

# Australian Compliance Institute Constitution and Rules

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## 1. Name and Location

- 1.1 The name of the incorporated association is the Australian Compliance Institute Incorporated ("Compliance Institute").
- 1.2 The principal office of the Australian Compliance Institute will be in Sydney, or as the Board may decide.

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## 2. Interpretation

### 2.1 Definitions

In these Rules, unless the contrary intention appears:

"Accreditation" means the professional recognition awarded to a Member who has met required criteria as prescribed by the Board from time to time.

"Appeals Panel" means the Panel established to hear appeals by Members from decisions of the Ethics Panel.

"Appointed Director" means a Director appointed under section 14A.

"Annual General Meeting" means a General Meeting held in accordance with section 8 of the Rules.

"Board" means the Board of the Australian Compliance Institute as established by section 12 of the Rules.

"Board Code of Conduct" means the rules set down by the Board to govern the behaviour of Directors pursuant to section 13 of the Rules.

"Breach" has the meaning set out in sections 6.4 and 17.2.

"Business" means a public or privately owned company or organisation engaged in industry, trade, or commerce.

"Code of Ethics" means the code of ethics set down by the Board pursuant to section 13 of the Rules.

"Code of Governance" means the code of governance set down by the Board pursuant to section 13 of the Rules.

"Common Seal" means the common seal of the Australian Compliance Institute as provided for in section 31 of the Rules.

"Constitution" means this Constitution and Rules.

"Corporate Member" means businesses, academic institutions, industry associations, or regulatory authorities.

"Director" means a Member of the Board and includes:

- (i) an Elected Director
- (ii) an Appointed Director; and
- (iii) a Chief Executive Officer.

"Elected Director" means a Director elected under section 12.

"Employee Member" means employees registered by Corporate and/or Principal Members as Members pursuant to section 4.2.

"Ethics Committee" means the committee established under section 16.2 of the Rules and which has the powers and responsibilities delegated by the Board.

"Ethics Panel" means the panel established under section 17 of the Rules and which has the powers and responsibilities delegated by the Ethics Committee.

"Financial year" means the year ending 30 June.

"General Meeting" means a General Meeting of Members convened in accordance with sections 8 or 9.

"Individual Member" means Natural persons involved in compliance issues or who have compliance responsibilities in a business or regulatory authority.

"International Member" means a Member not resident in Australia.

"Legislation" means the NSW Associations Incorporation Act 2009 and the NSW Associations Incorporation Regulation 2009.

"Life Member" means individuals awarded life membership under section 4.

"Chief Executive Officer" means Chief Executive Officer appointed under section 23 of the Rules.

"Member" means a Member of the Australian Compliance Institute under section 4.

"Notice of Hearing" means the notice issued by the Ethics Committee to a Member.

"Public Officer" means the public officer appointed under section 12 of the Rules and referred to in the Legislation.

"Principal Member" means businesses, or individuals who by taking out this highest level of membership demonstrate their commitment to compliance.

"Principal Office" means the principal office of the Australian Compliance Institute provided for in section 1.2 of the Rules.

"Register of Members" means the register of members established under section 6 of the Rules.

"Regulations" means a set of regulations outside of these Rules, created by the Board from time to time as set out in section 13.

"Regulatory Authority" means a Government Department, agency or authority which is responsible for the administration of legislation or regulations with compliance requirements and includes business, or industry bodies or associations responsible for the administration of voluntary self-regulation regimes.

"Resignation Notice" means the notice of resignation given by the Member under section 7.1 of the Rules.

"Rules" means this Constitution and Rules.

"Show Cause Notice" means a notice issued by the Ethics Committee to a Member asking the Member why an alleged breach of the Rules should not be referred for hearing.

"Special General Meeting" means a General Meeting that is not an annual general meeting in accordance with sections 8 and 9.

"Student Member" means individuals registered as full time graduate or post graduate students in a recognised educational institution.

"Voting Members" means a Member who is eligible to vote in accordance with section 11.18, having paid all current and due annual membership subscription fees.

## 2.2 The Interpretation Act 1987 NSW

The Interpretation Act 1987 (NSW), as in force from time to time, applies to the interpretation of the words and expressions in these Rules.

### 2.3 Governing Law

This Constitution is governed by the Laws of New South Wales.

