

## Special Resolution: Changes to Society Rules 2019

The CFA Society of Melbourne (the 'Society') was founded in 2000 with support from the CFA Institute, and has grown to over 800 Members today. In addition, there are over 3,500 candidates enrolled in all levels of the CFA Program in Melbourne across FY20.

With the adoption of the CFA Institute's Societies 2.0 initiative, where the local society will become the single interface for all interactions between the CFA Institute and its members, the scope and volume of activity undertaken by the Society will be increasing.

The increase in members and candidates being served, combined with the increase in activity through Societies 2.0, has required the Society to look at how its services are delivered. In particular its structure, the function of the Board and the use of volunteers and staff.

In August 2019 the Board held a Governance workshop which identified several changes required to provide an effective and efficient Board/staff structure that will be necessary to deliver the increased requirements of the Society.

These changes are to be further developed and implemented over the following 12 months, however, to date initial actions have been to:

1. Begin to move to a Board structure that addresses the strategic issues facing the Society while operational issues are addressed by staff or committees and sub-committees comprised of volunteers. While the structure will provide fewer Board positions there will be many more volunteer opportunities through committee and sub-committee memberships. This will provide more opportunity and clearer areas of responsibility for volunteers and require less of a time commitment.
2. Improve the quality of supporting documentation for the Society, including policies, reporting, planning and record keeping.
3. Update the Rules of the Society to formalise board roles and terms – placing a maximum tenure for board members, three-year terms for board members and office bearers, formalising the role of Past President for succession planning – to ensure that the board has a balance between stability and regeneration.

Below is a summary of the changes and attached is a proposed version of the Rules.

### **Background:**

The CFA Society Melbourne Rules were last updated in 2016 and included amendments to clauses on Membership sponsorship, Affiliate work experience, and Candidate members.

### **Overview of significant proposed changes:**

#### Purpose

The Society's purpose has been updated to reflect the current purpose, which is aligned with that of the CFA Institute.

### Number of Board Members

The Governance workshop identified that the Society had too many board members. Accordingly, the proposed changes limit the number of Board Members to the current requirement of 13. We will continue to assess the optimal Board structure and number of board members.

As the Executive Director is a staff position, and the role deals with the operation of the Society, this position has been removed as a board member.

### Board terms

The proposed changes limit the term of board appointments of three years with a maximum term (on re-election) of nine years. This period will ensure Board Members have enough time to contribute value to the Society whilst ensuring turnover in the leadership of the Society.

The only exception to the maximum term of nine years is for the Past President. This was previously an ongoing board role but is proposed to now only be a one-year Board term immediately following the term as President. A one-year term would provide continuity and allow a smooth hand over to the incoming President.

There is a new clause on board vacancies linked to eligibility and meeting attendance.

### President

The President term has been confirmed as three years. This term is included as part of a Board Member's total allowable nine-year term. The President of the Society must now be a CFA Charterholder.

### Candidate Members

There has been minimal take-up of the current Candidate Membership and the current candidate membership has been deleted while all Australian Societies consider a new offering for Candidates which is unlikely to be a 'formal' membership of the Society. The purpose of this new offering will be to keep candidates engaged throughout the CFA candidate journey, support them in their mission to become CFA Charterholders and eventually convert to society members.

### **Special resolution:**

At the 2019 AGM, Voting Members are asked to approve these changes to the Rules by special resolution.

The proposed changes were reviewed and approved to be put forward to the Society members by the Board on 15 October 2019.

## CFA SOCIETY OF MELBOURNE

### RULES

#### RULE 1 – FORMATION AND PURPOSE

- 1.1 **Name.** The name of the association is "CFA Society of Melbourne Incorporated" (herein referred to as the "Society").
- 1.2 **Location.** The principal office of the Society shall be located at such place as the Board may determine from time to time.
- 1.3 **Seal.** The Board shall have power to adopt and alter the seal of the Society.
- 1.4 **Purpose.** The purpose of the association is to lead the investment profession by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society.
- 1.5 **Membership in CFA Institute.** This Society is a Member of CFA Institute. To the extent that there is any conflict between the Rules of the Society and the Bylaws of CFA Institute, those of CFA Institute shall take precedence and shall govern, except that these by-laws shall not take precedence over the *Victorian Associations Incorporation Act (1981)* and its Regulations, as amended from time to time.

