

Rules  
of the  
Social and Ethical Auditing  
Institute  
Incorporated



These rules, adopted at the 2000 Annual General Meeting replace rules adopted at incorporation of the Institute, 1/9/1999

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Public Officer/Secretary

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## **Division 1 - Introduction and Definitions**

### **1.1 Name of Institute**

The name of the Institute is the Social and Ethical Auditing Institute Inc.

### **1.2 Status of Institute**

The Institute is incorporated under the New South Wales Associations Incorporation Act.

### **1.3 Definitions**

- (1) In these rules:
  - (a) "ADI" has the same meaning as the Banking Act 1959 on 1/7/2000;
  - (b) "Board" means the board of Directors of the Institute;
  - (c) "Directors" means the members elected to the Board in accordance with Division 8 of these Rules;
  - (d) "Institute" means the Social & Ethical Auditing Institute (Australia) Incorporated;
  - (e) "Member" means an Individual Member or Organisational Member in accordance with Division 3 (Membership);
  - (f) "Secretary" means:
    - (i) the person holding office under these rules as secretary of the Institute; or
    - (ii) if no such person holds that office the public officer of the Institute;
  - (g) "Special General Meeting" means a general meeting of the Institute other than an annual general meeting;
  - (h) "the Act" means the Associations Incorporation Act 1984;
  - (i) "the Regulations" means the Associations Incorporation Regulations 1994.
- (2) In these rules:
  - (a) a reference to a function includes a reference to a power, authority and duty; and
  - (b) a reference to the exercise of a function includes, if the function is a duty, a reference to the performance of the duty.
- (3) The provisions of the Interpretation Act 1987 apply to and in respect of these rules in the same manner as those provisions would so apply if these rules were an

instrument made under the Act.

## **Division 2 - Objects and Activities**

### **2.1 *Objects of the Institute***

The objects of the Institute are

1. To provide public education and training on the benefits of social and ethical accountability.
2. Conduct research and publish reports on social and ethical accountability;
3. To provide public access to a register of accredited auditors;
4. To establish and promulgate a set of standards to be used by social and ethical auditors, and by organisations engaging social and ethical auditors;
5. To accredit and register social and ethical auditors;

### **2.2 *Principal Activities***

The principal activities of the proposed Institute are

1. Arranging information and education forums
2. Facilitating Member networks on key areas of interest
3. Distributing information on social and ethical accountability issues
4. Maintaining a high level of professional conduct amongst accredited social & ethical auditors.
5. Providing auditors with an ongoing professional development program
6. Providing auditor qualification training programs
7. Representing the social and ethical audit profession as required by the Institute's members
8. Advancing the professional recognition of social and ethical auditors
9. Facilitating the maintenance and extension of social and ethical auditor competence to ensure the interests of the wider community and individual organisations are professionally met
10. Providing social and ethical auditor support material

## **Division 3 - Membership**

### **3.1 Membership Qualifications**

- (1) A person is qualified to be a Individual Member if, but only if:
  - (a) the person is a person referred to in Section 15 (1) (a), (b) or (c) of the Act and has not ceased to be a Member at any time after incorporation of the Institute under the Act; or
  - (b) the person is a natural person:
    - (i) who is 18 years of age or older;
    - (ii) who has applied for membership of the Institute as provided by Rule 3.2; and
    - (iii) who has been approved for membership of the Institute by the Board.
- (2) An Organisational Member is a member who is not a natural person which has:
  - (i) applied for membership of the Institute as provided by Rule 3.2; and
  - (ii) been approved for membership of the Institute by the Board.
- (3) An Organisational Member may nominate in writing to the Secretary a person who can represent it at meetings. An Organisational Member can in writing to the Secretary revoke a persons nomination. On receipt of a nomination or revocation the Secretary will record the event in the Register. The Secretary is entitled to act on any apparently proper notice without recourse. The nominated person:
  - (a) is to be sent Notices of all meetings on behalf of the Organisational Member;
  - (b) can attend and be heard at all such meetings; and
  - (c) can vote on behalf of the Organisational Member.

### **3.2 Application for Membership**

- (1) An application for membership of the Institute:
  - (a) must be made in writing in the form as approved from time to time by the Board; and
  - (b) must be lodged with the Secretary.
- (2) As soon as practicable after receiving an application for membership, the Secretary must refer the application to the Board which is to determine whether to approve or to reject the application.
- (3) If the Board determines to approve an application for membership, the Secretary must, as soon as practicable after that determination, notify the applicant of that approval and request the applicant to pay (within the period of 28 days after the date



of the notification) the sum payable under these rules by the Member as joining fee and annual membership fee.

- (4) The Secretary must, on payment by the applicant of the amounts referred to in Rule 3.2(3) within the period referred to in that rule, enter the applicant's name in the register of members and, on the name being so entered, the applicant becomes a Member of the Institute.

