

**CONSTITUTION
OF
AUSTRALIAN WOOL EXCHANGE LIMITED
ACN 061 495 565**

AMENDED ON 17TH NOVEMBER 2023

TABLE OF CONTENTS

CLAUSE	PAGE
PART 1: PRELIMINARY	4
1. Definitions and Interpretation	4
2. Name	5
3. Objects	5
4. Distribution of Income and Property	5
5. The Liability of Members is Limited	5
PART 2: MEMBERS	6
6. Who Can be a Member	6
7. Classes of Membership	6
8. Admission to Membership	6
9. Admission to More Than One Class of Membership	7
10. Processing Membership Applications	7
11. Members' Rights and Privileges	7
12. Power of Attorney	8
13. Membership Fees	8
14. Cessation of Membership	9
PART 3: MEMBERS' MEETINGS	10
15. Body Corporate Representatives and Authorised Representatives	10
16. Annual General Meetings	10
17. Business at an Annual General Meeting	10
18. Notice of Motion for an Annual General Meeting	11
19. Convening a General Meeting	11
20. Notice for a General Meeting	11
21. Postponing or Cancelling a General Meeting	11
22. Technology	11
23. Quorum of Members for a General Meeting	11
24. Expulsion from a General Meeting	12

25.	CHAIRPERSON OF A GENERAL MEETING	12
26.	Adjournment of General Meeting	12
27.	Voting Entitlements	12
28.	Voting at a General Meeting	13
29.	Equality of Votes	14
30.	Objection to Validity of a Vote	14
31.	Meetings of Classes of Members	14
	PART 4: PROXY	14
32.	Power to Appoint a Proxy	14
33.	Appointment of Proxies	14
34.	Powers and Duties of Directors	17
35.	Number of Directors	17
36.	Term of Office	17
37.	Casual Vacancy	18
38.	Appointing a Director	18
39.	Alternate Directors	18
40.	Vacation of office	19
41.	Remuneration of Directors	19
42.	DIRECTORS' MEETINGS	20
43.	CONVENING A DIRECTORS' MEETING	20
44.	NOTICE OF DIRECTORS' MEETING	20
45.	CHAIRPERSON OF A DIRECTORS' MEETING	20
46.	QUORUM OF DIRECTORS FOR A DIRECTORS' MEETING	20
47.	Technology	20
48.	Voting at a Directors' Meeting	20
49.	Act Still Valid Despite Defect	21
50.	Circular Resolution	21
51.	Director's Material Interest	21
	PART 7: SUB-COMMITTEES	21
52.	Sub-Committees	21
	PART 8: OFFICERS	22

53.	Chief Executive Officer	22
54.	Secretary.....	22
55.	Indemnity	22
	PART 9: SEAL	23
56.	Custody of the Seal.....	23
57.	Use of the Seal	23
58.	Execution of Documents without Seal.....	23
	PART 10: DIVIDENDS.....	23
59.	Dividends.....	23
	PART 11: RECORDS	23
60.	Maintenance and Inspection of Records	23
61.	Audit.....	23
	PART 12: NOTICES	24
62.	Notices Must be in Writing	24
63.	Service of Notices	24
64.	Notices to AWEX	24
65.	Time of Service.....	24
	PART 13: WINDING UP	24
66.	Winding Up.....	25
	PART 14: METHODS OF PAYMENT	25
67.	Cheques and Other Forms of Payment	25

PART 1: PRELIMINARY

1. Definitions and Interpretation

1.1 In this Constitution:

'Annual General Meeting' means the annual general meeting of AWEX held in accordance with the Corporations Act;

'Authorised Representative' means an individual appointed as such pursuant to **clause 15.2**;

'AWEX' means Australian Wool Exchange Limited;

'Board' means the whole or any number of Directors comprising a meeting held in any manner authorised by this Constitution;

'Body Corporate Representative' means an individual appointed pursuant to **clause 15.1**;

'Business Rules' means the business rules of AWEX;

'Chairperson' means an individual appointed under **clause 35.3(f)**;

'Chief Executive Officer' means the chief executive officer of AWEX;

'Code of Conduct' means the code of conduct of AWEX;

'Constitution' means this constitution;

'Corporations Act' means the Corporations Act 2001;

'Director' means a director of AWEX;

'Group' means two or more companies, each of which is either a subsidiary or a holding company of at least one of the other companies;

'Member' means a person for the time being entered in AWEX' register of Members as a Member of AWEX;

'Membership' means Membership of AWEX;

'Office' means the registered office of AWEX from time to time;

'Officer' means a Director, Secretary or other officer of AWEX as defined in the Corporations Act;

'Rules' means any rules or code of conduct adopted by the Board from time to time including without limitation the Code of Conduct and Business Rules;

'Seal' means the common seal of AWEX; and

'Secretary' means an individual appointed by the Directors to perform the duties of a secretary of AWEX.

1.2 Headings do not affect the interpretation of this Constitution.

- 1.3 Words importing the singular number include the plural number and vice versa and words importing any gender include any other genders. Words importing persons include corporations and organisations whether incorporated or not.
- 1.4 Words which have a special meaning assigned to them in the Corporations Act have the same meaning in this Constitution unless a contrary intention appears in this Constitution.
- 1.5 A reference in any clause to any statute, regulation or other law includes all statutes, regulations or other laws varying, consolidating or replacing them and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute, unless the contrary intention appears in this Constitution.
- 1.6 A reference to an organisation includes any organisation formed to replace or take over the functions of the organisation referred to in this Constitution.

