

Rules of the Foundation for Arable Research (Incorporated) a Registered Society Under the Incorporated Societies Act 1908

1 Name

The name of the society shall be the Foundation for Arable Research Incorporated hereinafter referred to as the "Society".

2 Definitions

"Board" means the five to nine Directors (including up to three Appointed Directors) who are responsible for the governance of the Society.

"Appointed Director" means a Board Director who is not a levy payer. Appointed Directors are appointed by virtue of their special skill set in assisting the governance of FAR.

"Arable levy payment" means a payment made by a grower to FAR in accordance with any regulations provided for under the Commodity Levies (Arable Crops) Order 2018, Commodity Levies (Maize) Order 2018, Commodity Levies (Cereal Silage) Order 2018 or such substitute legislation or any other such Order or legislation that the Society may choose to align with in the future.

"Members' Council" means the three representatives from each of the seven ARGs including a Chairperson.

"ARG" means Arable Research Group of which there are seven groups representing different regions across New Zealand as shown in schedule 1.

"Member" means a grower of arable crops (person or incorporated group) who pay a levy under the Commodity Levies (Arable Crops) Order 2018, Commodity Levies (Maize) Order 2018, Commodity Levies (Cereal Silage) Order 2018 or such replacement Order or any other such Order or legislation the Society may choose to align with in the future.

"ARG Representative" (ARG Rep) means the 11 Members (and up to 5 Appointed Members) selected by their region to conduct the business of that region.

"Members' Council Member" means one of the 21 representative ARG Members (three from each region) that have been nominated by their region to form part of the Members' Council.

"Appointed Member" means a person who is not a Member as they are not a crop grower and levy payer but can still be an ARG Rep, or on the Board, NRC or RDAC. Appointed Members are appointed by virtue of their special skill-set in assisting the conduct of FAR's operations – either at regional or national level. The RDAC, NRC and each ARG shall make its own decisions regarding Appointed Members.

"Management" means the administrative assistance provided in order to implement decisions of the Board, and may include such other functions as conducting election processes, co-ordination of meetings at regional and national level.

"Chairperson" means the person who holds the deliberating vote on the Members Council or Board. The role of Chairperson for the Members' Council and the Chairperson for the Board may be held by the same person or two separate persons.

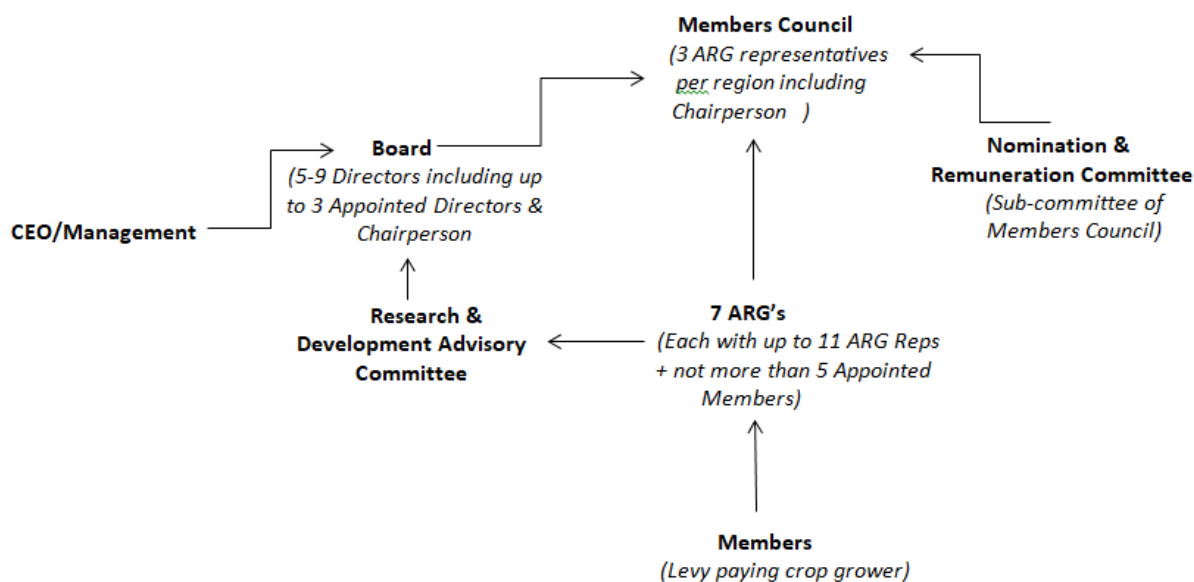
"Regional Chairperson" means the person who holds the deliberating vote for that ARG. There is a Regional Chairperson for each of the seven ARGs.