#### RULE 2 – DEFINITIONS

For the purposes of the Rules, the following are defined terms that may be used herein, as appropriate, in the singular or plural form:

- 2.1 **"Acceptable Professional Work Experience"**, as it relates to applicants seeking to become Regular Members, means work experience that is acceptable according to the Rules and Regulations for acceptable work experience that are published from time to time by CFA Institute.
- 2.2 **"Act"** refers to the *Associations Incorporation Act 1981*.
- 2.3 **"Affiliate Member"** is an individual who has met the membership requirements set forth in Rule 3.3 of the Society Rules and whose membership has not been revoked or suspended.
- 2.4 **"CFA Institute"** is a Virginia non-stock corporation.
- 2.5 **"Board"** is the committee having management of the Society.
- 2.6 **"Board Member"** refers to any person elected to the Board of the Society pursuant to Rule 5.4.
- 2.7 **"Rules"** refers to the Rules of the Society as they may be amended from time to time.
- 2.8 **"CFA Program"** is the Chartered Financial Analyst (CFA®) study and examination program developed and administered by CFA Institute.
- 2.9 **"Chartered Financial Analyst"** and **"CFA®"** are marks of CFA Institute that members authorised by CFA Institute may use as a professional designation.
- 2.10 **"Code and Standards"** is the *Code of Ethics and Standards of Professional Conduct*, as amended periodically by CFA Institute.
- 2.11 **"In Good Standing"** refers to a member who has paid all applicable CFA Institute dues in full, has submitted a Professional Conduct Statement to CFA Institute and is not currently the subject of a Formal Proceeding or Disciplinary Sanction, as provided in the CFA Institute Rules.
- 2.12 **"Member(s)"** refers to a Regular Member or Affiliate Member.

- 2.13** “**Member’s Agreement**” is a document prepared by CFA Institute setting forth obligations and responsibilities that must be signed annually by every Regular Member and Affiliate Member.
- 2.14** “**Professional Conduct Statement**” is a form prepared by CFA Institute inquiring into a member’s conduct that must be signed and submitted on an annual basis by each member except those members excused under the CFA Institute Rules on or before a date designated by CFA Institute.
- 2.15** “**Regular Member**” is an individual who has met the membership requirements set forth in the Rule 3.2 of the Society Rules and whose membership has not been revoked or suspended.
- 2.16** “**Voting Member**” All Members listed in Rule 3.6.

### **RULE 3 – MEMBERSHIP**

- 3.1** **Classes of Members.** The classes of members in the Society are Regular Members and Affiliate Members.
- 3.2** **Regular Member.** To become a Regular Member of the Society, an individual shall be a Regular Member of CFA Institute and fulfil such other requirements as the Society may impose consistent with the requirements established by CFA Institute.
- 3.3** **Affiliate Member.** To become an Affiliate Member of the Society, an individual shall:
- (a) be accepted as an Affiliate Member of CFA Institute; and
  - (b) have passed Level I of the CFA Program or a self-administered standards of professional practice examination in a format established and approved by the CFA Institute Board of Governors.
- 3.4** **Member Responsibilities.**
- (a) Each Member of the Society shall:
    - (i) adhere to all applicable rules and regulations of the Society and of CFA Institute, including but not limited to their Rules of Incorporation, their Rules, the Code and Standards, and other rules relating to professional conduct and membership, all of which may be amended from time to time;
    - (ii) be subject to the disciplinary jurisdiction and sanctions of the Society and CFA Institute;
    - (iii) submit information relating to professional conduct and activities as the Society or CFA Institute may request;
    - (iv) produce documents, testify, and otherwise cooperate in disciplinary proceedings of CFA Institute and adhere to such other applicable requirements as set forth from time to time by CFA Institute and the Society; an
    - (v) maintain membership In Good Standing with CFA Institute.
- 3.5** **Application for Membership.** Any individual applying to become a Regular Member or an Affiliate Member of the Society shall file with CFA Institute and the Society an application for membership, along with additional information or documents as required by CFA Institute and the Society. The Board shall have the right to review all applications for membership in the Society. In the event of disagreement concerning administration or interpretation of the CFA Institute’s requirements of Regular Members and Affiliate Members, the Society shall have the right to appeal to the CFA Institute Board of Governors. The CFA Institute Board of Governors, or a designated committee thereof, shall have the authority to make final determinations on the application of membership provisions. Any individual applying for another class of membership shall follow such procedures as the Board shall establish from time to time.

