

26/07/2017

FINAL VERSION

Articles of Association
of
The Association of Independently Owned Financial
Professionals Incorporated (AIOFP)

1. NAME

The name of the Association is the Association of Independently Owned Financial Professionals(hereinafter called the Association or AIOFP).

2. OBJECTIVES OF THE ASSOCIATION

The objectives of the Association are to represent the professional, commercial and political interests of all members and to inform the investing public of the advantages of obtaining the services of an independently owned financial professional.

3. APPLICATION OF INCOME

The assets and income of the organisation shall be applied solely in furtherance of the objectives contained in Clause 2 and no portion shall be distributed directly or indirectly to the members of the organisation except as bona fide compensation for services rendered or expenses incurred on behalf of the organisation.

4. HOW TO UNDERSTAND AND INTERPRET THESE ARTICLES

4.1 Interpretation

- 4.1.1 references to the singular include the plural and references to one gender includes all genders;
- 4.1.2 references to a statute extend to that statute as amended or modified and re-enacted from time to time and any orders, regulations or bylaws made under that statute;
- 4.1.3 words importing persons include corporations and other entities recognised by law;
- 4.1.4 Reference to “writing “or “written” includes printing, lithography, photography, email and other modes of producing words in a visible and easily accessible form;
- 4.1.5 titles and paragraph headings contained in these articles are for reference purpose only and are not to be considered when interpreting these articles
- 4.1.6 unless stated to the contrary and phrases in the Articles and regulations have the same meaning as the same words and phrases in the Corporations Act 2001.

4.2 Definitions

For the purpose of the Articles and regulations and except where the context clearly indicates to the contrary the following words and phrases have the following meanings.

“Articles” means the Articles of Association of the Association and includes any regulations made pursuant to these articles

“Annual General Meeting” means a meeting of members held for the purpose of approving the statutory accounts of the AIOFP.

“Association” means AIOFP or Association of Independently Owned Financial Professionals Incorporated

“Board” means the Board of Directors of AIOFP.

“Category” means a category of membership of AIOFP as created by the articles.

“Chairperson” means the person appointed by the Board from its numbers to act in that role. for a period of three(3) years.

“Code of Ethics” means the code of ethics and behaviour required of all categories of membership and as determined by the Board in the regulations and Code of Ethics and Standards for the Professional Practice of Financial Advice.

“Corporations Act ” means the Corporations Act 2001 as amended from time to time

“Executive Director” means a natural person appointed by the Board as the Public Officer of the Association.

“Special General Meeting” means a general meeting of members that is not an Annual General Meeting.

“Member” means a Principal Practice Member, Adviser Member, Associate Member or any other category of member as determined by the Board from time to time.

“Nominated Representative” means the nominated representative of a Practice Principal Member

“Office Holder or Office Bearer” means those persons who hold an elected or appointed office with the Association.

“Principal Practice Member, Adviser Member, Associate Member”
are categories of members as established by Article 4 of these articles”

“Register” means the register of members of the Association.

“Regulations” means the regulations of the Association and as amended from time to time by the Board

“Terms of Office” means the terms of office for Directors of the Association as determined by these Articles from time to time.

MEMBERSHIP

5. Categories of Membership

5.1 Principal Practice Members

A financial services company is eligible to become a Principal Practice Member if it satisfies the following;

- 5.1.1** Is in the view of the Board independently owned with no conflicting ownership from any Fund Manager, Life Company, Bank, Credit Union or other Financial Institution;
- 5.1.2** Holds an AFSL and maintains a minimum of 1 Authorised Representative for the term of its membership;
- 5.1.3** Notwithstanding the above the Board may admit as a Principal Practice Member an organisation that is a public company provided in the Board's view that company is regarded as an independently owned AFSL holder;

5.2 Adviser Members

A natural person is eligible to become an Adviser Member if they satisfy one of the following;