"Research and Development Advisory Committee" (RDAC) means the committee that provides input to the Board on research priorities for the Society.

“RDAC Member” means a representative from each of the seven ARGs and up to seven Appointed Members from research institutes and/or industry.

3 Structure

3.1 The structure of the Society is as follows :



4 Objects

4.1 The purpose of the Society is to:

- 4.1.1 encourage and support the growing of crops;
- 4.1.2 undertake and promote research, development and extension;
- 4.1.3 educate and inform;
- 4.1.4 facilitate communications between growers and other parties involved in the arable industry; and
- 4.1.5 represent the views of growers on a regional and national scale.

5 Powers

5.1 The Society will have the following powers:

- 5.1.1 To use its funds as the Board thinks necessary or proper in payment of its costs and expenses;
- 5.1.2 To purchase, lease, hire or acquire any real or personal property and any associated rights or privileges which the Board thinks necessary or proper for the purpose of attaining the objects of the Society and to sell, exchange, lease or dispose of any such property, rights or privileges;
- 5.1.3 To set up subsidiaries, or other corporate structures, as the Board thinks fit in order to further the objects of the society;

- 5.1.4 To invest surplus funds in any way permitted by law for the investment of society funds and upon such terms as the Board thinks fit;
- 5.1.5 To borrow or raise money from time to time with or without security and upon such terms as the Board thinks fit;
- 5.1.6 To carry out any business; and
- 5.1.7 To do all things necessary or desirable to give effect to and attain the objects of the Society.

6 Membership

- 6.1 Each arable crop grower (person or incorporated group) who pays a levy under the Commodity Levies (Arable Crops) Order 2018, Commodity Levies (Maize) Order 2018, Commodity Levies (Cereal Silage) Order 2018 or such replacement Order or any other such Order or legislation that the Society may choose to align with in the future shall automatically qualify for membership of the Society.
- 6.2 The effective date for determination of membership shall be 1st August in each year.
- 6.3 The person shall have paid up all arable levies due for arable crops grown in the previous 12 months and shall have completed such annual return forms relating to the nature and extent of the arable crops in the previous 12 month period.
- 6.4 The membership list shall comprise the list of levy payers recorded by FAR nationally together with such other growers who have made application, and been granted, membership by FAR based on the fulfilment of criteria that such person is an arable grower.
- 6.5 A Member has the ability to be elected into the following positions:
 - 5.5.1 An ARG Rep;
 - 5.5.2 A Members' Council Member;
 - 5.5.3 A Board Director; and
 - 5.5.4 An RDAC Member.

7 Affiliated Membership

- 7.1 FAR may prescribe that a body corporate or individual may hold an affiliated membership, based on the involvement in the arable industry, and based on such fees or subscriptions as may be determined by the Board from time to time. Such membership shall not accord the right to vote in any election process, or resolution put to an ARG, the Members' Council or the Board.
- 7.2 Affiliated Membership shall be reviewed annually.

8 Application for Membership

- 8.1 Every arable crop grower who pays an Arable Levy Payment to FAR shall automatically qualify for membership.
- 8.2 When a new Member has paid the Arable Levy Payment for the first time and completed the annual return form, the new Member's name shall be recorded in the register of Members.