- 3.6 Voting Rights.** Regular Members In Good Standing have voting rights in the Society and each shall be entitled to one (1) vote on each matter submitted. All other classes of Members do not have voting rights in the Society.
- 3.7 Dues.** Any member who fails to pay annual Society membership dues in full shall be automatically suspended from membership in the Society. When payment is made in full, such member shall be automatically reinstated, subject to the Rules.
- 3.8 Resignation.** Any member may at any time cease to be a member of the Society by submitting a notice of resignation to the Society President or Secretary. Such resignation shall be effective on receipt, or the date specified, and acceptance thereof shall not be necessary to make it effective unless it so states. The Society shall notify CFA Institute of the resignation of any Regular Member or Affiliate Member from the Society.
- 3.9 Suspension or Revocation of Membership.** Membership in the Society may be suspended or revoked at any time for any violation of the Rules. In the case of Regular Member and Affiliate Members, membership in the Society shall be suspended or revoked if their membership in CFA Institute is suspended or revoked. A member whose membership is revoked or suspended shall not be entitled to any rights or privileges of membership.
- 3.10 Membership List and Member Records.** The Society may rely on CFA Institute to maintain the membership list and member records relating to Regular and Affiliate Members. The Society shall maintain a list of the names, contact details and membership classifications of any other membership classification other than Regular or Affiliate Members. All personal data will be kept in accordance with all applicable data privacy and confidentiality laws.
- 3.11 Retired Member Status.** Within the Regular Member and Affiliate Member Classes of membership, a retired status will be available. Members with a retired status may be granted a reduction in Society dues as determined by the Board. A member may become a Retired Member of the Society if they:
- (a) have been a Regular Member or Affiliate Member of CFA Institute for five years;
  - (b) are no longer substantially engaged in the professional practice of financial analysis, investment management, securities analysis, or other similar profession for compensation;
  - (c) complete an application provided by the Society;
  - (d) fulfil such other requirements as the Society may impose;
  - (e) notify CFA Institute and the Society if retirement status changes; and
  - (f) are listed as "retired" in the CFA Institute Membership Directory.
- 3.12 Lifetime membership status.** Within the Regular Member and Affiliate Member Classes of membership, a lifetime status will be available in recognition of substantial time and effort contributed serving the goals of the Society and its Members.
- (a) A member may become a lifetime member of the Society if they:
    - (i) have been a Regular Member or Affiliate Member of the CFA Institute for ten years;
    - (ii) have made a substantial contribution to serving the goals of the Society and its members;
    - (iii) are proposed for lifetime membership by a Board Member; and
    - (iv) are approved for lifetime membership by a majority vote of the Board.
  - (b) The award of lifetime membership to be implemented via a waiver of CFA Society of Melbourne annual membership fee.
  - (c) The lifetime membership program and/or any individual awards may be amended or terminated by vote of the Board.

## RULE 4 – MEETINGS OF THE MEMBERS

### 4.1 Meetings.

- (a) All meetings of the members shall be held at a suitable time and place within or without the jurisdiction, as determined by the Board. Meetings may be held at two or more venues using any technology that gives each of the members an opportunity to participate.
- (b) There shall be an annual meeting of the members, to be held no later than five months after the end of the financial year.
- (c) Special meetings of the members shall be called:
  - (i) by the Board or the President; or
  - (ii) by the Secretary, on receipt of a written petition signed by one-twentieth (1/20) of the Voting Members In Good Standing.
- (d) Only business within the purpose or purposes described in the meeting notice shall be conducted at a special meeting.

### 4.2 Notice.

- (a) Written notice of meetings shall:
  - (i) state the date, time, and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called; and
  - (ii) be sent by electronic mail to each Voting Member In Good Standing to the electronic address, as it appears on the Society membership records, not less than ten (10) or more than sixty (60) days before the meeting date unless a different notice period is required by law.
- (b) Notice of any meeting may be waived in writing signed by the member entitled to notice before or after the date of the meeting. A Voting Member who attends a meeting in person or by proxy:
  - (i) waives objection to lack of notice or defective notice of the meeting unless the Voting Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and
  - (ii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice unless the Voting Member objects to considering the matter when it is presented.
- (c) It is the responsibility of members to ensure that their electronic addresses in their membership records are kept up to date. The non-receipt of a notice by a member as a result of the member's electronic address not being up to date or not being accessible does not thereby invalidate a meeting.

