient to constitute a quorum at a Directors' meeting, the Directors may act only to:

(a) appoint a Director as per clause 12; or

(b) call a general meeting.

21 Delegation

21.1 The Board may delegate any of its powers, other than those which by law must be dealt with by Directors as a board, to:

(a) a committee of Directors;

(b) a Director;

(c) an employee of the Company; or

(d) any other person.

21.2 The exercise of a power delegated pursuant to clause 21.1 is to be treated as the exercise of that power by the Board.

21.3 The Directors may at any time revoke any delegation of power.

22 Committees

22.1 The Board may establish such Committees as it sees fit.

22.2 Committee members will be appointed by the Board and will have a Committee Charter.

22.3 A Committee must exercise its powers in accordance with any directions and/or resolutions of the Directors and a power exercised in that way is taken to have been exercised by the Board.

22.4 A Committee may be authorised by the Board to sub-delegate all or any of its delegations (if any).

22.5 At least one member of each Committee must be a Director.

22.6 Meetings of any Committee will be governed by the provisions of this Constitution which deal with Directors' meetings so far as they are applicable and are not inconsistent with any directions of the Directors. The provisions apply as if each Committee member was a Director.

23 Indemnity

23.1 To the extent permitted by law and subject to the restrictions in section 199A of the Act the Company indemnifies every person who is or has been an officer of the Company against:

(a) any liability (other than for legal costs) incurred by that person as such an officer of the Company (including liabilities incurred by the officer as an officer of a subsidiary of the Company where the Company requested the officer to accept that appointment) unless the liability arises out of conduct involving a lack of good faith or is for a pecuniary penalty order or compensation under the Act; and

(b) reasonable legal costs incurred in defending an action for a liability incurred by that person as such an officer of the Company (including such legal costs incurred by the officer as an officer of a subsidiary of the Company where the Company requested the officer to accept that appointment).

23.2 The amount of any indemnity payable under clauses 23.1 or 23.1(b) will include an additional amount (**GST Amount**) equal to any GST payable by the officer being indemnified (**Indemnified Officer**) in connection with the indemnity (less the amount of input tax credit claimable by the Indemnified Officer in connection with the indemnity). Payment of any indemnity which includes a GST Amount is conditional upon the Indemnified Officer providing the Company with a GST tax invoice for the GST Amount.

23.3 For the purposes of this clause 23, **officer** means:

(a) a Director; or

(b) a Secretary.

23.4 Subject to the Act, the Company may enter into and pay premiums on a contract of insurance in respect of any person, to the fullest extent permitted by law, except for liability arising from wilful breach of duty concerning the Company.

23.5 The indemnity in favour of officers under clause 23.1 is a continuing indemnity. It applies in respect of all conduct of a person while an officer of the Company, even if the person is not an officer at the time the claim is made, and even if clause 23.1 is deleted or modified after the conduct occurs.

24 Duty to disclose Material Personal Interests

24.1 For the purposes of this clause 24, a Director has a Material Personal Interest in a matter that relates to the affairs of the Company if that Director would be considered to have a Material Personal Interest under the Act.

24.2 Unless the Act says otherwise, a Director who has a Material Personal Interest in a matter that relates to the affairs of the Company must, at a Directors' meeting as soon as practicable after the Director's appointment or after the Director becomes aware of their interest in the matter (whichever is later), give the other Directors notice of the interest which must include details of:

(a) the nature and extent of the interest;

(b) the relation of the interest to the affairs of the Company; and

(c) any other information the Director is required to disclose under the Act.

24.3 A Director does not need to give notice of an interest under clause 24.2(b) if he or she is not required to do so under the Act.

24.4 A Director who is required to disclose a Material Personal Interest to the Company under this Constitution or the Act must ensure that the nature and extent of the interest is tabled at a Directors' meeting and recorded in the minutes of that meeting.

25 Effect of Director having a Material Personal Interest

Each Director must comply with the Act in relation to being present, and voting, at a Board meeting that considers a matter in which the Director has a Material Personal Interest.

26 Duty to disclose a conflict of interest

26.1 Unless the Act says otherwise, a Director who has a perceived or actual material conflict of interest in accordance with the Act must, subject to clause 26.2 below, at a Directors' meeting as soon as practicable after the Director's appointment or after the Director becomes aware of their interest in the matter (whichever is later), give the other Directors notice of the interest which must include details of:

(a) the nature and extent of the interest;

(b) the relation of the interest to the affairs of the Company; and

(c) any other information the Director is required to disclose under the Act.