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## 3. Objectives

3.1 The objectives of the Australian Compliance Institute are as follows:

- (a) to encourage, promote, develop and provide assistance in relation to effective and efficient compliance, operational risk management and related disciplines as well as best practice in compliance, operational risk management and related disciplines;
- (b) to educate, train, promote, assist and regulate compliance professionals, risk management professionals and professionals in related disciplines;
- (c) to create a forum for compliance, risk management and related disciplines professionals to exchange views and information and the encouragement of best practice;
- (d) to consult and enter into public debate on compliance, operational risk management and related disciplines issues with compliance professionals, risk management professionals and professionals in related disciplines, regulators, industry and business leaders, educators, governments, and the media;
- (e) to liaise with, establish dialogue with and to make submissions to governments in relation to the development of policy and legislation on compliance, operational risk management and related disciplines issues;
- (f) to have regard to the public interest in its operations; and
- (g) to undertake and or do all such things or activities which are necessary, incidental or conducive to the advancement of these Objects.

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## 4. Membership

4.1 The Australian Compliance Institute will have different classes of membership, including:

- (a) Principal
- (b) Corporate
- (c) Individual
- (d) Employee
- (e) Student
- (f) International,
- (g) Life; and
- (h) Such other categories as may be determined from time to time by the Board.

4.2 Corporate and/or Principal Members may register employees as Employee Members in accordance with the classification and conditions of membership established by the Board from time to time.

4.3 Employee Members will be required to complete membership registration in the same manner as Individual Members.

- 4.4 Employee Members who have signed the appropriate membership form, have the same rights and obligations as Individual Members, including the right to vote.
- 4.5 Corporate and Principal Members will exercise their rights to vote through their Employee Members.
- 4.6 Subject to sections 4.4, 4.5 and 11.18, all Members may vote in matters of business and elections, regardless of the basis of membership.
- 4.7 All applicants for membership, or membership renewal, will complete a membership form provided by the Australian Compliance Institute, which will include an agreement by the Member to be bound by the Rules and the Code of Ethics.
- 4.8 The Board (or its nominee) has the authority, at its discretion, to admit applicants to membership.
- 4.9 If the Board's nominee declines a person's application for membership, that person may appeal in writing to the Secretary. The appeal will be heard by a meeting of the Board.
- 4.10 A right, privilege, or obligation of a Member is not capable of being transferred or transmitted to another person.
- 4.11 A person ceases to be a Member upon death, resignation or as otherwise decided by the Board.
- 4.12 An Employee Member is no longer a member when that employee ceases to be employed by the Corporate or Principal Member, or where the Corporate or Principal Member ceases to be a Member. An Employee Member who wishes to continue as a Member of the Australian Compliance Institute after cessation as an Employee Member will have 45 days to apply for a change of membership and pay the required subscription. If the completed application and fees are not received in 45 days, the membership will be terminated.
- 4.13 The Board may recommend to the Annual General Meeting that any natural person who has rendered distinguished service to the Australian Compliance Institute and the profession be appointed as a Life Member. The Board must set out the basis of its recommendation for life membership. A person must accept or reject the Board's nomination to confer life membership in writing. A resolution of the annual general meeting to confer life membership on the recommendation of the Board must be an Ordinary Resolution. Upon acceptance of the resolution of the Annual General Meeting, the person's details shall be entered upon the Register of Members as a Life Member. A Member awarded life membership prior to the adoption of this Constitution shall be entered upon the Register of Members as a Life Member.

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## **5. Subscriptions**

- 5.1 The Board will decide the annual subscriptions for each classification of membership. There will be no annual subscription for Life Members.
- 5.2 All annual subscriptions will become due and payable in advance on 1 July in every year unless the Board decides otherwise.
- 5.3 Where a person becomes a Member during a financial year, the Board will determine whether to levy a full annual subscription or only a part of it.
- 5.4 Any Member who has not paid his or her annual subscription for a period of sixty (60) days from the time subscriptions are payable will be notified to this effect and may be suspended. If payment of subscriptions is not made within

the next succeeding thirty (30) days, that Member will be removed from membership, unless such removal is waived, or otherwise postponed by resolution of the Board.

- 5.5 Unless authorised by the Board, no fees will be refunded to any Member who ceases to become a Member for any reason.

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## **6. Register of Members**

- 6.1 The Secretary will arrange a Register of Members to be kept and maintained in which will be entered the full name, address, contact details, date of entry of each Member, class of membership and the date on which the Member ceased to be a member.
- 6.2 The Register of Members will, as required by Legislation, be available for inspection by Members at the Principal Office.
- 6.3 Members will not use the Register of Members for commercial gain, or other purposes not directly connected with the operation of the Australian Compliance Institute or the exercise of their rights as Members.
- 6.4 Any Member who misuses the information in the Register of Members will be in breach of these Rules.