### **3.3 Cessation of Membership**

- (1) A Member ceases to be a Member of the Institute if the Member:
  - (a) in the case of an Individual Member dies; or
  - (b) resigns membership; or
  - (c) is expelled from the Institute.
- (2) If a Member ceases to be a Member the Secretary must make an appropriate entry in the register of members recording the date on which the Member ceased to be a Member.

### **3.4 Membership Entitlements not Transferable**

A right, privilege or obligation which a Member has by reason of being a Member of the Institute:

- (a) is not capable of being transferred or transmitted to another person and organisation; and
- (b) terminates on cessation of membership.

### **3.5 Resignation of Membership**

- (1) A Member is not entitled to resign that membership except in accordance with Rule 3.5.
- (2) A Member who has paid all amounts payable by the Member to the Institute in respect of the Member's membership may resign from membership of the Institute by first giving to the Secretary written notice of at least one month (or such other period as the Board may determine) of the Member's intention to resign and, on the expiration of the period of notice, the Member ceases to be a Member.

### **3.6 Register of Members**

- (1) The Secretary must establish and maintain a register of members of the Institute specifying the name, address and email address of each Member together with the date on which membership commenced.
- (2) The register of members must be kept at the principal place of administration of the Institute and must be open for inspection, free of charge, by any Member of the Institute at any reasonable hour.

### **3.7 Fees**

- (1) A Member must, on admission to membership, pay to the Institute a joining fee as determined by the Board from time to time.
- (2) In addition to any amount payable by the Member under Rule 3.7(1), a Member must pay to the Institute an annual membership Fee of an amount as determined by the Board from time to time:
  - (a) except as provided by Rule 3.7(2)(b), before 1 July in each calendar year; or
  - (b) if the Member becomes a Member on or after 1 July in any calendar year - on becoming a Member and before 1 July in each succeeding calendar year.

### **3.8 Members' Liabilities**

The liability of a Member of the Institute to contribute towards the payment of the debts and liabilities of the Institute or the costs, charges and expenses of the winding up of the Institute is limited to the amount, if any, unpaid by the Member in respect of membership of the Institute as required by Rule 3.7.

### **3.9 Resolution of Internal Disputes**

Disputes between Members (in their capacity as Members), and disputes between Members and the Institute, are to be referred to a community justice centre for mediation in accordance with the Community Justice Centres Act 1983.

### **3.10 Disciplining of Members**

- (1) A complaint may be made by any Member that some other Member:
  - (a) has persistently refused or neglected to comply with a provision or provisions of these rules; or
  - (b) has persistently and wilfully acted in a manner prejudicial to the interests of the Institute.
- (2) On receiving such a complaint, the Board:
  - (a) must cause notice of the complaint to be served on the Member concerned; and
  - (b) must give the Member at least 14 days from the time the notice is served within which to make submissions to the Board in connection with the complaint; and
  - (c) must take into consideration any submissions made by the Member in connection with the complaint.
- (3) The Board may, by resolution, expel the Member from the Institute or suspend the Member from membership of the Institute if, after considering the complaint and any submissions made in connection with the complaint, it is satisfied that the facts

alleged in the complaint have been proved.

- (4) If the Board expels or suspends a Member, the Secretary must, within 7 days after the action is taken, cause written notice to be given to the Member of the action taken, of the reasons given by the Board for having taken that action and of the Member's right of appeal under Rule 3.11.
- (5) The expulsion or suspension does not take effect:
  - (a) until the expiration of the period within which the Member is entitled to appeal against the resolution concerned; or
  - (b) if within that period the Member exercises the right of appeal, unless and until the Institute confirms the resolution under Rule 3.11(4), whichever is the later.

### **3.11 *Right of Appeal of Disciplined Member***

- (1) A Member may appeal to the Institute in general meeting against a resolution of the Board under Rule 3.10, within 7 days after notice of the resolution is served on the Member, by lodging with the Secretary a notice to that effect.
- (2) The notice may, but need not, be accompanied by a statement of the grounds on which the Member intends to rely for the purposes of the appeal.
- (3) On receipt of a notice from a Member under Rule 3.11(1), the Secretary must notify the Board which is to convene a general meeting of the Institute to be held within 28 days after the date on which the Secretary received the notice.
- (4) At a general meeting of the Institute convened under Rule 3.11(3):
  - (a) no business other than the question of the appeal is to be transacted; and
  - (b) the Board and the Member must be given the opportunity to state their respective cases orally or in writing, or both; and
  - (c) the members present are to vote by secret ballot on the question of whether the resolution should be confirmed or revoked.
- (5) If at the general meeting the Institute passes a special resolution in favour of the confirmation of the resolution, the resolution is confirmed.

