

# FINANCIAL BASICS FOUNDATION

ACN 114 612 270

A company limited by guarantee

## CONSTITUTION

This Constitution displaces or modifies the Replaceable Rules.

The name of the Company is Financial Basics Foundation ("**Company**").

### 1. DEFINITIONS AND INTERPRETATIONS

#### 1.1 Definitions

In this Constitution unless otherwise provided or unless there is something in the subject matter or context which is inconsistent, the following expressions shall have the definitions or meanings provided below:

"**Act**" means the Corporations Act 2001;

"**ASIC**" means the Australian Securities and Investments Commission;

"**Board**" means the board of Directors of the Company;

"**Chairperson**" means any person appointed by the Board to act as Chairperson of the Company;

"**Company**" means the company limited by guarantee called Financial Basics Foundation;

"**Director**" means a person elected to the Board of the Company;

"**Executive**" means the Chairperson, Secretary and Financial Controller of the Company;

"**Financial Controller**" means any person, being a member of the Board, appointed by the Board to perform the duties of the financial controller of the Company;

"**member**" means a member of the Company;

"**person**" means a natural person;

"**Public Officer**" means any person appointed to public officer of the Company for the purposes of the Income Tax Assessment Act 1997;

"**Register**" means the register of members of the Company;

"**Rules**" mean these Rules and all amendments or additions to these Rules contained in this Constitution;

"**Replaceable Rules**" means the Replaceable Rules contained at any time in the Act;

"**seal**" means the common seal of the Company;

"**Secretary**" means any person appointed to perform the duties of a secretary of the Company and includes an honorary secretary;

"**State**" means the State of Queensland;

## **1.2 Interpretation**

In these Rules:

- (a) words importing any gender include the other genders;
- (b) the singular includes the plural and vice versa; and
- (c) a reference to a statute, code or the Act (or to a provision of same) means the statute, code *or* the Act (or provision of same) as modified or amended and in operation for the time being, or any statute, code or provision enacted (whether by the State or Commonwealth of Australia) in lieu thereof and includes any regulation or rule for the time being in force under the statute, code or the Act.
- (d) An expression used in a particular part or division of the Act that is given by that part or division a special meaning for the purposes of that part or division has, in any of these Rules that deals with the matter dealt with by that part or division, unless the contrary intention appears, the same meaning as in that part or division.
- (e) Headings are inserted for convenience and do not affect the interpretation of these Rules.

## **2. OBJECTS**

2.1 The objects for which the Company is established are:

- (a) To provide assistance, including financial support and/or educational resources, to groups and organisations which provide services to members of the community who are faced with financial difficulties.
- (b) To provide assistance, including financial support and/or educational resources, to educational institutions and other organisations that help members of the community to gain a better understanding of financial management issues and the Australasian credit system.
- (c) To provide assistance, including financial support and/or educational materials to individuals, groups or organisations undertaking advanced studies, research or project development towards the advancement of knowledge of financial management issues or the Australasian credit system.
- (d) To do all things necessary for and incidental to, the advancement of the educational and support objects set out in this clause.

2.2 Solely for the purpose of carrying out the aforesaid objects and not otherwise the Company shall have all the powers of a natural person.

### **3. APPLICATION OF INCOME AND PROPERTY**

#### **3.1 Members**

The income and property of the Company shall be applied solely towards the promotion of the objects and purposes of the Company and no portion shall be paid or transferred directly or indirectly by way of bonus, dividend or otherwise howsoever by way of profit to the members of the Company provided that nothing prevents the payment in good faith of:

- (a) reimbursement of out-of-pocket expenses to any of the directors, officers or servants of the Company or to any member of the Company for expenses incurred in the conduct of services rendered to the Company. Receipts for expenses incurred must be supplied to the Company for any entitlement to reimbursement to arise;
- (b) remuneration to any of the directors, officers or servants of the Company or to any member of the Company in return for any services actually rendered to the Company or for goods supplied in the ordinary and usual way of business;
- (c) interest on any money borrowed from any member of the Company at a rate not exceeding commercial market rates of interest for money lent by trading banks from time to time: and
- (d) reasonable and proper rent for premises let to the Company by any member of the Company.

#### **3.2 Directors**

Directors shall not be remunerated in their capacity as officers of the Company but nothing prevents the payment in good faith of:

- (a) out-of-pocket expenses incurred in carrying out the duties of a director where the payments do not exceed any amount previously approved by the Board;
- (b) for any service rendered to the Company in a professional or technical capacity, where the provision of that service has the prior approval of the Board and is on reasonable commercial terms; and
- (c) as an employee of the Company, where the terms of employment have been approved by a resolution of the Board.

### **4. AMALGAMATION**

In furtherance of the objects and purposes of the Company, the Company may amalgamate with any one or more organisations having objects similar to those of this Company and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as that imposed upon this Company and which is a fund, authority or institution which is similarly exempt from Income Tax under sub-division 50-5 of the Income Tax Assessment Act 1997.

## **5. WINDING UP OR DISSOLUTION**

### **5.1 Members contribution on winding up**

Every member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up while that person is a member or within one year afterwards for payment of the debts and liabilities of the Company contracted before that person ceases to be a member and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves provided that the amount that may be required from any member shall not exceed twenty dollars (\$20.00).

### **5.2 Distribution of surplus**

If upon the winding up or dissolution of the Company there remains after the satisfaction of all debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members of the Company but shall be given or transferred to some other organisation having objects similar to those of this Company and which shall prohibit the distribution of its or their income and property among its or their members, and also is a fund, authority or institution which is similarly exempt from income tax under sub-division 50-5 of the Income Tax Assessment Act 1997.

### **5.3 Members liability limited**

The liability of the members is limited.