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## **7. Resignation of Member**

- 7.1 A Member may resign from the Australian Compliance Institute by giving notice in writing to the Australian Compliance Institute.
- 7.2 On receipt of the Resignation Notice by the Australian Compliance Institute, the Member will cease to be a Member.
- 7.3 As soon as practicable after the receipt of the Resignation Notice, the Australian Compliance Institute will cause an entry to be made in the Register of Members recording the date on which the Member ceased to be a member.

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## **8. Annual General Meeting**

- 8.1 The Australian Compliance Institute will in each calendar year convene an Annual General Meeting.
- 8.2 Subject to the requirements of the Legislation, the Annual General Meeting will be held on such day as the Board determines, but within one hundred and eighty (180) days of the end of the financial year.
- 8.3 The Annual General Meeting will be specified as such in the convening notice.
- 8.4 The ordinary business of the Annual General Meeting will be:
- (a) to confirm the minutes of the preceding Annual General Meeting and of any Special General Meeting held since that meeting; and
  - (b) to receive from the Board reports upon the activities and financial transactions of the Australian Compliance Institute during the preceding financial year; and
  - (c) if the election of the Board has not been conducted by ballot as determined by the Board pursuant to section 11.13 in the month preceding the Annual General Meeting, to elect Directors;

- (d) if the election of the Board has been conducted in the month prior to the Annual General Meeting, to announce the results of the election; and
  - (e) to consider a recommendation (if any) that a natural person be appointed as a Life Member.
- 8.5 The Annual General Meeting may transact special business of which notice is given in accordance with these Rules.
- 8.6 The Annual General Meeting will be in addition to any other Special General Meetings that may be held in the same year.

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## **9. Special General Meeting**

- 9.1 All General Meetings, other than the Annual General Meeting, will be called Special General Meetings.
- 9.2 The Board may, whenever it thinks fit, convene a Special General Meeting of the Australian Compliance Institute.
- 9.3 If more than 15 months would elapse between Annual General Meetings, a Special General Meeting will be convened before the expiration of that period.
- 9.4 The Board will, on the requisition in writing of Voting Members representing not less than 5.0% of the total number of Voting Members, convene a Special General Meeting.
- 9.5 The requisition for a Special General Meeting will state the objects of the meeting and will be signed by the Members making the requisition and be sent to the Principal Office for the attention of the Secretary and may consist of several documents in a like form, each signed by one or more of the Voting Members making the requisition.
- 9.6 If the Board does not cause a Special General Meeting to be held within one month after the date on which the requisition is sent to the Secretary, the Voting Members making the requisition, or any of them, may convene a Special General Meeting to be held not later than three months after that date.
- 9.7 A Special General Meeting convened by Members in pursuance of these Rules will be convened in the same manner as nearly as possible as that in which those Special General Meetings are convened by the Board and all reasonable expenses incurred in convening the meeting will be refunded by the Australian Compliance Institute to the persons incurring the expenses.

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## **10. Notice of Meeting**

- 10.1 The Secretary will, at least 14 days before the date fixed for holding a General Meeting, cause to be sent to each Member, a notice stating the place, date, and time of the Meeting, the nature of the business to be transacted at the Meeting and the method or methods of voting.
- 10.2 No business other than that set out in the notice convening the Meeting will be transacted at the Meeting.
- 10.3 A Member desiring to bring any business before a meeting may give notice of that business in writing to the Secretary, who will include that business in the notice calling the next Special General Meeting after receipt of the notice.



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## 11. Proceedings at Meetings

- 11.1 All business that is transacted at a Special General Meeting and all business that is transacted at the Annual General Meeting, with the exception of that specially referred to in these Rules as being the ordinary business of the Annual General Meeting, will be deemed to be special business.
- 11.2 No items of business will be transacted at a General Meeting unless a quorum of Voting Members is present during the time when the Meeting is considering that item.
- 11.3 Ten Voting Members personally present, or present by telephone, or video conference constitute a quorum.
- 11.4 If within half an hour after the appointed time for the commencement of a Special General Meeting, a quorum is not present, the Meeting:
- (a) if convened upon the requisition of Members, will be dissolved; and
  - (b) in any other case, will stand adjourned to the same day in the next week at the same time and unless another place is specified by the Chairperson at the time of adjournment, at the same place;
  - (c) as soon as practicable after the adjourned meeting, Members will be given Notice of the date, time and place for the holding of the adjourned Meeting;
  - (d) if at the adjourned Meeting the quorum is not present within half an hour after the time appointed for the commencement of the meeting, the Voting Members present (being not less than 5) will be a quorum.
- 11.5 The Chair, or if absent, the Deputy Chair, will preside as Chairperson at each General Meeting.
- 11.6 If the Chair and the Deputy Chair are absent from a General Meeting, the Members present will elect a present Voting Member to preside as Chairperson at the Meeting with preference being given to a Member of the Board.
- 11.7 The Chairperson of a General Meeting at which a quorum is present may, with the consent of the Meeting, adjourn the Meeting from time to time and place to place, but no business will be transacted at an adjourned Meeting other than the business left unfinished at the Meeting at which the adjournment took place.
- 11.8 Where a Meeting is adjourned for 14 days or more, a like notice of the adjourned meeting will be given as in the case of the General Meeting.
- 11.9 Except as provided in section 11.8, it is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 11.10 A question arising at a General Meeting will 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 carried by a particular majority or lost, an entry to that effect in the Minute Book of the Australian Compliance Institute is evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that the question has been resolved.
- 11.11 Upon any question arising at a General Meeting only Voting Members may vote.
- 11.12 The following methods of voting are permitted:
- (a) personally; or