2. **Name**

The name of the company is **AUSTRALIAN WOOL EXCHANGE LIMITED**.

3. **Objects**

The objects for which AWEX is established are to:

- (a) establish and provide an internationally competitive system for the fair, efficient and informed trading of Australian wool;
- (b) encourage competition;
- (c) facilitate self-regulation amongst market participants; and
- (d) develop and implement innovations,

for the benefit of all wool market participants.

4. **Distribution of Income and Property**

The income and property of AWEX whenever and however derived will be applied solely towards the promotion of the objects of AWEX as set out in this Constitution and no income or property will be paid or transferred directly or indirectly by way of dividend, bonus or otherwise to:

- (a) any Member or to any person claiming through any Member; or
- (b) any Director,

provided that nothing in this **clause 4** will prevent the payment in good faith of remuneration to any Member or Director in return for any services actually rendered to AWEX or prevent the payment of interest at a rate not exceeding current bank overdraft rates of interest for money lent or a payment permitted by **clause 55**.

5. **The Liability of Members is Limited**

Every Member undertakes to contribute to the property of AWEX if AWEX is wound up:

- (a) during the time the Member is a Member; or
- (b) within one year afterwards,

for payment of the debts and liabilities of AWEX contracted before the time at which the Member ceases to be a Member and of the costs charges and expenses of winding up AWEX and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding \$5.

PART 2: MEMBERS

6. Who Can be a Member

6.1 The Members from time to time will be:

- (a) subscribers to this Constitution; and
- (b) any other person, corporation or organisation whom or which the Board admits to Membership in accordance with this Constitution.

7. Classes of Membership

Every Member must be a Member of one of the following six classes of Membership:

- **Exporter National**
- **Broker**
- **Grower**
- **Private Treaty Merchant**
- **Processor**
- **Associate**

8. Admission to Membership

8.1 An application for Membership must be an application for Membership of one of the six classes listed in **clause 7**. The application must be in writing, in a form approved by the Board from time to time in its absolute discretion, signed by the applicant and accompanied by a joining fee of an amount determined by the Board from time to time in its absolute discretion. The Board may determine that:

- (a) different joining fees apply in relation to different classes of Member; and
- (b) a Member who is transferring from one class of Member to another class need not pay a joining fee to become a Member of the second class, except that if the joining fee for the second class is greater than the joining fee for the first class the Member must pay the difference between the two joining fees.

8.2 An application under **clause 8.1**, other than an application for **Associate** Membership, must be accompanied by information demonstrating that the applicant carries on one of the following businesses, and such other information as is determined by the Board from time to time:

- (a) applicants for **Exporter** Membership: a business of exporting wool from Australia;
- (b) applicants for **Broker** Membership: a business of selling wool in Australia as agent of sellers of wool;
- (c) applicants for **Grower** Membership: the business of growing wool in Australia. There is an exception to this requirement: the WoolProducers Australia Limited may be

admitted to Membership of this class, even though it does not carry on the business of growing wool in Australia;

- (d) applicants for **Private Treaty Merchant** Membership: a business of buying wool in Australia directly from woolgrowers; and
- (e) applicants for **Processor** Membership a business of providing mechanical facilities for the processing of wool in Australia.

8.3 If the Board is not satisfied that an applicant carries on a business of the type referred to in the description in **clause 8.2** of the class of Membership for which the applicant is applying, the Board will not approve the application, unless the applicant is WoolProducers Australia Limited and it is applying for Membership of the **Grower** class.

8.4 Applicants for **Associate** Membership need not carry on their own business. An application for **Associate** Membership must be accompanied by such information as is determined by the Board from time to time.

9. Admission to More Than One Class of Membership

9.1 An applicant may be admitted to more than one class of Membership, if the applicant is eligible for Membership in more than one class.

9.2 A Group may not have more than one Member of each class.

10. Processing Membership Applications

10.1 The Board will consider an application for Membership within three months after receiving the application. The Board will determine whether the application complies with **clause 8.1** and, except in the case of an application for **Associate** Membership, is accompanied by sufficient evidence that the applicant is eligible for Membership under **clause 8.2**.

10.2 If the application:

- (a) complies with **clause 8.1** and is accompanied by sufficient evidence, the Board will admit the applicant; or
- (b) does not comply with **clause 8.1** or is not accompanied by sufficient evidence, the Board will reject the application or will require the applicant to supply any further evidence of eligibility that it considers reasonably necessary and in that event the determination of the application will be deferred until the evidence has been supplied.

10.3 If an application for Membership is rejected, the Board will advise the applicant why the application was rejected, and will return the applicant's joining fee.

10.4 When an applicant has been accepted for Membership the Secretary will send to the applicant written notice of the acceptance and, if an annual Membership fee is payable, a request for payment of the applicant's first annual Membership fee. Upon payment of the applicant's first annual Membership fee (if any) the applicant will become a Member. If the payment is not made within 30 days after the date of the acceptance notice, the Board may in its discretion cancel its acceptance of the application.