- 5.2.1** They are an Authorised Representative of a Principal Practice Member;
- 5.2.2** They are an Authorised Representative of an AFSL holder that is not a Principal Practice Member however the AFSL holder would be eligible for Principal Practice membership if they so desired;
- 5.2.3** The Adviser Member must continue to maintain professional qualifications to enable them to maintain their status as an Authorised Representative as required by the Association or by the Regulations from time to time;

5.3 Associate Members

A natural person who is employed by or acts in a consultancy capacity for a Principal Practice Member but is not an Authorised Representative may join the Association as an Associate member;

5.4 Other Categories of Members

The Board may from time to time create other categories of membership Provided such categories do not undermine the principle of Independently owned AFSL licensees;

5.5 Members' Rights

Principal Practice Members, Adviser Members and Associate members have the following rights;

5.5.1.1 for Principal Practice Members to attend and vote at meetings of Principal Practice Members and vote in elections for Principal Practice Members Directors;

5.5.1.2 for Adviser Members to attend and vote at meetings of Adviser Members and to vote in elections for the position of Adviser and Associate Members Director;

5.5.1.3 for Associate Members to attend and vote at meetings of Associate Members and to vote for the position of Adviser and Associate Members Director;

5.5.1.4 all categories of Membership can attend and vote at Annual General Meetings and Special General Meetings of the Association in accordance with the voting rights of the category of membership. The member must be a financial member and must not have any financial arrears for previous membership years;

5.6 Memberships not Transferable or Transmissible

The rights of membership are not transferable or transmissible attaching to any category of membership;

5.7 Application for Membership

5.7.1 Application Form

Every applicant for any category of membership of the Association must submit to the Association the application in such form as the Board from time to time prescribes

5.7.2 Initial Decision on Member Application

The Association on receiving a membership application will determine if the applicant is to be admitted. The Association is not required to give any reason for non-admittance.

5.7.3 Appeal After Rejection of Application

An applicant whose application for membership has been rejected by the Association may appeal to the Board within 30 (30) days of receipt of notice such rejection. When the applicant advises the Association that they wish to appeal, the Executive Director

- 5.7.3.1** must send to the Board the applicants' application;
- 5.7.3.2** must send to the Board the reasons for the rejection of the application;
- 5.7.3.2** must send a copy of the reasons to the applicant;
- 5.7.3.3** the Board must give the applicant a reasonable opportunity to comment on the reasons before deciding on the appeal;
- 5.7.3.4** The Board is not required to give any reasons for the rejection of the applicant;

6. Membership Fees

6.1.1 Board to Determine Membership Fees and Levies

The Board is to determine the amount of any application fee, annual membership fee, levies or subscriptions payable by each category of membership;

6.1.2 Payment of Annual Membership Fees

A member must pay any annual membership fee in advance each year on the date determined from time to time by the Board;

6.1.3 Membership Fees by Instalments

The Board may approve the payment of membership fees by instalment upon the request of the member. If such an arrangement is approved the member remains liable for all membership fees for that financial year whether they continue as a member for the whole of the membership year or not;

6.1.4 Board to Determine Other Fees and Charges

The Board is to determine the level of fees and charges for other activities of the Association such as conferences, commercial activities and sponsorship;

7.1 Registers of Members

7.1.1 Contents of Register

The Association must record in the Registers;

7.1.2 the full names and addresses of all members and the nominated representatives of each Principal Practice Member;

7.1.3 the category of membership of each member;

7.1.4 the date of admission to and cessation (if applicable) of membership in each category;

7.1.5 such other information as the Board may determine from time to time;

7.2 Location of the Members Register

The Association must keep the Register at the Registered Office of the Association and may keep a copy thereof at such other places as the Board may approve. The register may be kept in an electronic form;

7.3 Membership Disputes

7.3.1 Internal Disputes

If any Member or Members are in dispute as to any matter concerning the administration, operation, policy or objectives of the Association, any one of such Member may request the Association to consider such dispute and attempt to resolve it. After such request, the Association must as soon as reasonably practicable consider such dispute and attempt to resolve it.