- (b) by proxy; or
  - (c) by transmission of a duly completed ballot to the designated returning officer by post, courier, facsimile or email; or
  - (d) by a secure electronic voting system.
- 11.13 The method or methods of voting at a General Meeting, or for the election of Directors, will be determined by the Board to ensure the efficient and effective administration of the voting process and to maximise the potential for Members to participate.
- 11.14 The method or methods of voting at a General Meeting selected under section 11.13 from those permitted under section 11.12 will be set out in the Notice of Meeting.
- 11.15 In the case of an equality of voting on a question, the Chairperson of the meeting is entitled to exercise a second or casting vote.
- 11.16 If at a Meeting a poll on any question is demanded by not less than 3 Voting Members, it will be taken at that Meeting in such manner as the Chairperson may direct and the resolution of the poll will be deemed to be a resolution of the meeting on that question.
- 11.17 A poll that is demanded on the election of a Chairperson or on a question of an adjournment will be taken forthwith and a poll that is demanded on any other question will be taken at such time before the close of the Meeting as the Chairperson may direct.
- 11.18 A Member is not entitled to vote at any General Meeting unless all annual subscription moneys due and payable by him or her to the Australian Compliance Institute have been paid, with the exception that the Chairperson may allow a Member to vote who is ineligible only due to the amount of the annual subscription payable in respect of the current financial year being unpaid.
- 11.19 Where voting at a General Meeting is permitted in person, each Member is entitled to vote in person or by appointing another Voting Member as their proxy by notice in writing given to the Secretary not later than 5 days before the time of the meeting in respect of which the proxy is appointed.
- 11.20 A Voting Member holding such a proxy will be entitled to vote on their own account and in accordance with the proxy held.
- 11.21 The notice appointing the proxy will be in the form set out in the Notice of Meeting.

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## 12. The Board

- 12.1 The Board will represent all Members equally.
- 12.2 The Board will control and manage the business and affairs of the Australian Compliance Institute.
- 12.3 The Board may, subject to these Rules and, the Legislation, exercise all such powers and functions as may be exercised by the AUSTRALIAN COMPLIANCE Institute other than those powers and functions that are required by these Rules to be exercised by the Members in a General Meeting.
- 12.4 The Board, subject to these Rules and the Legislation, has power to perform all such acts and things as appear to the Board to be appropriate for the proper management of the business and affairs of the Australian Compliance Institute.

- 12.5 Subject to section 23.2, the Board will be made up of:
- (a) up to 9 Members, not being Student Members, elected by the Members in accordance with section 14;
  - (b) The Chief Executive Officer; and
  - (c) Up to two Appointed Directors who need not be Members and who may be appointed by the Directors in accordance with section 14A.
- 12.6 No more than two individuals who represent, are members of, or are employed by the same Business, Regulatory Authority or partnership may be Directors at the same time as each other.
- 12.7 The term for Elected Directors will be three years.
- 12.8 No Elected Director will serve for more than two consecutive terms or 6 years (whichever is the sooner), except in the situation where a Director is seconded by the Board to fill a casual vacancy in which case the term will be extended until the next election of the Board.
- 12.9 Each year, at least two Elected Director positions will be declared vacant. This will include:
- (a) all persons seconded as Directors since the last election;
  - (b) all Elected Directors who have served three years since their last election;
  - (c) all Elected Directors who have served 6 years consecutively on the Board; and
  - (d) in the event that there are less than two vacancies arising as a result of (a), (b) and (c) above, those Elected Directors who have equally served the longest will draw lots to determine whose positions will be declared vacant.
- 12.10 At the first meeting of the Board after the Annual election of Directors the positions of Chair, Deputy Chair, Treasurer and Secretary will be declared vacant.
- 12.11 At the first meeting of the Board after each annual election, the Board (other than the Chief Executive Officer) will elect
- (a) from the Elected Directors:
    - (i) a Chair;
    - (ii) a Deputy Chair; and
  - (b) from the Directors:
    - (i) a Treasurer;
    - (ii) a Secretary.
- 12.12 The Board will appoint a Public Officer in accordance with the legislation.
- 12.13 No person may hold the position of Chair for more than three consecutive years except in the situation where a Director is appointed as Chair by the Board to fill a casual vacancy in accordance with section 12.15 in which case the term will be extended until the next election of the Board.
- 12.14 Subject to 12.8 and 12.13, the Chair, Deputy Chair, Treasurer and Secretary are eligible for re-election both as Directors and as Chair, Deputy Chair, Treasurer or Secretary.
- 12.15 In the event of a casual vacancy in the roles of Chair, Deputy Chair, Treasurer or Secretary, the Board will appoint an Elected Director to fill the vacancy of Chair or Deputy Chair or any Director to fill the vacancy of Treasurer or Secretary and the Director so appointed may continue in Office up to and