### **5.4 Accounts**

True accounts shall be kept of the sums of money received and expended by the Company and the matter in respect of which such receipt and expenditure takes place, and of the property, credits and liabilities of the Company and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the Constitution for the time being in force, shall be open to the inspection of the members. Once at least in every year, the accounts of the Company shall be examined by one or more properly qualified Auditor or Auditors who shall report to the members in accordance with the provisions of the Act.

## **6. MEMBERS**

### **6.1 Number of members**

The members of the Company shall be the members of the Board.

### **6.2 Admission to membership**

- (a) Each Board member, on appointment, will apply for and become a member of the Company.
- (b) such persons as may be admitted to membership in accordance with the Rules shall be entered in the Register and shall be members of the Company unless and until such membership is terminated by virtue of any of the powers contained in these Rules.

- (c) Every applicant for membership shall apply in such form and manner and to such person or committee as the Board may from time to time prescribe.
- (d) The applicant shall agree that if admitted as a member he or she will be bound by the provisions of the Rules of the Company and of the by-laws and pronouncements of the Board then in force or which may from time to time be in force.
- (e) The Board may in its discretion and without being required to assign any reason reject any application for admission to membership of the Company.
- (d) Upon acceptance or rejection of an application for membership, the Secretary shall forthwith give the applicant notice in writing of such acceptance or rejection. If an application is rejected, the Secretary will forward a notice of rejection to the applicant.

### **6.3 Appeal against rejection of membership**

- (a) An applicant whose application is rejected may, within 28 days of receiving written notice as provided for in Rule 6.2, lodge with the Secretary written notice of their intention to appeal against the decision of the Board.
- (b) Upon receipt of a notification of intention to appeal against rejection of membership the Secretary shall convene, within 3 months of the date of receipt by the Secretary of such notice, a meeting of the Board to determine the appeal.
- (c) The appeal shall be determined by the vote of the Directors present at such meeting.

### **6.4 Membership fees**

The Board may impose such membership fees as it may determine from time to time.

### **6.5 Cessation of membership**

- (a) A person shall cease to be a member if:
  - (i) he or she dies;
  - (ii) he or she resigns from the Board;
  - (iii) he or she is adjudicated bankrupt or enters into a deed of arrangement or assigns his or her estate for the benefit of his or her creditors;
  - (iv) he or she is incapable of continuing to act as a member of the Board due to physical or mental incapacity with mental incapacity being as defined under any legislation relating to mental health;
  - (v) he or she is convicted of an indictable offence and the rehabilitation period has not expired;
  - (vi) he or she ceases to be a member of the Board for any reason or is removed as a member of the Board for any reason

- (vii) he or she is found by the Board to have failed to comply with these Rules and any regulations or by-laws of the Company.

## **6.6 Notice of proposed exclusion**

- (a) Every member to be excluded from membership of the Company under Rule 6.5 shall be given a statement outlining the reasons for proposing their exclusion within 14 days of the resolution being proposed by the Board or a general meeting being requisitioned for that purpose.
- (b) A member who has received a statement of reasons may, within 28 days after the date of receiving the statement, lodge an appeal against exclusion by forwarding to the Chairperson in writing, a reply setting out the reasons why they should not be excluded from membership of the Company.
- (c) The Chairperson must then consider the submission and provide details to the Board at its next meeting.
- (d) The Board may either uphold the members appeal or dismiss the appeal and the Boards decision shall be final.
- (e) The Secretary must notify the member in writing of the Board's decision within 28 days of the Board meeting.
- (f) The Secretary shall give every member to be excluded from membership under Rule 6.5 a statement outlining the reasons for their proposed exclusion at least 28 days prior to a general meeting being convened for that purpose.

## **6.7 Resignation of members**

Any member may resign from the Company at any time by giving his or her written resignation to the Secretary. The resignation shall take effect at the time the written resignation is received unless a later date is specified in the notice when it shall take effect on that later date, provided that a member may not resign their membership while they continue to act as a member of the Board.

## **6.8 Register of members**

A Register of members shall be kept in accordance with the Act.

## **7. GENERAL MEETINGS OF MEMBERS**

### **7.1 Annual general meeting of members**

Subject to the Act, annual general meetings of the Company shall be held in each year at such time and place or by such other lawful means or combination of means of communication as the Board may determine.

### **7.2 Business of annual general meeting of members**

The business of the annual general meeting shall be:

- (a) to read and confirm minutes of the previous annual general meeting and of any extraordinary general meeting held during the preceding year;
- (b) to receive the annual reports;
- (c) to receive the auditor's reports;
- (d) to receive the accounts;
- (e) to appoint an auditor (if an auditor is required), except in the case of a continuing auditor and to fix the remuneration of the auditor;
- (f) to elect the Directors;
- (g) to consider any other business the general nature of which shall have been specified in the notice convening the meeting or which the Chairperson of the meeting permits to be brought before the meeting, including declaring the results of any postal ballot.

### **7.3 Extraordinary general meetings of members**

- (a) All general meetings, other than the annual general meeting, shall be called extraordinary general meetings.
- (b) The Board must call an extraordinary general meeting within 21 days of:
  - (i) being given a requisition to do so in writing signed by the Chairperson or any 2 Directors; or
  - (ii) being given requisitions in writing from at least 4 members shall clearly state reasons why such extraordinary general meeting is being convened and the nature of the business to be transacted at such meeting.

### **7.4 Business of extraordinary general meetings of members**

The business of an extraordinary general meeting shall be to consider the business, the general nature of which shall have been specified in the notice convening the meeting or which the Chairperson of the meeting permits to be brought before the meeting.

### **7.5 Notice of general meetings of members**

At least 21 days notice specifying the date, day and time of the general meeting and the business to be transacted at the meeting shall be given to the members in the manner hereinafter mentioned or in such manner if any as may be prescribed by the Board.

