

The Corporations Act 2001 (Cth)
A Company Limited by Guarantee

CONSTITUTION
of
AUSTRALIAN FINANCE INDUSTRY ASSOCIATION LIMITED



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Corporations Act 2001 (Cth)

A Company Limited by Guarantee and not having a Share Capital

CONSTITUTION
OF
AUSTRALIAN FINANCE INDUSTRY ASSOCIATION LIMITED
ACN 000 493 907
(AFIA)

1. DEFINITIONS AND INTERPRETATION

1.1 This Constitution is to be construed with reference to the provisions of the Corporations Act (as defined below) and, subject to clause 1.2, terms used in the Constitution will have the same meanings as in that statute.

1.2 Throughout the Constitution, unless the context otherwise indicates or requires:

Appeals Committee means the committee appointed by the Board from time to time to consider appeals by Members of AFIA pursuant to clause 7;

Approved Fund means any fund established for the benefit of AFIA to assist AFIA in achieving its Objects and any fund approved as such by the Board;

Board means the board of Directors of AFIA from time to time;

Chairperson means the person who chairs the general meetings of AFIA in accordance with clause 9;

Chief Executive Officer means the chief executive officer from time to time of AFIA;

Code of Conduct means the Code of Conduct which comprises part of the AFIA Corporate Governance Charter from time to time;

Constitution means the Constitution of AFIA, as amended from time to time;

Corporations Act means the *Corporations Act 2001* (Cth) and all regulations and other instruments pursuant to it and all consolidations, amendments, re-enactments or replacements of it;

Director means a member of the Board from time to time;

Division means a designated division of AFIA;

Executive means the executive or committee that manages a Division from time to time;

Independent Director means a Non-Executive Director who:

- (a) is not a member of AFIA (including any Division) or any subsidiary or an employee of AFIA (including any Division) or any subsidiary;
- (b) within the last three (3) years has not been employed in an executive capacity with AFIA or any subsidiary;
- (c) within the last three (3) years has not been a principal of a material professional advisor or a material consultant to AFIA or any subsidiary, or an employee of them materially associated with the service provided;
- (d) is not a material supplier or customer of AFIA or any subsidiary, or an officer of, or otherwise associated directly or indirectly with, a material supplier or customer;
- (e) has no material contractual relationship with AFIA or any subsidiary other than as a director of AFIA or a subsidiary;
- (f) has not served on the board of AFIA (including the committee of any Division) or a subsidiary for a period which could, or could reasonably be perceived to, materially interfere with his or her ability to act in the best interests of AFIA; and
- (g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with his or her ability to act in the best interests of AFIA;

Majority Vote means a vote or resolution that has been passed by:

- (a) in the case of a vote or resolution of Members, more than fifty percent (50%) of the votes cast by Members present (in person or by proxy) and entitled to vote on the relevant resolution; and
- (b) in the case of a resolution of Directors, by more than fifty percent (50%) of the Directors present and entitled to vote on the relevant resolution.

Member means a member of AFIA from time to time and includes a duly appointed representative of a Member; and **Membership** means the collection of such Members;

Non-Executive Director means a Director who is not an employee of AFIA (including any Division) or any subsidiary other than in the capacity of being a Director or a director of such Subsidiary;

Objects means the constitutional objects of AFIA set out in clause 2;

Office means the registered office for the time being of AFIA;

Protocol means a resolution, rule, regulation, or by-law made by AFIA in general meeting or by the Board for the purpose of the administration of AFIA or any Division or other subsidiary of AFIA;

Register of Members means the register of Members of AFIA kept pursuant to section 169 of the Corporations Act;

Seal means the common seal (if any) of AFIA;

Secretary means any person appointed to perform the duties of a secretary of AFIA from time to time and includes an honorary secretary;

State means a State or Territory of the Commonwealth of Australia; and

Subsidiary has the same meaning as in the Corporations Act.

1.3 Interpretation

In the Constitution:

- (a) headings are for convenience only and do not affect the interpretation of the Constitution;
- (b) reference to the singular includes the plural and vice versa;
- (c) reference to any gender includes the other genders;
- (d) reference to a person includes a corporation and vice versa; and reference to a person or a corporation includes a firm, a body corporate, an incorporated association, a university or a government or other authority;
- (e) reference to a party includes that party's executors, administrators, successors and permitted assigns;
- (f) every obligation entered into by two (2) or more parties binds them jointly and each of them severally;
- (g) where any word or phrase is defined in the Constitution, any other grammatical form of that word or phrase has a corresponding meaning;
- (h) reference to a part, clause, paragraph or other sub-division is to a part, clause, paragraph or other sub-division of the Constitution;
- (i) reference to a statute, ordinance, code or other law includes any amendment to it, any replacement of it and any statute, ordinance, code or other law intended to operate in conjunction with it and, in each instance, includes every regulation, rule and other instrument pursuant to it;
- (j) reference to "writing" or "in writing" includes email and any other electronic form approved from time to time by the Board;
- (k) reference to "month" is to a calendar month;
- (l) all monetary amounts are in Australian dollars; and
- (m) "including" and similar expressions are not words of limitation.