9 Duration of Membership

- 9.1 Membership of the Society shall be reviewed by the Society annually to ensure that the criteria set out in Clause 5 are met. Receipt of an arable levy payment from a grower or an annual return form shall be sufficient for the purposes of determining ongoing membership.
- 10 Joining Fees and Levies
- 10.1 If any Member does not pay a subscription or levy along with completing their annual return form by the date set by the Society, the Society will give written notice that, unless the arrears are paid or an annual return form is completed (or both, whichever the case may be) the membership will be terminated. After that date, the Member shall (without being released from the obligation of payment of any sums due to the Society) have no membership rights and shall not be entitled to participate in any Society activity.
- 10.2 Affiliated memberships shall be subject to such joining fees, annual subscriptions and charges as may be prescribed by the Board from time to time.
- 11 Cessation of Membership
- 11.1 A Member shall continue to be a Member of the Society until such times:
- 11.1.1 Failure to pay levy or subscription fees Pursuant to rule 8.1; or
- 11.1.2 Failure to complete the annual return form; or
- 11.1.3 Whereby the Member provides notice in writing to the Society that they no longer require membership; or
- 11.1.4 The Member is no longer a crop grower.
- 11.1.5 Cessation of membership shall not affect in any way any levies due by the member to FAR in any way.
- 12 Expulsion
- 12.1 Any Member, ARG Rep, RDAC Member, Members' Council Member or Board Member whose conduct is inimical to the object of the Society shall be expelled by a 75% majority vote at a meeting of the Board.
- 12.2 An expulsion order shall not be made unless the Member has had no less than 12 days' notice of the meeting. A Member subject to such process shall have the right to address the Board at such meeting. The decision of the Board shall be final.
- 13 Arable Research Groups
- 13.1 There shall be seven Arable Research Groups (ARGs) which are defined by the boundaries of the map contained in schedule 1. These regions can generally be defined as:
- Northern North Island;
 - Eastern North Island;
 - South West North Island;
 - Northern South Island;
 - Mid Canterbury;

- South Canterbury, North Otago; and
- South Otago, Southland.

13.2 All levy paying Members will be aligned to one of the seven regions dependent on their geographical location.

13.3 A member growing crops in two or more ARG regions shall only be entitled to membership in the ARG relevant to the principal place of residence.

14 Purpose of ARGs

14.1 ARGs serve as regional fora for Members to discuss any issues or concerns that they may have which can be passed on to the Board.

15 ARG Representatives

15.1 Each of the seven ARGs is run by up to 11 Members (levy paying) as well as up to five Appointed Members.

15.2 One of the 11 levy paying ARG Reps shall be elected as the Regional Chairperson for their ARG. They shall have the deliberating vote for their region.

15.3 Current ARG Reps shall nominate members from within their ARG members to become ARG Reps when a position becomes vacant.

15.4 The ARG Reps can select up to five Appointed Members per ARG.

16 Continuation of ARG Representatives

16.1 An ARG Rep may serve up to 4 terms of 3 years before their position must be vacated.

16.2 After 3 years an ARG Rep must offer either retirement or offer themselves for re-election for a further 3 year term.

16.3 ARGs shall devise a system whereby there is a rotating, appointment of an ARG Rep so that not more than half the current ARG Reps are up for re-election at any one time.

16.4 An ARG Rep may vacate their position prior to their term above ending, by providing written notice to their ARG or ceasing to be a crop grower within New Zealand.

17 Research and Development Advisory Committee (RDAC)

17.1 The RDAC shall be made up of a representative from each of the seven ARGs and up to seven Appointed Members from research institutes and/or industry. The Chair of the RDAC to be elected by the Board.

17.2 A RDAC Member may serve up to a maximum of 3 terms of 3 years before their position must be vacated.

18 Purpose

18.1 The RDAC shall fulfil a purely advisory function to the Board in relation to research and development priorities. It shall;

- 18.1.1 Review and prioritise FAR research co-investments and leveraged funding and provide recommendations to the Board;

- 18.1.2 Identify opportunities for FAR to collaborate with other sectors or research groups;
- 18.1.3 Consider national and international research or technology trends and issues that are relevant to NZ cropping farmers;
- 18.1.4 Review research progress and assess research and extension programmes to ensure science quality and outcomes are achieved; and
- 18.1.5 Undertake such other functions as the Board may from time to time delegate to RDAC.

19 Members' Council

- 19.1 The Members' Council shall be made up of three ARG Reps' from each of the seven regional ARGs who are nominated to represent their region.

20 Purpose of Members' Council

- 20.1 The primary purpose of the Members' Council is to approve financials for the Society at the Annual General Meeting and to approve the appointment of Board Directors.
- 20.2 The Members' Council will elect members of the Nomination and Remuneration Committee.
- 20.3 Each of the seven ARGs shall appoint three of its ARG Reps' to form part of the Members' Council.
- 20.4 The Members' Council shall appoint a Chairperson from within the Members' Council by ballot or any other means they see fit.