**4.3 Quorum.** At any meeting of the members, Thirty (30) Voting Members In Good Standing represented in person, participating by audio/visual conference, or by proxy at such meeting shall constitute a quorum for the transaction of business. If less than a quorum is present in person or by proxy, the President may adjourn the meeting to a fixed time and place determined by the President or Secretary.

### 4.4 Voting.

- (a) Each Voting Member In Good Standing shall be entitled to one (1) vote.
- (b) A majority of the votes cast in person or by proxy, in hard or electronic form, at a meeting at which a quorum is present shall be required for adoption of any matter voted upon, except as otherwise required by the Rules, the Articles of Incorporation, or applicable law.

#### **4.5 List of Members Entitled to Vote:**

- (a) the Executive Director shall prepare the membership roster and make, at least ten (10) days before every Meeting of the Members, a complete list of the members entitled to vote at the meeting;
- (b) The record date for determining the Members entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the members entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order. Such list shall be open to the examination of any Voting Member; and
- (c) Each Voting Member may authorise another Voting Member(s) to act for such individual by proxy;
- (d) A Voting Member may revoke any proxy by attending the meeting and voting in person or by delivering to the Secretary of the corporation a revocation of the proxy or a new proxy bearing a later date.

**4.6 Minutes of the Meetings.** Minutes of each meeting shall be recorded by the Secretary or designated Board Member or staff member. These minutes shall be placed in the official records of the Association.

### **RULE 5 – BOARD**

**5.1 Authority and Responsibility.** The Board is responsible for overall policy and direction of the Society, and delegates responsibility of day-to-day operations to staff, committees, or other individuals.

#### **5.2 General Duties**

- (a) As soon as practicable after being elected or appointed to the Board, each Board member must become familiar with these Rules and the Act.
- (b) The Board is collectively responsible for ensuring that the Association complies with the Act and that individual members of the Board comply with these Rules.
- (c) Board members must exercise their powers and discharge their duties with reasonable care and diligence.
- (d) Board members must exercise their powers and discharge their duties—
  - (i) in good faith in the best interests of the Association; and
  - (ii) for a proper purpose.
- (e) Board members and former Board members must not make improper use of—
  - (i) their position; or
  - (ii) information acquired by virtue of holding their position—so as to gain an advantage for themselves or any other person or to cause detriment to the Association.
- (f) In addition to any duties imposed by these Rules, a Board member must perform any other duties imposed from time to time by resolution at a general meeting.

#### **5.3 Composition and Qualification.**

- (a) The number of Board Members shall be determined by the Board from time to time but shall not exceed 13.
- (b) All Voting Members of the Society In Good Standing are eligible for election and service as a Board Member.
- (c) The President shall act as the Chair of the Board.

#### **5.4 Terms and Elections.**

- (a) Board Members shall be elected by vote of the Voting Members In Good Standing at the annual meeting of members for a term of three (3) years, commencing the date following the date of the annual meeting of members and until their successors are chosen and qualified.
- (b) The President, Vice President, Treasurer, and Secretary shall each serve as a Board Member for a term concurrent with their respective term as an office bearer of the Society.
- (c) A Board Member may seek re-election to further terms.
- (d) The maximum service term of Board Members is nine (9) years, excluding any service period as the Past President. Where a board member leaves the board and is subsequently re-elected, the service terms will be cumulative unless there is a three (3) year absence from the board in which case the service term will recommence for the purpose of this clause.

#### **5.4 Meetings.**

- (a) Meetings of the Board shall be called by:
  - (i) the Board;
  - (ii) the Chair; or
  - (iii) the Secretary, on the written request of a majority of the Board Members.
- (b) The date, time, and place of the Board meetings shall be designated by the Board, Chair or Secretary.

#### **5.5 Notice.**

- (a) Regular meetings of the Board shall be held, with or without notice, at such dates, times, and places as the Board may determine by vote.
- (b) Notice shall, when required, be sent by the Secretary and shall:
  - (i) state the date, time, and place of the meeting; and
  - (ii) Be electronically mailed at least twenty-four (24) hours before the meeting date.
- (c) The business to be transacted or the purpose of any Board meeting is not required to be specified in the notice or a waiver of notice of any Board meeting.
- (d) Notice of any meeting may be waived in writing signed by the individual entitled to notice before or after the date of the meeting.
- (e) A Board Member who attends a meeting in person or through the use of any means of communication by which all Board Members may simultaneously hear each other during the meeting shall be deemed to have had timely and proper notice of the meeting.