Replaceable Rules do not apply

- 1.4 The replaceable rules referred to in the Corporations Act do not apply to AFIA and are replaced by the provisions of the Constitution.

2. OBJECTS

- 2.1 AFIA is an association of persons and corporations engaged in the business of financiers and the provision of credit facilities for every kind of commercial enterprise and personal use.
- 2.2 The objects of AFIA are:
- (a) to promote the interests of the Members in the course of their business;
 - (b) to represent the Members and to negotiate on their behalf, collectively and individually as required, with any public or private body or government or semi government authority in relation to matters affecting the business of Members;
 - (c) to investigate and share with Members, any information that will assist them in promoting and effectively executing their business;
 - (d) to provide a mechanism for Members to improve core skills and meet professional development responsibilities through high-quality training courses and programs;
 - (e) to survey Members and otherwise conduct research, analysis and produce reports on financial, market, economic, legal, industrial and other matters affecting Members
 - (f) to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of AFIA.
- 2.3 The property and income of AFIA will be applied solely to further its Objects and no portion shall be distributed directly or indirectly to the Members except as genuine compensation for services rendered or expenses incurred on behalf of AFIA.
- 2.4 AFIA is limited by guarantee and the liability of Members is limited as provided for in the Constitution.

3. MEMBERSHIP

Classes of Members

- 3.1 There will be two (2) classes of Members, as follows:
- (a) Full Members; and
 - (b) Associate Members.
- 3.2 A Full Member is a Member which is engaged in the business of financiers and the provision of credit facilities for every kind of commercial enterprise and/or personal use and that has paid their annual Membership fee.
- 3.3 An Associate Member is a Member which provides services to Full Members or to entities engaged in the business of financiers and the provision of credit facilities for every kind of commercial enterprise and/or personal use.

Rights and Obligations of Members

- 3.4 Subject to the provisions of the Constitution, a Full Member has:
- (a) the right to receive notice of all meetings of Members and to attend, and vote at, those meetings;
 - (b) the right to receive notice of all technical meetings conducted by AFIA, and to attend at, and participate in those meetings for which the Member's annual Membership fee has been paid; and
 - (c) the right to access the AFIA Members' website and all other relevant communications.
- 3.5 Subject to the provisions of the Constitution, an Associate Member has:
- (a) the right to receive notice of all meetings of Members but no right to attend such meetings and no right to vote at any meeting of Members;
 - (b) the right to receive notice of all technical meetings conducted by AFIA, and to attend at, and participate in those meetings for which an invitation has been extended and the Associate Member's annual Membership fee has been paid; and
 - (c) the right to access the AFIA Members' website.
- 3.6 All Members will be subject to the obligations and duties applicable to their membership of AFIA and, without limiting the generality of the foregoing, will be bound by the Constitution, the Protocols and the Code of Conduct.
- 3.7 Any Member may be represented at meetings of AFIA by such person or persons as the Member appoints as its representative(s). Alternate representatives may be appointed provided that not more than one (1) representative of a Member may (where applicable) vote at any particular meeting of AFIA. Notice of the appointment of a representative must be given in writing by the Member to the Secretary; and the appointment of a representative will be effective on receipt by AFIA of such notice. A Member may, at any time, by notice in writing to the Secretary, revoke the appointment of a representative and appoint a replacement representative.
- 3.8 The rights, privileges and obligations of a Member are not transferable.

Register of Members

- 3.9 AFIA will maintain a Register of Members and will enter in such Register of Members the name and class of membership of each Member.

Liability of Members

- 3.10 The liability of Members is limited to the amount set out in clause 30 of this Constitution.