### **3.12 *Non-payment of Fees***

- (1) If a Member has failed to pay any fee required to be paid by these Rules within six months of the due date for payment the Board by resolution can expel the Member.
- (2) There is no appeal from the expulsion in accordance with rule 3.12(1)

## **Division 4 - Accreditation of Auditors**

### **4.1 Accreditation Standards Council**

- (1) The Board will establish the Accreditation Standards Council ("Council").
- (2) The Council is responsible for setting the Accreditation Standards for the accreditation and registration of social and ethical auditors.
- (3) The Board has the sole power to appoint members to the Council and may appoint members as it deems necessary. Only Members are eligible to be appointed to the Council.
- (4) Members of the Council will be appointed for a term of three years.
- (5) The Council will consist of a minimum of three members including a Director who will chair the Council and the Auditing Registrar.
- (6) The Board will determine how the fixed sum is to be apportioned among the Members of the Council and when it is to be paid.
- (7) The Board may remove a member of the Council from the Council at any time, for any reason and without any claim by the member.
- (8) The Institute in general meeting must determine the remuneration of Members of the Council by approving a fixed sum (not being a commission on, or percentage of, profits or turnover) which will be apportioned between the Members of Council.
- (9) The Council will develop processes and policies for its operation which must be approved by the Board
- (10) The Council will submit a report on its activities, including the assessment process and its operation, to the Board at least every six months and at any other time when requested by the Board.

### **4.2 Accreditation Standards**

The Accreditation Standards will include

- (1) Qualifications for accreditation as an auditor
- (2) Grades of accreditation
- (3) Requirements for renewal of accreditation
- (4) Unprofessional behaviour and professional misconduct
- (5) Loss of accreditation
- (6) Other relevant matters identified by the Council

### **4.3 Auditing Registrar**

- (1) The Board shall appoint an Auditing Registrar who
  - (a) will be a Member of the Council
  - (b) will be Secretary to the Council
  - (c) will be responsible for the administration of the accreditation process.
- (2) The Board can remove the Auditing Registrar at any time it sees fit and without any claim by the outgoing Auditing Registrar.

## **Division 5 - Board of Directors**

### **5.1 Composition of Board of Directors**

- (1) The Board will comprise a minimum of 3 Directors and a maximum of 9 Directors.
- (2) The Directors will at a meeting held immediately after the Annual General Meeting elect from themselves the Directors to be the following office bearers:
  - (a) president;
  - (b) vice-president
  - (c) treasurer;
  - (d) Secretary.
- (3) The Directors elected as office bearers can be removed at any time from the offices and replaced by another Director by an ordinary resolution of the Board.

### **5.2 Powers of the Board**

- (1) The affairs of the Institute are to be managed and controlled by the Board.
- (2) Subject to the Act, the Regulations and these Rules and to any resolution passed by the Institute in general meeting, the Board:
  - (a) may exercise all such functions as may be exercised by the Institute, other than those functions that are required by these rules to be exercised by a general meeting of members of the Institute; and
  - (b) has power to perform all such acts and do all such things as appear to the Board to be necessary or desirable for the proper management of the affairs of the Institute.

### **5.3 Directors' Authority**

- (1) A Director does not have the authority to conclude an agreement on behalf of the Institute, unless a resolution has been passed by the Board authorising the Director to so do.
- (2) A Director when acting as a Director must act in accordance with the policies and procedures approved by the Board.
- (3) Anything done by or in relation to a Director is not invalid merely because of a defect or irregularity in the Director's election or appointment.

#### **5.4 Delegation by Board to Committee**

- (1) The Board may, by instrument in writing, delegate to one or more committees (consisting of such Directors or Members as the Board thinks fit) the exercise of such of the functions of the Board as are specified in the instrument, other than:
  - (a) this power of delegation; and
  - (b) a function which is a duty imposed on the Board by the Act or by any other law.
- (2) A function the exercise of which has been delegated to a committee under this rule may while the delegation remains unrevoked, be exercised from time to time by the committee in accordance with the terms of the delegation.
- (3) A delegation under this Rule may be made subject to such conditions or limitations as to the exercise of any function, or as to time or circumstances, as may be specified in the instrument of delegation.
- (4) Despite any delegation under this Rule, the Board may continue to exercise any function delegated.
- (5) Any act or thing done or suffered by a committee acting in the exercise of a delegation under this Rule has the same force and effect as it would have if it had been done or suffered by the Board.
- (6) The Board may, by instrument in writing, revoke wholly or in part any delegation under this Rule.
- (7) Subject to Rules 6.4 and 6.6 a committee may meet, adjourn and conduct its meetings as it thinks proper.

## **Division 6 - Meetings of the Board of Directors**

### **6.1 Meetings**

- (1) The Board may meet, adjourn and otherwise regulate its meetings as it thinks fit but the Board must meet at intervals of not longer than 3 months.
- (2) A meeting of the Board will be convened by the Secretary upon the written request of two Directors.
- (3) 48 hours notice must be given of all meetings, except where:
  - (a) the president determines there are exceptional circumstances; or
  - (b) a majority of Directors authorise the Secretary to convene a meeting on shorter notice.
- (4) If the Board decides, a meeting of the Board may be conducted by radio, telephone, closed circuit television or other electronic means.
- (5) A resolution passed by a meeting conducted under Rule 6.1(4) is taken to have been passed at a meeting of the Board held on the day on which and at the time at which the meeting was held and at the place where the president is at the time of the meeting, notwithstanding the Directors are not present together in one place at the time of the meeting.
- (6) The provisions of these Rules relating to proceedings of Directors under Rule 6.1(4) apply so far as they are capable of application to such meetings, the necessary changes having been made.