**5.6 Quorum.** Except as otherwise provided in the Rules or by law, at any meeting of the Board, a majority of the Board Members then serving who are present in person or through the use of any means of communication by which all Board Members may simultaneously hear each other during the meeting shall constitute a quorum.

#### **5.7 Voting.**

- (a) Each Board Member shall be entitled to one (1) vote, which shall not be voted by proxy.
- (b) The act of a majority of the Board Members voting at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in the Rules, the Articles of Incorporation, or by law.

#### **5.8 Vacancies.**



- (a) Board and office bearer positions become vacant if the Board Member:
  - (i) ceases to be a Voting Member of the Society; or
  - (ii) becomes an insolvent under administration within the meaning of the Act; or
  - (iii) is absent from three (3) consecutive meetings of the Board, or from four (4) meetings of the Board in any calendar year, unless such absences are excused by the affirmative act of the Board.
  - (iv) resigns from office by written notice to the Secretary.
- (b) The Board may appoint a qualified person to serve the remaining term of any such positions vacated.

## **RULE 6 – OFFICE BEARERS**

### **6.1 Number, Designation, and Qualifications.**

- (a) The office bearers the Society shall be a President, Vice President, Treasurer and Secretary, and such other office roles as the Board may determine.
- (b) Only Voting Members In Good Standing may serve as an office bearer of the Society.
- (c) A person may hold more than one office at the same time provided that the President and Secretary may not be the same person and the President and Vice President may not be the same person.

### **6.2 President.**

- (a) The President must be a CFA Charterholder and, subject to the direction of the Board, shall:
  - (i) be responsible for leadership of the board;
  - (ii) preside as “Chair” at all meetings of the members and Board;
  - (iii) unless otherwise appointed as a member thereof, be an ex officio, nonvoting member of each Society committee; and
  - (iv) have such other duties and powers as prescribed in the Rules, the Articles of Incorporation, by the Board, and by law.
- (b) It shall be the President's duty to effectuate all orders and resolutions of the Board.

### **6.3 Vice President.** The Vice President shall:

- (a) perform the duties of the President in their absence;
- (b) automatically become the President of the Society in the event of the President's incapacity, resignation, removal, or death; and
- (c) have such other duties and powers as prescribed in the Rules, the Articles of Incorporation, by the Board, and by law.

### **6.4 Secretary.** The Secretary shall:

- (a) perform any duty or function required under the Act to be performed by the secretary of an incorporated association;
- (b) act as secretary at all Board and member meetings, including maintaining minutes of such meetings;
- (c) maintain the seal and certify the authenticity of Board actions and officer signatures;
- (d) notify the Members and Board Members of all meetings in accordance with the Rules;

- (e) comply with all requests for information from CFA Institute; and
- (f) have such other duties and powers as prescribed in the Rules, the Articles of Incorporation, by the Board, and by law.
- (g) except as otherwise provided in the Rules, the Secretary must keep in their custody or under their control all books, documents and securities of the Society.

**6.5 Treasurer.** The Treasurer shall:

- (a) oversee the receipt and disbursement of all funds;
- (b) maintain the Society's financial records and statements;
- (c) submit an annual financial statement and budget to the Board and such other statements as the President may require; and
- (d) have such other duties and powers as prescribed in the Rules, the Articles of Incorporation, the Board, and by law.

**6.6 Election and Term.**

- (a) Elected Office Bearers.
  - (i) The office bearers listed in Section 6.1 above shall be elected by the Voting Members In Good Standing at each annual meeting of members.
  - (ii) The Vice President, Secretary and Treasurer shall serve for a term of three (3) years, commencing the day following the date of the annual meeting of members and continuing until the choosing and qualification of their successor.
  - (iii) The Vice President, Secretary and Treasurer may seek re-election to further terms in line with their term as Board Members.
  - (iv) The President shall serve for a term of three (3) years, extendable by approval by the Board at least (60) days prior to the annual meeting, commencing the day following the date of the annual meeting of members and until their successors are chosen and qualified.
- (b) Appointed Office Bearers.
  - (i) Office Bearer positions other than those listed in Rules 6.1 above may be appointed by the Board at any time and shall hold office for such term as the Board may determine.
  - (ii) The Past President shall serve as a Board Member for one (1) year immediately after vacating their office of President.