11. Members' Rights and Privileges

11.1 The rights and privileges of each Member under this Constitution are personal to that Member and will not be transferable by the Member's own act or by operation of law.

11.2 The rights of any class of Members under this Constitution may not be varied without the sanction of a special resolution passed at:

- (a) a general meeting of Members of that class; and
- (b) a general meeting of AWEX.

11.3 The rights conferred on a class of Member under this Constitution will be deemed to be varied by:

- (a) the creation of a new class of Member;
- (b) any change to the general meeting voting entitlements described in **clause 27**;
- (c) any change to the procedure for electing or appointing Directors by Members of the relevant class.

12. **Power of Attorney**

12.1 If a Member executes or proposes to execute any document or do any act by or through a person whom the Member has appointed as attorney, that Member must deliver the power of attorney under which the attorney was appointed to AWEX for notation.

12.2 If AWEX asks the Member to file with it a certified copy of the power of attorney for AWEX to retain, the Member must promptly comply with that request.

12.3 AWEX may ask for whatever evidence it considers appropriate that the power of attorney is effective and continues to be in force.

13. **Membership Fees**

13.1 The Board may from time to time determine:

- (a) whether any annual Membership fee will be payable; and
 - (b) the amount of any annual Membership fee payable,
- by each Member or each class of Member.

13.2 The Board may require Members other than **Associate** Members to confirm each year, when paying their annual Membership fees that they still satisfy the prerequisites for admission to their Membership class (set out in **clause 8.2**).

13.3 If a Member's Membership ceases under **clause 14.1** neither the Member's annual Membership fee nor any joining fee is refundable.

13.4 The annual Membership fee period will be computed from 1 July in each year, and annual Membership fees will be due in advance within 30 days of that date.

13.5 If a Member does not pay that Member's Membership fee within 30 days after the fee becomes due the Board will give notice to that Member of that fact and may, if the Membership fee remains unpaid after the expiration of 21 days from the date of that notice, declare that Member's Membership forfeited and the Member will then cease to be a Member.

13.6 The Board may determine that any Member who has been admitted to Membership between 1 January and 30 June in any year will pay only one-half of the annual Membership fee until that Member's next annual Membership fee falls due.

14. Cessation of Membership

14.1 A Member's Membership will cease:

- (a) if the Member resigns that Membership by giving written notice addressed to the Secretary in which case the resignation will be effective from the date of receipt of the notice by the Secretary;
- (b) if:
 - (i) a disciplinary committee appointed by the Board to hear complaints against a Member or to hear appeals in relation to those complaints has recommended to the Board that the Membership of the Member be terminated; and
 - (ii) a majority of three-quarters of the Board present and voting at a meeting of the Board resolves to terminate that Membership in accordance with this Constitution or the Rules;
- (c) if the Member's Membership is forfeited under **clause 13.5**;
- (d) in the case of a Member who is an individual, including an individual representing a partnership or a trust, if that individual, or any partner in the partnership or the trustee for a trust:
 - (i) is convicted of an indictable offence;
 - (ii) is, or was at the time of cessation:
 - (A) a director of;
 - (B) a related party of a director of; or
 - (C) entitled to any shares in,

an entity whose Membership was forfeited or ceased under **clauses 13.5** or **14.1(c)**, unless the Board resolves that the Membership of that Member will not be forfeited or cease;
- (e) in the case of a Member who is an individual, if the Member:
 - (i) dies; or
 - (ii) commits an act of bankruptcy; or
 - (iii) becomes of unsound mind or whose person or estate is liable to be dealt with in any way under the laws relating to mental health;
- (f) in the case of a Member that is not an individual, if:
 - (i) a liquidator is appointed in connection with the winding-up of the Member; or
 - (ii) an order is made by a Court for the winding-up or deregistration of the Member.

14.2 The Membership of a Member may only be terminated or suspended if the Member is found to have contravened this Constitution or the Rules.

- 14.3 If the Membership of a Member is suspended, the Member must continue to pay Membership fees but may only use those facilities of AWEX that the Board or a disciplinary body determines.

PART 3: MEMBERS' MEETINGS

15. Body Corporate Representatives and Authorised Representatives

- 15.1 A body corporate Member may appoint an individual to act as its Body Corporate Representative, either at a particular meeting or at all meetings of AWEX. The provisions of the Corporations Act in relation to the appointment, certification of appointment and revocation of appointment of body corporate representatives will apply.

- 15.2 Any Member not being an individual or a body corporate may appoint an individual to act as its Authorised Representative either at a particular meeting or at all meetings. Such authorisation will have the same consequences as if the authorisation had been duly made by a body corporate Member. In such case the Board will have a reasonable discretion to accept or reject the mode of any such appointment and the evidence of such appointment presented to the Board.

- 15.3 The instrument appointing a Body Corporate Representative or an Authorised Representative under **clauses 15.1** or **15.2** must be deposited at the Office or at another place specified for that purpose in the notice convening a meeting:

- (a) at least 48 hours before the time for holding the meeting or adjourned meeting at which the individual named in the instrument proposes to vote; or
- (b) in the case of a poll, at least 24 hours before the time appointed for the taking of the poll,

and in default the appointment will not be treated as valid.

16. Annual General Meetings

AWEX will hold an Annual General Meeting at least once in every calendar year as required by the Corporations Act. The first Annual General Meeting will be held not later than the date required by the Corporations Act.

