

CONSTITUTION OF THE FERTILISER QUALITY COUNCIL INC

A registered society under the Incorporated Societies Act 2022

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A registered society under the Incorporated Societies Act 2022

PRELIMINARY MATTERS

1.0 Name

1.1 The name of the society is Fertiliser Quality Council Incorporated (in these Rules referred to as the **Society**).

2.0 Charitable status

2.1 The Society is not and does not intend to be registered as a charitable entity under the Charities Act 2005.

3.0 Definitions

3.1 In these Rules, words have the meaning set down in the Act. In all other instances, unless the context requires otherwise, the following words and phrases have the following meanings:

- (a) **Act** means the Incorporated Societies Act 2022 or any Act which replaces it (including amendments to it from time to time), and any regulations made under the Act or under any Act which replaces it.
- (b) **Annual General Meeting** or **AGM** means a meeting of the Members of the Society held once per year in accordance with clause 24.0.
- (c) **Associate Member** means an Associate Member admitted to the Society pursuant to clause 14.0.
- (d) **Assurance Scheme** These Rules apply to any Assurance Scheme owned by FQC or licenced or authorised to FQC by an external person or organisation.
- (e) **Chair** means the Executive Committee Member appointed as chairperson pursuant to clause 32.0, responsible for, among other things, overseeing the governance and operations of the Society and chairing General Meetings.
- (f) **Deputy Chair** means the Executive Committee Member elected pursuant to clause 32.0.
- (g) **Executive Committee** means the Society's governing body, appointed in accordance with clause 29.0 and 32.0.
- (h) **Executive Committee Member** means an Ordinary Executive Committee Member, Founder Executive Committee Member, Co-Opted Executive Committee Member, the Chair and/or the Deputy Chair.

- (i) **Executive Director** means the person appointed by the Executive Committee as the executive director of the Society from time to time.
- (j) **Founder Member** means Federated Farmers of NZ Inc.
- (k) **Forum** means the forum established pursuant to clause 42.0.
- (l) **General Meeting** means an Annual General Meeting or a Special General Meeting.
- (m) **Interested Member** means an Executive Committee Member or subcommittee member who is interested in a matter for any of the reasons set out in section 62 of the Act.
- (n) **Interests Register** means the register of interests of Officers, including Executive Committee Members, kept pursuant to clause 39.1(b) of these Rules.
- (o) **Matter** means:
 - (i) the Society's performance of its activities or exercise of its powers; or
 - (ii) an arrangement, agreement, or contract (a transaction) made or entered into, or proposed to be entered into, by the Society.
- (p) **Member** means an Ordinary Member, Associate Member and/or the Founder Member.
- (q) **Membership Fees** means fees payable by Members to the Society, as determined by the Executive Committee from time to time.
- (r) **Notice to Members** includes any notice given by post, courier or email; and the failure for any reason of any Member to receive such Notice or information shall not invalidate any meeting or its proceedings or any election.
- (s) **Officers** has the meaning in the Act and includes the Executive Committee Members and Executive Director.
- (t) **Ordinary Member** means a person properly admitted to the Society in accordance with clause 13.0 who has not ceased to be a member of the Society and includes the Founder Member.
- (u) **Register of Members** means the register of Members kept pursuant to clause 45.0 of these Rules.
- (v) **Representative** means an individual nominated by either an Ordinary Member or an Associate Member which is a body corporate, as its representative.
- (w) **Rules** means the rules in this document.

- (x) **Special General Meeting** means a meeting of the Members, other than an Annual General Meeting, called for a specific purpose or purposes in accordance with clause 25.0.
- (y) **Working Day** means any day except:
 - (i) Saturday, Sunday, Good Friday, Easter Monday, Anzac Day, King's Birthday, Labour Day, Te Rā Aro ki a Matariki/Matariki Observance, Waitangi Day and the Regional Anniversary Day; and
 - (ii) A day in the period commencing with the 24th day of December in any year and ending with the 5th day of January in the following year.

A working day commences at 9.00am and terminates at 5.00.

4.0 Purpose/Objects

- 4.1 The Society was established "for farmers, by farmers" in 1992, and serves as the peak body for fertiliser quality and excellence in New Zealand.
- 4.2 The principal objectives of the Society are to develop, implement, and oversee Assurance Schemes for use of fertiliser products for the benefit of the NZ agricultural sector.
- 4.3 The Society may develop, implement, administer, or oversee an Assurance Scheme only where the Society is the owner of that Assurance Scheme, or where the Society is authorised or licensed to do so by the owner of the Assurance Scheme.

5.0 No Pecuniary Gain

- 5.1 The Society must not operate for the purpose of, or with the effect of:
 - (a) any Member deriving any personal financial gain from membership of the Society, other than as may be permitted by law; or
 - (b) returning all or part of the surplus generated by the Society's operations to Members, in money or in kind; or
 - (c) conferring any kind of ownership in the Society's assets on Members.
- 5.2 The Society will not operate for the financial gain of Members simply if the Society:
 - (a) engages in trade.
 - (b) for matters that are incidental to the purposes of the Society, pays a Member of the Society that is a body corporate that is not, or are the trustees of a trust that are not, carried on for the private pecuniary profit of any individual.