26.2 A Director may disclose a material conflict of interest (within the meaning of Act) that is not a Material Personal Interest in the form of a standing notice to the other Directors with ongoing effect.

27 Calling general meeting

27.1 The Chairperson appointed under clause 17.1 may at any time, and the Secretary must on the request of that Chairperson or not less than three Directors, call a general meeting.

27.2 The Company must hold an annual general meeting in accordance with section 250N of the Act.

27.3 A Member may:

(a) only request the Directors to call a general meeting in accordance with section 249D of the Act; and

(b) not request or call and arrange to hold a general meeting except under section 249E or 249F of the Act.

27.4 Any request by a Member in accordance with clause 27.3 must:

(a) state any resolution to be proposed at the general meeting; and

(b) be signed by the Member.

28 Notice of general meeting

28.1 Subject to the provisions of the Act allowing general meetings to be held with shorter notice, at least 21 days written notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) must be given to Members of any general meeting.

28.2 A notice calling a general meeting:

(a) must 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; and

(b) must state the general nature of the business to be transacted at the meeting; and

(c) may specify a place, and/or electronic address for the purposes of proxy appointment.

28.3 A notice of an annual general meeting need not state that the business to be transacted at the meeting includes:

(a) the consideration of the annual financial report, Directors' report and the Auditor's report;

(b) the election of Directors; or

(c) the appointment and fixing of the remuneration of the Auditor, regardless of whether such business is to be transacted at the meeting.

28.4 (a) The Directors may postpone or cancel any general meeting whenever they think fit (other than a meeting called as the result of a request under clause 27.3).

(b) The Directors must give notice of the postponement or cancellation to all persons referred to in clause 53.1 entitled to receive notices from the Company.

28.5 The failure or accidental omission to send a notice of a general meeting (including a proxy appointment form) to any Member or the non-receipt of a notice (or form) by any Member does not invalidate the proceedings at or any resolution passed at the general meeting.

29 Member

In clauses 30, 31, 33 and 37, **Member** includes a Member present in person or by proxy, attorney or Representative.

30 Quorum

30.1 No business may be transacted at a general meeting unless a quorum of Members is present when the meeting proceeds to business.

30.2 A quorum of Members is six Members, including not fewer than two Forest Grower Members, not fewer than two Primary Processors Members and not fewer than one Member from the combination of all other Members.

30.3 If a quorum is not present within 60 minutes after the time appointed for a general meeting:

(a) where the meeting was called by, or in response to, the requisition of a Member, the general meeting is automatically dissolved;

(b) in any other case, the meeting stands adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Board may determine.

31 Chairperson

31.1 The Chairperson of Directors' meetings will be the Chairperson at every meeting of Members.

31.2 If:

(a) there is no Chairperson; or

(b) neither the Chairperson is present within 15 minutes after the time appointed for holding the general meeting; or

(c) the Chairperson is unwilling to act as Chairperson of the general meeting,

the Directors present may elect a Chairperson of the general meeting of the Members from among the Directors present.

31.3 If no election is made under clause 31.2, then:

(a) the Members may elect one of the Directors present as Chairperson; or

(b) if no Director is present or is willing to take the chair, the Members may elect one of the Members present as Chairperson.

31.4 If there is a dispute at a general meeting about a question of procedure, the Chairperson may determine the question.

32 Adjournment

32.1 The Chairperson of a general meeting at which a quorum is present:

(a) in his or her discretion may adjourn the general meeting with the meeting's consent; and

(b) must adjourn the general meeting if the meeting directs him or her to do so.

32.2 An adjourned general meeting may take place at a different venue to the initial general meeting.

32.3 The only business that can be transacted at an adjourned general meeting is the unfinished business of the initial general meeting.

32.4 Notice of an adjourned general meeting must only be given in accordance with clause 28.1 if a general meeting has been adjourned for more than 21 days.

33 Decision on resolutions

33.1 Subject to the additional requirements imposed by the Act in relation to Special Resolutions, a resolution is carried if on a show of hands a majority of the total number of votes cast on the resolution are cast in favour of the resolution.

33.2 A resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded in accordance with section 250L of the Act.

33.3 Unless a poll is demanded:

(a) a declaration by the Chairperson that a resolution has been carried, carried by a specified majority, or lost; and

(b) an entry to that effect in the minutes of the meeting,

are conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against the resolution.