21 Continuation of Members' Council Members

- 21.1 A Members' Council Member may serve up to three terms of three years before their position must be vacated.
- 21.2 After 3 years a Members' Council Member must offer either retirement or offer themselves for re-election for a further 3 year term.
- 21.3 The Members' Council shall devise a system whereby there is a rotating, appointment of Members' Council Members so that not more than half the current Members' Council are up for re-election at any one time.
- 21.4 A Members' Council Member may vacate their position prior to their term above ending, by providing written notice to the Members' Council or ceasing to be a levy payer within New Zealand.

22 Voting

- 22.1 Each Members' Council Member shall be entitled to one vote.
- 22.2 Voting shall be by a show of hands unless a secret ballot is requested by no less than 5% of Members' Council Members.
- 22.3 The Chairperson shall have a deliberative and casting vote.
- 22.4 Member's shall exercise a right to vote at any meeting at which that Member is in attendance either by physical or electronic means (e.g. Skype, teleconference, or on-line voting process)

- 22.5 Where an on-line voting process is adopted, it shall be signalled in the agenda for the meeting and provide the method for conducting an on line vote, including voter verification processes, and PIN procedures to avoid duplication. It shall also provide the timeframe for completion of an on-line voting process.
- 23 Nomination and Remuneration Committee
- 23.1 The Nomination and Remuneration Committee (N&RC) is a subcommittee of the Members' Council which is made up of at least one Members' Council member and up to three others who, in the opinion of the Council are appropriately skilled and experienced. The majority of the NR&C must be levy paying Members.
- 23.2 The N&RC shall deal with Board remuneration matters (all other remuneration matters to be dealt with by the CEO) for the Society and to assist the Members' Council with Board selection.
- 24 Management
- 24.1 Subject to the direction of the Annual General Meeting or an Extraordinary General Meeting, the management and control of the Society shall be vested in the Board.
- 24.2 Annual General Meeting (AGM)
- 24.2.1 An AGM shall be held within 6 months of the close of the Society's financial year.
- 24.2.2 The Chairperson of the Members' Council shall review the past year's work and submit a report and financial statements duly audited. An auditor shall be appointed.
- 24.2.3 The names of prospective Board Members shall be tabled.
- 25 Board
- 25.1 The Board shall comprise of: five to nine Directors, (of which up to three Board Directors can be Appointed Directors) including one Chairperson who must also be a levy payer. The majority of Board Directors shall be levy paying Members.
- 26 Purpose of the Board
- 26.1 The purpose of the Board is to provide governance to the Society relating to:
- 26.1.1 All matters related to the operations of the Society;
- 26.1.2 The research and development projects undertaken by the Society;
- 26.1.3 All matters put forward for consideration by either the Members' Council or a Member who has raised an issue with the support of not less than 10 other Members; and
- 26.1.4 Receive reports from the Chief Executive Officer ("CEO") and Management.
- 27 Board Directors
- 27.1 The N&RC shall call for nominations to fill a vacancy of the Board.
- 27.2 Once nominations for Board Directors have been compiled, the N&RC will provide a list of potential Board members to the current Board Directors. The current Board will inform the N&RC of their preferred candidate/s.

- 27.3 The N&RC will put forward the name/s of the preferred candidate/s to the Members Council for final approval.
- 27.4 A Board Directors selection is entirely skills based and choices will depend on the current makeup of the Board and what skills or expertise are required from time to time.
- 27.5 Board Directors shall hold their position for a maximum of 3 terms of 3 years. With exception of the Chair of the Board who shall hold their position for a maximum of 4 terms of 3 years.
- 27.6 After 3 years a Board Director must offer either retirement or offer themselves for re-election for a further 3 year term.
- 27.7 The Board shall devise a system whereby there is a rotating, appointment of Board Directors so that not more than half the current Board Directors are up for re-election at any one time.
- 27.8 A Board Director may vacate their position prior to their term ending, by providing written notice to the Board.
- 27.9 The Board shall have the power to co-opt individuals, who are not Members but have the necessary expertise to advise on relevant issues, for periods of time when the Board sees fit. Such individuals shall not have voting rights.