- (c) reimburses a member for reasonable expenses legitimately incurred on behalf of the Society or while pursuing the Society's purposes.
- (d) provides benefits to members of the public or of a class of the public and those persons include Members or their families.
- (e) pays a Member a salary or wages or other payments for services to the Society on arm's length terms (terms will be reasonable in the circumstances if the parties were connected or related only by the transaction in question, each acting independently, and each acting in its own best interests; or where terms are less favourable to the Member than those terms);
- (f) pays any Member interest at no more than current commercial rates on loans made by that Member to the Society; or
- (g) provides a member with incidental benefits (for example, trophies, prizes, or discounts on products or services) in accordance with the purposes of the Society.

6.0 Act and Regulations

- 6.1 Nothing in these Rules authorises the Society to do anything which contravenes or is inconsistent with the Act, any regulations made under the Act, or any other legislation. If there is any discrepancy between the Act and these Rules, the Act will prevail.
- 6.2 **Interpretation:** Subject to the Act, these Rules and the resolutions of General Meetings, the decisions of the Executive Committee on the interpretation of these Rules and all matters dealt with by it in accordance with these Rules and on matters not provided for in these Rules shall be final and binding on all Members.

7.0 Registered office

- 7.1 The registered office of the Society shall be at such place in New Zealand as the Executive Committee from time to time determines. Changes to the registered office shall immediately be notified to the Registrar of Incorporated Societies in a form and as required by the Act.

8.0 Power to borrow money

- 8.1 The Society does not have the power to borrow money.

9.0 Other powers

- 9.1 In addition to its statutory powers, the Society may for the purposes of carrying on any operation within the scope of its objects:
 - (a) use its funds to pay the costs and expenses to advance or carry out its objects.
 - (b) employ or contract with such people as may be appropriate; and
 - (c) invest in any investment.

- (d) The powers of the Society in relation to any Assurance Scheme shall be limited to those Assurance Schemes operated by the Society.

MEMBERS

10.0 Minimum number of members

10.1 The Society shall maintain the minimum number of Members required by the Act.

11.0 Admission as Member

11.1 In order to be a Member of the Society, a person must:

- (a) meet the criteria for the relevant Membership Class as described in clauses 13.0 or 14.0 (as applicable); and
- (b) be approved as a Member of the Society by the Executive Committee in accordance with clause 16.0.

12.0 Classes of Membership

12.1 Membership of the Society is divided into two classes:

- (a) Ordinary Members; and
- (b) Associate Members,

each a **Membership Class**.

13.0 Criteria for Ordinary Membership

13.1 Ordinary Members are the founding members of the Society as follows:

- (a) Federated Farmers of NZ Inc (**Founder Member**);
- (b) Horticulture New Zealand (Inc);
- (c) Institute Of Rural Professionals New Zealand Inc;
- (d) Aviation Industry Association of New Zealand (Inc);
- (e) New Zealand Groundspread Fertilizer's Association (Inc); and
- (f) Fertiliser Association of New Zealand (Inc).

14.0 Criteria for Associate Membership

14.1 To be eligible for membership as an Associate Member, a body corporate or individual operating as a business must be interested in the manufacture, supply, distribution, marketing, assurance, research or application of fertilisers and other materials acting beneficially on plant in New Zealand.

15.0 Amendments to criteria

15.1 The Committee may, in its absolute discretion amend, alter and rescind the criteria for Ordinary Members or Associate Members from time to time if the Committee is satisfied that it is in the best interests of the Society to do so.

16.0 Admission of Members

16.1 **Application to become a member:** To become a member, a person (the **Applicant**) must send a written application to the Committee, in the form determined by the Committee from time to time. This application must contain:

- (a) the class of membership that the Applicant wishes to apply for;
- (b) confirmation that the Applicant consents to becoming a member and agrees to abide by these Rules and any Code of Conduct, including to pay any applicable Membership Fees;
- (c) such information as is reasonably necessary to satisfy the Committee of the Applicant's eligibility for membership; and
- (d) any other information the Committee requires.

16.2 **Further Information:** If required by the Committee, an Applicant must supply any additional information or attend an interview with the Committee as part of the application process.

16.3 The Committee may accept or decline an application for membership, in its sole discretion. The Committee must advise the Applicant of its decision (but it is not required to provide reasons for that decision).

17.0 Member Obligations and Rights

17.1 All Members (including Committee Members) shall promote the interests and purposes of the Society and shall do nothing to bring the Society into disrepute.

17.2 The Committee may decide what access or use Members may have of or to any premises, facilities, equipment, or other property owned, occupied or otherwise used by the Society, including any conditions of and fees for such access or use.

17.3 Every Member shall provide the Society with that Member's name and contact details (including postal address, telephone number(s), and any email address) and promptly advise the Society of any changes to those details.

17.4 Membership does not confer on any Member any right, title, or interest (legal or equitable) in the property of the Society.

17.5 A Member is only entitled to exercise the rights of membership (including attending General Meetings and Forum meetings and accessing or using the Society's premises,

facilities, equipment and other property) if all subscriptions and any other Membership Fees have been paid to the Society by their respective due dates.

17.6 No Member is liable for an obligation of the Society by reason only of being a member.

17.7 **Representatives:** Any Ordinary Member that is a body corporate shall provide the Executive Director with the name and contact details of the person who is the organisation's Representative, and that person shall be deemed to be the organisation's proxy for the purposes of voting at General Meetings.