17. Business at an Annual General Meeting

The business to be considered at an Annual General Meeting will be:

- (a) consideration of the annual financial, Director's and auditor's reports;
- (b) election of Directors;
- (c) appointment of the auditor and the fixing of the auditor's remuneration;
- (d) consideration of any notice of motion which has been given in accordance with **clause 18**; and
- (e) consideration of any other general business including any questions Members at the meeting make about, or comments Members make on, the management of AWEX in accordance with the Corporations Act.

18. **Notice of Motion for an Annual General Meeting**

Notice of motion for an Annual General Meeting may be given by a Member of any class except an **Associate** Member. The notice must be in writing and lodged at the Office at least 28 days before the date fixed for that meeting and a copy of the notice of motion will be sent to each Member at least 21 days before the date fixed for that meeting.

19. **Convening a General Meeting**

19.1 The Board may, at any time, convene a general meeting.

19.2 A Member may only requisition the Board to convene a general meeting in accordance with the Corporations Act.

19.3 A Member may not convene or join in convening a general meeting except under the Corporations Act.

20. **Notice for a General Meeting**

20.1 At least 21 days written notice must be given to Members of any general meeting unless the Members agree to shorter notice in accordance with the Corporations Act.

20.2 A notice convening a general meeting must set out:

- (a) the place, date and time of the meeting (and if the meeting will be held in two or more places, the technology that will be used to facilitate this); and
- (b) the general nature of the meeting's business;
- (c) any intention to propose a special resolution and state the resolution; and
- (d) that the Member is entitled to appoint a proxy.

20.3 A defect in the notice given does not invalidate the proceedings, or any resolution passed, at a general meeting.

21. **Postponing or Cancelling a General Meeting**

The Board:

- (a) may postpone or cancel any general meeting whenever it thinks fit (other than a meeting convened as the result of a requisition under **clause 19.2**); and
- (b) must give notice of the postponement or cancellation to all persons entitled to receive notices from AWEX.

22. **Technology**

Any general meeting may be held at two or more venues using any technology that gives the Members as a whole a reasonable opportunity to participate.

23. **Quorum of Members for a General Meeting**

23.1 No business will be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. A quorum will be five Members entitled to vote present in person, by proxy or through a Body Corporate Representative or an Authorised Representative.

23.2 If within 30 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, will be dissolved. In any other case it will stand adjourned to the same day in the next week at the same time and place, or to such other day and at the other time and place as the chairperson of the meeting may determine.

23.3 If an individual attends a meeting both as a Member and as a proxy, Body Corporate Representative or Authorised Representative that individual will be counted only once.

24. **Expulsion from a General Meeting**

An individual may be refused admission to, or required to leave and not return to, a meeting if the individual:

- (a) refuses to permit examination of any article in the individual's possession; or
- (b) is in possession of any:
 - (i) electronic or recording device;
 - (ii) placard or banner; or
 - (iii) other article,

which the chairperson of the meeting considers to be dangerous, offensive or liable to cause disruption.

25. **Chairperson of a General Meeting**

The Chairperson will be entitled to take the chair at every general meeting. If there is no Chairperson or if he or she is not present within 30 minutes after the time appointed for the holding of the meeting or is present but is unwilling to act, then the Directors present will be entitled to appoint a Director to take the chair at the general meeting. If there is no Director present within 40 minutes after the time appointed for holding the meeting or if a Director is present but is unwilling to act then Members present will choose a Member to be chairperson of the meeting.

26. **Adjournment of General Meeting**

The chairperson of a general meeting may, with the consent of the meeting adjourn the same from time to time and from place to place, but no business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. If a meeting is adjourned for 30 days or more, notice of the adjournment meeting will be given as in the case of an original meeting but otherwise it will not be necessary to give any notice of an adjournment or the business to be transacted at an adjourned meeting.

27. **Voting Entitlements**

Every Member who is present in person or by proxy, whose Membership fees are paid to the date of the relevant meeting and whose name appears in the register of Members 48 hours before the time of the relevant meeting will be entitled to vote, except that **Associate** Members are not entitled to vote. The number of votes which the Member will be entitled to cast will be determined as follows:

- (a) subject to **clause 29**, the total number of votes which may be cast is 700;
- (b) all **Exporter** Members who cast votes will have 200 votes between them;

all **Broker** Members who cast votes will have 200 votes between them;

all **Grower** Members who cast votes will have 100 votes between them;

all **Private Treaty Merchant** Members who cast votes will have 100 votes between them;

all **Processor** Members who cast votes will have 100 votes between them;

- (c) subject to **clause 27(d)**, the number of votes which each individual Member of a class casts will be ascertained by dividing the total number of votes which may be cast by Members of that class by the number of Members of that class who cast a vote;
- (d) the number of votes which each **Grower** Member casts will be ascertained as follows:

the WoolProducers Australia Limited will have the number of votes ascertained in accordance with the following formula:

100 - A

where:

A = zero, if there are no **Grower** Members other than the WoolProducers Australia Limited

- | | |
|----|------------------------------------------------------------------------------------------------------------------------|
| 10 | if there are between 1 and 250 (inclusive) Grower Members other than the WoolProducers Australia Limited |
| 20 | if there are between 251 and 500 (inclusive) Grower Members other than the WoolProducers Australia Limited |
| 30 | if there are between 501 and 1,000 (inclusive) Grower Members other than the WoolProducers Australia Limited |
| 40 | if there are between 1,001 and 5,000 (inclusive) Grower Members other than the WoolProducers Australia Limited |
| 50 | if there are between 5,001 and 10,000 (inclusive) Grower Members other than the WoolProducers Australia Limited |
| 60 | if there are 10,001 or more Grower Members other than the WoolProducers Australia Limited |

Grower Members other than the WoolProducers Australia Limited will each have the number of votes ascertained by dividing 'A' (as defined above) by the number of **Grower** Members other than the WoolProducers Australia Limited who cast a vote.