including the conclusion of the Annual General Meeting next following the date of his or her appointment.

- 12.16 The office of an Elected Director becomes vacant if the person:
- (a) ceases to be a Member; or
  - (b) resigns his or her office by notice in writing; or
  - (c) is found guilty of a substantive breach of the Code of Ethics, or the Board Code of Conduct or a matter set out in section 17.2.
- 12.17 Where a Director is accused of a breach of the Board Code of Conduct or a matter set out in section 17.2 and is to face a hearing before the Ethics Committee, the Director will step down from the Board pending the determination of the matter.
- 12.18 Where a Director has stepped down, the vacancy on the Board will not be filled until the final determination of the matter.
- 12.19 Where the Chair, Deputy Chair, Treasurer or Secretary has stepped down pending the determination of the alleged breach, the vacancy will be temporarily filled in accordance with section 12.15.

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### **13. Power to Make Regulations**

- 13.1 The Board may make Regulations from time to time as required, as to the conduct of the affairs of the Australian Compliance Institute, including but not limited to, a Board Code of Conduct, Code of Ethics and Code of Governance.
- 13.2 The Board may amend, modify, add to, delete from or cancel any Regulation at any time as required.
- 13.3 The Regulations must not be inconsistent with the purposes and objectives of the Rules or the Legislation.
- 13.4 A Regulation will come into effect 14 days after Members have been sent a Notice setting out the Regulation.
- 13.5 Regulations will be published on the Australian Compliance Institute Website.
- 13.6 The Regulations and any amendments, modifications, additions or deletions may be disallowed by a majority of not less than 75% of the Voting Members in a Special General Meeting.

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### **14. Election of the Board and Casual Vacancies**

- 14.1 Candidates must be Voting Members as at the closing date for nominations.
- 14.2 Nominators of candidates must be Voting Members as at the closing date for nominations.
- 14.3 All Voting Members as at the closing date for voting will be entitled to vote.
- 14.4 Nominations of candidates for election as Directors will be:
- (a) to fill the number of vacancies as created under the provisions of section 12;
  - (b) made in writing in the form prescribed by the Board, signed by two Voting Members;

- (c) accompanied by the written consent of the candidate (which may be endorsed on the form of nomination); and
  - (d) will be delivered to the Secretary not less than 7 days before the date fixed for the holding of the Election, or commencement of a ballot as per section 11.13, which will be conducted not more than one month before the Annual General Meeting.
- 14.5 If the number of nominations received exceeds the number of vacancies to be filled, then a ballot will be held.
- 14.6 If the number of nominations received is less than the number of vacancies to be filled, then the candidates nominated will be deemed to be elected.
- 14.7 The ballot for the election of Elected Directors must be conducted at the Annual General Meeting, or in the month preceding the Annual General Meeting using the voting method selected by the Board in accordance with section 11.
- 14.8 Elections for Elected Directors must use the first past the post ballot system unless the Board decides to adopt some other usual and proper way to hold an election.
- 14.9 If, as at the closing date for nominations:
- (a) 4 or less of the Elected Directors are resident in New South Wales or Victoria, then a candidate will be elected according to the total number of votes he/or she receives pursuant to section 11.19;
  - (b) 5 or more of the Elected Directors are resident in New South Wales or Victoria, then:
    - (i) If there are only two vacancies to be filled, once one candidate resident in New South Wales or Victoria is elected, pursuant to section 14.19, any remaining New South Wales or Victoria resident candidates would automatically be ranked below any other non-New South Wales or Victoria resident candidates.
    - (ii) If there are three or more vacancies to be filled, once two candidate's resident in New South Wales or Victoria are elected, pursuant to section 14.19, any remaining New South Wales or Victoria resident candidates would automatically be ranked below any other non New South Wales or Victoria resident candidates.
    - (iii) Once all non-New South Wales or Victoria resident candidates are elected, any remaining New South Wales or Victoria resident candidates are elected according to the total number of votes he/or she receives pursuant to section 11.19.
- 14.10 The term of Elected Directors elected pursuant to section 14 will commence from the conclusion of the Annual General Meeting.