### **7.6 Ordinary business**

All business that is transacted at an extraordinary general meeting or at an annual general meeting, except for those matters specified in paragraphs (a) to (d) (inclusive) of Rule 6.2, shall, subject to the Act, these Rules or a decision of the Board, be deemed ordinary.

## **8. PROCEEDINGS OF GENERAL MEETINGS OF MEMBERS**

### **8.1 Quorum**

The number of members required to make a quorum at any general meeting shall be 4 and no business shall be transacted at any general meeting unless:

- (a) the Chairperson, the Secretary or the Financial Controller; and
- (b) the balance of the quorum;

is present at the commencement of the business, whether in person, by attorney or proxy, or by such other lawful means of communication as the Board has determined.

### **8.2 Lack of quorum**

- (a) If within 1 hour from the time appointed for the meeting a quorum is not present the general meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day (not being more than 14 days after such meeting) time and place as the Chairperson or the Secretary may then appoint.
- (b) If at such adjourned meeting a quorum of members is not present within 1 hour from the time appointed for the meeting the meeting shall be dissolved.

### **8.3 Chairperson**

- (a) The Chairperson shall preside as chairperson at every general meeting unless the Executive appoints a person who is not a Director of the Company as chairperson by giving notice of such appointment to the members in the notice convening the general meeting.
- (b) If there is no Chairperson or the Chairperson is not present at any meeting within 1 hour after the time appointed for the holding of such meeting or is unwilling to act, the members of the Company present in person may choose from their number a chairperson of the meeting.

### **8.4 Adjournment of meeting**

The Chairperson of a general meeting may, with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **8.5 Notice of adjournment**

- (a) When a general meeting at which a quorum was present is adjourned for 30 days or more notice of such adjournment shall be given to the members and so far as practicable in the same manner as the original meeting.
- (b) Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## 8.6 Method of voting

Subject to Rules 8.11 and 9.10, every resolution submitted to a general meeting shall be decided by a show of hands unless before, or upon the declaration of the show of hands, a poll is demanded by:

- (a) the Chairperson of the meeting; or
- (b) not less than 2 members present at the meeting.

## 8.7 Poll

- (a) Subject to Rules 8.7(c) and 9.10, if a poll is duly demanded it shall be taken either at once or after an interval or adjournment or otherwise as the Chairperson directs.
- (b) The result of the poll shall be the resolution of the meeting at which the poll was demanded.
- (c) A poll demanded on the election of a chairperson or on a question of adjournment shall be taken forthwith.

## 8.8 Evidence of vote

Unless a poll is demanded as provided by Rule 7, at a general meeting a declaration by the Chairperson of the meeting that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

## 8.9 Dispute as to vote

In the case of any dispute as to the admission or rejection of a vote, the Chairperson of the meeting shall determine the dispute and such determination made in good faith shall be final and conclusive.

## 8.10 Resolutions

- (a) A resolution of any business at any general meeting, other than special business, shall be decided by a majority of votes (an "**ordinary resolution**").
- (b) A resolution of any special business shall be decided by a majority of three quarters of votes of those members present and voting (a "**special resolution**").

## 8.11 Electronic communication

- (a) For the purpose of these Rules, the contemporaneous linking together by telephone, radio, closed circuit television or other electronic means of audio or audio-visual communication or other means of communication of a number of members not less than the quorum together with the Secretary, whether or not any one or more of the members are present in person at a place designated for the meeting or is out of the Commonwealth of Australia, shall be deemed to constitute a meeting of the Company

and all the provisions in these Rules as to meetings of the Directors shall apply to such meetings as long as the following conditions are met:

- (i) all the member for the time being entitled to receive notice of a meeting of the Company may receive notice of such a meeting in the manner specified by these Rules;
  - (ii) each of the members taking part in the meeting by telephone or other means of communication and the Secretary must be able to hear each of the other members taking part at the commencement of the meeting;
  - (iii) at the commencement of the meeting each member taking part in the meeting by telephone or other means of communication must acknowledge his or her presence for the purpose of a meeting of the members of the Company to the Secretary and all the other members taking part taking part in the meeting by telephone or other means of communication.
- (b) A member may not leave the meeting by disconnecting his or her telephone or other means of communication unless he or she has previously obtained the express consent of the Chairperson of the meeting and a member shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting unless he or she has previously obtained the express consent of the Chairperson of the meeting to leave the meeting as aforesaid.
- (c) A minute of the proceedings at such meeting by telephone or other means of communication shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the Chairperson of the meeting and by the Secretary.

## **9. VOTES OF MEMBERS**

### **9.1 Giving of votes**

- (a) Each member entitled to vote at meetings may vote in person or by such other means as is provided for in these Rules and on a show of hands every member present and entitled to vote shall have 1 vote, and on a poll every member present and entitled to vote shall have 1 vote.
- (b) Members who are indebted to the Company as at the time of the general meeting in respect of any annual membership fee, subscription or levy or other payment whatsoever are not entitled to vote or speak on a motion.

### **9.2 Election of the Directors**

- (a) Method of Election of Directors

The election of Directors shall be by way of postal ballot in accordance with Rule 9.10.

- (b) Nominations

- (i) Any member may nominate candidates for election to the Board of Directors prior to each annual general meeting;
  - (ii) The number of nominees shall not be limited.
- (c) Election
  - (i) A nominee shall be duly elected to the Board if they are the "first past the post".

### **9.3 Casting vote**

The Chairperson of any general meeting shall be entitled to vote and in case of an equality of votes he or she shall be entitled to a casting vote in addition to his or her deliberative vote.

### **9.4 Objections**

No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive.

### **9.5 Attorney**

The instrument creating the power of attorney must be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting before the commencement of the meeting in respect of which such power of attorney is intended to be used.