18.0 Voting Rights

18.1 Only Ordinary Members are entitled to vote at any General Meeting of the Society, including Annual General Meetings and Special General Meetings, as follows:

- (a) The Founder Member will have four (4) votes; and
- (b) Each other Ordinary Member will have one (1) vote.

18.2 Unless otherwise specified, decisions at a General Meeting shall be made by a majority of votes cast by Ordinary Members present and entitled to vote.

18.3 Associate Members may attend and speak at General Meetings but shall not have the right to move motions, second motions, or vote.

19.0 Ceasing to be a member

19.1 A Member ceases to be a member:

- (a) on death, or if a body corporate on liquidation or deregistration, or if a partnership on dissolution of the partnership; or
- (b) by resignation from that Member's class of membership by notice to the Executive Director; or
- (c) on termination of a member's membership under these Rules,

with effect from (as applicable):

- (d) the date of death of the Member or if a body corporate from the date of its liquidation or deregistration, or if a partnership from the date of its dissolution; or
- (e) the date of receipt of the notice of resignation by the Executive Director (or any subsequent date stated in the notice of resignation); or
- (f) the date of termination of membership under these Rules; or
- (g) the date specified in a resolution of the Executive Committee.

20.0 Obligations on resignation

- 20.1 A Member who resigns or whose membership is terminated under these Rules:
- (a) remains liable to pay all Membership Fees and other fees to the Society's next balance date;
 - (b) shall cease to hold itself or themselves out as a Member of the Society;
 - (c) shall return to the Society all material provided to Members by the Society (including any membership certificate, badges, handbooks, and manuals); and
 - (d) shall cease to be entitled to any of the rights of a Member.

21.0 Becoming a member again

- 21.1 Any former Member may apply for re-admission in the manner prescribed for new applicants and may be re-admitted only by resolution of the Executive Committee.
- 21.2 However, if a former Member's membership was terminated following a dispute resolution process, the applicant may be re-admitted only by a General Meeting on the recommendation of the Executive Committee.

22.0 Disputes

- 22.1 The Society will deal with any disputes in accordance with the process set out at Schedule One.
- 22.2 For the avoidance of doubt, the dispute resolution process at Schedule One will not apply to any Assurance Scheme which includes its own complaint mechanism.

MANAGEMENT OF THE SOCIETY

23.0 Managing Executive Committee

- 23.1 **Role of the Executive Committee:** Subject to the Act and these Rules, the role of the Executive Committee includes:
- (a) administering, managing and controlling the Society;
 - (b) carrying out the Purposes of the society, and using the society's funds and assets for those Purposes;
 - (c) managing and controlling the society's financial affairs in a fiscally responsible manner;
 - (d) monitoring and enforcing compliance with these Rules by Members;
 - (e) setting Membership Fees; and

- (f) making, amending, altering and rescinding the Code of Conduct and membership criteria set out in clause 13.0 and 14.0.

23.2 Powers of the Executive Committee:

- (a) The Executive Committee will have the power to manage the affairs of the Society and can exercise all powers of the Society, except to the extent that these Rules requires that any powers be exercised by the Members at a General Meeting.
- (b) If at any time any matter arises which is not provided for in these Rules, then it will be determined by the Executive Committee, whose decision will be final.
- (c) If any dispute arises in relation to the interpretation of these Rules, then the interpretation of these Rules will be determined by the Executive Committee, whose decision will be final.

23.3 Code of Conduct: Subject to the Act, the Executive Committee has the power to develop and amend the Code of Conduct relating to the conduct of Members.

23.4 Decisions of the Executive Committee: Subject to the terms of these Rules, decisions of the Executive Committee bind the Society.

23.5 Delegation by the Committee: The Executive Committee may delegate any of its powers, including the day-to-day operation of the Society to an Executive Director, a subcommittee of the Executive Committee, or any other person as the Executive Committee thinks fit.

GENERAL MEETINGS

24.0 Annual General Meetings

24.1 An Annual General Meeting shall be held once a year on a date and at a location determined by the Executive Committee and consistent with any requirements in the Act, and the Rules relating to the procedure to be followed at General Meetings shall apply.

24.2 Business of an AGM: The business of an Annual General Meeting shall be to:

- (a) elect the Chair and Deputy Chair in accordance with clause 32.0;
- (b) acknowledge the appointment of the Executive Committee Members pursuant to clause 29.0;
- (c) confirm the minutes of previous Society Meeting(s);
- (d) adopt the annual report on Society business;
- (e) adopt reports on the finances of the Society, and the annual financial statements;

- (f) set any subscriptions for the current financial year; and
- (g) consider any general business.

24.3 The Executive Committee must, at each Annual General Meeting, present the following information:

- (a) an annual report on the affairs of the Society during the most recently completed accounting period;
- (b) the annual financial statements for that period; and
- (c) notice of any disclosures of interests made by Executive Committee Members during that period (including a summary of the matters, or types of matters, to which those disclosures relate).

25.0 Special General Meetings

25.1 Special General Meetings may be called at any time by the Executive Committee by resolution. The Executive Committee must call a Special General Meeting if the Executive Director receives a written request signed by at least 50 per cent of Ordinary Members. Any resolution or written request must state the business that the Special General Meeting is to deal with.

25.2 The Rules relating to the procedure to be followed at General Meetings shall apply to a Special General Meeting, and a Special General Meeting shall only consider and deal with the business specified in the Executive Committee's resolution or the written request by Members for the Special General Meeting.