4. NOMINATION FOR MEMBERSHIP

- 4.1 An application for Membership of AFIA shall be made by the applicant in writing in such manner as AFIA from time to time prescribes and be lodged with the Secretary with the relevant application fee.
- 4.2 As soon as is practicable after receiving an application for Membership, the Secretary must refer the application to the Board (or committee appointed by the Board) to determine whether to approve or reject the application.
- 4.3 If the Board determines to approve an application for Membership, the Secretary must, as soon as practicable after that determination, notify the applicant of that approval and enter the applicant's name in the Register of Members and, on the name being entered and any required Membership fee being paid, the applicant becomes a Member of AFIA. For the avoidance of doubt, an applicant will have no rights of Membership of AFIA, and will not be entitled to vote at a general meeting of AFIA, unless and until the Board has approved their nomination for Membership, the Secretary has entered their name in the Register of Members and the new Member has paid any required application fee and Membership fee.
- 4.4 Should an application not be approved, the Secretary will notify the applicant of that determination and return any application fee and/or Membership fee to the applicant within twenty-eight (28) days after the determination. AFIA is not obliged to give reason for any determination.

5. FEES AND SUBSCRIPTIONS

- 5.1 An applicant for Membership of AFIA must pay to AFIA an application fee in the amount determined by the Board from time to time.
- 5.2 A Member must, in each financial year, pay to AFIA an annual Membership fee in the amount determined by the Board from time to time.
- 5.3 An applicant which becomes a Member must pay a pro rata amount of that annual Membership fee for the remaining part of that financial year.

6. CESSATION OF MEMBERSHIP

- 6.1 A Member may resign their Membership by giving written notice for the period set by the Board from time to time, addressed to the Secretary, stating that they wish to resign their Membership. Such resignation will be recorded in the Register of Members and the Member will cease to be a Member in accordance with their notice or, if no date is specified in the notice, at the end of the period covered by their current Membership subscription, unless such Member withdraws their resignation before it has taken effect. A Member will continue to be liable for any subscription and all arrears due and unpaid at the date of the Member's resignation and for all other moneys due by the Member to AFIA.
- 6.2 If the subscription of a Member remains unpaid for a period of two (2) months after it becomes due then the Member may, after notice of the default has been sent to it by the Secretary, be debarred by resolution of the Board from all privileges of membership and the name of the Member may be removed by the Board from the Register of Members provided that the Board may reinstate the

Member and restore the Member's name to the Register of Members on payment of all arrears if the Board thinks fit to do so.

- 6.3 The Board may revoke a Member's Membership if:
- (a) that Member wilfully refuses or neglects to comply with the provisions of the Constitution; or
 - (b) is guilty of any conduct which, in the opinion of the Board, is unbecoming of a Member or prejudicial to the interests of AFIA;

provided that:

- (a) at least two (2) weeks before the meeting of the Board at which a resolution for the revocation of Membership is passed, the Member receives notice of such meeting, the allegations and the intended resolution;
 - (b) at the meeting, and before the passing of such resolution, the Member has an opportunity of giving, orally or in writing, any explanation or defence the Member may think fit; and
 - (c) the Member is given the opportunity to, by written notice lodged with the Secretary at least twenty-four (24) hours before the time for holding the Board meeting, elect to have the question of the revocation of their Membership dealt with by the Members in a general meeting. In that event, a general meeting of the Members shall be called for that purpose and, if a resolution to revoke that Member's Membership is passed, the Member's Membership shall immediately be revoked.
- 6.4 If the Membership of a member is suspended or revoked in accordance with clause 6.3, the Secretary will, as soon as practicable after the determination is made, advise the Member in writing.

7. APPEALS

- 7.1 Any Member which is suspended or expelled as a Member by the Board pursuant to the provisions of the Constitution may, within the period of twenty-one (21) days after notice of the decision of the Board has been sent to such Member, lodge an appeal in writing with the Board requesting the Board to submit their appeal to the Appeals Committee.
- 7.2 If such Member lodges an appeal in accordance with this clause:
- (a) the Board will convene an Appeals Committee from the Members (including the Board) comprising such people as it considers appropriate and qualified to consider the relevant appeal; and
 - (b) the name of such Member will not be removed from the Register of Members unless such appeal is not upheld.

8. GENERAL MEETINGS

8.1 Subject to the provisions of the Constitution, all meetings of AFIA held in accordance with, and for the purposes of, the Constitution and/or the Corporations Act, will be held at such time and place, and will be conducted in such manner, as the Board may determine.

Annual General Meetings

8.2 In addition to any other meetings, AFIA must hold an annual general meeting in accordance with the requirements of the Corporations Act. The annual general meeting will be held at such time and place as the Board determines. Until determined otherwise by the Members in general meeting, the financial year of AFIA will be the period commencing on 1 July and ending on 30 June in each year.

Extraordinary General Meetings

8.3 All general meetings, other than annual general meetings, shall be called extraordinary general meetings.

8.4 Extraordinary general meetings shall be convened:

- (a) by the Board, at its discretion; or
- (b) on such requisitions as are provided by the Corporations Act.