### **9.6 Proxy**

The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his or her attorney duly authorised in writing. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

### **9.7 Form of Proxy**

The instrument appointing a proxy may be in the form set out in the Schedule or in a common or usual form..

### **9.8 Deposit of Proxy**

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

### **9.9 Validity of Votes**

A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or unsoundness of mind of the principal, or revocation of the instrument or of the authority under which the instrument was executed, if no intimation in writing of such death, unsoundness of mind or revocation as aforesaid has been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.

#### **9.10 Postal Ballot**

- (a) A resolution of the members decided by postal ballot shall be as valid and effective as if it had been passed at a meeting of the Company duly called and constituted.
- (b) A postal ballot must not be by fax or electronic means.
- (c) A postal ballot may be held in the following circumstances:
  - (i) to elect a Director to the Board;
  - (ii) to appoint an auditor (if required), except in the case of a continuing auditor;
  - (iii) when the Board by special resolution approves an ordinary or special resolution being decided by postal ballot;
  - (iv) when the members by ordinary resolution approve one;
  - (v) when the members by ordinary resolution approve a special resolution being decided by postal ballot.
- (d) The Board must cause the details of the proposal on which the ballot is to be held to be set in a statement and fix the dates for the forwarding of ballots to members and closing the ballot.
- (e) Every ballot must be conducted by the Secretary as the returning officer.
- (f) The returning officer must cause ballot papers to be prepared in a form approved by the Board.
- (g) Every member desiring to vote by postal ballot must complete the ballot paper according to the instructions on the ballot paper, then post or personally deliver the ballot paper to the returning officer by noon on the day the ballot closes.
- (h) The returning officer must provide a ballot box.
- (i) The ballot box must be locked immediately before the ballot papers are delivered under paragraph g and remain locked until the close of the ballot.
- (j) As soon as practicable after the close of the ballot, the returning officer in the presence of scrutineers appointed by the Board must open the ballot box and deal with the contents.
- (k) The returning officer may reject as informal a ballot paper that:

- (i) is so imperfectly marked the intention of the voter can not be decided by the returning officer; or
  - (ii) has a mark or writing not authorised by this section that, in the opinion of the returning officer will enable someone to identify the voter; or
  - (iii) has not been marked as prescribed on the ballot paper itself.
- (l) The decision of the returning officer as to the formality of a ballot paper is final and not open to appeal.
- (m) The returning officer must count votes cast and make out and sign a statement of:
  - (i) the number of formal votes cast in favour of the proposal;
  - (ii) the number of formal votes cast against the proposal;
  - (iii) the number of informal and/or rejected votes cast;
- (n) The returning officer must forward the statement to the Chairperson who must either announce the result of the ballot either at the next general meeting or by giving notice of the result in writing to each member within 60 days of the ballot closing, whichever is the earlier.
- (o) The proposal which received the required majority of votes must be declared won.
- (p) The returning officer must retain all ballot papers (whether formal or otherwise) and the register of members used for the conduct of the ballot, locked in the ballot box until the returning officer has been directed by the Board, in writing to destroy them.
- (q) For a postal ballot altering the rules, the Company must cause the alteration to be notified in writing to its members as soon as practicable after the alteration takes effect but not later than the day notice is given to the members of the next annual general meeting of the Company after the alteration takes effect.

## **10. MANAGEMENT BY THE BOARD**

### **10.1 The Board**

The Company shall be managed by the Board in accordance with the powers and duties set out in Rule 15.

### **10.2 Number of Directors on the Board**

The maximum number of Directors on the Board shall be 7.

### **10.3 Election of Directors to the Board**

- (a) All Directors must be members of the Company and shall:
  - (i) be elected by members of the Company (except for the first board); and

- (ii) hold office for 2 years.
- (b) Subject to clause 10.4, at each annual general meeting of the Company those Directors who have held office for 2 years shall retire from office.
- (c) A retiring Director is eligible for re-election.
- (d) If the vacated office is not filled, the retiring Director shall, if offering himself or herself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected unless at that meeting:
  - (i) it is expressly resolved not to fill the vacated office; or
  - (ii) a resolution for the re-election of that Director is put and lost.

#### **10.4 Rotation of the Executive**

- (a) The first Chairperson shall retire at the first annual general meeting following the adoption of these Rules and the first Secretary and first Financial Controller shall both retire at the second annual general meeting following the adoption of these Rules.
- (b) The rotation of the Executive shall occur in the following manner:
  - (i) The Chairperson shall retire at the annual general meeting on the expiration of his or her term of office; and
  - (ii) The Secretary and the Financial Controller shall both retire at the next annual general meeting following the annual general meeting at which the Chairperson retired on the expiration of their terms of office.

#### **10.5 Election of the Executive**

- (a) The Board shall convene a Board meeting immediately following each annual general meeting to elect from amongst themselves a Chairperson or , a Secretary and a Financial Controller, as is required to fill the vacancy arising from the rotation of the Executive.
- (b) A Director elected to the Executive shall hold office for 2 years from the date of appointment following a casual vacancy.

#### **10.6 Casual vacancies**

- (a) Any casual vacancy shall be filled by appointment by the Board with the person so appointed taking the place of the Director in respect of whom the vacancy occurred.
- (b) Any person filling a casual vacancy must become a member of the Company.

- (c) A person appointed to fill a casual vacancy shall hold office for the balance of the term of the Director in respect of whom the vacancy occurred.
- (d) In the event that the number of Directors is reduced to less than 4 then and in such case the continuing Directors may only act for the purpose of filling the vacancies until there are at least 4 members of the Board.