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## **14A APPOINTED DIRECTORS**

- 14A.1 The Elected Directors may, by resolution requiring a vote with a majority of 75% of all Elected Directors (other than the Chief Executive Officer), appoint up to two (2) Appointed Directors.
- 14A.2 Appointed Directors do not need to be Members. The Appointed Directors may have specific skills in commerce, finance, marketing, law or business generally or such other skills which complement the Board composition.

- 14A.3 Appointed Directors may be appointed by the Elected Directors for a term of up to two years.
- 14A.4 The office of an Appointed Director becomes vacant if the person:
- (a) resigns his or her office by notice in writing; or
  - (b) is found guilty of a substantive breach of the Code of Ethics, or the Board Code of Conduct or a matter set out in section 17.2.
- 14A.5 Following the adoption of this Constitution, no person who has served as an Appointed Director for a period of two (2) consecutive terms or 4 years (whichever is the sooner) shall be eligible for appointment as either an Appointed Director or an Elected Director until 12 months following the date of conclusion of his last term as an Appointed Director.
- 14A.6 Following the adoption of this Constitution, no person who has served as an Elected Director shall be eligible for appointment as an Appointed Director until 12 months following the date of conclusion of his last term as an Elected Director.
- 14A.7 The Elected Directors (excluding the Chief Executive Officer) may determine to pay nominal remuneration to an Appointed Director. The basis for determining any nominal remuneration must be disclosed in a report to members at the Annual General Meeting. Elected Directors will not be paid any fee.

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## **15. Proceedings of the Board**

- 15.1 The actions of Directors will be governed by the Board Code of Conduct. All Directors agree to be bound by the code by accepting nomination for election to the Board.
- 15.2 The Board will meet at least eight times in each year. At least once per year the Board will meet to review and set the organisational strategy, budget and business plan.
- 15.3 In addition to scheduled meetings for ordinary business, special meetings of the Board may be convened by the Chair, the Deputy Chair, or by any three Directors.
- 15.4 Notice will be given to Directors of any special meetings of the Board specifying the general nature of the business to be transacted and no other business will be transacted at such meeting.
- 15.5 Any six Directors, whether personally present, or in attendance by phone, or video conference, constitute a quorum for the transaction of the business of a meeting of the Board.
- 15.6 No business will be transacted unless a quorum is present and, if within half an hour of the time appointed for the meeting, a quorum is not present, the meeting will stand adjourned to the same place and at the same hour of the same day in the following week unless the meeting was a special meeting in which case it lapses.
- 15.7 As soon as practicable after an adjourned meeting, Directors will be advised of the date, time and place for the holding of the adjourned meeting.
- 15.8 At meetings of the Board the Chair or, in his or her absence, the Deputy Chair will preside, or if the Chair and the Deputy Chair are absent, such one of the remaining Directors as may be chosen by the Directors present will preside.