26.0 Procedure

26.1 The Executive Committee shall give all Members at least 20 Working Days' Notice of any General Meeting and of the business to be conducted at that General Meeting.

26.2 The General Meeting and its business will not be invalidated simply because one or more Members do not receive the Notice of the General Meeting.

26.3 All Ordinary Members may attend, speak, and vote at General Meetings:

- (a) if an individual, in person, or if a body corporate, by a Representative; or
- (b) by a signed proxy in favour of some individual entitled to be present at the meeting and received by, or handed to, the Executive Director before the commencement of the General Meeting; or
- (c) through the authorised representative of a body corporate as notified to the Executive Director, and
- (d) No other proxy voting shall be permitted.

- 26.4 No General Meeting may be held unless at least 50 percent of eligible Ordinary Members attend. This will constitute a quorum.
- 26.5 If, within half an hour after the time appointed for a meeting a quorum is not present, the meeting – if convened upon request of Members – shall be dissolved; in any other case it shall stand adjourned to a day, time and place determined by the Chair of the Society, and if at such adjourned meeting a quorum is not present those present in person or by proxy shall be deemed to constitute a sufficient quorum. Any decisions made when a quorum is not present are not valid.
- 26.6 General Meetings may be held at one or more venues using any real-time audio, audio and visual, or electronic communication that gives each member a reasonable opportunity to participate.
- 26.7 All General Meetings shall be chaired by the Chair. If the Chair is absent, the meeting will be chaired by the Deputy Chair. If both the Chair and the Deputy Chair are absent, Members at the meeting may appoint a chair for that meeting.
- 26.8 Any person chairing a General Meeting has a deliberative and, in the event of a tied vote, a casting vote.
- 26.9 Any person chairing a General Meeting may:
- (a) With the consent of that General Meeting, adjourn the General Meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place;
 - (b) Direct that any person not entitled to be present at the General Meeting, obstructing the business of the General Meeting, behaving in a disorderly manner, being abusive, or failing to abide by the directions of the chairperson be removed from the General Meeting; and
 - (c) In the absence of a quorum or in the case of emergency, adjourn the General Meeting or declare it closed.
- 26.10 Any Member can request an item to be placed on the agenda by notice in writing to the Executive Director not later than 5 Working Days prior to the date of the General Meeting.
- 26.11 **Minutes:** Minutes of all General Meetings must be kept by the Executive Director and be made available to the forum each year.

EXECUTIVE COMMITTEE

27.0 Composition

- 27.1 The Executive Committee will consist of:

- (a) Up to four (4) Executive Committee Members, appointed by the Founding Member by the process set out at clause 29.0 below (**Founding Executive Committee Members**);
- (b) Executive Committee Members appointed by the remainder of the Ordinary Members by the process set out at clause 29.0 below (**Ordinary Executive Committee Members**);
- (c) Any Executive Committee Members who have been co-opted by the Executive Committee pursuant to clause 30.0 below; and
- (d) a Chair and a Deputy Chair, elected by the process set out at clause 32.0 below.

28.0 Qualifications

28.1 The following persons are disqualified from being appointed or holding office as an Executive Committee Member:

- (a) a person who is under 16 years of age;
- (b) a person who is an undischarged bankrupt;
- (c) a person who is disqualified from being an officer of an incorporated society under the Act;
- (d) a person who is prohibited from being a director or promoter of, or being concerned or taking part in the management of, an incorporated or unincorporated body under the Companies Act 1993, the Financial Markets Conduct Act 2013, or the Takeovers Act 1993;
- (e) a person who is disqualified from being an officer of a charitable entity under section 31(4)(b) of the Charities Act 2005;
- (f) a person who has been convicted of any of the following, and has been sentenced for the offence, within the last 7 years:
 - (i) an offence under subpart 6 of Part 4,
 - (ii) a crime involving dishonesty (within the meaning of section 2(1) of the Crimes Act 1961),
 - (iii) an offence under section 143B of the Tax Administration Act 1994,
 - (iv) an offence, in a country other than New Zealand, that is substantially similar to an offence specified in subparagraphs (i) to (iii);
- (g) a money laundering offence or an offence relating to the financing of terrorism, whether in New Zealand or elsewhere;
- (h) a person subject to:

- (i) a banning order under subpart 7 of Part 4 of the Incorporated Societies Act 2022; or
 - (ii) an order under section 108 of the Credit Contracts and Consumer Finance Act 2003; or
 - (iii) a forfeiture order under the Criminal Proceeds (Recovery) Act 2009; or
 - (iv) a property order made under the Protection of Personal and Property Rights Act 1988, or whose property is managed by a trustee corporation under section 32 of that Act;
- (i) a person who is subject to an order that is substantially similar to an order referred to in paragraph (f) under a law of a country, State, or territory outside New Zealand that is a country, State, or territory prescribed by the regulations (if any) of Act; or
 - (j) any person who is disqualified or does not comply with any qualifications for officers as prescribed from time to time by a resolution of the Executive Committee.
- 28.2 Prior to appointment, every Executive Committee Member must consent in writing to be an Executive Committee Member and certify in writing that they are not disqualified from being appointed or holding office as an Executive Committee Member by these Rules or the Act.

29.0 Appointment

- 29.1 The Founding Member may appoint and remove up to four (4) Founding Executive Committee Members by notice in writing to the Society in the form approved by the Executive Committee from time to time.
- 29.2 Each other Ordinary Member may appoint and remove one (1) Ordinary Executive Committee Member by notice in writing to the Society in the form approved by the Executive Committee from time to time.