33.4 A demand for a poll may be withdrawn.

33.5 A decision of a general meeting may not be impeached or invalidated on the ground that a person voting at the general meeting was not entitled to do so.

34 Taking a poll

34.1 A poll will be taken in accordance with policies and procedures of the Company, when and in the manner that the Chairperson directs.

34.2 Subject to the additional requirements imposed by the Act in relation to Special Resolutions, if a poll is taken a resolution is carried if:

(a) a majority of the total number of votes cast on the resolution are cast in favour of the resolution; and

(b) in a majority of classes of Members, a majority of votes cast on the resolution in each class are cast in favour of the resolution.

34.3 For the purposes of clause 34.2 a reference to a class of Members is to a class of Members which has one or more Members voting on the resolution.

34.4 The result of the poll will be the resolution of the meeting at which the poll was demanded.

34.5 The Chairperson may determine any dispute about the admission or rejection of a vote.

34.6 The Chairperson's determination, if made in good faith, will be final and conclusive.

34.7 A poll demanded on the election of the Chairperson or the adjournment of a general meeting must be taken immediately.

34.8 After a poll has been demanded at a general meeting, the general meeting may continue for the transaction of business other than the question on which the poll was demanded.

35 Casting vote of Chairperson

The Chairperson does not have a casting vote at a general meeting of the Company in addition to the Chairperson's votes as a Member, proxy, attorney or Representative.

36 Removal from the Meeting

A person may be refused admission to, or required to leave and not return to a meeting, if the Chairperson considers the person to be dangerous, offensive or liable to cause disruption.

37 Entitlement to vote

37.1 Non-financial Members are ineligible to vote (see clause 5.4).

37.2 On a show of hands for an ordinary resolution, each Member is entitled to a single vote.

37.3 On a poll, each Member entitled to vote, is entitled to the number of votes determined by the Directors in accordance with clause 37.4.

37.4 The Directors may, by resolution determine the rights and privileges of each class of Member, including voting entitlements at general meetings.

37.5 Any determination as to voting entitlement by the Directors under clause 37.4 must be done in accordance with the policies and procedures of the Company that are in place from time to time.

38 Objections

38.1 An objection to the qualification of a voter may only be raised at the general meeting or adjourned general meeting at which the voter tendered its vote.

38.2 An objection must be referred to the Chairperson of the general meeting, whose decision is final.

38.3 A vote which the Chairperson does not disallow because of an objection is valid for all purposes.

39 Votes by proxy

39.1 A Member entitled to attend and case a vote at a general meeting of the Company may appoint a proxy.

39.2 A proxy need not be a Member.

39.3 A proxy may demand or join in demanding a poll.

39.4 A proxy may vote on a poll.

39.5 A proxy may vote or abstain as he or she chooses except where the appointment of the proxy directs the way the proxy is to vote on a particular resolution. If a proxy votes at all, the proxy will be deemed to have voted all directed proxies in the manner directed.

40 Document appointing proxy

40.1 An appointment of a proxy is valid if it is signed by the Member making the appointment and contains the information required by subsection 250A(1) of the Act.

40.2 A proxy's appointment is valid at an adjourned general meeting.

40.3 A proxy may be appointed for a general meeting.

41 Lodgement of proxy

The written appointment of a proxy must be received by the Company, as specified in the notice of meeting to which the proxy relates at least forty-eight (48) hours before the time for holding the general meeting of the Company or adjourned general meeting to which the instrument relates.

42 Local management

42.1 The Directors may provide for the management and transaction of the affairs of the Company in any places and in such manner as they think fit.

42.2 Without limiting clause 42.1 the Directors may:

(a) appoint local boards, agencies or employees for managing any of the affairs of the Company in a specified place and appoint any persons to be members of those local boards or agencies; and

(b) delegate to any person appointed under clause 42.2(a) any of the powers, authorities and discretions which may be exercised by the Directors under this Constitution, on any terms and subject to any conditions determined by the Directors.

42.3 The Directors may at any time revoke or vary any delegation under this clause 42 by way of resolution of the Board.

43 Appointment of attorneys and agents

43.1 The Directors may from time to time by resolution or power of attorney executed in accordance with section 127 of the Act appoint any person to be the attorney or agent of the Company:

(a) for the purposes;

(b) with the powers, authorities and discretions (not exceeding those exercisable by the Directors under this Constitution);

(c) for the period; and

(d) subject to the conditions,

determined by the Directors.