28. Voting at a General Meeting

- 28.1 A vote may only be taken on a show of hands if every Member who raises his or her hand to vote holds in that hand a coloured card or other symbol which identifies the Member as a Member of a particular class with voting rights. The number of hands raised by Members of each class for and against the resolution must be recorded, so that the number of votes cast for and against may be calculated in accordance with **clause 27**.

28.2 At any general meeting a resolution put to the vote of the meeting will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (a) by the chairperson of the meeting; or
- (b) by at least one Member other than an **Associate Member**,

unless a poll is so demanded a declaration by the chairperson of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of AWEX will be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.

28.3 If a poll is duly demanded it will be taken in the manner and either at once or after an interval or adjournment or otherwise as the chairperson of the meeting directs. The result of the poll will be the resolution of the meeting at which the poll was demanded but a poll demanded on the election of a chairperson for that meeting or on a question of adjournment will be taken immediately. The number of Members of each class who vote for and against each resolution on a poll must be recorded, so that the number of votes cast for and against can be determined in accordance with **clause 27**.

29. **Equality of Votes**

In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting will be entitled to a casting vote.

30. **Objection to Validity of a Vote**

No objection may be made to the validity of any vote except at the meeting or poll at which the vote was tendered and every vote not disallowed at the meeting or poll will be deemed valid. In case of any dispute as to the admission or rejection of a vote, the chairperson of the meeting will determine the same and the chairperson's determination made in good faith will be final and conclusive.

31. **Meetings of Classes of Members**

- (a) The provisions in this Constitution dealing with proceedings at general meetings will apply, so far as practicable and with necessary changes, to meetings of classes of Members except that a quorum at a class meeting is two Members or, if there is only one Member of the relevant class, that Member.
- (b) Not used.

PART 4: PROXY

32. **Power to Appoint a Proxy**

A Member who is entitled to attend and cast a vote at a meeting may appoint a person as the Member's proxy to attend and vote for the Member at the meeting.

33. **Appointment of Proxies**

33.1 The instrument appointing a proxy must be signed by the Member making the appointment or, if the Member is a corporation, must be either under seal or signed by a duly authorised officer of that corporation.

33.2 A proxy may, but need not be, a Member.

33.3 The instrument appointing a proxy will be deemed to confer authority to demand or join in demanding a poll.

33.4 A proxy is entitled to vote on a poll or show of hands.

33.5 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority must be deposited at the Office, or at another place specified for that purpose in the notice convening the meeting, at least:

- (a) 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll at least 24 hours before the time appointed for the taking of the poll,

and in default the instrument of proxy will not be treated as valid.

Form of Proxy

I/We, of

am/are a Member(s) of the following class of Members of AWEX:

Exporter

Broker

Grower

Private Treaty Merchant

Wool Processor

I/We appoint as my/our proxy

of

or failing him or her

of

or failing him or her the chairperson of the general meeting of AWEX to be held on
20 at am/pm to vote for me/us at that meeting and at any
adjournment of it.

This form is to be used in accordance with the directions below. Unless the proxy is directed, he or she may vote or abstain as he or she thinks fit.

RESOLUTION	FOR	AGAINST	ABSTAIN

Instructions

1. To direct the proxy to cast all votes covered by this instrument in a particular manner place a tick or a cross in the relevant box.
2. The proxy must vote on a poll or on a show of hands as directed.

I/We understand that if I/we have not directed my/our proxy how to vote, my/our proxy may vote or abstain from voting as he or she thinks fit.

DATED

.....

Signature of Member

PART 5: BOARD OF DIRECTORS

34. Powers and Duties of Directors

34.1 The management and control of the affairs of AWEX will be vested in the Board, which (in addition to any other powers and authorities expressly conferred upon the Board by this Constitution) may carry into effect all or any of the objects of AWEX. The Board may exercise all powers of AWEX and do all acts and things which may be exercised or done by AWEX and are not by this Constitution expressly directed or required to be exercised or done by AWEX in general meeting, subject nevertheless to the provisions of this Constitution.