#### **10.7 Cessation of membership of the Board**

A Director shall cease to be a Director and his or her position as Director shall become vacant accordingly if:

- (a) he or she dies;
- (b) he or she retires or resigns his or her position by notice in writing to the Secretary;
- (c) without permission of the Chairperson, he or she fails to attend 3 consecutive meetings of the Board;
- (d) he or she is adjudicated bankrupt or enters into a deed of arrangement or assigns his or her estate for the benefit of his or her creditors;
- (e) he or she is incapable of continuing to act as a Director due to physical or mental incapacity with mental incapacity being as defined under any legislation relating to mental health;
- (f) he or she is convicted of an indictable offence and the rehabilitation period has not expired;
- (g) he or she fails to comply with these Rules or any regulations or by-laws of the Company;
- (h) he or she is excluded from the Board by the members of the Company, whether or not on the recommendation of the Board, by the passing of an ordinary resolution in general meeting that he or she be excluded from the Board.

#### **10.8 Notice of proposed exclusion**

Notwithstanding anything to the contrary:

- (a) the Directors shall not be required to give notice of any meeting convened for the purpose of expelling a Director under Rule 10.7 (g) to the Director who is the subject of the meeting.
- (b) the Directors may meet for the purposes of making a recommendation to the members to exclude a Director under Rule 10.7(g), without the Director who is sought to be expelled being present.
- (c) if the Directors determine that the Director should be expelled from the Board under Rule 10.7(g) then the Directors shall convene a Board meeting and give the Director 2 months notice in writing sent to him or her of the Board meeting and such notice

shall contain a draft of the proposed resolution to be put to the members and a statement outlining the reasons for proposing such resolution and such Director may attend the Board meeting and shall be given the opportunity to place before the Board orally and in writing any explanation or defence he or she may think fit but shall not be entitled to vote on the resolution.

- (d) Every Director to be excluded from the Board under Rule 10.7(h) shall have 2 months notice in writing sent to him or her of the general meeting and such notice shall contain a draft of the proposed resolution and a statement outlining the reasons proposing such resolution and such Director may attend the general meeting and shall be given the opportunity to place before the meeting orally or in writing any explanation or defence he or she may think fit but shall not be entitled to vote on the resolution.

## **10.9 Compliance with Rules**

Each Director shall be deemed to have agreed to be bound by these Rules and any regulations and by-laws as may be made from time to time by the Board.

## **11. MEETINGS OF THE BOARD**

### **11.1 Meeting times**

The Directors shall meet together at the completion of the AGM, quarterly during the financial year of the Company, and otherwise when required in accordance with the terms of clause 11.4, for the dispatch of business.

### **11.2 Quorum**

A quorum shall consist of a majority of the Directors and no business shall be transacted at any meeting of the Board unless a quorum is present at the commencement of the meeting.

### **11.3 Notice of Board meetings**

The Board shall appoint a day, or days, in any month or months for regular meetings at an hour to be named and no additional notice to Directors of such meetings shall be required.

### **11.4 Special meetings of the Board**

- (a) The Chairperson or any 2 Directors may requisition a special meeting of the Board at any time whereupon the Secretary shall convene a meeting of the Board.
- (b) at least 14 days notice of the time and place of a special meeting of the Board shall be given in writing to every Director. The business of the meeting need not be specified in the notice and the accidental omission to give notice or the non-receipt of any such notice by any of the Directors shall not invalidate any resolution passed at any such meeting.

### **11.5 Chairperson**

- (a) The Chairperson shall preside as chairperson at every Board meeting.

- (b) If there is no Chairperson or the Chairperson is not present at any meeting within 1 hour after the time appointed for the holding of such meeting or is unwilling to act, the Directors present in person may choose from their number a chairperson of the meeting.

#### **11.6 Voting at Board meetings**

Subject to Rule 11.9, each Director present shall be entitled to 1 vote on any question arising at any meeting of the Board.

#### **11.7 Casting vote**

The Chairperson of the Board meeting shall be entitled to vote and, in the case of an equality of votes, the Chairperson shall have a casting vote in addition to his or her deliberative vote.

#### **11.8 Resolution**

A resolution on any matter arising at any meeting of the Board shall be decided by a majority of votes.

#### **11.9 No vote in respect of interested contracts**

A Director shall not be entitled to vote at any Board meeting or general meeting of the Company in respect of any contract or proposed contract with the Company in which he is in any way directly or indirectly interested or in respect of any matter arising out of such contract or proposed contract. This Rule does not apply in respect of:

- (a) an interest of a Director as a member of a company that proposes to contract with the Company where that interest as a member is not regarded by the Board as a material interest;
- (b) an interest that the Director has in common with other members of the Company.

#### **11.10 Resolution in writing**

- (a) A resolution in writing signed by all Directors shall be as valid and effective as if it had been passed at a meeting of the Board duly called and constituted.
- (b) Any such resolution may consist of several documents in like form each signed by one or more Directors.

#### **11.11 Electronic communication**

- (a) For the purpose of these Rules, and subject to the consent of all the Directors, the contemporaneous linking together by telephone, radio, closed circuit television or other electronic means of audio or audio-visual communication or other means of communication of a number of Directors not less than the quorum together with the Secretary, whether or not any one or more of the Directors is out of the Commonwealth of Australia, shall constitute a meeting of the Directors and all the

provisions in these Rules as to meetings of the Directors shall apply to such meetings as long as the following conditions are met:

- (i) all the Directors for the time being entitled to receive notice of a meeting of the Directors may receive notice of such a meeting by telephone or other means of communication and be linked by telephone or such other means for the purposes of such meeting;
  - (ii) each of the Directors taking part in the meeting by telephone or other means of communication and the Secretary must be able to hear each of the other Directors taking part at the commencement of the meeting;
  - (iii) at the commencement of the meeting each Director must acknowledge his or her presence for the purpose of a meeting of the Directors of the Company to all the other Directors taking part.
- (b) A Director may not leave the meeting by disconnecting his or her telephone or other means of communication unless he or she has previously obtained the express consent of the Chairperson of the meeting and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting by telephone or other means of communication unless he or she has previously obtained the express consent of the Chairperson of the meeting to leave the meeting as aforesaid.
- (c) A minute of the proceedings at such meeting by telephone or other means of communication shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the Chairperson of the meeting and by the Secretary.