7.3.2 External Disputes

If any members are in dispute with respect to a matter not related to the Association those members may request the Executive Director to cause the dispute to first be the subject of mediation. In the event the dispute has not been resolved within 28 days or such other period as agreed between the disputing parties after the appointment of a mediator the dispute is to be submitted to arbitration in accordance with the relevant law of the state in which the dispute has occurred.

8 Cessation of membership

8.3 Termination of Membership

8.3.1 Principal Practice Members

If a Principal Practice Member relinquishes their AFSL or has their AFSL terminated by a regulator or a duly constituted Court of Law or Tribunal or they have an externally administered body corporate appointed or they are wound up or they become insolvent or under administration their membership can be terminated.

8.3.2 Adviser Members

If an Adviser member has their Authorised Representative Authority withdrawn or terminated for any reason their membership can be terminated provided that if the Adviser Member has not had the Authorised Representative Authority withdrawn for reasons of fraud or dishonesty or a breach of financial services legislation then they may have their membership transferred to the Associate Member category.

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8.4 Resignation to be in writing

8.3.1 A member may resign from the Association by notice in writing to the Association. The form of the resignation can be by email communication;

8.4.2 A resignation has no effect until it is accepted by the Association;

8.4.3 The Association must accept a resignation as soon as reasonably practicable after receipt by the Association unless it is prevented from doing so by these Articles or by law;

8.5 Refund of Fees

8.5.2 A member who resigns is not entitled to any refund of fees, subscriptions or levies;

8.5.3 Any member who resigns remains liable for any fees subscriptions or levies which were due from the member to the Association at the time of the notice of resignation;

8.5.4 The Association may refuse to accept a resignation of a member who owes fees, subscriptions or levies;

8.6 Failure to Pay Fees

8.6.2 Notice of Default

The Association must send to any member a notice of default whose fees, subscriptions or levies are unpaid for a period of 2 calendar months advising the member that their membership will be suspended automatically unless the amount owing is paid within one month of the date of the Member's receipt of the notice;

8.6.3 Suspension of Membership for Non-Payment

The membership of any category of member who does not pay the required outstanding fee, subscription or levy amount within the one months' notice period will be automatically and immediately suspended and the member shall forfeit all rights and privileges including the right to attend Association events, meetings or conferences and is deemed not to be a member. During suspension of membership the member remains liable to the Association as if such suspension had not occurred;

8.6.4 Lifting of Membership Suspension

The suspension of a membership is lifted and all rights and privileges of membership are immediately and automatically reinstated when the Association receives the full amount owing from the Member.

9. Professional Codes of Conduct and Disciplinary Procedures

The Code of Ethics (Code) and the Standards for the Professional Practice of Financial Advice(Standards) are contained in a separate guide and apply to all members of the Association who provide personal financial advice irrespective of the category of membership they are allocated to.

10.Meetings of the Association

10.1 Annual General Meeting

10.1.1 Requirement for Annual General Meeting

The Annual General Meeting (AGM)of the Association will be held in each calendar year generally in conjunction with the annual on shore conference or if no such conference is to be held then at a time and place to determined by the Board. Each member will receive notification of the AGM at least 21 days prior to the calling of the meeting including details of the agenda;

10.1.2 Members Business at AGM

10.1.2.1 A member wanting to introduce any matter for discussion at an AGM must give notice in writing to the Executive Director 14 days prior to the commencement of the AGM;

10.1.2.2 Notwithstanding the above a member may raise a matter and give a notice of motion at the AGM for discussion only with the consent of the meeting such matter or motion to then be deferred to the next meeting of members;

10.1.3 Quorum at AGM

A quorum at the AGM will be twenty (20) members in total from all categories of membership;