30.0 Co-Option

- 30.1 The Executive Committee may co-opt additional members from time to time if deemed necessary or desirable to meet a need for particular skills or experience (**Co-Opted Executive Committee Member**).
- 30.2 A Co-Opted Executive Committee Member will hold office for a term and on such conditions as determined by the Executive Committee in its sole discretion but will otherwise hold all duties and obligations of an Executive Committee Member.

31.0 Term

- 31.1 With the exception of the Chair and Deputy Chair and any Co-Opted Executive Committee Members, all Executive Committee Members will hold office for a term of

one year, commencing at the date of the AGM immediately following the notice of their appointment and ending at the following AGM.

31.2 Each Member which has appointed an Executive Committee Member may remove and replace that Executive Committee Member during their term by notice in writing to the society. Any replacement Executive Committee Member will hold office until the immediately following AGM.

31.3 At the expiry of their term, Executive Committee Members will be eligible for reappointment in accordance with clause 29.0.

32.0 Election of Chair and Deputy Chair

32.1 **Eligibility:** The Chair and the Deputy Chair must each be a Representative of the Founding Member.

32.2 **Nomination Process:** Nominations for Chair must be received in writing by the Executive Director no less than 20 working days prior to the Annual General Meeting. Each nomination must be made on the official nomination form, signed by an Ordinary Member as nominator.

32.3 **Term of Office:** The Chair and Deputy Chair shall each be elected for a term of three (3) years. No individual may serve more than three (3) consecutive terms in any one role as Chair or Deputy Chair. In addition, no individual may serve more than a total of nine (9) years in aggregate across both roles of Chair and Deputy Chair, whether served consecutively or otherwise. For the avoidance of doubt, any period served as Chair or Deputy Chair shall count toward the nine (9) year aggregate limit, regardless of whether the roles are held sequentially or separately. Once an individual has served nine (9) years in aggregate as Chair and/or Deputy Chair, that individual shall not be eligible for re-election to either role.

32.4 **Election Procedure:** If there is more than one eligible nomination, an election for each of the Chair and the Deputy Chair positions shall be held at the Annual General Meeting by secret ballot of Members entitled to vote. The result shall be determined by simple majority. In the event of a tie, the outcome shall be determined by lot.

32.5 **Vacancy:** In the event that the position of either Chair or Deputy Chair becomes vacant before the expiry of the term, the Committee may appoint a Founding Executive Committee Member to serve as Chair or Deputy Chair (as applicable) until the next Annual General Meeting, at which point a new election will be held.

33.0 Compliance with Act

33.1 All elections of the Chair and Deputy Chair and appointments or co-options of Executive Committee Members shall be conducted in accordance with the Act, including but not limited to the requirements regarding the eligibility of officers, disclosure of interests, and conflicts of interest.

34.0 Cessation of Committee membership

34.1 An Executive Committee Member shall be deemed to have ceased to be an Executive Committee Member if:

- (a) Where the Executive Committee Member is an individual Member, that person ceases to be a member; or
- (b) Where the Executive Committee Member is a Representative of a Member, if their appointing Member ceases to be a member.

34.2 Each Executive Committee Member shall within 5 Working Days of submitting a resignation or ceasing to hold office, deliver to the Executive Director all books, papers and other property of the Society they hold.

35.0 Functions

35.1 The Society shall be governed by the Executive Committee, which shall be accountable to the Members for the advancement of the Society's purposes and the implementation of resolutions approved by any Annual General Meeting or Special General Meeting.

36.0 Officers' duties

36.1 At all times, each Executive Committee Member:

- (a) shall act in good faith and in what he or she believes to be the best interests of the Society;
- (b) must exercise all powers for a proper purpose;
- (c) must not act, or agree to the Society acting, in a manner that contravenes the Act or these Rules,
- (d) when exercising powers or performing duties as an Executive Committee Member, must exercise the care and diligence that a reasonable person with the same responsibilities would exercise in the same circumstances taking into account, but without limitation, the nature of the Society, the nature of the decision, the position of the Executive Committee Member and the nature of the responsibilities undertaken by him or her;
- (e) must not agree to the activities of the Society being carried on in a manner likely to create a substantial risk of serious loss to the Society or to the Society's creditors, or cause or allow the activities of the Society to be carried on in a manner likely to create a substantial risk of serious loss to the Society or to the Society's creditors; and
- (f) must not agree to the Society incurring an obligation unless he or she believes at that time on reasonable grounds that the Society will be able to perform the obligation when it is required to do so.

37.0 Powers

37.1 Subject to these Rules and any resolution of any Annual General Meeting or Special General Meeting the Executive Committee may:

- (a) exercise all the Society's powers, other than those required by the Act or by these Rules to be exercised by the Society in General Meeting; and
- (b) enter into contracts on behalf of the Society or delegate such power to an Executive Committee Member, Executive Director, sub-committee, employee, or other person.

38.0 Subcommittees

38.1 The Executive Committee may appoint subcommittees consisting of such persons (whether or not Members of the Society) and for such purposes as it thinks fit. Unless otherwise resolved by the Committee:

- (a) the quorum of every subcommittee is half the members of the subcommittee but not less than two (2);
- (b) no subcommittee shall have power to co-opt additional members;
- (c) a subcommittee must not commit the Society to any financial expenditure without express authority; and
- (d) a subcommittee must not further delegate any of its powers.