43.2 An appointment by the Directors of an attorney or agent of the Company may be made in favour of:

(a) any member of any local board established under this Constitution;

(b) any company;

(c) the members, directors, nominees, managers or employees of any company or firm; or

(d) any fluctuating body of persons whether nominated directly or indirectly by the Directors.

43.3 A power of attorney may contain such provisions for the protection and convenience of persons dealing with an attorney as the Directors think fit.

43.4 The Directors may appoint attorneys or agents to act for and on behalf of the Company.

43.5 An attorney or agent appointed under this clause 43 may be authorised by the Directors to sub-delegate all or any of the powers authorities and discretions for the time being vested in it.

44 Secretary

44.1 There must be at least one Secretary of the Company appointed by the Directors for a term and at remuneration and on conditions determined by them.

44.2 The Secretary is entitled to attend and be heard on any matter at all Board and general meetings.

44.3 The Directors may, subject to the terms of the Secretary's employment contract, suspend, remove or dismiss the Secretary.

45 Directors' interests

45.1 No contract made by a Director with the Company and no contract or arrangement entered into by or on behalf of the Company in which any Director may be in any way interested is avoided or rendered voidable merely because of the Director holding office as a director or because of the fiduciary obligations arising out of that office.

45.2 No Director contracting with or being interested in any arrangement involving the Company is liable to account to the Company for any profit realised by or under any such contract or arrangement merely because of the Director holding office as a director or because of the fiduciary obligations arising out of that office.

45.3 A Director is not disqualified merely because of being a Director from contracting with the Company in any respect.

45.4 Subject to clause 46.3, a Director or a body or entity in which a Director has a direct or indirect interest may:

(a) enter into any agreement or arrangement with the Company;

(b) hold any office or place of profit other than as auditor in the Company; and

(c) act in a professional capacity other than as auditor for the Company,

and the Director or the body or entity can receive and keep beneficially any remuneration, profits or benefits under any agreement or arrangement with the Company or from holding an office or place of profit in or acting in a professional capacity with the Company.

45.5 A Director may be or become a director or other officer of, or otherwise interested in, any related body corporate or any other body corporate promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and is not accountable to the Company for any remuneration or other benefits received by the Director as a director or officer of, or from having an interest in, that body corporate.

46 Income and property of Company

46.1 The income and property of the Company will only be applied towards the promotion of the Objects.

46.2 Nothing in this Constitution prevents the payment in good faith of remuneration to any employees of the Company or to the Members in return for:

(a) any services actually rendered to the Company;

(b) goods supplied in the ordinary course and usual way of business;

(c) interest on money lent to the Company at reasonable rates; or

(d) reasonable rent for premises leased to the Company.

46.3 No payment will be made to any Director of the Company other than payment:

(a) of out-of-pocket expenses incurred by the Director in the performance of any duty as Director of the Company where the amount payable does not exceed an amount previously resolved by the Directors;

(b) subject to paragraph (c) of this clause 46.3, for any service rendered to the Company by the Director in a professional or technical capacity, other than in the capacity as Director, where the provision of the service has the prior approval of the Directors of the Company and where the amount payable is approved by the Directors of the Company and is not more than an amount which commercially would be reasonable payment for the service;

(c) to any Director appointed under clause 12.1, for any service rendered to the Company in his or her capacity as a Director, where the amount payable is approved by the Directors and giving the remuneration would be reasonable given the circumstances of the Company and the circumstances of the particular Director (including the responsibilities involved in the office);

(d) of any salary or wage due to the Director as an employee of the Company where the terms of employment have been approved by the Directors of the Company; and/or

(e) relating to an indemnity in favour of the Director and permitted by section 199A of the Act or a contract of insurance permitted by section 199B of the Act.

47 Common Seal

If the Company has a Seal:

(a) the Directors must provide for the safe custody of the Seal;

(b) the Seal must not be used without the authority of the Directors or a Directors' committee authorised to use the Seal; and

(c) every document to which the Seal is affixed must be signed by a Director and be countersigned by another Director, the Secretary or another person appointed by the Directors to countersign the document.

48 Duplicate Seal

If the Company has a Seal, the Company may have one or more duplicate Seals of the Seal each of which:

(a) must be a facsimile of the Seal with the addition on its face of the words 'Duplicate Seal'; and

(b) must not be used except with the authority of the Directors.

