

NOTICE OF SPECIAL GENERAL MEETING GRAIN PRODUCERS SA LIMITED (ACN 154 897 533)



Grain Producers SA Ltd

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NOTICE is given that a Special General Meeting of members (**SGM**) of Grain Producers SA Limited (ACN 154 897 533) (**GPSA**) will be held at the offices of GPSA at Level 2, 180 Flinders Street, Adelaide SA 5000 on Thursday 30 May 2019 commencing at 2:00pm (Adelaide time).

AGENDA

1. **Declaring the SGM open and welcome**
2. **Apologies**
3. **Special Resolution – amendment to GPSA Constitution**

To consider and if thought fit, to pass the following resolution as a **special resolution**:

“That, with effect from the close of the Special General Meeting at which this special resolution is passed, the GPSA Constitution be amended by making the amendments marked up on the Constitution tabled at that Special General Meeting and signed by the Chairman for the purpose of identification.”

4. **Other business**
 5. **Meeting close**
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FURTHER INFORMATION

Voting Registration

Voting registration for the SGM will commence at the venue at 1:00pm on Thursday, 30 May 2019. Pursuant to section 14.8 of GPSA's Constitution, only members of GPSA may vote.

How to Vote

Members will be able to cast votes personally at the SGM or to appoint a proxy or a representative to attend and vote at the SGM on their behalf. A proxy or representative may but need not be a member of GPSA. Members will be entitled to vote either for or against the resolution or to abstain from voting.

Members are advised that the SGM will not be video linked or otherwise made available for members to participate online.

In accordance with the *Corporations Act 2001* (Cth), a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where two proxies are appointed, a separate proxy form should be used to appoint each proxy.

Entitlement to vote at the SGM

It has been determined in accordance with clause 14.2(b)(iii) of the GPSA Constitution, that the GPSA register of members will close for the purposes of the SGM at 5.00pm on 24 May 2019. Accordingly, persons holding membership at that time will be eligible to vote at the SGM.

Any person who is a Grain Producer (as defined in the GPSA Constitution, being an active producer of Grain) and is eligible to be a member of GPSA, may apply for membership with GPSA using the membership form accessible at www.grainproducerssa.com.au by 5.00pm on 24 May 2019, to enable the application to be considered by GPSA. Persons wishing to apply for membership are encouraged to submit their applications as soon as possible to provide the GPSA Board with sufficient time to consider their membership applications.

Returning Officer

Matthew Illman, C/- William Buck Chartered Accountants

Explanatory Statement

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the SGM.

Enquiries

For further information or to request a Proxy Form, please contact GPSA by phoning 1300 734 884.

Caroline Rhodes

Chief Executive Officer

EXPLANATORY STATEMENT

Background

The GPSA Constitution was adopted by GPSA upon its registration in December 2011. Since that date it has only been amended on one occasion, being in September 2014, to remove the requirement that all changes to the Constitution be approved by the Minister for Primary Industries and Regional Development.

The GPSA Board have reviewed the GPSA Constitution to consider whether any amendments are necessary given the growth of GPSA and the changes in its industry and the governance landscape since the Constitution was adopted. Having undertaken this process, a number of amendments to the Constitution are proposed to ensure the GPSA Constitution reflects changes and developments in these matters as well as to provide GPSA with a more contemporary and suitable Constitution for its Members.

Experience has shown that there are areas which need refinement and clarification in order to provide members and producers with better corporate governance. In particular, the provisions relating to General Meetings and the directors of GPSA have been shown to have the potential to cause confusion.

Many of the amendments are also proposed in light of developments in the use of technology and trends in governance practices among corporations and not-for-profit entities, since the Constitution was adopted. The amendments seek to ensure that GPSA's organisational governance and management processes continue to reflect best practice.

GPSA expects that the proposed amended Constitution will enable it to better pursue its objects and to better service its existing and future members. Further, the improved readability resulting from the amendments will provide greater transparency and support democratic participation in GPSA.

The amendments are also proposed with a view to continually improving GPSA's operations and demonstrating strong industry leadership through sound corporate governance.

Constitution

Members can review a summary of the proposed key changes to the Constitution in the Annexure to this Explanatory Statement.

Members can also access a copy of the full proposed amended Constitution (showing the proposed amendments in 'mark up') at www.grainproducersssa.com.au. The 'mark up' version marks deletions of existing provisions with a strikethrough and marks additions with an underline.