- 15.9 Questions arising at a meeting of the Board, or of any committee appointed by the Board will be determined:
- (a) on a show of hands; or,
  - (b) if demanded by a Director, by a poll taken in such manner as the person presiding at the meeting may determine; or
  - (c) by a resolution in writing that has been signed or assented to by telegram, cablegram, radiogram, facsimile, telex, electronic mail or other form of visible or other electronic communication by a majority of the Directors attending the meeting and received by the person presiding at the meeting by the time specified by the person presiding at the meeting. Any such resolution may consist of several documents in like form each signed by one or more of the Directors.
- 15.10 Each Director 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 and, in the event of an equality of votes on any question, the person presiding may exercise a second or casting vote.
- 15.11 Notice of each Board meeting will be served on each Director at least five business days before the date of the meeting.
- 15.12 Subject to section 15.5, the Board may act notwithstanding any vacancy on the Board.
- 15.13 All acts done by any meeting of the Board or of a committee or other Director will, notwithstanding that it is afterwards discovered that there was some defect in the election / appointment of any such Director or person acting as aforesaid, or that the Members of the committee or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or a member of that committee as the case may be.
- 15.14 The Board will develop and implement a Code of Governance for the management of the affairs of the Australian Compliance Institute.
- 15.15 A Director shall declare their interest in any contractual, selection, disciplinary, or financial matter in which a conflict of interest arises or may arise. They shall, unless otherwise determined by the Board, absent themselves from discussions of such matters and shall not be entitled to vote in respect of such matters. If the Director casts a vote, the vote shall not be counted. In the event of any uncertainty as to whether it is necessary for a Director to absent themselves from discussions and refrain from voting, the issue should be immediately determined by vote of the Board. If this is not possible, the matter shall be adjourned or deferred. The nature of the interest of a Director must be declared at the meeting of the Board at which the relevant matter is first taken into consideration, if the interest then exists. In any other case, the interest should be revealed to the Board at the next meeting of the Board. If a Director becomes interested in a matter after it is made or entered into, the declaration of the interest must be made at the first meeting of the Board held after the Director becomes interested. All disclosed interests must also be disclosed to each annual general meeting in accordance with the Act. A general notice stating that a Director is a member of any specified firm or company and that they are 'interested' in all transactions with that firm or company is sufficient declaration under this clause. After the distribution of the general notice, it is not necessary for the Director to give a special notice regarding any particular transaction with that firm or company.
- 15.16 Any declaration made, any disclosure or any general notice given by a Director in accordance with clause 15.15 must be recorded in the minutes of the relevant meeting.

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## 16. Delegation by the Board to Committees

### 16.1 General Committees:

- (a) The Board may, by decision at a Board meeting, 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:
  - (i) this power of delegation; and
  - (ii) a function which is a duty imposed on the Board by the Legislation or by any other law.
- (b) The chair of each committee will, unless otherwise agreed by the Board, be a Director.
- (c) Committees will be comprised of Members or Appointed Directors only.
- (d) 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.
- (e) A delegation under this section 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 which shall contain the charter, scope and processes for the exercise of the delegation.
- (f) Despite any delegation under this rule, the Board may continue to exercise any function delegated except the powers granted to the Ethics Committee.
- (g) 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.
- (h) The Board may, by a decision at a Board meeting, revoke wholly or in part any delegation under this rule.
  - (i) A committee may meet and adjourn as it thinks proper, subject to any procedures established by the Board for the conduct of committees.

### 16.2 An Ethics Committee:

- (a) Will be formed comprising the Chair, Deputy Chair and two Elected Directors elected by the Board.
- (b) Will exercise the powers in accordance with Regulations and delegations agreed by the Board.
- (c) The quorum for Ethics Committee meetings will be three members.
- (d) Hearings of alleged Breaches will be heard by the Ethics Panel formed as per section 17.1.

### 16.3 Office Bearers

- (a) The Board may, by decision at a Board meeting, delegate to the Chair, Deputy Chair, Secretary or Treasurer, the exercise of such of the functions of the Board as are specified in the instrument other than a function which is a duty imposed on the Board by the Legislation or by any other law.
- (b) A function, the exercise of which has been delegated to the Chair, Deputy Chair, Secretary or Treasurer under this rule may, while the



delegation remains unrevoked, be exercised from time to time by these office bearers in accordance with the terms of the delegation.

- (c) A delegation under this section 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 which shall contain the charter, scope and processes for the exercise of the delegation.
- (d) Despite any delegation under this rule, the Board may continue to exercise any function delegated to these office bearers.
- (e) Any act or thing done or suffered by these office bearers 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.
- (f) The Board may, by a decision at a Board meeting, revoke wholly or in part any delegation under this rule.

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## 17. Disciplinary Procedures

- 17.1 The Ethics Committee has the power to hear and determine all complaints in respect of an alleged Breach. Hearings will be conducted by the Ethics Panel which will comprise two members of the Ethics Committee, not including the Chair.
- 17.2 A Breach occurs when a Member has:
  - (a) refused or neglected to comply with these Rules or other the Australian Compliance Institute Regulations; or
  - (b) been guilty of conduct unbecoming of a Member, or prejudicial to the interests of the Australian Compliance Institute.
- 17.3 Where a Breach is proven, the Board will have the power to:
  - (a) caution a Member for conduct it considers not to be consistent with the Rules or other the Australian Compliance Institute Regulations;
  - (b) suspend a Member from membership of the Australian Compliance Institute for a specified period; or
  - (c) expel a Member from the Australian Compliance Institute.
- 17.4 Where there is an alleged Breach, the Ethics Committee may, by resolution, issue a Show Cause Notice asking a Member to explain, within a specified time frame, why an alleged breach of the Rules or other Australian Compliance Institute Regulations should not be referred to the Ethics Panel.
- 17.5 The Show Cause Notice will be served on the Member by registered post and will contain:
  - (a) details of the alleged Breach;
  - (b) the process, time frame and method by which the Member may respond to the Board explaining why the alleged Breach should not be referred for hearing;
  - (c) the address to which the Member's response is to be sent by registered post;
  - (d) advice that if a satisfactory explanation is not provided, or is not received by the specified time frame, the Board may decide to refer the matter to the Ethics Panel.