## **12. MINUTE BOOK**

**12.1** The Secretary shall cause minutes to be duly entered in the books provided for the purpose of recording:

- (a) all elections of Directors of the Board;
- (b) the names of the persons present at each meeting of the Board and general meeting;
- (c) all resolutions and proceedings of each meeting of the Board and general meeting;
- (d) all resolutions and recommendations of any Committees appointed by the Board.

**12.2** For the purposes of ensuring the accuracy of the recording of such minutes, the minutes of every meeting of the Board shall be signed by the Chairperson of that meeting or the Chairperson of the next succeeding Board meeting verifying their accuracy.

**12.3** Similarly, the minutes of every extraordinary general meeting shall be signed by the Chairperson of that meeting or the Chairperson of the next succeeding extraordinary general meeting.

- 12.4** However, the minutes of any annual general meeting shall be signed by the Chairperson of that meeting or the Chairperson of the next succeeding extraordinary general meeting or annual general meeting.
- 12.5** The minute book shall be open to the inspection of any member of the Company who applies to the Secretary for such inspection and a copy of any minutes shall be forwarded to the Executive on verification of their accuracy.

### **13. EXECUTIVE ROLES AND RESPONSIBILITIES**

#### **13.1 Executive functions**

The Executive shall have the following functions:

- (a) to arrange an annual Board meeting;
- (b) to arrange an annual General Meeting;
- (c) to arrange meetings; telephone link-ups and postal votes;
- (d) to provide information to the Members and the Board;
- (e) to undertake any other functions to further the objects of the Company as shall be delegated to the Executive by the Board;
- (f) financial management - including but not limited to decisions surrounding the methods and procedures, cash flow management, debtor and creditor control, negotiating and managing bank overdraft facilities and securities and any other matter required to effectively manage and control the Company's financial circumstances;
- (g) restructuring initiatives - including but not limited to decisions surrounding the methods and procedures that the Company can effectively operate its activities, including the negotiation of terms and conditions and the contractual basis of any sale, licensing or sub-contracting arrangements for any part or division of the Company;
- (h) allocation of resources and staffing - the effective utilisation of assets and resources of the Company's alliance partners and/or suppliers or any other person or entity - including but not limited to negotiation, terms and conditions or such contracts, nature of relationships and any financial terms associated with such contracts;
- (i) when exercising these functions and any other functions pursuant to these Rules and as delegated from time to time by the Board, the Executive shall:
  - (i) confine expenditure to that proposed within an annual budget adopted at each annual Board meeting; and
  - (ii) ensure that their decisions, acts and omissions remain within the scope of guidelines imposed in writing by the Board from time to time;

- (iii) use their best endeavours to ensure the best outcome for the Company, having due regard to all the circumstances and any and all legal, accounting or other professional advice;
- (iv) take into account any advice or consultation sought from the Board on any matter where the Executive considers it appropriate and/or possible; and
- (v) provide regular updates at least once every month to the Board concerning the actions undertaken and decisions made by the Executive.

### **13.2 The Chairperson**

The duties of the Chairperson shall be:

- (a) convenor and spokesperson;
- (b) identified contact person;

### **13.3 The Secretary**

The duties of the Secretary shall be as follows:

- (a) to ensure all correspondence of the Company is received and conducted in accordance with Company guidelines and that all documents belonging to Company are stored and kept at the principal place of business;
- (b) to ensure full and correct minutes of meetings are kept;
- (c) to ensure a register of members comprising the names and addresses of all the current members of the Company is kept;
- (d) to do all such things as may be directed by the Board or prescribed by the by-laws.

### **13.4 The Financial Controller**

The Duties of the Financial Controller shall be:

- (a) to ensure all monies received are banked for the Company and account for the same. The Financial Controller's receipt shall be discharged in respect of the payments made to the Company;
- (b) to ensure all payments are made under the order of the Board ;
- (c) to ensure that an account of all monies received and disbursed is kept, and before each Board meeting prepare a funding ledger and statement of financial performance (and such other reports as may be required by the Board) showing the progress and position of the Company's finances and the amount of funding provided to approved programmes;

- (d) to prepare and compile the statement of financial position to the 30 June each year for submission to the Board before the annual general meeting, or before 30 September each year, whichever is the earlier;
- (e) to do such other things as may be directed by the Board or prescribed in the by-laws.

### **13.5 Executive Quorum**

- (a) The Executive quorum shall be 2.
- (b) In exceptional circumstances when an Executive member is not contactable, the other two Executive members may co-opt another Director to make a quorum of the Executive when an urgent decision is required.

## **14. TRANSACTIONS WITH DIRECTORS**

### **14.1 Compensation and Expenses**

Directors shall not receive any salary or dividend for their services as Directors. By resolution of the Board, a reasonable sum for expenses (if any) may be allowed for attendance by a Director at each general meeting of the Company or meeting of Directors.

### **14.2 Directors May Contract with Company**

Any Director shall notwithstanding his or her office, be at liberty to enter into any contract with the Company either as vendor, purchaser or otherwise or to perform any services for the Company for a reward or remuneration provided that where the nature and extent of his or her interest in any such contract does not appear on the face thereof, he or she shall disclose the same to the Board at or prior to the meeting of the Board at which the contract is considered and provided that he or she shall not unless invited by the Board so to do take part in any discussion or debate and shall not vote on any resolution relating to any such contract or to any services to be performed as aforesaid.

