

NOTICE of MOTIONS:

PROPOSED CONSTITUTIONAL AMENDMENTS

National Association for Sustainable Agriculture, Australia Limited ACN 003 260 348 (NASAA)

EXPLANATORY MEMORANDUM RE AMENDMENTS TO CONSTITUTION OF NASAA ORGANIC

The Members of NASAA Organic Ltd are invited to vote at the Annual General Meeting of Members regarding amendments to the Constitution. This Explanatory Memorandum is intended to provide the Members with sufficient information to assess the merits of the resolutions proposed.

Three separate motions have been tabled covering changes to the NASAA Constitution.

BOARD NOMINATED MOTIONS

The first two motions are proposed by the Board.

The first motion makes over 100 minor changes to the NASAA Constitution of 25th October 2019 to amend language, grammar, punctuation and layout – specifically the removal of gender specific titles (Chairman) and pronouns. It also removes the clauses detailing use of the Company Seal, as company seals are no longer a requirement of ASIC. It is considered by the Board that all of these proposed changes are non-contentious and do not represent material change to the meaning of the Constitution.

It will:-

1. Improve language, grammar and punctuation to make the document clearer and easier to read.
2. Remove redundant or unused clauses – including those referring to the Company Seal - and re numerate the document.
3. Change “Chairman” to “Chair” and generally replace gender specific terms with gender neutral ones.
4. Allow for meetings of Directors to be held face to face, electronically or a combination of both as required
5. Change the date for notice of Director vacancies from 1st July in any one year to 12 weeks before the AGM and allow other timing of the voting process to be prescribed within the nomination materials sent to prospective directors.
6. Change Directors quorum requirements from three to at least 50% of existing Directors.

The second motion relates to a change to Board Director remuneration payment amounts.

At the Annual General meeting of 27th October 2017, the Members agreed to raising the annual Board remuneration from \$15,000 to \$30,000. The distribution of the Board remuneration is determined within the Board according to the number of Board members current and calculated on a day-by-day representation on the Board as a percentage as agreed to by the Board.

The second motion proposes that a fixed payment be given to the Ordinary Board Directors of \$5,000 per year, with an additional \$3,500 to the Chair and \$1,500 to the Deputy Chair positions in acknowledgement of the additional duties they undertake. These payments will be made quarterly and calculated day-by-day on time of representation on the Board.

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This would equate to a total amount per annum of \$35 000 should a full Board quota be filled, and for the current Board (five Directors) the total is \$30 000.

MEMBER NOMINATED MOTIONS

The third motion proposes that the membership category Honorary Members be renamed Life Members and that Life Members be given the same rights, including voting rights, as Ordinary members. Life Members better describes the relationship the Board would like NASAA to have with the individuals whom we currently have on our list of Honorary Members. For clarity current Honorary Members are Jan Denham, Lionel Pollard, Els Wynen, Tim Marshall, Sandy Fritz, Jacquie Foyel, Lyn Austin and George Deverell.

The Board may appoint any person as a Life Member where the person has rendered distinguished service in the development of Organic Agriculture. Any member of the Company who was appointed a Life Member as at the date of adoption of this Constitution will remain as such after such adoption. Life Members have the same rights as Ordinary Members in all respects except that they are exempt from paying annual membership fees.

Motion 1: Minor Constitutional Amendments

To approve minor grammar and punctuation changes to the Constitution including gender specific terms, and the removal of the regulations associated with use of the Company Seal, as presented in the attached 'track changes' version of the constitution. Final numeration of clauses will be undertaken as part of the final drafting of approved amendments.

Moved: Mark Anderson

Seconded: Phil Rowe

Motion 2: Directors Remuneration Package as determined by Section 10.9 Remuneration

That the NASAA Director remuneration package be fixed to a total of \$35 000 and that a fixed payment be given to the Ordinary Board Directors of \$5 000 per year, with additional payments per annum of \$3 500 to the Chair and \$1 500 to the Deputy Chair positions.

Moved: Mark Anderson

Seconded: Phil Rowe

Motion 3: Establishing voting rights to Honourary Members

To change the term Honourary Member to Life Member

This action requires replacement of the term Honourary Member in Definitions and at Clause 6.7 and removal of Clause 9.14.2 which prohibits Honourary Members from voting.

Moved: Mark Anderson

Seconded: Tim Marshall