38.2 The Executive Committee will set the terms of reference and scope of authority for all subcommittees.

39.0 Conflicts of interest

39.1 An Executive Committee Member or subcommittee member who is an Interested Member in respect of any matter being considered by the Society, must disclose details of the nature and extent of the interest (including any monetary value of the interest if it can be quantified):

- (a) to the Executive Committee or sub-committee (as applicable); and
- (b) in an Interests Register kept by the Committee.

39.2 Disclosure must be made as soon as practicable after the Executive Committee Member and/or subcommittee member becomes aware that they are interested in the matter.

39.3 An Executive Committee Member or subcommittee member who is an Interested Member regarding a matter:

- (a) must not vote or take part in the decision of the Committee and/or subcommittee relating to the matter; and

- (b) must not sign any document relating to the entry into a transaction or the initiation of the matter; but
- (c) may take part in any discussion of the Executive Committee or subcommittee (as applicable) relating to the matter and be present at the time of the decision of the Executive Committee or subcommittee (unless the Executive Committee or subcommittee decides otherwise).

However, Interested Members may still be counted for the purpose of determining whether there is a quorum at any meeting at which the matter is considered.

- 39.4 Where 50% or more of the total Executive Committee Members are prevented from voting on a matter because they are Interested Members, a Special General Meeting must be called to consider and determine the matter (notwithstanding that the Members present at that Special General Meeting may have appointed the Interested Members), unless all non-interested members agree otherwise. Where 50% or more of the total members of a subcommittee are prevented from voting on a matter because they are Interested Members, the Executive Committee shall consider and determine the matter.
- 39.5 No Interested Member is allowed to take part in, or influence any decision made by the Society in respect of payments to, or on behalf of, the Interested Member of any income, benefit, or advantage.
- 39.6 Any payments made to an Interested Member must be for goods and services that advance the Society's purposes and must be reasonable and comparable to payments that would be made between unrelated parties.

COMMITTEE MEETINGS

40.0 Frequency

- 40.1 The Executive Committee shall meet at least quarterly at such times and places and in such manner (including by audio, audio and visual, or electronic communication) as it may determine and otherwise where and as convened by the Chair or Executive Director.
- 40.2 The quorum for Executive Committee meetings is at least half the number of Executive Committee Members.

41.0 Procedure

- 41.1 The Executive Committee and any subcommittee may act by resolution approved in the course of a meeting using audio and/or audio-visual technology or through a written ballot conducted by email, electronic voting system, or post, and any such resolution shall be recorded in the minutes of the next Committee meeting.
- 41.2 Other than as prescribed by the Act or these Rules, the Executive Committee or any sub-committee may regulate its proceedings as it thinks fit.

FORUM

42.0 Forum

42.1 The Society will maintain a Forum, consisting of Ordinary Members, Associate Members, the Executive Committee, and all participants in the Society's Assurance Schemes.

42.2 The Forum shall be presented with any proposals for:

- (a) Membership Fees changes;
- (b) Changes to these Rules;
- (c) Amendments to the Code of Conduct;
- (d) Appointment of the auditors of the codes;
- (e) Appointment of a financial reviewer; and
- (f) Annual financial budget for the Society.

43.0 Forum Meetings

43.1 The Forum shall meet twice annually, or more frequently as needed. At least one of those meetings will be on the same day as the Society's AGM.

43.2 At least 20 Working Days before a meeting of the Forum, the Executive Director shall give to all Members notice of the Forum meeting including any proposals to be considered at that meeting.

44.0 Procedure

44.1 All Forum meetings shall be chaired by the Chair. If the Chair is absent, the meeting will be chaired by the Deputy Chair. If both the Chair and the Deputy Chair are absent, the Forum members present at the meeting may appoint a chair for that meeting.

44.2 The quorum for a meeting of the Forum is any 12 Members.

44.3 The Forum will operate by general consensus. Where general consensus is reached, and subject to its duties pursuant to these Rules and the Act, the Executive Committee will implement the decisions of the Forum. Where consensus cannot be reached, the Executive Committee will make a decision in its discretion.

44.4 The Executive Committee must consider but is not bound by any decision of the Forum.

RECORDS

45.0 Register of Members

45.1 The Executive Director shall keep an up-to-date Register of Members, recording for each Member:

- (a) name;
 - (b) postal address;
 - (c) phone number (landline and/or mobile);
 - (d) email address;
 - (e) the date the Member became a Member;
 - (f) the date the Member ceased to be a Member; and
 - (g) any other information required by these Rules or prescribed by Regulations under the Act.
- 45.2 Every Member shall promptly advise the Executive Director of any change of their contact details.
- 45.3 **Access to Register of Members:** With reasonable notice and at reasonable times, the Executive Director will provide access to the Register of Members to Members and Executive Committee Members. However, no access will be given to the Register of Members (or any information contained within):
- (a) to any person who is not a Member; or
 - (b) to any Member, where any of the grounds for refusing a request specified in the Act apply,
other than as required by law.
- 46.0 Finances**
- 46.1 **Control and management:** The funds and property of the Society shall be:
- (a) controlled, invested, and disposed of by the Executive Committee, subject to these Rules; and
 - (b) devoted solely to the promotion of the objects and purposes of the Society.
- 46.2 **Balance date:** The Society's financial year shall commence on 01/07 of each year and end on 30/06 (the latter date being the Society's balance date).
- 46.3 **Accounts:** The Executive Committee will maintain bank accounts in the name of the Society.
- 46.4 **Records:** The Executive Committee must ensure that all times there are kept accounting records that:
- (a) correctly record the transactions of the Society; and