Any member who would like a paper copy of the proposed amended Constitution can also request a copy by phoning GPSA on 1300 734 884.

Special Resolution

For the Special Resolution to be passed, at least 75% of the votes cast by members on the resolution (in person at the meeting or by proxy or representative) must be in favour of the resolution.

Board Recommendation

The GPSA Board members unanimously believe that the amendments to the Constitution are in the best interests of members and unanimously recommend that members vote in favour of the Special Resolution.

ANNEXURE - SUMMARY OF PROPOSED KEY AMENDMENTS TO GPSA CONSTITUTION

A summary of the key GPSA Constitutional changes being considered with a view to achieving a more contemporary and suitable Constitution for GPSA and its members is as follows.

#	Topic	Existing Constitution	Clause Ref	Proposed Amended Constitution	Clause Ref
1	Political neutrality	No member of Parliament shall act as a director or officer of GPSA.	5	Retained but expressly extended to any house of a State, Territory or Federal Parliament as well as to persons who have nominated for election to any of those houses (rather than just persons who are actually elected). Also expanded to include a member of a State, Territory or Federal executive or administrative committee (or the equivalent body), which broadly reflects provisions of the Department of the Prime Minister and Cabinet Lobbying Code of Conduct.	5
2	Objects of GPSA	The Constitution lists GPSA's "objects". Essentially, this is a detailed list of the primary purposes and aims for which GPSA exists. GPSA can only undertake	6	Revised so that a general statement of purpose is listed along with a number of non-exclusive things GPSA may do in pursuit of that purpose.	6

#	Topic	Existing Constitution	Clause Ref	Proposed Amended Constitution	Clause Ref
		activities which are consistent with these objects.		This does not result in any reduction in GPSA's permitted activities and is considered preferable to enshrining a number of specific objects in the Constitution which may change or require amendment over time.	
3	Classes of membership and membership administration	<p>The Constitution does not expressly permit different classes of members and requires all members to be Grain Producers and satisfy prescribed criteria.</p> <p>All provisions relating to the administration of membership (such as application requirements) are included in the Constitution.</p>	9	<p>'Producer Members' are enshrined in the Constitution and the Constitution expressly enables the Board to establish additional classes of membership.</p> <p>The Board is also empowered to determine a range of matters relating to membership and administration of membership including eligibility criteria for membership classes, requirements for applications for membership and administration of membership generally. It is intended that many of these matters be set out in By-laws determined by the Board (see item 14 below).</p> <p>As a transitional matter, all existing members will be taken to be 'Producer</p>	<p>10</p> <p>11</p> <p>29.2</p>

#	Topic	Existing Constitution	Clause Ref	Proposed Amended Constitution	Clause Ref
				<p>Members' from the date the Constitution amendments take effect. The fundamental rights of existing members will not be affected.</p> <p>GPSA membership will remain open to all South Australian grain producers who contribute to the Grain Industry Fund and who will, while they hold membership in turn, have the right to democratically elect the members of GPSA's governing body.</p>	
4	Term of membership	The Constitution states that membership shall be on an annual basis although this is not supported by any other provisions and it is unclear as to the term for which persons hold membership.	9.4(c)	<p>Membership will be on an annual basis.</p> <p>This will enable the Board to more readily determine and, to the extent necessary, change the rights attaching to membership on an annual basis. This will assist in making GPSA a more adaptive organisation that is better able to service the changing needs of its members.</p>	11.1(b)
5	Cessation of membership	Where a person has ceased to be eligible to be a member, it is unclear whether they automatically cease to be a member	10 11	A formal Board resolution is required to remove members who have ceased to be eligible to be members.	12

#	Topic	Existing Constitution	Clause Ref	Proposed Amended Constitution	Clause Ref
		or whether the Board is required to formally resolve to remove them as a member.		GPSA is also provided with a general ability to expel members who have engaged in conduct that the Board considers to be prejudicial to the interests or reputation of GPSA. This is a provision found in the constitutions of many member based not-for-profit organisations.	12.1(c)
6	Member voting rights	Voting members are entitled to one vote on a show of hands and 10 votes on a poll.	9.6	Voting members are entitled to one vote on a show of hands and one vote on a poll. This reflects more usual modern practice, removes more administratively burdensome requirements as to proxies and counting of votes on GPSA and does not disadvantage members as the reduction affects all voting members equally.	11.3
7	Annual General Meetings	The Constitution is silent on GPSA holding annual general meetings (although under the corporations law GPSA is required to hold an annual general meeting within	-	Provision included requiring GPSA to hold an annual general meeting and prescribing the business of the meeting.	15.1