49 Minutes and Registers

49.1 The Directors must cause minutes to be made of:

(a) the names of the Directors present at all Directors' meetings and meetings of Directors' committees;

(b) all proceedings and resolutions of general meetings, Directors' meetings and meetings of Directors' committees;

(c) all resolutions passed by Directors in accordance with clause 18;

(d) all appointments of officers;

(e) all orders made by the Directors and Directors' committees; and

(f) all disclosures of interests made under clauses 24 and 26.

49.2 Minutes must be approved by the Chairperson of the meeting or by the Chairperson of the next meeting of the relevant body.

49.3 The Company must keep all registers required by this Constitution and the Act.

50 Inspection of records

50.1 Except as otherwise required by the Act, the Directors may determine whether and to what extent, and at what times and places and under what conditions, the financial records and other documents of the Company or any of them will be open for inspection by Members other than Directors.

50.2 A Member other than a Director does not have the right to inspect any financial records or other documents of the Company unless the Member is authorised to do so by a court order or a resolution of the Directors.

51 Audit and accounts

51.1 The Directors must cause the Company to keep written financial records in relation to the business of the Company in accordance with the requirements of the Act.

51.2 The Directors must cause the financial records of the Company to be audited in accordance with the requirements of the Act.

51.3 A Director has a right of access to financial records of the Company at all reasonable times and after providing reasonable notice to the Directors.

52 Service of notices

52.1 Notice may be given by the Company to any person who is entitled to notice under this Constitution:

(a) by serving it on the person; or

(b) by sending it by post, or electronic notification to the person at the person's address shown in the Register or the address supplied by the person to the Company for sending notices to the person.

52.2 A notice sent by post is taken to be served:

(a) by properly addressing, prepaying and posting a letter containing the notice; and

(b) five days after the day on which it was posted.

52.3 A notice sent by electronic notification is taken to be served:

(a) by properly addressing the electronic notification and transmitting it; and

(b) on the day after its despatch; and

(c) if a notice is sent by electronic mail, it will be deemed to be served on the day after its dispatch provided that the sender does not receive an automated notice generated by the sender's or the recipient's email server that the email was not delivered.

52.4 If a Member has no Registered Address a notice will be taken to be served on that Member 24 hours after it was posted on a notice board at the Office.

52.5 A Member whose Registered Address is not in Australia may specify in writing an address in Australia to be taken to be the Member's Registered Address within the meaning of this clause.

52.6 A certificate in writing signed by a Director, Secretary or other officer of the Company that a document or its envelope or wrapper was addressed and stamped and was posted is conclusive evidence of posting.

52.7 Subject to the Act the signature to a written notice given by the Company may be written or printed.

53 Persons entitled to notice

53.1 Notice of every general meeting must be given to:

(a) every Member;

(b) every Director; and

(c) any Auditor.

53.2 No other person is entitled to receive notice of a general meeting.

54 Winding up

54.1 If the Company is wound up each Member and each person who has ceased to be a Member in the preceding year, undertakes to contribute to the property of the Company for the:

(a) payment of debts and liabilities of the Company (in relation to persons who ceased being a member, contracted before the person ceased to be a Member) and payment of costs, charges and expenses of winding up; and

(b) adjustment of the rights of the contributories amongst themselves,

such amount as may be required, not exceeding $20 (**Guaranteed Amount**). This undertaking continues for one (1) year after the Member ceases to be a Member of the Company.

54.2 If any surplus remains following the winding up of the Company, the surplus will not be paid to or distributed amongst Members, but will be given or transferred to another corporation which, by its constitution, is:

(a) established for the purpose of promoting sustainable forest management in Australia's forests;

(b) required to apply its profits (if any) or other income in promoting its objects;

(c) is exempt from income tax under the Tax Act; and

(d) prohibited from making any distribution to its Members or paying fees to its Directors.

Such corporation is to be determined by the Members at or before the winding up and in default, by application to the Supreme Court for determination.

55 Power of Attorney

55.1 If a Member executes or proposes to execute any document or do any act by or through an attorney which affects the Company or the Member's membership in the Company, that Member must deliver the instrument appointing the Attorney to the Company for notation.

55.2 If the Company asks the Member to file with it a certified copy of the instrument for the Company to retain, the Member will promptly comply with that request.

55.3 The Company may ask for whatever evidence it thinks appropriate that the power of attorney is effective and continues to be in force.

56 Amendments to Constitution

This Constitution may be varied or amended from time to time in accordance with the Act.