### **6.2 Resolutions Without a Meeting**

- (1) A document becomes a resolution of the Board without any need for a meeting of the Board when:
  - (a) the document sets out the terms of the resolution and states that the signatories are in favour of the resolution; and
  - (b) all Directors who are entitled to vote on the resolution, sign the document.
- (2) The document can be in separate parts, all identical, and signed by one or more Directors.
- (3) The date the resolution is made is the date the document bears, or, if the document is in parts, the later or latest date a part bears.

### **6.3 Voting**

- (1) Questions arising at a meeting of the Board are decided by majority of votes of Directors present and voting.
- (2) In the case of an equality of votes, the president has a casting vote in addition to the



president's deliberative vote.

#### **6.4 Quorum**

- (1) A quorum of the Board or a committee appointed by the Board is a number of Directors or members of the committee not less than half the total number of Directors or members of the committee respectively.
- (2) If, within 30 minutes of the time appointed for a meeting a quorum is not present the meeting will stand adjourned to the same day in the next week at the same time and place.
- (3) If at the adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting, the meeting is to be dissolved.
- (4) If at any time the number of Directors at a meeting of the Board is less than the quorum, the Board may act only for the purpose of filling any casual vacancies or for calling a general meeting of the Institute.

#### **6.5 Conduct of Meetings**

At a meeting of the Board:

- (a) the president or, in the president's absence, the vice president is to preside; or
- (b) if the president and the vice president are absent or unwilling to act, one of the remaining Directors as will be chosen by the Directors present at the meeting is to preside.

#### **6.6 Voting and Decisions**

- (1) Questions arising at a meeting of the Board or of any committee appointed by the Board are to be determined by a majority of the votes of Directors or members committee present at the meeting.
- (2) Each Member present at a meeting of the Board or of any committee appointed by the Board (including the person presiding at the meeting) is entitled to one vote but, in the event of an equality of votes on any question, the person presiding may exercise a second or casting vote.
- (3) Subject to Rule 6.4, the Board or any committee appointed by the Board may act despite any vacancy on the Board or committee.
- (4) Any act or thing done or suffered, or purporting to have been done or suffered, by the Board or by a committee appointed by the Board, is valid and effectual despite any defect that may afterwards be discovered in the appointment or qualification of any Member of the Board or committee.
- (5) A resolution can be determined by a circular resolution where the Secretary circulates electronically or in writing to each Director or committee member the proposed resolution and each Director or committee member records electronically or in writing if they agree with or oppose the resolution. The resolution will be determined when

the Secretary has received a response from all Directors or committee member. Any resolution determined under this rule will be taken at the next meeting of the Board and committee and the resolution and the result of the voting must be minuted.

## **Division 7 - Directors**

### **7.1 Term of Office**

Subject to Rule 7.5 (Rotation) a Director is elected for a term of 3 years, commencing at the start of the Annual General Meeting at which their election is announced and ending at the start of the third Annual General Meeting happening after their election.

### **7.2 Qualification of Directors**

- (1) Only an Individual Member is eligible to be a Director of the Institute.
- (2) A Member is not eligible to be a Director if the Member:
  - (a) is an employee of the Institute;
  - (b) is bankrupt, has applied to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounded with their creditors, or made an assignment of their remuneration for their benefit;
  - (c) is prohibited from being a Director of a body corporate by the Corporations Law for a reason other than the person's age; or
  - (d) has been convicted in the last 10 years;
    - (i) of an indictable offence in relation to the promotion, formation or management of a body corporate;
    - (ii) of an offence involving fraud or dishonesty; or
    - (iii) of any prescribed offence;

### **7.3 Alternate Directors**

- (1) A Director may appoint a person to be that Director's alternate.
- (2) The person must:
  - (a) be qualified to be a Director under Rule 7.2 (Qualification of Directors);
  - (b) not otherwise be a Director; and
  - (c) not be an alternate for another Director.
- (3) The alternate Director may act as a Director in the absence of the Director who appointed the alternate.
- (4) An appointment of an alternate does not take effect until the Director gives the Secretary:

- (a) written notice of the appointment and the terms of the appointment; and
- (b) the alternate's written consent to so act.