#	Topic	Existing Constitution	Clause Ref	Proposed Amended Constitution	Clause Ref
		five months of the end of its financial year).		GPSA will continue to make its annual general meeting open to the public but, as with existing general meetings, only existing eligible members will be entitled to vote.	
8	General meetings	Contains provisions dealing with calling and holding general meetings as well as procedural aspects of general meetings. Also contains an unusual provision requiring GPSA to give 'advance notice' of general meetings to members in addition to usual requirements to give notice in accordance with the Corporations Act. This is an onerous requirement that appears to be aimed at giving persons the opportunity to become members before the meeting and therefore to be entitled to vote at the relevant meeting.	14.2(a)-(b)	Removed advance notice requirement and modernised meeting provisions generally to reflect developments in the use of technology and trends in governance practices.	15-18
9	Direct voting	Constitution does not expressly permit direct voting at general meetings, instead requiring all votes to be cast in person at the meeting or by proxy.	14	Provision included empowering the Board to prescribe a direct voting procedure that allows members to vote directly on	17.9

#	Topic	Existing Constitution	Clause Ref	Proposed Amended Constitution	Clause Ref
				meeting resolutions without attending or appointing a proxy.	
10	Eligibility for appointment as a Member Elected Director	No requirement for a person to hold membership in order to be eligible for appointment as a Director.	15.4	<p>To preserve the producer focussed ethos of GPSA, GPSA has introduced a requirement for a person to be a Producer Member or, in the case of case of memberships held through a company, trust or partnership, to be associated with a Producer Member, in order to be eligible for election as a Member Elected Director. It has also provided flexibility for the Board to determine that other future membership classes may also carry rights to stand for election as a Member Elected Director.</p> <p>No requirement for a person to hold membership or be associated with a member in order to be appointed as a Board Appointed Director.</p>	
11	Election of Directors	Constitution silent on how director elections are to be conducted.	15	Proposed new rules setting out a modern procedure for persons to nominate for election as a Member Elected Director and	19.3

#	Topic	Existing Constitution	Clause Ref	Proposed Amended Constitution	Clause Ref
				then for the holding of a ballot in the event that nominations exceed vacancies.	
12	Initial Directors	Constitution contains legacy provisions relating to initial directors (and names those directors).	15.1(c)	Removed legacy provisions as no longer required.	19
13	Minimum number of Directors	Prescribes that there must be at least three directors.	15.1(a)	Increased minimum number of directors to six.	19.1
14	Maximum term of office of Directors	No maximum term for which directors may remain in office.		Proposed that a director may not serve more than six consecutive two year terms. If a director reaches this limit then they will not be eligible to be a director for a three year period, after which they will become eligible again. As a transitional matter, time in office by persons holding office as directors before the amendments are passed will not be counted towards these tenure limits.	19.7 29.4
15	By-Laws	The Board is not empowered to make By-laws		The Board is empowered to make By-laws that supplement and are not inconsistent with the Constitution.	20.2

#	Topic	Existing Constitution	Clause Ref	Proposed Amended Constitution	Clause Ref
				It is currently intended that matters relating to membership eligibility, applications and administration of membership will be prescribed in the By-laws. GPSA will be required to publish notice of any changes to the By-Laws on its website.	
16	Chairperson of the Board	There are inconsistencies regarding whether the Chair is elected by members or appointed by the Board as well as the term of the Chair's appointment.	15.1(b)(i) 15.11 But note 15.11(1)	Amended to clarify that after each annual general meeting the Chair will be appointed by the Board. Appointment of the Chair by the Board reflects more modern governance practice. As a transitional matter, the existing GPSA Chair will continue to hold that office until the conclusion of the 2019 AGM.	21.6 29.6
17	Circulating resolutions of directors	Circulating resolutions of directors must be approved by all directors eligible to vote on the resolution in order to be passed.	15.13	Circulating resolutions of directors must be approved by a majority of directors eligible to vote on the resolution in order to be passed.	21.9

ENDS