35. Number of Directors

35.1 The number of Directors unless otherwise resolved by AWEX will be not fewer than five and not more than 10.

35.2 Directors may only be elected or appointed in accordance with **clause 35.3**.

35.3 The Board will be made up of the following:

- (a) One Director may be elected by **Exporter** Members. This Director will carry 2 votes at any meeting of Directors.
- (b) One Director may be elected by those **Broker** Members who, together with their related bodies corporate, have sold an average in excess of 35,000,000 kilograms of wool per annum over the three years before the election. One Director may be elected by those **Broker** Members who, together with their related bodies corporate, have sold an average of less than or equal to 35,000,000 kilograms of wool per annum over the three years before the election. In the event that one of the Broker Directorships is vacant then the vote of that vacant Directorship becomes exercisable by the remaining Broker Director. The maximum voting capacity of a Broker Director under these conditions is two votes. If both Broker Director positions are vacant the voting rights may not be exercised.
- (c) One Director may be elected by **Grower** Members.
- (d) One Director may be elected by **Private Treaty Merchant** Members.
- (e) One Director may be appointed by the other Directors subject only to ratification of the appointment by the WoolProducers Australia Limited.
- (f) One Director may be appointed by the other Directors. That Director will be the Chairperson.
- (g) One Director may be elected by **Processor** Members. This Director will carry 1 vote at any meeting of Directors.

Associate Members are not entitled to elect or participate in the election of any Director.

36. Term of Office

36.1 The Chairperson will hold office for a period determined by the Directors from time to time.

36.2 Each Director will retire at the third annual general meeting held after that Director's appointment or election (as the case may be).

36.3 Notwithstanding any other provision of this Constitution, where a clause pursuant to which a Director is appointed or elected is amended or deleted, the Director appointed or elected pursuant to that clause will retire at the first annual general meeting to be held after that amendment or deletion.

36.4 Retiring Directors are eligible, and may offer themselves, for re-election.

36.5 The performance of the functions and the exercise of the powers of the Board are not affected by reason of:

- (a) there being a vacancy in the office of Chairperson; or
- (b) the number of Directors falling below five for a period of not more than six months.

37. **Casual Vacancy**

37.1 If a casual vacancy occurs in the office of a Director elected or appointed under **clauses 35.3(a) to (f)** the Directors will promptly convene a meeting of the class of Member described in the relevant paragraph and the class may elect or appoint an individual to fill the casual vacancy in accordance with the procedures described in the relevant paragraph of **clauses 35.3(a) to (f)**.

37.2 The Directors may appoint any individual as a Director to fill a casual vacancy in the office of Chairperson.

37.3 A Director appointed under **clauses 37.1** or **37.2** will hold office until the next Annual General Meeting.

38. **Appointing a Director**

38.1 An individual is not eligible for appointment or election as a Director unless the individual, or a Member who appoints or intends to propose the individual, has left at the Office a written notice signed by him or her:

- (a) giving the individual's consent to the appointment or nomination; and
- (b) if the individual is proposed for an elected Directorship, stating either that the individual is a candidate for the office of Director or that the Member intends to propose the individual for election.

38.2 A notice given in accordance with **clause 38.1** in relation to a candidate for election must be left at the Office at least 21 days before the relevant general meeting.

38.3 A written notice referring to all Director vacancies and each candidate for election, must be sent to all Members at least 14 days before every general meeting at which an election of a Director will take place.

38.4 An **Associate** Member may not propose an individual for appointment or election as a Director.

39. **Alternate Directors**

39.1 Each Director may at any time appoint any individual (whether a Member or not) approved by the Board, to be the Director's alternate Director for a period determined by the appointing Director and may at any time remove alternate Director.

39.2 An alternate Director will be entitled to receive notices of all Directors' meetings, and attend and vote as a Director at any meeting at which the appointing Director is not

personally present and generally to perform all functions of the appointor in the absence of the appointing Director.

- 39.3 An alternate Director will automatically cease to be an alternate Director if the appointing Director ceases for any reason to be a Director or withdraws the alternate Director's appointment, provided that if any Director retires whether by rotation or otherwise but is reappointed or is deemed to have been reappointed by the meeting at which the retirement took effect, any appointment made by the Director pursuant to this clause which was in force immediately before the Director's retirement will continue to operate after the Director's retirement as if the Director had not retired.
- 39.4 Any appointment and removal of an alternate Director must be effected by written notice signed by the appointing Director and sent to or left at the Office.

40. **Vacation of office**

- 40.1 In addition to the circumstances in which the office of a Director becomes vacant under the Corporations Act, the office of a Director becomes vacant if the Director:
- (a) dies or becomes of unsound mind or a person who is or, whose estate is, liable to be dealt with in any way under the law relating to mental health;
 - (b) resigns his or her office by written notice to AWEX;
 - (c) is absent without the consent of the Directors from Director's meetings held during a period of three months; or
 - (d) is directly or indirectly interested in any contract or proposed contract with AWEX and fails to declare the nature of his or her interest as required by the Corporations Act.

41. **Remuneration of Directors**

- 41.1 The Directors may be remunerated for their services a fixed sum not exceeding the aggregate maximum sum from time to time determined by AWEX in general meeting.
- 41.2 The notice convening a general meeting at which it is proposed that Members approve an increase in the aggregate maximum sum must state the amount of the increase and the aggregate maximum sum. Subject to **clause 41.5**, the aggregate maximum sum will be divided among the Directors in such proportion and manner as the Directors agree and, in default of agreement, equally.
- 41.3 If a Director is required to perform services for AWEX which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, AWEX may pay the Director a fixed sum determined by the Directors in addition to or instead of the Director's remuneration under **clause 41.2**. No payment may be made under this article if the effect of the payment would be that payments under this article to Directors would exceed this aggregate amount of Directors' remuneration determined by AWEX in general meeting.
- 41.4 The Directors may also be reimbursed all travelling, hotel and other expenses properly incurred by them in attending and returning from Directors' meetings or any sub-committee of the Directors or general meetings of AWEX or otherwise in connection with the activities of AWEX.
- 41.5 The remuneration of the Director appointed under **clause 35.3(f)** may from time to time be fixed by the Directors.