#### **7.4 Vacation of Office**

- (1) The office of a Director becomes vacant if the Director:
  - (a) dies;
  - (b) ceases to be eligible to be a director under Rule 7.2 (Qualifications of Directors);
  - (c) having been elected as an employee Director, ceases to be an employee of the Institute;
  - (d) is absent from 3 consecutive ordinary meetings of the Board without its leave;
  - (e) resigns by written notice given to the Board;
  - (f) is removed from office by a resolution of a general meeting of the Institute under Rule 7.4 (2); or
  - (g) completes a term of office.
- (2)
  - (a) A director may be removed from office by ordinary resolution at a general meeting of Members.
  - (b) The resolution may be passed only if the Institute has given notice to the Members specifying the proposed resolution and the day and time of the meeting when the proposed resolution will be made.
  - (c) The Institute may fulfil its obligations under Rule 7.4 (2)(b) if the notice of the proposed resolution is given as if it were a notice of a special general meeting.
  - (d) If a Director to whom a proposed resolution referred to in Rule 7.4(1)(f) relates makes representations in writing to the Secretary (not exceeding a reasonable length) and requests that the representations be notified to the Members, the Secretary will send a copy of the representations to each Member or, if the representations are not so sent, the Director is entitled to require that the representations be read out at the meeting at which the resolution is considered.

#### **7.5 Rotation of Directors**

- (1) Notwithstanding Rule 7.1(2) (Term of Office) and 7.5(2) at the first meeting of the Board after this Rule takes effect, the Board must determine, by unanimous agreement, the order of rotation of Directors, that is: which Directors are to retire at the next 3 Annual General Meetings. Failing such agreement, the order of rotation must be determined by lot.
- (2) When more than 3 Directors are elected at one time:
  - (a) the 3 Directors elected with the highest vote will serve a 3 year term;
  - (b) the remainder retire at earlier Annual General Meetings where the number of

Directors due to retire at any such earlier Annual General Meetings is less than 3, the Director with the least votes retiring first; and

- (c) where 2 or more Directors have the same number of votes, the order of retirement amongst them is determined by agreement or, failing agreement, by lot.

## **7.6 Casual Vacancy**

- (1) If a casual vacancy happens in the office of a Director, the Board may appoint a person who is qualified under Rule 7.2 (Qualification of Directors) to fill the vacancy.
- (2) If a casual vacancy happens in the office of an employee Director, the Board is not required to appoint another employee to fill the vacancy.
- (3) The person so appointed retires at the start of the next Annual General Meeting after the appointment.

## **7.7 Remuneration of Directors**

- (1) The Institute in general meeting must determine the remuneration of Directors by approving a fixed sum (not being a commission on, or percentage of, profits or turnover) which will be apportioned between the Directors.
- (2) The Directors will determine how the fixed sum for their remuneration is to be apportioned among them and how and when it is to be paid.
- (3) The remuneration of Directors accrues from day to day.
- (4) In addition to remuneration, the Directors are entitled to be paid all reasonable travelling, accommodation, education and other expenses incurred by them in consequence of:
  - (a) attending and returning from meetings of the Board or any committee of the Board or general meeting of the Institute; or
  - (b) executing their duties as Directors or additional duties as authorised by the Board; or
  - (c) undertaking educational courses in relation to their directorial duties, including their responsibilities under, and the requirements of, the Act; or
  - (d) otherwise in connection with the business of the Institute.

## **Division 8 - Election of Directors**

### **8.1 Definition**

In this Division 8, 'Postal Voting Procedures' means the procedure approved by the Board under Rule 8.10 (Postal Voting Procedures).

### **8.2 Election by Postal Ballot**

- (1) An election of Directors is to be held by postal ballot.
- (2) If the number of nominations received is equal to or less than the number of vacancies to be filled, the persons nominated are taken to be elected.
- (3) If insufficient further nominations are received, any vacant positions remaining on the Board are taken to be casual vacancies.

### **8.3 Appointment of Returning Officers**

- (1) The Board must appoint a Returning Officer who may appoint assistant Returning Officers, none of whom can be a Director, employee of the Institute or a person who intends to accept a nomination for the office of Director.
- (2) The Returning Officer may delegate any of his or her duties under this Division to an assistant Returning Officer.

### **8.4 Electoral Roll**

The Secretary must prepare and give to the Returning Officer an electoral roll being a list of members eligible to vote on the election of Directors, made up to the close of the day nominations for the election close under Rule 8.5 (Nominations).

### **8.5 Nominations**

- (1) The Secretary must issue a written notice to Members calling for nominations at least 56 days before the Annual General Meeting.
- (2) Nominations close at the time stipulated in the written notice and which must be at least 35 days before the Annual General Meeting.
- (3) In order to be nominated, a candidate must:
  - (a) be eligible for election under Rule 7.2 (Qualification of Directors);
  - (b) be nominated in writing by 2 members; and
  - (c) consent in writing to the nomination.
- (4) A retiring Director may stand for re-election but must:

- (a) be eligible for election under Rule 7.2 (Qualification of Directors);
- (b) be nominated in writing; and
- (c) consent in writing to the nomination.