- (b) allow the Society to produce financial statements that comply with the requirements of the Act; and
 - (c) would enable the financial statements to be readily and properly audited (if required under any legislation or these Rules).
- 46.5 The Committee must establish and maintain a satisfactory system of control of the Society's accounting records. Records must be kept in a written form, or in a form or manner that is easily accessible and convertible into written form. Records must be kept for the current financial year, and for the last seven financial years of the Society.

WINDING UP

47.0 Process

- 47.1 The Society may be wound up, or liquidated, or removed from the Register of Incorporated Societies in accordance with the provisions of the Act.
- 47.2 The Executive Director shall give Notice to all Members of:
- (a) the proposed motion to wind up the Society or remove it from the Register of Incorporated Societies;
 - (b) the General Meeting at which any such proposal is to be considered;
 - (c) the reasons for the proposal; and
 - (d) any recommendations from the Committee in respect to such notice of motion.
- 47.3 Any resolution to wind up the Society or remove it from the Register of Incorporated Societies must be passed by two-thirds of all Ordinary Members present and voting.

48.0 Surplus assets

- 48.1 If the Society is wound up, or liquidated, or removed from the Register of Incorporated Societies, no distribution shall be made to any Member.
- 48.2 On the winding up or liquidation or removal from the Register of Incorporated Societies of the Society, its surplus assets after payment of all debts, costs and liabilities shall be vested any not-for-profit entity or entities which are for the purpose of supporting and promoting agriculture, farming and rural communities.

OTHER

49.0 Alterations to the Rules

- 49.1 Subject to clause 42.0 and this clause, the Society may amend or replace these Rules at an Annual General Meeting by a resolution passed by a two-thirds majority of Ordinary Members.

- 49.2 Any proposal to amend or replace these Rules shall be signed by at least 50 per cent of Ordinary Members and given in writing to the Executive Director at least 40 Working Days before the AGM at which the proposal is to be considered and accompanied by a written explanation of the reasons for the proposal.
- 49.3 As soon as practicable on receipt of a proposed amendment of these Rules, the Executive Director will convene a meeting of the Forum on the day of the AGM to consider the proposal and must subsequently provide its recommendations at the AGM.
- 49.4 At least 20 Working Days before the Annual General Meeting at which any amendment is to be considered, the Executive Director shall give to all Members notice of the Annual General Meeting, the proposed motion, the reasons for the proposal, and the details of the meeting of the Forum.
- 49.5 When an amendment is approved by an Annual General Meeting, it shall be notified to the Registrar of Incorporated Societies in the form and manner specified in the Act for registration and shall take effect from the date of registration.

50.0 Contact person

- 50.1 The contact person for the Society will be the Executive Director, unless otherwise approved by the Executive Committee.
- 50.2 The Society's contact person must be:
- (a) At least 18 years of age;
 - (b) An Officer, as that term is defined in the Act;
 - (c) Ordinarily resident in New Zealand;
 - (d) Not disqualified under the Act from holding that office.
- 50.3 Any change in the contact person or their contact details shall be advised to the Registrar of Incorporated Societies within 20 Working Days of that change occurring, or the Society becoming aware of the change.

SCHEDULE ONE

Dispute Resolution

1. Dispute Resolution

1.1. A dispute is a disagreement or conflict involving the Society and/or its Members in relation to specific allegations set out below.

1.2. The disagreement or conflict may be between any of the following persons:

- (a) 2 or more Members
- (b) 1 or more Members and the Society
- (c) 1 or more Members and 1 or more Officers
- (d) 2 or more Officers
- (e) 1 or more Officers and the Society
- (f) 1 or more Members or Officers and the Society.

1.3. The disagreement or conflict relates to any of the following allegations:

- (a) a Member or an Officer has engaged in misconduct.
- (b) a Member or an Officer has breached, or is likely to breach, a duty under the Society's Rules or bylaws or the Act.
- (c) the Society has breached, or is likely to breach, a duty under the Society's Rules or the Act.
- (d) a Member's rights or interests as a Member have been damaged or Member's rights or interests generally have been damaged.

1.4. A Member or an Officer may make a complaint by giving to the Executive Committee (or a complaints subcommittee, if established) a notice in writing that:

- (a) states that the Member or Officer is starting a procedure for resolving a dispute in accordance with the Society's Rules; and
- (b) sets out the allegation(s) to which the dispute relates and whom the allegation or allegations is or are against; and
- (c) sets out any other information or allegations reasonably required by the Society.

1.5. The Society may make a complaint involving an allegation against a Member or an Officer by giving to the Member or Officer a notice in writing that:

- (a) states that the Society is starting a procedure for resolving a dispute in accordance with the Society's Rules; and

(b) sets out the allegation to which the dispute relates.