PART 6: DIRECTORS' MEETINGS

42. Directors' Meetings

42.1 The Board will hold such meetings as are necessary for the performance of its functions.

43. Convening a Directors' Meeting

43.1 The Chairperson may at any time, and the Secretary will at the request of the Chairperson or any two other Members of the Board, convene a Directors' meeting.

44. Notice of Directors' Meeting

44.1 At least 7 clear days oral or written notice of a Director's meeting will be given to each Director unless all the Directors who are entitled to notice agree to the holding of a meeting at shorter notice (which agreement will be sufficiently evidenced by the presence of all Directors at the meeting or by signing a notice to that effect).

44.2 The Chairperson may at any time, and the Secretary will at the request of the Chairperson or any two other Directors, convene a Directors' meeting.

45. Chairperson of a Directors' Meeting

45.1 Where a Directors' meeting is held and the Chairperson is not present within 10 minutes after the time appointed for the holding of the meeting or is unwilling to act the Directors present will elect a Director to be chairperson of the meeting.

46. Quorum of Directors for a Directors' Meeting

46.1 The quorum necessary for the transaction of the business of the Board will be a majority of the Directors for the time being.

46.2 A Directors' meeting at which a quorum is present will be competent to exercise all or any of the authorities, powers or discretions vested in or exercisable by the Board.

47. Technology

47.1 The Directors may hold a Directors' meeting at two or more venues using any technology consented to by the Directors. A Director will be taken to leave a meeting if the technology by which the Director attends the meeting is disconnected. However, the disruption of communications during a meeting using such technology will not invalidate proceedings at that meeting.

48. Voting at a Directors' Meeting

48.1 Questions arising at any Directors' meeting will be decided by a majority of votes. The chairperson of the meeting will have a deliberative vote. In the case of an equality of votes, the chairperson of the meeting will have a casting vote.

48.2 The Director elected by Exporter Members and Processor Members in accordance with clause 35.3 (a) will be entitled to 3 votes for the purposes of deciding any question arising at a meeting of Directors and calculating a majority of votes.

48.3 Where there is only one Director elected by Broker Members in accordance with clause 35.3 (b), that Director will be entitled to 2 votes for the purpose of deciding any question arising at a meeting of Directors and calculating a majority of votes.

49. Act Still Valid Despite Defect

49.1 All acts done by any Director's meeting or a sub-committee appointed by the Board in accordance with **clause 52** or by any individual acting as a Director or as a member of the sub-committee will be valid as if the individual had been duly appointed and was qualified and continued to hold the office notwithstanding that it is afterwards discovered that:

- (a) there was some defect in the appointment or continuance in office of the individual;
- (b) the individual was disqualified;
- (c) the individual had vacated office; or
- (d) the individual was not entitled to vote.

50. Circular Resolution

The Directors can pass a resolution without holding a Directors' meeting if all the Directors entitled to vote on the resolution sign a document containing both the resolution and a statement that they are in favour of the resolution. A circular resolution may consist of several documents in like form, each signed by one or more Directors. The resolution is passed when the last Director signs.

51. Director's Material Interest

51.1 A Director who has a material personal interest in a matter that is being considered at a Directors' meeting:

- (a) must not vote on the matter (or in relation to a proposed resolution under **clause 51.3** in relation to the matter); and
- (b) must not be present while the matter (or a proposed resolution of that kind) is being considered at the meeting,

except as permitted by the Corporations Act.

51.2 **Clause 51.1** does not apply to an interest that the Director has:

- (a) as a Member; and
- (b) in common with the other Members.

51.3 **Clause 51.1** does not apply if the Board has at any time passed a resolution that:

- (a) specifies the Director, the interest and the matter; and
- (b) states that the Directors voting on the resolution are satisfied that the interest should not disqualify the Director from considering or voting on the matter.

PART 7: SUB-COMMITTEES

52. Sub-Committees

52.1 The Board may delegate any of its powers to a sub-committee or sub-committees consisting of such individuals as the Board may from time to time determine and may from

time to time revoke, withdraw, alter or vary the delegation or the appointment of any member of a sub-committee.

- 52.2 Any sub-committee so constituted or individual or individual's so appointed will in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed by the Board.
- 52.3 If a sub-committee has more than one member, a quorum for a meeting of that sub-committee is constituted by a majority of the members of the sub-committee unless otherwise specified in the terms of reference.
- 52.4 The meetings and proceedings of any sub-committee which consists of more than one member will be governed by the provisions contained in this Constitution for regulating the meetings and proceedings of the Board so far as the same apply and are not superseded by any regulation made by the Board under **clause 52.2**.