28 Board Meetings

- 28.1 The Board shall meet at such times and at such places as the Chairperson thinks fit.
- 28.2 The Board shall elect the Chairperson and any other officers.
- 28.3 The Board may be convened by notice signed by 3 Board Directors and filed with the subject of the meeting to the direction of the Annual General Meeting or an Extraordinary General Meeting.
- 28.4 Within 7 days of receipt of such notice the Chairperson shall advise all Board Directors of the date of meeting. Such meeting shall be held within 21 days of the date of filing the notice.
- 28.5 The Board shall fix the date and venue of the Annual General Meeting which shall be advised to all Members via post or email.
- 28.6 Any casual vacancy occurring on the Board may be filled by an appointment made by the Chairperson after consultation with the Board. Such appointee shall hold office until the close of the next AGM or until a successor has been appointed and accepted office.
- 28.7 Fifty percent (50%) of the levy paying Board Directors shall form a quorum. Any decision requiring approval or ratification by the Board shall be passed by majority, unless otherwise specified in these rules, and that majority shall also require the majority to be held by levy paying Board Directors.

29 Extraordinary General Meeting (EGM)

- 29.1 An EGM shall be convened in the following ways:
 - 29.1.1 Pursuant to a resolution passed by a minimum of three Board Directors; or

29.1.2 Pursuant to a resolution passed by the Members' Council at a meeting of the Members' Council at which there is a quorum of not less than two-thirds of the Members' Council in attendance or

29.1.3 Pursuant to written notice signed by not less than 10 current Members.

30 Procedure for calling an EGM

30.1 In addition to reaching the thresholds as set out in 29.1 when calling for an EGM, the Board, Members' Council or Members, whom ever is seeking the EGM, shall:

30.1.1 File the request with the Chairperson of the Board;

30.1.2 Prepare a written agenda for the meeting which shall be available prior to the commencement of the meeting;

30.2 Within 7 days of receipt of notice the Chairperson shall advise Members of the date and time of the EGM and the business to be transacted. Such EGM shall be convened within 21 days of the filing of such notice.

Financial Year

30.3 The financial year for the Society shall end on 30th June.

31 Common Seal

31.1 The Chairperson of the Board shall be the custodian of the Common Seal which shall be affixed by him/her upon the authority of the Board to such documents as are signed by the Chairperson or in such other manner as the Board may decide.

31.2 A schedule of all documents to which the seal has been affixed shall be tabled at each Members' Council meeting.

31.3 The Board may select other Members who shall be charged with the rights and responsibilities of affixing the common seal upon such documents.

32 Pecuniary Gain

32.1 No part of any income or other funds of the society may be used or available to be used for the private pecuniary profit of any member.

32.2 No member of the organisation or any person associated with a member shall participate in or materially influence any decision made by the organisation in respect of the payment to or on behalf of that member or associated person of any income, benefit or advantage whatsoever.

32.3 Any such income paid shall be reasonable and relative to that which would be paid in an arm's length transaction (being the open market value). The provisions and effect of this clause shall not be removed from this document, and shall be included and implied into any document replacing this document.

33 Control and Investment of Funds

33.1 All monies received by the Society shall be banked in such institutions as the Board decides upon. Such accounts shall be operated upon the authority and signature of the Chairperson of the Board or such other officers as appointed by the Board.

33.2 The Board shall cause true and fair accounts to be kept of the assets and liabilities of the Society and the annual income and expenditure.

34 Alteration of Rules

- 34.1 Subject to Rule 34.2 these rules may be altered, added to, or rescinded by the Annual General Meeting and/or Extraordinary General meeting. Notice of any proposed alteration, addition or rescission shall be given to the Chairperson of the Board not less than 30 days before the date of the Annual General Meeting or Extraordinary General Meeting. The Chairperson of the Board shall forward a copy of the proposed alteration, addition or rescission to each member no less than 21 days before the Annual General Meeting or Extraordinary General Meeting.
- 34.2 No alteration, addition or rescission may be made to these rules which would have the effect of amending, firstly, the primary nature of the Society which enabled it to qualify for its tax exemption status, secondly, Rule 32.1 and thirdly, Rule 35.2.
- 34.3 No addition or alteration of the rules, payments to members' restriction or the dissolution rule shall be approved without the approval of Inland Revenue.

35 Winding Up

- 35.1 The Society may be wound up following a two-step process. The society will be wound up if:
- 35.1.1 At a general meeting of its Members a resolution is passed requiring the Society to be wound up; and
- 35.1.2 The resolution is ratified by seventy-five percent (75%) of Members' Council Members at a subsequent meeting called for the purpose of winding up and held no earlier than 30 days after the date of the first meeting.
- 35.2 In the event of the winding up of the organisation, any surplus funds are to be transferred to another charitable organisation which has similar aims and objects or for some other charitable purpose.

Schedule 1 – Map of ARGs