Notice

8.5 Subject to the provisions of the Corporations Act relating to special resolutions and agreements for shorter notice, a minimum of twenty eight (28) days' notice (exclusive of the day on which the notice is served or deemed to be served but inclusive of the day for which the notice is given) specifying the place, day and hour of meeting, and in case of special business, the general nature of that business, shall be given to Members.

9. PROCEEDINGS AT GENERAL MEETINGS

9.1 The business of annual general meetings of AFIA will be, without limitation, to:

- (a) receive and consider the annual financial statements and the reports of the Directors and the auditors;
- (b) elect the Members of the Board; and
- (c) appoint and fix the remuneration of the auditors.

Quorum

9.2 No business will be transacted at a general meeting unless a quorum is present at the time when the meeting proceeds to business.

9.3 Ten (10) Full Members entitled under the Constitution to vote at a general meeting of Members present in person or by proxy will constitute a quorum for the transaction of the business of a general meeting.

- 9.4 If within half an hour after the appointed time for the commencement of a general meeting a quorum is not present, the meeting:
- (a) if convened on the requisition of Full Members, will be dissolved; and
 - (b) in any other case, will stand adjourned to the same day in the following week at the same time and (unless another place is specified at the time of the adjournment by the person presiding at the meeting or communicated by written notice to Members given before the day to which the meeting is adjourned) at the same place.

If at the adjourned meeting a quorum is not present within half an hour after the time appointed for the commencement of the meeting, the Full Members present (being at least three (3) Full Members entitled under the Constitution to vote at a general meeting of Members, present in person or by proxy) will constitute a quorum.

Chairperson

- 9.5 The Chairperson will preside and chair each general meeting of AFIA.
- 9.6 If the Chairperson is absent, or unwilling or unable to act, the Full Members present will elect one (1) of their number to preside as Chairperson at that meeting.

Adjournment

- 9.7 The Chairperson of a general meeting at which a quorum is present may with the consent of a majority of Full Members present and entitled to vote (and must if so directed by the meeting), adjourn the meeting from time to time and place to place at which a quorum is present, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place and, subject to clause 9.8, it will not be necessary to give any notice of an adjournment or the business to be transacted at a meeting adjourned pursuant to this clause.
- 9.8 When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting must be given as in the case of an original meeting.

Voting

- 9.9 At any general meeting a motion put to the vote of the meeting will be decided on a show of hands of Full Members present in person or by proxy and entitled to vote on the resolution unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (a) the Chairperson of the meeting; or
 - (b) not less than three (3) Full Members present in person or by proxy and having the right to vote on the resolution at the meeting.

The demand for a poll may be withdrawn.

- 9.10 Unless a poll is so demanded, a declaration by the Chairperson that a resolution has, on a show of hands, been carried, or lost, and an entry to that effect in the

minute book of AFIA will be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such a resolution.

- 9.11 Except as provided in clause 9.12, if a poll is duly demanded at a meeting it will be taken in such manner as the Chairperson directs, and the result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded.
- 9.12 In the case of an equality of votes at a meeting, whether on a show of hands or on a poll, the Chairperson of the Meeting will be entitled to a second or casting vote.

10. VOTES OF MEMBERS AT GENERAL MEETINGS

- 10.1 On a show of hands, every Full Member who is present in person or by proxy at a general meeting has one (1) vote.
- 10.2 On a poll, every Full Member has one (1) vote for each one dollar (\$1.00) of current year annual membership fees paid by them, and every vote may be given personally or by proxy in accordance with the Constitution.
- 10.3 The instrument appointing a proxy must be in writing and:
- (a) if in paper form, is signed by the Full Member appointing such proxy or by the Full Member's attorney duly authorised in writing; or
 - (b) if by electronic means, is taken to have been signed or authorised upon submission of the proxy form in the manner specified by the Board at the time that the proxy form is made available to Full Members for completion.
- 10.4 The instrument appointing a proxy, and the power of attorney or other authority (if any) under which such proxy is signed (or a notarially certified copy of that power or authority) must be received by AFIA in the manner specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for the commencement of the meeting (or in regard to an adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll) at which the person named in the instrument proposes to vote, and in default the instrument of proxy will not be treated as valid.
- 10.5 The instrument appointing a proxy or representative may be in the following form or any other form which the Board approves:

NOTES

Lodge your vote:

By email to *[insert details]* or by the following alternate method *[insert details]*
 For your vote to be effective it must be received by *[insert details]*

How to Vote on Items of Business

Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

PROXY

STEP 1: Appoint a Proxy to Vote on Behalf of Your Organisation

Being a Member of the Australian Finance Industry Association Limited and entitled to vote at its general meetings, hereby appoint:

Mark X	CHAIRPERSON OF THE MEETING	<u>OR</u>	Insert name and address details of an alternate Member. Leave blank if you have selected the Chairperson of the meeting. Do not insert your organisation.
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*or, in the event that no proxy or alternate proxy is specified above or such person is absent from the meeting, the Chairperson of the meeting is hereby appointed as proxy to vote for and on my behalf at the [*Annual General Meeting / General Meeting] of the Company to be held on [date] at the [venue] and at any adjournment of that meeting in accordance with the instructions given under the Items of Business, or if no directions have been given, and to the extent permitted by law, as the proxy sees fit.*

STEP 2: Items of Business

PLEASE MARK "X" IN ONE BOX

	FOR	AGAINST	ABSTAIN

STEP 3: Signature

SIGNATURE

CONTACT NAME

ORGANISATION DETAILS

DATE

- 10.6 The instrument appointing a proxy will confer authority to join in demanding a poll.
- 10.7 A vote given in accordance with the terms of an instrument of proxy will be valid notwithstanding the previous death or insanity of the Full Member giving it or the revocation of the proxy or of the authority under which the proxy was executed, provided that no notice in writing of such death, insanity or revocation has been received by AFIA (in the manner specified in the notice convening the relevant meeting for the depositing of instruments of proxy) before the commencement of the meeting or adjourned meeting at which the proxy is used.

11. BOARD OF DIRECTORS

- 11.1 The Board will comprise not less than five (5) and not more than ten (10) persons (or such other number as is approved by the Board from time to time) elected from AFIA's Membership in accordance with clause 14 or appointed in accordance with clause 15.
- 11.2 Each member of the Board elected from AFIA's Membership is, subject to the general rules set out in the Constitution, to hold office until the conclusion of the next annual general meeting following the date of the Director's election. At the expiry of that approximately one (1) year term, the Directors elected from AFIA's Membership must retire, but will be eligible for re-election for a further term.
- 11.3 In the event of a casual vacancy occurring in the membership of the Board, the Board may appoint any person to fill the vacancy and the person so appointed is to hold office, subject to the Constitution, until the conclusion of the annual general meeting next following the date of the appointment provided that, except for Independent Directors appointed pursuant to clause 15, any person so appointed must become a Member of AFIA if that person is not already a Member.

12. POWERS AND DUTIES OF BOARD

- 12.1 The control, management and conduct of AFIA shall be vested in the Board provided that such Board:
- (a) will not expend any moneys other than in the ordinary course of the day-to-day administration and operations of AFIA; and
 - (b) must deal with all moneys surplus to the needs of AFIA for such administration and operation in accordance with clause 12.5.
- 12.2 Subject to clause 12.1, the Board may carry into effect all or any of the Objects and may:
- (a) exercise all or any of the powers of AFIA; and
 - (b) do all acts and things which may be done by AFIA,
- as are not, by the Corporations Act or by the Constitution, required to be exercised or done by AFIA in general meeting.

- 12.3 Without limiting the generality of the Board's powers under this clause and powers granted to it elsewhere in the Constitution, the Board may:
- (a) pay all expenses incurred in or under the direction of the promoting of AFIA;
 - (b) enter into all such negotiations and contracts and rescind and vary all such contracts and to execute and do all such acts and things in the name and on behalf of AFIA as they may consider expedient for or in relation to any of the Objects;
 - (c) raise money on behalf of AFIA;
 - (d) invest money of AFIA upon such securities or otherwise (not being limited to investments authorised for the investments of trust funds by the law of the State) and in such manner as the Board may determine, and from time to time vary such investments;
 - (e) appoint any professional advisers or acquire any other assistance or service required by AFIA in the carrying out of its activities and operations, and pay reasonable remuneration and fees thereof;
 - (f) open any banking account and operate the same in the ordinary course of business; and
 - (g) receive and make gifts and donations on behalf of AFIA.
 - (h) to purchase, take on lease or in exchange, hire and otherwise acquire any lands, buildings, easements or property, real and personal, and any rights or privileges which may be requisite for the purposes of, or capable of being conveniently used in connection with, any of the objects of AFIA provided that in case AFIA shall take or hold any property which may be subject to any trusts AFIA shall deal with the same only in such manner as is allowed by law having regard to such trusts;
 - (i) to enter into any arrangements with any government or other authority, supreme, municipal, local or otherwise, that may seem conducive to AFIA's objects or any of them, and to obtain from any such government or other authority any rights, privileges and concessions which AFIA may think it desirable to obtain; and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions;
 - (j) to appoint, employ, remove or suspend such managers, clerks, secretaries, servants, workman and other persons as may be necessary or convenient for the purpose of AFIA;
 - (k) to take or hold mortgages, liens and charges to secure payment of the purchase price or any unpaid balance of the purchase price, of any part of AFIA's property of whatsoever kind sold by AFIA, or any money due to AFIA from purchasers and others;

- 12.4 No resolution, rule, regulation or by-law by AFIA in general meeting will invalidate any prior act of the Board which would have been valid if that resolution, rule, regulation or by-law had not been passed or made.
- 12.5 All moneys received by or on behalf of, or as a result of, the activities of AFIA shall be applied by AFIA in accordance with the Objects.