10.2 Special General Meetings

10.2.1 Who May Convene a Special General Meeting

10.2.1.2 All general meetings other than AGMs are called Special General Meetings

10.2.1.3 The following persons may call for a Special General Meeting;

- a) The Chairperson
- b) The Executive Director
- c) The Board
- d) The Association within 3 months of being requested to do so by at least 30% of members of the combined Principal Practice Membership or 30% of the Adviser and Associate Membership such request to be in writing and be forwarded to the Executive Director outlining the reasons for the request and be signed by all the requesting members;
- e) If the Association does not call a Special General meeting within 3 months, then 75% of the Members signing the original request may convene a Special General Meeting provided such meeting is held within 3 months of the expiry of the original meeting request;

10.3 Notice of Meetings

10.3.1 Contents of Notice

10.3.1.1 notice of a special meeting of members be served at least 14 days before the meeting excluding both the day of service and the day for which notice is given;

10.3.1.2 Specify the place, day and hour of meeting;

10.3.1.3 Specify the general nature of the business to be transacted at the meeting;

10.3.1.4 The notice to be given to such members as are entitled to receive such notices from the Association;

10.3.2 Failure to Notify Members of Meeting

No meeting and no proceedings at any meeting including any resolution are invalid or able to be made or declared invalid by the accidental omission to give notice to any member entitled to receive notice or the failure to receive notice by any member so entitled;

10.4 Quorums at Special General Meetings

10.4.1 Number Required for Quorum

The Quorum for a Special General Meeting of a group of Members is twenty (20) of the relevant membership category called for in the notice of meeting present in person or in the case of Principal Practice members by their Nominated Representative. No business is to be conducted at any Special General Meeting unless a quorum is present at the commencement of the meeting or within 30 minutes of the advertised starting time;

10.4.2 Procedure if no Quorum

10.4.2.1 A meeting convened following members request must be dissolved if a quorum is not present within 30 minutes of the time appointed for the commencement of the meeting;

10.4.2.2 Any other meeting must be adjourned to an agreed place, day and hour in the next week if the meeting failed to attract a quorum within 30 minutes of the time appointed for the commencement of the meeting;

10.4.2.3 Such meeting may proceed and the members present at such adjourned meeting are deemed to constitute a quorum if the requirement of 20 members is not met at commencement or within 30 minutes of the scheduled start of the meeting;

10.5 Chairperson of Meeting

10.5.1 Every meeting of the Association will be chaired by the Chairperson or in the absence of the Chairperson the Executive Director or by resolution of the meeting another member who has agreed to act as Chairperson;

10.6 Right to Adjourn

10.6.1 The Chairperson of the meeting may, and must if so directed by a resolution of the meeting adjourn the meeting from time to time and from place to place. No business is to be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place;

10.6.2 Notice of Adjourned meeting

10.6.2.1 The holding of an adjourned meeting or any business to be transacted at an adjourned meeting is not required to be given unless the meeting adjourned for 30 days or more in which case notice of the adjourned meeting is to given as if the adjourned meeting were the original meeting;

10.7 Voting at All Meetings

10.7.1 Right to Vote

No member is entitled to vote at any AGM or Special General Meeting unless the fees, subscriptions and levies due and payable to the Association by that member have been so paid as at the date of the meeting;

10.7.2 Manner of Voting

10.7.2.1 A member of any category may vote in person or by proxy and on a show of hands by every person present who is a member or proxy or in the case of a Principal Practice Member by their Nominated Representative;

10.7.2.2 Each person present whether member, proxy or Nominated Representative is entitled to one (1) vote provided they are eligible to vote in the category of membership for which the meeting was called;

10.7.2.3 an ordinary resolution put to the vote at a Special General Meeting may be passed by a simple majority on a show of hands unless a poll is demanded;

10.7.2.4 A declaration by the Chairperson of the meeting that a resolution has been;

- carried or
- carried unanimously, or
- carried by a particular majority, or
- lost

and an entry to that effect in the Association's minute book is prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution being required;

10.7.2.5 a poll must be taken if it is demanded before or on the declaration of the result of the show of hands by

- the Chairperson of the meeting
- at least twenty (20) members present in person or through their proxy or Nominated Representative;

10.7.2.6 a demand for a poll may be withdrawn at any time prior to the announcement of the result of the poll;