## **15. POWERS AND DUTIES OF THE BOARD**

### **15.1 Control of management**

Subject to the Act and to any other provision of these Rules, the Board:

- (a) shall have the general control and management of the administration of the affairs, property and funds of the Company;
- (b) may pay all expenses incurred in forming the Company; and
- (c) may exercise all such powers of the Company as are not, by the Act or by these Rules, required to be exercised by the Company in general meeting.

### **15.2 General powers**

The Board may exercise all the powers of the Company to:

- (a) borrow or raise or secure the payment of money in such manner as the members of the Board may think fit and secure the same or the payment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the Company in any way;
- (b) charge any property or business of the Company;
- (c) issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person or body corporate;
- (d) invest in such manner as the Board may from time to time determine;
- (e) make, amend or repeal by-laws or regulations, not inconsistent with these Rules for the general conduct and management of the Company and the business of the Board provided that any by-law may be set aside by a general meeting of members;
- (f) appoint, employ, remove or suspend such employees, contractors, agents, consultants and other persons as may be necessary or convenient for the purposes to the Company on such terms and conditions as shall be determined by the Board;
- (g) enter into any trust arrangements with a trustee, corporate or otherwise, for the purpose of creating a trust fund or funds; and
- (h) call for and review applications for funding or assistance in furtherance of the objects of the Company and to provide funding or assistance to those programmes that are approved.

### **15.3 Committees**

- (a) Appointment of committees

The Board may from time to time appoint committees consisting of at least 1 Director and may delegate to the committees such business or matters as the Board may deem fit.

- (b) Quorum

At every meeting of a committee a simple majority of a number equal to the number of members appointed to the committee, with at least one Director present, shall constitute a quorum.

- (c) Chairperson

The Chairperson of each committee shall be selected by the Directors on the committee.

- (d) Appointment

Any Director may be appointed to any committee and any Director may be appointed to more than one committee.

(e) Membership

Membership of committees shall not necessarily be confined to Directors.

(f) Committee can co-opt others

Each committee may co-opt any person to serve on that committee and may establish such sub-committees as it considers necessary or desirable provided that membership of sub-committees shall not be confined Directors.

(g) Meetings of committees

The meetings and proceedings of each committee or sub-committee shall be governed by such rules as may from time to time be made by the members of such committee or sub-committee or by the Board and, in default of such rules, by the provisions contained in these Rules, where applicable, for regulating the meetings and proceedings of the Board.

(h) Minutes of Meetings

Minutes of the resolutions and recommendations arising from meetings and proceedings of each committee or sub-committee shall be recorded and provided to the Board.

**15.4 The Public Officer**

The Secretary shall be the Public Officer ex officio.

**16. SEAL**

**16.1 Custody of Seal**

The Directors shall provide for the safe custody of the seal.

**16.2 Use of Seal**

The seal shall only be used with the authority of the Board and every document to which the seal is affixed shall be signed by the Chairperson and shall be counter-signed by the Secretary or a Director appointed by the Board to countersign that document or a class of documents in which that document is included.

**17. INSPECTION OF RECORDS**

**17.1 Inspection by Directors**

The accounting records and other documents of the Company will be open to the inspection of Directors during normal business hours.

**17.2 Inspection by Members**

The Directors shall determine whether and to what extent and at what time and places and under what conditions, the accounting records and other documents of the Company or any of them will be open for the inspection of members.

## **18. FUNDS**

### **18.1 Funds to be banked**

All moneys when received on account of the Company shall be paid into the account or accounts of the Company at a financial institution decided by the Board.

### **18.2 Signing of cheques**

All bills of exchange, promissory notes or other negotiable instruments shall be accepted, made, drawn or endorsed on behalf of the Company by any 2 Directors or any Director and the Secretary authorised to accept, make, draw or endorse bills of exchange, promissory notes or other negotiable instruments on behalf of the Company from time to time by the Board or in such other manner as the Executive determines.

### **18.3 Imprest petty cash**

The Executive may authorise the operation of any imprest account with its financial institution which it considers necessary and it may authorise any Director or member of the Company to sign or endorse any negotiable instrument drawn on such imprest account under such conditions as it may prescribe from time to time or authorise the operation of such imprest account in such other manner as it may determine.

### **18.4 Endorsement of cheques**

Cheques or other negotiable instruments paid to the financial institution of the Company for collection requiring the endorsement of the Company may be endorsed by any Director as may be appointed from time to time by the Board or in such other manner as the Executive determines.

### **18.5 Ratification of expenditure**

All expenditure outside the Board approved annual budget shall be approved or ratified at a subsequent Board meeting.

### **18.6 Books of account**

Proper books of account and other records as required by the Act shall be kept and maintained either in written or printed form showing correctly the financial affairs of the Company and the particulars usually shown in books of a like nature.

## **19. ACCOUNTS OF THE COMPANY**

### **19.1 Consideration of accounts**

At each annual general meeting the accounts and reports of the Company for the previous year ended June 30 shall be received and considered.

### **19.2 Accounts conclusive**

- (a) The financial accounts and reports of the Company when audited and approved or received by a general meeting at which it is presented will be conclusive except as regards any material error discovered in it within 3 months after its approval or receipt.
- (b) Whenever any material error is discovered within the 3 month period referred to in Rule 19.2(a), the financial report will be corrected immediately and then it will be conclusive.

### **19.3 Officers of Company not to disclose information**

- (a) Every Director, Secretary, auditor, member of a committee, agent, accountant or other Officer is bound to observe secrecy with respect to all financial transactions of the Company and all related matters.
- (b) If required by the Directors, every such person will, before commencing that person's duties or employment or at any time afterwards, sign and make a declaration in a book to be kept for that purpose that they will not reveal or make known any of the matters, affairs or concerns which may come to their knowledge as Director, Secretary, auditor, member of a committee, agent, accountant or other Officer and whether relating to transactions of the Company with its customers or the state of the account of any individual or to anything else, to any person or persons except:
  - (i) in the course and in the performance of their duties; or
  - (ii) under compulsion or obligation of law; or
  - (iii) when officially required so to do by the Directors or by the auditors for the time being, or by any general meeting of Members.