**6.8 Delegation.** In case of the absence of any Office Bearer, or for any other reason that the Board may deem sufficient, the Board may at any time and from time to time delegate all or any part of the powers or duties of any Office Bearer to any other Office Bearer or to any Board Member, or to Society staff.

**RULE 7 – COMMITTEES**

**7.1 Creation and Requirements.**

- (a) The Board may establish one (1) or more committees to perform such duties as prescribed by the Board, the Articles of Incorporation, or the Rules, provided that such duties are not prohibited by applicable law.
- (b) Except as otherwise provided in the Rules, each committee shall act under the supervision and control of the Board and the Board shall have the authority to remove any chair or member of a committee.

- (c) Except as permitted by law and specified in the Rules or a resolution of the Board, no committee shall perform any function of corporate power, policy-making, or management.
- (d) Each committee and subcommittee shall adhere to the same procedural requirements as applicable to the Board for notice of meeting, quorum, and voting.

**7.2 Committee Chair and Members.** Except as otherwise provided in the Rules:

- (a) the chair of each committee shall be appointed by the President of the Society, with the approval of the Board, to serve for a term of three (3) years or such longer period as the Board may determine and shall serve until their successor is selected and qualified;
- (b) the chair of each committee, with prior approval of the Board, shall appoint the other members of the committee to serve for a term of one (1) year or such longer period as the Board may determine and shall serve until their successor is selected and qualified.

**7.3 Subcommittees.** Except as otherwise set forth in the Rules, a committee may create one (1) or more subcommittees and shall determine the subcommittee chairs, members, and terms of members. All actions taken by subcommittees shall be subject to review and approval by the appointing committee, or as otherwise set forth in the Rules.

**7.4 Nominating Committee.**

- (a) The Board shall appoint annually, at least sixty (60) days prior to the Annual Meeting, a Nominating Committee of three (3) persons, one of whom shall be the designated chair.
- (b) The Nominating Committee shall
  - (i) make Board Member and office bearer nominations, subject to the qualifications set forth herein;
  - (ii) report its nominations in writing to the Secretary not less than three (3) weeks prior to the Annual Meeting; and
  - (iii) instruct the Secretary to send a copy of the report of the Nominating Committee, or summary thereof, at least fifteen (15) days before the Annual Meeting to each Voting Member In Good Standing.
- (c) Any Voting Member In Good Standing may offer nominations for Board Member or Office bearer from the floor at the Annual Meeting subject to the qualifications set forth herein, provided that such Member has submitted to the Secretary not later than five (5) days before the Annual Meeting a notice signed by not less than five percent (5%) of the Voting Members of the Society that states the names of the proposed nominees.

## **RULE 8 – FINANCES**

**8.1 Fiscal Year.** The fiscal year of the Society shall begin on July 1 of each year, unless otherwise determined by the Board.

**8.2 Entrance fees.** There shall be no entrance fees.

**8.3 Dues.** The Board shall establish, and may change, dues for members of the Society. For Regular Members and Affiliate Members, Society dues shall be in addition to, and not in lieu of, CFA Institute dues. Such dues may be set at levels and for classification of members as determined by the Board.

**8.4** Pursuant to an agreement between the Society and CFA Institute, CFA Institute will bill and collect membership dues for the Society for the classes of Regular and Affiliate Members.

- 8.5 Inspection.** On reasonable request, all accounts, books, securities and any other relevant documents of the Society must be available for inspection free of charge by any Member In Good Standing upon request, in line with the data privacy Policy.
- 8.6 Funds.** The funds of the Society may be derived from annual dues, conferences or such other sources as the Society determines.

## **RULE 9 – PROFESSIONAL CONDUCT**

- 9.1 Adoption.** The Society adopts the CFA Institute Code and Standards, which are incorporated by reference. All Regular Members and Affiliate Members must comply with the provisions thereof.
- 9.2 Enforcement.** The Society and its Board:
- (a) delegate to CFA Institute all authority and responsibility for enforcement of the Code and Standards with respect to all Regular Members and Affiliate Members of the Society; and
  - (b) shall report to CFA Institute any violations of the Code and Standards that come to the Society's attention.
- 9.3 Charges.** Any person may, in writing, address the Society or a Board Member hereof concerning a charge or charges of breach of the Code and Standards by a member. The Board shall promptly forward all such complaints to the CFA Institute Professional Conduct Program. The complainant may request that the complaint remain sealed until it is received by CFA Institute.