10.7.2.7 a poll must be taken in such a 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 is deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of a Chairperson of the meeting, or question of adjournment must be taken forthwith;

10.7.2.8 the Chairperson of the meeting is entitled to a second or casting vote if the vote is tied whether on a show of hands or on a poll;

10.7.3 Proxies

10.7.3.1 The appointment of a proxy must be in writing under the hand of the appointor. The document appointing a proxy is deemed to confer authority to demand or join in demanding a poll. A member is entitled to instruct his proxy to vote in favour of or against any proposed resolution. Unless otherwise instructed the proxy may vote as they see fit;

10.7.3.2 The instrument appointing a proxy may be in the usual or common form;

10.7.3.3 The instrument appointing a proxy must be deposited at an office of the Association or by email to the Executive Director or at such other place or means as advised for that purpose in the notice convening the meeting not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for holding of the poll. An instrument of proxy is not valid if it is not deposited within the time limits set out in this article;

11. Management

11.1 The Board of Directors

11.1.1.1 are responsible for the strategic planning and the policy direction of the Association;

11.1.1.2 are responsible for the appointment of the Executive Director who is responsible for the day to day management of the Association;

11.1.1.3 exercise all such powers of the Association which are not required by these Articles or by the Law to be exercised by the Association in a Special General Meeting;

11.1.2 Power to Make regulations

11.1.2.1 the Board may from time to time prescribe such regulations of the Association as it sees fit. The Board may amend, modify, add to, delete from or cancel any regulation or any part of these articles at any time as it sees fit provided that such regulation or Article change is endorsed by a vote of Members at an AGM or SGM or in a poll of Members conducted by the Association;

11.1.2.2 regulations must not be inconsistent with these Articles or the Law;

11.1.2.3 any such regulation may be disallowed by a majority of voting members at the AGM or a SGM;

11.1.2.4 a regulation cannot invalidate any prior act of the Board which would have been valid if that resolution had not been passed or made;

11.1.3 Constitution of the Board of Directors

11.1.3.1 The Board of Directors consists of:

- a) a Director representing Principal Practice Members with 20 or more Authorised Representatives;
- b) a Director representing Principal Practice members with less than 20 Authorised Representatives;
- c) a Director who is an Adviser or Associate member representing Adviser and Associate members;
- d) at the discretion of the Board additional Board member positions representing existing or additional categories of membership or independent Board members who may be eligible for appointment to the Board;
- e) Independent Director positions will be limited to no more than two(2) such positions;
- f) If the Board are to consider the creation of additional elected Director positions or Independent Director positions then the position(s) and the nominee(s) are to be ratified by an AGM or SGM before the position or nominee is confirmed;
- g) The Executive Director who will be a voting member of the Board;

11.1.4 Meetings of the Board

11.1.4.1 the Board must meet at least 3 times per calendar year and may meet at other times as required for the transaction of ordinary business;

11.1.4.2 a quorum is constituted by at least three (3) Directors, two (2) of whom must be elected Directors participating in the meeting, the quorum also includes the Executive Director;

11.1.4.3 a meeting of the Board must be adjourned to the same time and place on the following day if a quorum is not present within 30 minutes of the time appointed for the Board meeting. Those present at the adjourned meeting constitute a quorum and may transact the business of the Board;

11.1.4.4 the Board must maintain minutes of all meetings of the Board and of all meetings of the Association. Such minutes must be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next proceeding meeting if that succeeding meeting resolves, the minutes are a true and correct recording of the meeting at which the proceedings were held;