13. PROCEEDINGS OF THE BOARD

- 13.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.
- 13.2 Questions arising at any Board meeting will be decided by a Majority Vote on a show of hands of the members of the Board present which will for all purposes be deemed a determination of the Board. In the case of an equality of votes the Chairperson will have a second or casting vote.
- 13.3 A member of the Board may at any time summon a meeting of the Board.
- 13.4 The quorum necessary for transacting the business of the Board will be three (3) Directors or such greater number as may be determined from time to time by the Board.
- 13.5 The Chairperson will preside and, if at any meeting the Chairperson is not present within ten (10) minutes after the time appointed for holding the meeting, the members of the Board present will choose one of their members to be Chairperson of the meeting.
- 13.6 The continuing members of the Board may act notwithstanding any vacancy in the Board.
- 13.7 The Board may delegate any of its powers, functions and duties (not being duties imposed on the Board by the Corporations Act or the general law) to such committee or committees consisting of such member or members as the Board thinks fit or to the Chief Executive Officer. Any committee so formed must conform to any regulations that may be imposed on it by the Board.
- 13.8 A member of the Board must not vote in respect of any business before the Board for its determination if that member is interested directly or indirectly in that business or any matter arising from such business, and if he or she does vote his/her vote will not be counted, nor shall he/she be counted in a quorum for the transaction of that business.
- 13.9 A resolution in writing signed by all the members of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the Board.
- 13.10 Other than for Independent Directors (in relation to whom special arrangements must be approved by the Board) no Non-Executive Director will be entitled to remuneration for his or her services as a Director or other office bearer of AFIA or to reimbursement of his or her expenses incurred in travelling to or from, or attending at, meetings of the Board, without the unanimous approval of the Board. If the Chief Executive Officer is invited to become a Director, his or her remuneration will include providing his or her services as a Director and he or

she will be entitled to reimbursement of such expenses as is approved by the Board.

14. ELECTION OF DIRECTORS

- 14.1 Subject to clause 14.2, nominations of candidates for election as members of the Board, excluding the Independent Directors:
- (a) must be made in writing, and signed or otherwise authorised by the relevant candidate; and
 - (b) must be received by the Secretary at least thirty (30) days before the date fixed for the holding of the annual meeting at which the election is to take place.
- 14.2 The Executive of each Division will be entitled (but not obliged) to nominate one (1) person as its representative on the Board. Any such nomination:
- (a) must be made in writing, and signed or otherwise authorised by the relevant nominee; and
 - (b) must be received by the Secretary at least thirty (30) days before the date fixed for the holding of the annual meeting at which the election of Directors is to take place.
- 14.3 If the Nomination and Remuneration Committee of AFIA is of the opinion that the Board nominee of any Division is in a conflict position or is otherwise not suitable for appointment to the Board, it will raise its concerns with the relevant Executive, and the members of the Nomination and Remuneration Committee and the members of the relevant Executive will engage in good faith discussions to resolve the concerns. If the concerns regarding the nominee are not able to be resolved by discussion within fourteen (14) days, the issue will be referred to the Board for final determination.
- 14.4 If insufficient nominations are received to fill all vacancies on the Board, the candidates nominated are taken to be elected and further nominations are to be received at the annual general meeting.
- 14.5 If insufficient further nominations are received any vacant positions remaining on the Board are taken to be casual vacancies.
- 14.6 If the number of nominations received is equal to the number of vacancies to be filled, the persons nominated are taken to be elected.
- 14.7 If the number of nominations received exceeds the number of vacancies to be filled, a ballot is to be held.

15. APPOINTMENT OF DIRECTORS

- 15.1 Subject to clause 15.4, up to four (4) Independent Directors may be appointed by the Board because the Board considers they have the necessary skills, experience and expertise that are considered useful for AFIA's strategic priorities and operational requirements.