- 1.6. The information setting out the allegations must be sufficiently detailed to ensure that a person against whom an allegation or allegations are made is fairly advised of the allegation or allegations concerning them, with sufficient details given to enable that person to prepare a response.
- 1.7. A complaint may be made in any other reasonable manner permitted by the Society's Rules.
- 1.8. All Members (including the Executive Committee) are obliged to cooperate to resolve disputes efficiently, fairly, and with minimum disruption to the Society's activities.
- 1.9. The complainant raising a dispute, and the Executive Committee, must consider and discuss whether a dispute may best be resolved through informal discussions, mediation, or arbitration. Where mediation or arbitration is agreed on, the parties will sign a suitable mediation or arbitration agreement.

2. Method of making a complaint

- 2.1. A Member or an Officer may make a complaint by giving to the Executive Committee (or a complaints subcommittee) a notice in writing that:
 - (a) states that the Member or Officer is starting a procedure for resolving a dispute in accordance with the Society's Rules; and
 - (b) sets out the allegation or allegations to which the dispute relates and whom the allegation is against; and
 - (c) sets out any other information reasonably required by the Society.
- 2.2. The Society may make a complaint involving an allegation or allegations against a Member or an Officer by giving to the Member or Officer a notice in writing that:
 - (a) states that the Society is starting a procedure for resolving a dispute in accordance with the Society's Rules; and
 - (b) sets out the allegation to which the dispute relates.
- 2.3. The information given under subclause 2.1(b) or 2.2(b) must be sufficient to ensure that a person against whom an allegation is made is fairly advised of the allegation or allegations concerning them, with sufficient details given to enable that person to prepare a response.
- 2.4. A complaint may be made in any other reasonable manner permitted by the Society's Rules.

3. Right of the complainant to be heard

- 3.1. A Member or an Officer who makes a complaint has a right to be heard before the complaint is resolved or any outcome is determined.

3.2. If the Society makes a complaint:

- (a) the Society has a right to be heard before the complaint is resolved or any outcome is determined; and
- (b) an Executive Committee Member may exercise that right on behalf of the Society.

3.3. Without limiting the manner in which the Member, Officer, or Society may be given the right to be heard, they must be taken to have been given the right if:

- (a) they have a reasonable opportunity to be heard in writing or at an oral hearing (if one is held); and
- (b) an oral hearing is held if the decision maker considers that an oral hearing is needed to ensure an adequate hearing; and
- (c) an oral hearing (if any) is held before the decision maker; and
- (d) the Member's, Officer's, or Society's written or verbal statement or submissions (if any) are considered by the decision maker.

4. Right of the respondent of a complaint to be heard

4.1. This clause applies if a complaint involves an allegation that a Member, an Officer, or the Society (the 'respondent'):

- (a) has engaged in misconduct; or
- (b) has breached, or is likely to breach, a duty under the Society's Rules or bylaws or this Act; or
- (c) has damaged the rights or interests of a Member or the rights or interests of Members generally.

4.2. The respondent has a right to be heard before the complaint is resolved or any outcome is determined.

4.3. If the respondent is the Society, an Executive Committee Member may exercise the right on behalf of the Society.

4.4. Without limiting the manner in which a respondent may be given a right to be heard, a respondent must be taken to have been given the right if:

- (a) the respondent is fairly advised of all allegations concerning the respondent, with sufficient details and time given to enable the respondent to prepare a response; and
- (b) the respondent has a reasonable opportunity to be heard in writing or at an oral hearing (if one is held); and

- (c) an oral hearing is held if the decision maker considers that an oral hearing is needed to ensure an adequate hearing; and
- (d) an oral hearing (if any) is held before the decision maker; and
- (e) the respondent's written statement or submissions (if any) are considered by the decision maker.

5. Investigating and Determining a dispute

- 5.1. The Society must, as soon as is reasonably practicable after receiving or becoming aware of a complaint made in accordance with its Rules, ensure that the dispute is investigated and determined.
- 5.2. Disputes must be dealt with under the Rules in a fair, efficient, and effective manner and in accordance with the provisions of the Act.

6. Society may decide not to proceed further with a complaint

- 6.1. Despite the 'Investigating and determining dispute' rule above, the Society may decide not to proceed further with a complaint if:
 - (a) the complaint is considered to be trivial; or
 - (b) the complaint does not appear to disclose or involve any allegation of the following kind; or
 - (c) that a Member or an Officer has engaged in material misconduct:
 - (i) that a Member, an Officer, or the Society has materially breached, or is likely to materially breach, a duty under the Society's Rules or the Act:
 - (ii) that a Member's rights or interests or Members' rights or interests generally have been materially damaged:
 - (d) the complaint appears to be without foundation or there is no apparent evidence to support it; or
 - (e) the person who makes the complaint has an insignificant interest in the matter; or
 - (f) the conduct, incident, event, or issue giving rise to the complaint has already been investigated and dealt with under the Rules; or
 - (g) there has been an undue delay in making the complaint.

7. Society may refer complaint

- 7.1. Society may refer a complaint to:
 - (a) a subcommittee or an external person to investigate and report; or

(b) a subcommittee, an arbitral tribunal, or an external person to investigate and make a decision.

7.2. The Society may, with the consent of all parties to a complaint, refer the complaint to any type of consensual dispute resolution (for example, mediation, or facilitation).

8. Restriction on Decision makers

8.1. A person may not act as a decision maker in relation to a complaint if 2 or more Executive Committee Members or a complaints subcommittee consider that there are reasonable grounds to believe that the person may not be:

(a) impartial; or

(b) able to consider the matter without a predetermined view.