11.1.5 Voting at Board Meetings

- 11.1.5.1** a Director may vote in person but not by proxy or attorney. A Director may also attend meetings via phone or by electronic means such as Skype. If the Director is participating in the meeting by phone such Director must clearly indicate their support or opposition to a resolution;
- 11.1.5.2** a resolution put to a vote at a Board meeting is passed by a simple majority provided that the resolution is supported by a majority of the elected Directors clearly indicating their support for the resolution;
- 11.1.5.3** a declaration by the Chairperson that a resolution has been carried by a majority, or carried unanimously or lost and an entry to that effect in the Board's minute book is prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour or against the resolution being required;
- 11.1.5.4** the Chairperson of the meeting is entitled to a second or casting vote if the vote is tied;
- 11.1.5.5** a Director must not vote in respect of any contract or proposed contract with the Association in which they have a conflict of interest. If they do vote in such circumstances their vote must not be counted. It is the responsibility of each Director to declare if they have a conflict with a resolution;
- 11.1.5.6** a person or persons entitled to convene a Board meeting may put a motion to a vote of Directors by written correspondence, email, telephone or other means of communication and may request that each Director indicate their vote on the motion by written correspondence, email telephone or other means of communication. The decision of the Board with a majority of elected Directors supporting the resolution in such a vote has the same force as a resolution passed by the Board at a Board meeting. The resolution must be recorded in the minutes;
- 11.1.5.7** where a Director is required to indicate a vote on the resolution by telephone, such vote must be orally communicated to the Chairperson or Executive Director by telephone and shall be verified and recorded in the minutes;
- 11.1.5.8** a resolution in writing signed by all the members of the Board is as valid as if it had been passed at a Board meeting. Any such resolution must consist of several documents in like form each signed by one or more of the Directors;

11.2 Board of Directors

11.2.1 Election of Directors

11.2.1.1 Positions to be Elected

- a) The position of Principal Practice Director (20 or more Authorised Representatives) shall be elected from the Principal Practice Membership with 20 or more Authorised Representatives. Any nominee for election must meet that requirement at point of nomination. The inaugural election for this position will be in November 2019;

- b) The position of Principal Practice Director (less than 20 Authorised Representatives) shall be elected from the Principal Practice Membership with less than 20 Authorised Representatives. Any nominee for election must meet that requirement at point of nomination. The inaugural election for this position will be November 2018;

- c) The position of Executive Director is not subject to election and that position will be appointed by the Board;

- d) The position of Director Advisers and Associates will be elected by the Advisers and Associate Membership. Any Director elected to this position must retain their eligibility for their term of office. The inaugural election for this position will be in November 2017;

- e) The creation of the position of Independent Director or any other additional Director position and the appointment thereto will be subject to a vote of Members at an AGM or SGM in the first instance. The AGM or SGM will also determine the process for future appointments or elections of Independent Directors;

11.2.1.2 Preparation of Roll for Election

The Executive Director or their nominee will be responsible for the preparation of the voting roll and the determination of what voting category each member belongs.

11.2.1.3 Conduct of the Election

The election for all elected Board positions will be conducted at the Associations' AGM. If there is more than one candidate for any position then a secret ballot of eligible members will be held by the person nominated by the Executive Director to act as Returning Officer;

11.2.1.4 Method of Election

The method of election will be by simple majority with the attaining the most number of votes being declared elected;

11.2.2 Term of Office

11.2.2.1 each Director shall be elected for a three (3) year term and will assume office from the conclusion of the Annual General Meeting at which they were elected. A Board member at the conclusion of their term of office may renominate themselves for a further term of office;

11.2.3 Chairperson

11.2.3.1 the Chairperson shall be elected by the Board from one of their number at the first Board meeting after conclusion of the Annual General meeting. The Executive Director is not eligible for the position of Chairperson;

11.2.3.2 the Chairperson shall hold office for a three (3) year term. The Chairperson at the end of their term of office may offer themselves for renomination;

11.3 Removal of Chairperson

11.3.1 the Chairperson may be removed from office if they lose the confidence of the Board and a majority resolution of the Board to that effect is carried;

11.3.2 should the above be resolved the Board will appoint another one of their number to fill the vacancy until the next AGM. The immediate previous Chairperson would not be able to re nominate under those circumstances;