## **8.6 Declaration by Candidate**

A candidate must furnish to the Secretary a declaration in such form as the Board may require:

- (a) as to the candidate's eligibility for election under Rule 7.2 (Qualification of Directors); and
- (b) as to whether the candidate:
  - (i) has any interest in a contract or a proposed contract, with the Institute; or
  - (ii) holds an office or has an interest in property, whereby, whether directly or indirectly, duties or interests may be created that could conflict with a Director's duties or interests as a Director of the Institute.

## **8.7 Rejection of Nomination**

- (1) The Returning Officer must scrutinise nominations immediately upon receipt and reject a nomination where it appears to the Returning Officer that the candidate is not eligible under Rule 7.2 (Qualification of Directors).
- (2) Upon rejecting a nomination, the Returning Officer is to notify immediately the candidate, the candidate's nominators and the Board.

## **8.8 Appointment of Scrutineer**

- (1) A candidate may appoint a scrutineer and the Board may appoint a maximum of three scrutineers, none of whom is a candidate or an employee of the Institute.
- (2) The duties and responsibilities of scrutineers are to:
  - (a) observe the sorting, counting and recording of ballot papers;
  - (b) ensure that the votes of unrejected ballot papers are correctly credited to the appropriate candidates; and
  - (c) raise any query with the Returning Officer regarding any of the ballot papers.

## **8.9 Ballot Papers**

- (1) After nominations have closed under Rule 8.5 (Nominations), the Returning Officer is to prepare ballot papers for the election in accordance with the Postal Voting Procedures.
- (2) The order in which the candidates appear on the ballot paper is to be determined by the

Returning Officer by lot.

### **8.10 Postal Voting Procedures**

- (1) Postal voting will be conducted according to the procedure specified by the Returning Officer and approved by the Board.
- (2) In approving Postal Voting Procedures the Board must have regard to these matters:
  - (a) the extent to which the procedures are efficient in enabling the Returning Officer to detect any fraud or impropriety in the voting process;
  - (b) the extent to which the procedures protect the anonymity of the voter;
  - (c) instructions for voting are legible and clearly expressed so as to accurately inform members how to complete and lodge a ballot paper;
  - (d) provisions for issuing a duplicate ballot paper when the original has been lost or spoiled;
  - (e) the closure of the ballot;
  - (f) the extent to which procedures for receiving, checking, scrutinising and counting ballot papers are efficient, having regard to subparagraphs (a) and (b); and
  - (g) the conduct and functions of scrutineers appointed by candidates.
- (3) The Board must cause the approved Postal Voting Procedures to be available for inspection at its registered office and every branch office from the day before ballot papers are sent to members until the day after closure of the ballot.
- (4) A Member is entitled to a copy of the Postal Voting Procedures, on request.

### **8.11 Postal Vote**

- (1) The Returning Officer must send to each Member at least 21 days before the Annual General Meeting:
  - (a) a ballot paper; and
  - (b) any other documents required by the Postal Voting Procedures.
- (2) Ballot papers will be sent by prepaid post to Members at their address shown in the register of Members.
- (3) Any Member exercising a right to vote must:
  - (a) complete the ballot paper in accordance with the Postal Voting Procedures; and
  - (b) subsequently deal with the ballot paper in accordance with the Postal Voting Procedures.
- (4) A Member must ensure that his or her ballot paper is received by the Returning Officer



by noon on the day fixed for the closing of the ballot.

- (5) Any ballot paper not received by the Returning Officer prior to the closing of the ballot is informal.
- (6) A Member who has not received a ballot paper may apply to the Returning Officer for a duplicate ballot paper.
- (7) The Returning Officer must issue a duplicate ballot paper to a Member but only if the Member has complied with the requirements of the Postal Voting Procedures.

### **8.12 Procedures After Close of the Ballot**

- (1) As soon as practicable after the close of the ballot, the Returning Officer must check, scrutinise and deal with the ballots in accordance with the Postal Voting Procedures.
- (2) The Returning Officer must count the votes in accordance with Rule 8.14 (Voting System).
- (3) At the conclusion of counting, the Returning Officer must:
  - (a) prepare and sign a declaration of the ballot as to:
    - (i) the number of ballot papers lodged;
    - (ii) the number of formal votes;
    - (iii) the number of informal votes;
    - (iv) the number of votes cast for each candidate; and
    - (v) the names of those persons elected; and
  - (b) deliver the declaration to the Secretary.
- (4) A ballot paper is informal if:
  - (a) it is not authenticated as required by the Postal Voting Procedure; or
  - (b) it does not indicate the Member's preference for a candidate.
- (5) The Returning Officer must keep the ballot papers for at least 3 months after the declaration of the ballot and, thereafter, may destroy them.
- (6) No election shall be voided on account of any error or omission of the Returning Officer which did not affect the results of the election.

### **8.14 Voting System**

- (1) On any ballot, the persons receiving the highest number of votes in accordance with the number of vacancies to be filled are elected directors.
- (2) In the case of an equality of votes, the person to be elected will be decided by the Returning Officer by lot.