- 15.2 Independent Directors are accountable to the Members in the same way that elected Directors are accountable to Members and stakeholders.
- 15.3 The Board will establish and implement a due process for approaching, nominating and appointing Independent Directors.
- 15.4 Each Independent Director is to hold office until the next annual general meeting following the date of his or her appointment. At the conclusion of each term the Board will assess whether or not to re-endorse that Independent Director for an additional term.
- 15.5 The Board may appoint the Chief Executive Officer to the Board, to hold office until the next annual general meeting following the date of his or her appointment. At the conclusion of each term the Board will assess whether or not to re-appoint the Chief Executive Officer as a Director for an additional term.

16. CEASING TO BE A DIRECTOR

- 16.1 A Director shall cease to be a Director if he or she:
 - (a) becomes bankrupt or makes an arrangement or composition with his creditors;
 - (b) becomes prohibited from being a Member thereof by reason or any order made under the Corporations Act;
 - (c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
 - (d) resigns his office by notice in writing to the Secretary;
 - (e) for more than three (3) months is absent without permission of the Board from meetings of the Board held during that period; or
 - (f) is removed by resolution of the Board.

17. DUTIES OF DIRECTORS

Each Director must comply with his or her duties under the Corporations Act and any legislated governance standards that may apply to the Directors.

18. REMOVAL

The Members may, at any time, by Majority Vote of the Members, remove a Director.

19. MINUTES

- 19.1 The Board must cause to be kept and recorded minutes of all resolutions and proceedings of:
 - (a) general meetings of AFIA; and
 - (b) all meetings of the Board.

- 19.2 Such minutes must be signed by the Chairperson of the relevant meeting or the Chairperson of the next relevant meeting.
- 19.3 The Secretary will arrange for copies of such minutes to be sent to members of the Board as soon as practicable. The minutes will be prima facie evidence of the matters stated in the minutes.

20. BOOKS OF ACCOUNT

- 20.1 The Board must:
- (a) cause proper accounts to be kept with respect to all sums of money received and expended by AFIA and the matter in respect of which the receipt and expenditure takes place and the assets and liabilities of AFIA; and
 - (b) cause to be prepared financial statements (as defined by the Corporations Act) drawn up as at the last day of the financial year of AFIA each year.
- 20.2 The financial statements will be subject to audit and a duly audited copy of the financial statements shall be furnished to all Directors, not less than fourteen (14) days prior to the date for the annual general meeting at which the financial statements are to be presented.
- 20.3 The accounts must be kept at the Office or at such other place or places as the Board thinks fit from time to time, and must be open for inspection during normal business hours by any member of the Board and by any Member.
- 20.4 The Board will from time to time in accordance with the Corporations Act cause to be prepared and to be laid before AFIA in general meeting such financial statements as are required by the Corporations Act.
- 20.5 True accounts must be kept of the sums of money received and expended by AFIA and the matters in respect of which such receipt and expenditure takes place and of the property, credits and liabilities of AFIA and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of AFIA for the time being in force shall be open to the inspection of the Members.

21. RESOLUTION OF INTERNAL DISPUTES

- 21.1 Where a dispute exists between Members (in their capacity as Members), or between Members and AFIA, or between Directors or between Directors and Members the matter will be referred to the Secretary and the following process will apply:
- (a) the Secretary will advise the Board that a dispute exists; and
 - (b) every reasonable effort will be made to resolve the dispute, within the policy established by the Board, to the satisfaction of the parties.
- 21.2 If the parties are not able to resolve the dispute within fourteen (14) days, they must each expressly agree to endeavour in good faith to settle the dispute by mediation administered by the Australian Commercial Disputes Centre (the

ACDC) and in the event that the dispute is not settled within twenty-one (21) days after the appointment of the mediator, the parties must agree to submit the dispute to arbitration.

21.3 The parties agree that any proceeding administered by ACDC shall be conducted in accordance with the ACDC Rules operating at the time the dispute.

21.4 The arbitrator cannot be the same person of the mediator.

22. AUDIT OR REVIEW

22.1 In each financial year, AFIA must procure the preparation of an annual financial report and a Directors' report which contains the disclosures required by the Corporations Act.

22.2 The appointment, remuneration, powers and duties of the auditor of AFIA will be regulated in accordance with the Corporations Act and the Constitution.

23. SECRETARY

The Board will appoint a person to be the Secretary for the term, at the remuneration and on the conditions determined by the Board. Any Secretary so appointed may be removed by the Board.

24. BORROWING POWERS

The Board, for the purposes of the objects of AFIA, may exercise all of the powers of AFIA to borrow money, and to mortgage or charge its undertaking and property (or any part thereof), and to issue debentures, debenture stock and other securities (whether outright or as security for any debt, liability or obligation of AFIA).