## **RULE 10 – DISPUTES AND MEDIATION**

- 10.1 Disputes.**
- (a) The grievance procedure set out in this rule applies to disputes under these Rules between:
    - (i) a member and another member; or
    - (ii) a member and the Society,but does not apply to disputes between:
    - (i) the Society and CFA Institute; or
    - (ii) a member and CFA Institute.
  - (b) The grievance procedure of this Rule 10 does not apply to any matter or dispute within the jurisdiction of the CFA Institute Professional Conduct Program and the Code and Standards. Any disputes between a member and the Society concerning the administration or interpretation of the CFA Institute's requirements for Regular and Affiliate Members shall be submitted to the CFA Institute Board of Governors or a designated committee thereof.
  - (c) The parties to the dispute must meet and discuss the matter in dispute, and, if possible, resolve the dispute within 14 days after the dispute comes to the attention of all of the parties.
  - (d) If the parties are unable to resolve the dispute at the meeting, or if a party fails to attend that meeting, then the parties must, within 10 days, hold a meeting in the presence of a mediator.
- 10.2 Mediation.**
- (a) The mediator must be-
    - (i) a person chosen by agreement between the parties; or

- (ii) in the absence of agreement –
  - (A) in the case of a dispute between a member and another member, a person appointed by the Board of the Society; or
  - (B) in the case of a dispute between a member and the Society, a person who is a mediator appointed or employed by the Dispute Settlement Centre or Victoria (Department of Justice).
- (b) A member of the Society can be a mediator.
- (c) The mediator cannot be a member who is a party to the dispute.
- (d) The parties to the dispute must, in good faith, attempt to settle the dispute by mediation.
- (e) The mediator, in conducting the mediation, must-
  - (i) give the parties to the mediation process every opportunity to be heard; and
  - (ii) allow due consideration by all parties of any written statement submitted by any party; and
  - (iii) ensure that natural justice is accorded to the parties to the dispute throughout the mediation process.
- (f) The mediator must not determine the dispute.
- (g) If the mediation process does not result in the dispute being resolved, the parties may seek to resolve the dispute in accordance with the Act otherwise at law.

#### **RULE 11 – AMENDMENT OF THE RULES**

- 11.1** These Rules and the Statement of Purposes of the Society can only be amended by a special resolution.
- 11.2** A resolution is a special resolution under the Act if:
- (a) at least ten (10) days notice is given to Voting Members In Good Standing of the intention to pass a special resolution.
  - (b) the resolution is passed by at least seventy-five percent (75%) of the Voting Members In Good Standing voting in accordance with the requirements of the Rules.
- 11.3 Proposal for Amendment.** A proposed amendment of the Rules shall be sponsored by at least (3) Board Members
- (a) Except to the extent prohibited by law, the CFA Institute Rules are incorporated by reference, and amendments to those Rules are also incorporated by reference without the necessity of further action.

#### **RULE 12 – INDEMNIFICATION**

- 12.1 Indemnity.** Every Board Member, and their heirs, executors, and administrators, respectively, shall from time to time and at all times be indemnified and saved harmless out of the funds of the Society, if the funds so permit, from and against:
- (a) all costs, charges, and expenses that such Board Member sustains or incurs in or about any action, suit, or proceeding that is brought, commenced, or prosecuted against them for or in respect of any act, deed, matter, or thing whatsoever made, done, or permitted by them in or about the execution of their duties pursuant to the Rules; and

- (b) all other costs, charges, and expenses that they sustain or incur in or about or in relation to the affairs of the Society except such costs, charges, or expenses as are occasioned by their own willful neglect or default, or lack of good faith.

### **RULE 13 – DISSOLUTION**

#### **13.1 Procedure.**

- (a) The Society may be dissolved by a three-quarter (3/4) vote of the Voting Members In Good Standing.
- (b) In the event of the liquidation or dissolution of the Society:
  - (i) no member shall be entitled to any distribution or division of its property or its proceeds;and
  - (ii) all funds and property of the Society shall be transferred to or applied for the benefit of one or more not-for-profit corporations or organisations, as then defined by the tax laws to which the Society must adhere, as selected by the Board, and by any court that may exercise jurisdiction over such liquidation or dissolution, if any.