## **Division 9 - General Meetings**

### **9.1 Annual General Meetings - Holding of**

- (1) With the exception of the first annual general meeting of the Institute, the Institute must, at least once in each calendar year and within the period of 6 months after the expiration of each financial year of the Institute, convene an annual general meeting of its members.
- (2) The Institute must hold its first annual general meeting:
  - (a) within the period of 18 months after its incorporation under the Act; and
  - (b) within the period of 6 months after the expiration of the first financial year of the Institute.
- (3) Rule 9.1(1) and (2) have effect subject to any extension or permission granted by the Commissioner under Section 26 (3) of the Act.

### **9.2 Annual General Meeting - Calling of and Business at**

- (1) The annual general meeting of the Institute is, subject to the Act and to Rule 9.1, to be convened on such date and at such place and time as the Board thinks fit.
- (2) In addition to any other business which may be transacted at an annual general meeting, the business of an annual general meeting is to include the following:
  - (a) to confirm the minutes of the last preceding annual general meeting and of any special general meeting held since that meeting;
  - (b) to receive from the Board reports on the activities of the Institute during the last preceding financial year;
  - (c) to declare the election of or elect the Directors of the Board;
  - (d) to receive and consider the statement which is required to be submitted to members under Section 26 (6) of the Act.
- (3) An annual general meeting must be specified as such in the notice convening it.

### **9.3 Special General Meeting**

- (1) The Board may, whenever it thinks fit, convene a special general meeting of the Institute.
- (2) The Board must, on the requisition in writing of at least 20 per cent of the total number of Members, convene a special general meeting of the Institute.
- (3) A requisition of Members for a special general meeting:
  - (a) must state the purpose or purposes of the meeting; and
  - (b) must be signed by the Members making the requisition; and

- (c) must be lodged with the Secretary; and
  - (d) may consist of several documents in a similar form, each signed by one or more of the members making the requisition.
- (4) If the Board fails to convene a special general meeting to be held within 1 month after that date on which a requisition of Members for the meeting is lodged with the Secretary, any one or more of the Members who made the requisition may convene a special general meeting to be held not later than 3 months after that date.
- (5) A special general meeting convened by a Member or members as referred to in Rule 9.3(4) must be convened as nearly as is practicable in the same manner as general meetings are convened by the Board and any Member who consequently incurs expense is entitled to be reimbursed by the Institute for any expense so incurred.

#### **9.4 Notice**

- (1) Except if the nature of the business proposed to be dealt with at a general meeting requires a special resolution of the Institute, the Secretary must, at least 14 days before the date fixed for the holding of the general meeting, cause to be sent to each Member at the Member's address appearing in the register of members, a notice specifying the place, date and time of the meeting and the nature of the business proposed to be transacted at the meeting.
- (2) If the nature of the business proposed to be dealt with at a general meeting requires a special resolution of the Institute, the Secretary must, at least 21 days before the date fixed for the holding of the general meeting, cause notice to be sent to each Member in the manner provided in Rule 9.4(1) specifying, in addition to the matter required under Rule 9.4(1), the intention to propose the resolution as a special resolution.
- (3) No business other than that specified in the notice convening a general meeting is to be transacted at the meeting except, in the case of an annual general meeting, business which may be transacted under Rule 5.2 (2).
- (4) A Member desiring to bring any business before a general meeting may give notice in writing of that business to the Secretary who must include that business in the next notice calling a general meeting given after receipt of the notice from the Member.

#### **9.5 Procedure**

- (1) No item of business is to be transacted at a general meeting unless a quorum of members entitled under these rules to vote is present during the time the meeting is considering that item.
- (2) Five members present in person (being members entitled under these rules to vote at a general meeting) constitute a quorum for the transaction of the business of a general meeting.
- (3) If within half an hour after the appointed time for the commencement of a general meeting a quorum is not present, the meeting:
- (a) if convened on the requisition of members, is to be dissolved; and

- (b) in any other case, is to stand adjourned to the same day in the following week at the same time and (unless another place is specified at the time of the adjournment by the person presiding at the meeting or communicated by written notice to members given before the day to which the meeting is adjourned) at the same place.
- (4) If at the adjourned meeting a quorum is not present within half an hour after the time appointed for the commencement of the meeting, the Members present (being at least 3) is to constitute a quorum.

## **9.6 The Chair**

- (1) The president or, in the president's absence, the vice president, is to preside as chairperson at each general meeting of the Institute.
- (2) If the president and the vice president are absent or unwilling to act, the Members present must elect one of their number to preside as chairperson at the meeting.

## **9.7 Adjournment**

- (1) The chairperson of a general meeting at which a quorum is present may, with the consent of the majority of Members present at the meeting, adjourn the meeting from time to time and place to place, but no business is to be transacted at an adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place.
- (2) If a general meeting is adjourned for 14 days or more, the Secretary must give written or oral notice of the adjourned meeting to each Member of the Institute stating the place, date and time of the meeting and the nature of the business to be transacted at the meeting.
- (3) Except as provided in Rule 9.7(1) and (2), notice of an adjournment of a general meeting or of the business to be transacted at an adjourned meeting is not required to be given.