11.4 Powers of the Association

- 11.4.1** The Directors have the powers to carry out any of the following;
- 11.4.1.1** open and maintain a bank account or investment account to be operated in such a manner as the Board may from time to time determine;
 - 11.4.1.2** appoint the Executive Director on such terms and conditions as the Board, may determine from time to time;
 - 11.4.1.3** authorise the Executive Director to appoint other employees or contractors as required and authorise the conditions of engagement;
 - 11.4.1.4** do all such things as are in the opinion of the Board conducive to fulfilment of the objectives of the Association;
 - 11.4.1.5** regularly review the organisational structure of the Association and its staffing levels to ensure the organisational objectives continue to be met;
 - 11.4.1.6** do all things necessary to give effect to the powers contained in these Articles and at law;
 - 11.4.1.7** borrow money and mortgage or charge the property of the Association or any part thereof and issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Association;
 - 11.4.1.8** determine the activities and priorities of the Association including the Association's strategic direction and business plan;
 - 11.4.1.9** the Board may remove any office holder or committee member if there is a proven breach of these Articles;
 - 11.4.1.10** All cheques, promissory notes drafts, bills of exchange, electronic payments and other negotiable instruments and all receipts for money paid to the Association must be signed, accepted, endorsed or otherwise executed in such manner as the Board may determine from time to time;

11.5 Vacancy of Directors Office

9.5.1 The office of Director becomes vacant

immediately if the Director;

- a) becomes bankrupt or makes any arrangement or composition with their creditors generally or becomes an insolvent under administration;
- b) is prohibited from being a Director of a company by reason of any order made under the Corporations Law;
- c) ceases to be a Director by operation of the Corporations Law 2001;
- d) if the Director holds the position of Executive Director and their employment is terminated or they leave that employment voluntarily;
- e) is of unsound mind or a person whose estate or person is liable to be dealt with in any way under the law relating to mental incapacity;
- f) In the case of a Director representing Principal Practice Members the AFSL holder ceases to be a member of the Association or in the case of the Director representing Adviser and Associates they cease to be an Authorised Representative of an independently owned AFSL holder or in the case of the Independent Directors they lose the confidence of the Board and a resolution to that effect has been carried by the Board;
- g) fails to declare they have an interest directly or indirectly in any contract or proposed contract to be executed by the Association;
- h) resigns from the office of Director in writing;
- i) is convicted of an offence involving fraud or dishonesty or subject to a banning order or enforceable undertaking from the regulator;

11.5.2.1 the resolution to remove a Director under the above provisions must be a unanimous vote of all remaining Directors;

11.5.2.2 The remaining Directors may continue to act if the numbers are reduced below that required for a quorum only for the purpose of restoring the number of Directors to the number required for a quorum or to call a SGM of members;

12. Audit of the Association

12.1 The accounting and other records of the Association must be examined and a report and annual accounts prepared by a Registered Company Auditor in accordance with the Corporations Law 2001;

12.2 The Board shall on an annual basis appoint the Associations' Auditor based on a recommendation from the Executive Director. The Board shall approve the remuneration level for the Association Auditor and approve the scope of the duties and tasks to be undertaken subject to the provisions of the Corporations Law 2001;

13. Dissolution of the Association

13.1 the Association may be dissolved at an Annual General Meeting or Special General meeting of members of the Association. The resolution to dissolve must be passed by a majority of 75% of members attending;

13.2 in the event of a dissolution resolution being carried any surplus assets of the Association shall be distributed to any organisation which has similar objectives to the Association and has rules which prohibit the distribution of assets to its members. The recipient organisation may be a registered charity;

The dissolution meeting will also determine the recipient organisation of the surplus assets;

14. Amendment to these Articles

14.1 to be effective a resolution to amend, modify, add or delete from these Articles must be carried by a majority of elected Board members at a duly constituted Board meeting;

14.2 notwithstanding the above the Board must seek ratification of the amendment, modification or deletion of the Articles by circulating the change to all members with 30 days of the decision of the Board, if 10% or more of the members object to the proposal then the proposed change must be deferred to the next AGM or a SGM;