PART 8: OFFICERS

53. Chief Executive Officer

- 53.1 The Board may appoint an individual to be the Chief Executive Officer on such terms and conditions as to salary, fees and otherwise as it thinks fit. The Chief Executive Officer will hold office until the Board decides otherwise.
- 53.2 The Board may entrust to and confer upon the Chief Executive Officer any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as it thinks fit and either collaterally with or to the exclusion of its own powers and may from time to time revoke, withdraw, alter or vary all or any of those powers.
- 53.3 The Chief Executive Officer may subject to any directions of the Board appoint, engage, supervise, control and remove the employees, staff, agents, consultants and advisers as the Chief Executive Officer deems necessary or desirable for the purposes of AWEX.

54. Secretary

The Board will, in accordance with the Corporations Act, appoint at least one Secretary for such term, at such remuneration and upon such conditions as it thinks fit. The Secretary will hold office until the Board decides otherwise.

55. Indemnity

- 55.1 To the extent permitted by law, AWEX indemnifies every Officer against any liability incurred by that individual:
- (a) in his or her capacity as Officer; and
 - (b) to a person other than AWEX or a related body corporate of AWEX,
- unless the liability arises out of conduct on the part of the officer that involves a lack of good faith.
- 55.2 AWEX indemnifies every Officer and the auditor of AWEX against any liability for costs and expenses incurred by that individual in his or her capacity as an Officer or auditor of AWEX;
- (a) in defending any proceedings, whether civil or criminal, in which judgment is given in favour of the individual or in which the individual is acquitted; or

- (b) in connection with an application, in relation to such proceedings in which the Court grants relief to the individual under the Corporations Act.

55.3 AWEX may pay a premium in respect of a contract insuring an individual who is or has been a Director against liability incurred by the individual as a Director, except in circumstances prohibited by the Corporations Act.

PART 9: SEAL

56. Custody of the Seal

The Board will provide for the safe custody of the Seal.

57. Use of the Seal

57.1 The Seal will not be affixed to any document except by resolution of the Board and in the presence of and signed by either:

- (a) one Director and a Secretary; or
- (b) two Directors.

58. Execution of Documents without Seal

AWEX may execute a document without using the Seal if the document is signed in accordance with the Corporations Act.

PART 10: DIVIDENDS

59. Dividends

Neither the Directors nor AWEX may:

- (a) declare any dividends; or
- (b) distribute or apply any capitalised sum for the benefit of Members, in any circumstances. This **clause 59(b)** relates to Members' personal capacity and does not prohibit benefits enjoyed by Members in their capacity as Members.

PART 11: RECORDS

60. Maintenance and Inspection of Records

60.1 The Board will cause proper records to be kept in accordance with the Corporations Act.

60.2 Such records will:

- (a) be kept at the Office or at another place determined by the Board from time to time;
- (b) always be open to the inspection of the Directors; and
- (c) be open to the inspection of Members at such times and places as determined by the Board from time to time in accordance with the Corporations Act.

61. Audit

The Board will cause the accounts of AWEX to be audited in accordance with the Corporations Act.

PART 12: NOTICES

62. Notices Must be in Writing

Unless this Constitution provides otherwise, all notices must be in writing. A notice sent by facsimile transmission, electronic transmission or any other form of written communication is a notice in writing.

63. Service of Notices

63.1 A notice may be given to any Member or Officer by:

- (a) serving it personally;
- (b) sending it by pre-paid post to the Member's or Officer's registered address or such other address nominated by the Member or Officer for the giving of notices;
- (c) facsimile transmission to the facsimile number, if any, nominated by the Member or Officer for the giving of notices;
- (d) electronic transmission to the electronic address, if any, nominated by the Member or Officer for the giving of notices.

64. Notices to AWEX

Subject to this Constitution, a Member or Officer may give a notice to AWEX by serving it on AWEX at the Office.

65. Time of Service

65.1 Where a notice is sent by post, service of the notice is taken to have been effected:

- (a) in the case of a notice of a meeting three days after the date of its posting; and
- (b) in any other case at the time at which the letter would be delivered in the ordinary course of post.

65.2 Where a notice is sent by facsimile transmission and the correct facsimile number appears on the facsimile transmission report generated by the sender's facsimile machine, service of the notice is taken to be effected the business day after it is sent.

65.3 Where a notice is sent by electronic transmission and the sender has received a corresponding notice in accordance with **clause 65.2** service of the notice is taken to be effected the business day after it is sent.

65.4 Notice of every general meeting will be given in accordance with this **clause 65** to:

- (a) every Member who has supplied AWEX with an address for the giving of notices;
- (b) the auditor of AWEX; and
- (c) every Director.

PART 13: WINDING UP

66. **Winding Up**

66.1 If AWEX is wound up or dissolved and there remains after the satisfaction of all its debts and liabilities any property, the excess will not be paid to or distributed among the Members, but will be given or transferred to:

- (a) a body or organisation which has objects which in the directors opinion are consistent with the objects of AWEX; or
- (b) a registered or exempt charity for the purposes of the Income Tax Assessment Act 1997.

66.2 A gift or transfer may only be made to a body, organisation or charity described in **clauses 66.1(a) or (b)** if the body, organisation or charity prohibits the distribution of its income and property among its members to an extent at least as great as is imposed on AWEX under or by virtue of **clause 59** of this Constitution.

PART 14: METHODS OF PAYMENT

67. **Cheques and Other Forms of Payment**

All payments in excess of \$100 made by AWEX must be paid by cheque or other form of funds transfer signed by two persons expressly authorised by the Board to sign cheques or authorise such funds transfers.