### **19.4 Audit of accounts**

- (a) The accounts of the Company for each year ended June 30 shall be examined and reported on by 1 or more auditors.
- (b) The auditors of the Company shall be appointed and removed by the members in accordance with the provisions of the Act.
- (c) The auditors shall hold office until their successors are appointed and they shall be eligible for reappointment.
- (d) The Board shall fill any casual vacancy in the office of auditor but while any such vacancy continues the surviving or continuing auditor or auditors (if any) may act.

- (e) The Board shall fix the remuneration of auditors.

## **20. NOTICE**

### **20.1 Notice Requirements**

- (a) A notice may be given by the Company to any member or Director personally or by sending it either:
  - (i) by post to the member or Director at the member's or Director's registered address; or
  - (ii) by facsimile to the member's or Director's registered facsimile number; or
  - (iii) by Email to the member's or Director's Email address.
- (b) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, whether the notice forms part of or is accompanied by other material, and to have been effected in the case of a notice of a meeting, on the day after the date of its posting, and in any other case at the time at which the letter would be delivered in the ordinary course of post.
- (c) Where a notice is sent by facsimile service of the notice shall be deemed to be effected on the date of its transmission.
- (d) Where a notice is sent by Email service of the notice shall be deemed to be effected when notification that the Email has been delivered is received from the members Email server.

### **20.2 Notice of general meetings**

Notice of every general meeting shall be given in any manner authorised in these Rules to:

- (a) every member whose name and address are recorded in the Register;
- (b) every Director of the Board; and
- (c) the auditor.

## **21. FINANCIAL YEAR**

The financial year of the Company shall end on 30 June in each year.

## **22. INDEMNITY AND INSURANCE**

- 22.1** The Directors may on behalf of the Company and, subject to the terms of this Rule and to the maximum extent permitted by law, grant an indemnity to any person who is or has been an officer or employee of the Company or a subsidiary of the Company or a permitted person against liabilities incurred by that person in such capacity.
- 22.2** The indemnity granted by Rule 22.1 may only be relied on by the person in whose favour it has been granted if that person:
- (a) upon becoming aware of a claim or potential claim immediately notifies the Company and provides to the Company all information, records, statements and assistance that the Company may reasonably require in relation to the claim or potential claim;
  - (b) does not admit liability for or settle or attempt to settle any such claim or incur any costs or expenses in connection with such claim without the prior written consent of the Company; and
  - (c) co-operates with the Company in the defence of the claim and in respect of any action taken to recover contribution or an indemnity in respect of the claim.
- 22.3** The Company at its expense shall be entitled to conduct the defence or settlement of any such claim except in circumstances where an insurer insures the person or the Company in respect of the claim and has exercised its rights under a policy of insurance to conduct the defence or settlement of the claim.
- 22.4** The Company may enter into a contract of insurance, or pay the premium in respect of a contract of insurance, which insures a person referred to in Rule 22.6 against any liability incurred by the person in such capacity.
- 22.5** The benefits of each indemnity given by or pursuant to this Rule continue, notwithstanding that:
- (a) a person who is conferred a benefit by this Rule ceases to hold office with the Company for any reason whatsoever; or
  - (b) the terms of this Rule are modified or deleted;
- but only in respect of any liability arising from any act or omission occurring prior to the cessation, modification or deletion as the case may be.
- 22.6** In this Rule "officer", in relation to a Company means:
- (a) a Director or Secretary;
  - (b) a receiver, or receiver and manager, of property of the Company;
  - (c) an administrator of the Company;
  - (d) an administrator of a deed of company arrangement executed by the Company;

- (e) a liquidator of the Company; and
- (f) a trustee or other person administering a compromise or arrangement made between the Company and another person or other persons.

**22.7** In this Rule "permitted person" means:

- (a) an agent or auditor of the Company or an agent or auditor of a subsidiary of this Company;
- (b) a person appointed as trustee by the Company or a subsidiary of this Company; or
- (c) a person acting as trustee at the express request of the Company or a subsidiary of the Company.

### **23. INTERPRETATION OF RULES**

If any doubt shall arise as to the proper construction or meaning of any of these Rules or of any expression used therein the decision of the Board thereon shall be final and conclusive provided such decision be reduced to writing and recorded in the minute book of the proceedings of the Board.

### **24. ALTERATION OF RULES**

These Rules, or any other Rules for the time being in force, may be altered, rescinded or repealed and new Rules may be made by the Company in a general meeting in the manner prescribed by the Act. Nothing whether contained in the Rules for the time being in force or otherwise howsoever shall be construed as implying or creating any privilege, priority or right in favour of any member so as to limit the power of the Company at any time to alter rescind or repeal the same to make new Rules in their place.

# **FINANCIAL BASICS FOUNDATION**

**A COMPANY LIMITED BY GUARANTEE**

## **CONSTITUTION**

**Schedule**

**Proxy Form**

**FINANCIAL BASICS FOUNDATION**

**ACN 114 612 270**

I, \_\_\_\_\_ of \_\_\_\_\_  
being a member of Financial Basics Foundation hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_  
as my proxy to vote for me on my behalf at the (annual general meeting or general meeting as  
the case may be) of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_  
and at any adjournment thereof.

My proxy is hereby authorised to vote \*in favour of/\*against the following resolutions:

*\* Delete if not appropriate*

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

**(Note:** In the event of the member desiring to vote for or against any resolution he shall instruct his proxy accordingly. Unless otherwise instructed, the proxy may vote as he thinks fit.)

*\* Strike out whichever is not desired.*