25. SEAL

25.1 Any instrument to be executed by AFIA will be executed in accordance with the requirements of the Corporations Act.

25.2 The Seal (if any) will not be affixed to any instrument.

26. NOTICES

26.1 A notice under the Constitution may be given to any Member or other person entitled to notice :

- (a) personally;
- (b) by sending it by prepaid post to the address in the Register of Members, or such other address nominated by the Member;
- (c) by sending it to the facsimile number or electronic address (if any) nominated by the Member;
- (d) by sending it by email or any other electronic means (if any) nominated by the Member; or
- (e) by notification in accordance with clause 26.2.

- 26.2 If a Member or other person entitled to notice under the Constitution nominates an electronic means by which the person may be given notices (including notices of meetings) pursuant to the Constitution, AFIA may give notice (including notices of meetings) by notifying the person by that electronic means.
- 26.3 A notice under the Constitution may be given to AFIA:
- (a) personally;
 - (b) by sending it by prepaid post (which evidences delivery) to the Secretary of AFIA at the principal office of AFIA or such other address as AFIA advises from time to time for the service of notices;
 - (c) by sending it to the facsimile number (if any) nominated by AFIA from time to time for the service of notices and providing a copy of the answerback received evidencing successful delivery;
 - (d) by sending it by email to the email address (if any) nominated by AFIA from time to time for the service of notices and providing evidence of successful transmission; or
 - (e) by any other means permitted by the Corporations Act and advised by AFIA from time to times as an acceptable means of giving notice to it.
- 26.4 A notice delivered by hand will be deemed to have been given when it is delivered. A notice sent by post, facsimile or email will be deemed to have been given when, in the ordinary course of business, it would be delivered to the addressee party.
- 26.5 Notice of every general meeting of AFIA will be given in a manner authorised by the Constitution and in accordance with the Corporations Act to:
- (a) every Director who has supplied AFIA with an address for the giving of notices;
 - (b) the auditor or auditors (if any) for the time being of AFIA; and
 - (c) the Members.

27. OFFICERS: INDEMNITIES AND INSURANCE

- 27.1 To the extent permitted by law:
- (a) every person who is or has been an officer of AFIA will be indemnified out of the property of AFIA against any liability for costs and expenses incurred by that person in defending any proceedings in which judgment is given in that person's favour, or in which the person is acquitted, or in connection with an application in relation to any proceedings in which the Court grants relief to the person under the Corporations Act; and
 - (b) every person who is or has been an officer of AFIA will be indemnified out of the property of AFIA against any liability to another person (other than AFIA or a related body corporate of AFIA) where the

liability is incurred by the officer in his or her capacity as an officer of AFIA PROVIDED THAT this indemnity will not apply where the liability arises out of conduct involving a lack of good faith.

27.2 To the extent permitted by law AFIA may pay, or agree to pay, a premium in respect of a contract insuring a person who is or has been an officer of AFIA against a liability:

- (a) incurred by the person in his or her capacity as an officer of AFIA PROVIDED THAT the liability does not arise out of conduct involving a wilful breach of duty in relation to AFIA or a subsidiary of AFIA or a contravention of sections 182 or 183 of the Corporations Act; or
- (b) for costs and expenses incurred by that person in defending proceedings, whatever their outcome.

27.3 In clauses 27.1 and 27.2:

- (a) the term “proceedings” means any proceedings, whether civil or criminal, being proceedings in which it is alleged that the person has done or omitted to do some act, matter or thing in his or her capacity as an officer of AFIA or of a subsidiary of AFIA (including proceedings alleging that he or she was guilty or negligence, default, breach of trust or breach of duty in relation to AFIA or a subsidiary of AFIA);
- (b) the term “officer” has the meaning given to that term in section 9 of the Corporations Act.

28. PROTOCOLS

The Board may determine Protocols for the operation of AFIA or any Division or other subsidiary of AFIA, or for any other committee or other working group not otherwise provided for in the Constitution.

29. APPLICATION OF INCOME AND PROPERTY OF AFIA

29.1 As set out above in the Constitution, the income and property of AFIA will be applied solely towards the promotion of the Objects. No portion of such income and property will be paid or transferred directly or indirectly to the Directors or Members, except the Board may by Majority Vote approve:

- (a) the payment in good faith of reasonable and proper remuneration to a Director, officer or employee of AFIA, or to any Member in return for any services actually rendered to AFIA; or
- (b) the payment of reasonable and proper rent for premises demised or let by AFIA.

30. LIMITED LIABILITY

30.1 The liability of the Members is limited.

30.2 Every Member undertakes to contribute to the assets of AFIA in the event of AFIA being wound up during the time they are a Member, or within one year after

they ceases to be a Member, for payment of the debts and liabilities of AFIA contracted before they ceased to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, but not exceeding two hundred dollars (\$200.00).