## **9.8 Making of Decisions**

- (1) A question arising at a general meeting of the Institute is to be determined on a show of hands and, unless before or on the declaration of the show of hands a poll is demanded, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously or carded by a particular majority or lost, or an entry to that effect in the minute book of the Institute, is evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.
- (2) At a general meeting of the Institute, a poll may be demanded by the chairperson or by at least 3 members present in person or by proxy at the meeting.
- (3) If a poll is demanded at a general meeting, the poll must be taken:
  - (a) immediately in the case of a poll which relates to the election of the

chairperson of the meeting or to the question of an adjournment; or

- (b) in any other case, in such manner and at such time before the close of the meeting as the chairperson directs, and the resolution of the poll on the matter is taken to be the resolution of the meeting on that matter.

## **9.9 Special Resolutions**

A resolution of the Institute is a special resolution:

- (1) if it is passed by a majority which comprises at least three-quarters of such Members as, being entitled under these rules so to do, vote in person or by proxy at a general meeting of which at least 21 days' written notice specifying the intention to propose the resolution as a special resolution was given in accordance with these rules; or
- (2) where it is made to appear to the Commissioner that it is not practicable for the resolution to be passed in the manner specified in Rule 9.9(1), if the resolution is passed in a manner specified by the Commissioner.

## **9.10 Voting**

- (1) On any question arising at a general meeting of the Institute a Member has one vote only.
- (2) All votes must be given personally or by proxy but no Member may hold more than 5 proxies.
- (3) In the case of an equality of votes on a question at a general meeting, the chairperson of the meeting is entitled to exercise a second or casting vote.
- (4) A Member or proxy is not entitled to vote at any general meeting of the Institute unless all money due and payable by the Member or proxy to the Institute has been paid, other than the amount of the annual subscription payable in respect of the then current year.

## **Division 10 - Miscellaneous**

### **10.1 Insurance**

- (1) The Institute must effect and maintain insurance under Section 44 of the Act.
- (2) In addition to the insurance required under Rule 10(1), the Institute may effect and maintain other insurance.

### **10.2 Funds**

- (1) The funds of the Institute are to be derived from joining and membership fees, entrance fees, seminar and conference fees, donations, and, subject to any resolution passed by the Institute in general meeting, such other sources as the Board determines.
- (2) Subject to any resolution passed by the Institute in general meeting, the funds of the Institute are to be used pursuant to the objects of the Institute in such manner as the Board determines.
- (3) The Institute must maintain its accounts with an ADI.
- (4) All money received by the Institute must be deposited as soon as practicable and without deduction of the credit of the Institute's account.
- (5) The Institute must, as soon as practicable after receiving any money, issue an appropriate receipt.
- (6) The Institute may draw cheques and other negotiable instruments as if it were a natural person.
- (7) The Board may authorise its Officers, or any one of them, to sign cheques and other negotiable instruments on its behalf.
- (8) The Board may also authorise the application of signatures to cheques or other negotiable instruments by machine or other facsimile method.
- (9) The Board must establish policies for the operation of its accounts.

### **10.3 Alteration of Objects and Rules**

The statement of objects and these rules may be altered, rescinded or added to only by a special resolution of the Institute.

### **10.4 Secretary**

- (1) The Board must appoint a person to be Secretary and must appoint a person to be acting Secretary in the Secretary's absence.
- (2) The Secretary is required to hold the position of Public Officer of the Institute as required under the Act.

### **10.5 Common Seal**

- (1) The common seal of the Institute must be kept in the custody of the public officer.
- (2) The common seal must not be affixed to any instrument except by the authority of the Board and the affixing of the common seal must be attested by the signatures either of 2 Directors or of 1 Member Director and of the public officer or Secretary.

### **10.6 Custody of Books**

Except as otherwise provided by these rules, the public officer must keep in his or her custody or under his or her control all records, books and other documents relating to the Institute.

### **10.7 Inspection of Books**

The records, books and other documents of the Institute must be open to inspection, free of charge, by a Member of the Institute at any reasonable hour.

### **10.8 Service of Notices**

- (1) For the purpose of these rules, a notice may be served by or on behalf of the Institute on any Member either personally, by sending it by post or by sending it by email to the Member at the Member's address shown in the register of members.
- (2) If a document is sent to a person by properly addressing, prepaying and posting to the person a letter containing the document, the document is, unless the contrary is proved, taken for the purposes of these rules to have been served on the person at the time at which the letter would have been delivered in the ordinary course of post.
- (3) If a document is sent by email, unless the contrary is proved, taken for the purpose of these rules to have been served at 10.00 am on the business day following the day the email was sent.
- (4) Any notice required to be in writing can be given by email.