- 17.6 Having satisfied the provisions of 17.5, the Ethics Committee may, by resolution, refer the alleged Breach to the Ethics Panel for hearing and determination.
- 17.7 The matter will be heard by the Ethics Panel whose members will be required to declare that there are no conflicts of interest.
- 17.8 The proceedings will be conducted as set out in section 19.
- 17.9 The Ethics Committee will issue a Notice of Hearing which will:
- (a) specify the nature of the alleged Breach;
  - (b) advise that the alleged Breach will be heard and determined by the Ethics Panel;
  - (c) specify the place, date and time for such hearing being not less than 14 days and not later than twenty eight (28) days after the date of service of the Notice of Hearing;
  - (d) inform the Member that he or she may:
    - (i) attend and make representations at the hearing; and/or
    - (ii) provide an affidavit in defence.
  - (e) attach a copy of section 19 - The Conduct of Proceedings.
- 17.10 Where the Ethics Panel determines that a breach of the Rules has occurred, the determination will include the recommendation as to the appropriate disciplinary action for the Board to take.
- 17.11 When considering the appropriate disciplinary action to be recommended in accordance with section 17.3, the Ethics Panel will have regard to the following factors the:
- (a) nature and degree of seriousness of the Breach;
  - (b) harm the Breach has caused to the Australian Compliance Institute, the compliance profession or others;
  - (c) extent of any personal or commercial gain derived (actual or likely) from the Breach;
  - (d) honesty, competence and character of the Member and their suitability in the compliance profession; and
  - (e) explanation provided by the Member, the extent to which the Member has learned from the Breach and appreciates that future Breaches could result in more serious disciplinary action.
- 17.12 Within seven days of reaching a decision, the Ethics Panel will forward to the Ethics Committee and the Executive and serve by registered post on the Member a Notice of Determination containing the:
- (a) reasons for the finding;
  - (b) disciplinary action to be taken;
  - (c) Member's right of appeal including a copy of the Rights of Appeal and Appeals Process set out in section 18.
- 17.13 Providing that the time for appeal has passed and no appeal has been lodged, or an appeal has been determined, the Board at the next Board meeting, will accept and implement the determination of the Ethics Panel, or Appeals Panel, and will by resolution confirm the terms of the disciplinary action and instruct the Secretary to:
- (a) issue a caution; or
  - (b) remove, or suspend the Member from the Register of Members;

as the case may be.

- 17.14 The Secretary will implement the decision of the Board within seven days of the conclusion of the Board meeting.

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## 18. Appeals

- 18.1 The Member may appeal the determination of the Ethics Panel by serving a Notice of Appeal on the Secretary at the office of the Australian Compliance Institute within 7 days of receipt of the Notice of Determination.
- 18.2 The Notice of Appeal will set out the grounds of the appeal and where matters of fact are in dispute, will include evidence in support of the disputed facts.
- 18.3 Appeals will be heard by an Appeals Panel comprising the Chair and one other Director being members of the Ethics Committee. The Directors who participated on the Ethics Panel in the making of the decision under appeal may not be members of the Appeals Panel.
- 18.4 The Appeals Panel will be chaired by the Chair.
- 18.5 Proceedings of the Appeals Panel will be conducted as set out in section 19.
- 18.6 The Chair will, by registered post, notify the Member:
- (a) the place, date and time for the appeal hearing being not less than 14 days and not later than twenty eight (28) days after the date of service of the Notice of Appeal; and
  - (b) that he or she may do one or more of the following:
    - (i) attend and make representations at the hearing;
    - (ii) give to the Appeals Panel any written information additional to that contained in the Notice of Appeal.
- 18.7 An appeal will not be conducted as a re-hearing, but the Appeals Panel may review any findings reached in the decision under appeal. The Appeals Panel may affirm, vary or set aside the appealed decision and any disciplinary action.
- 18.8 The Appeals Panel will prepare a Notice of Determination which will be sent to the Board and a copy served on the Member by registered post.
- 18.9 The Determination of the Appeals Panel will be final.
- 18.10 Each party will bear its own costs of appeal.

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## 19. Conduct of Proceedings

- 19.1 A Member may make written representations to the Ethics Panel or Appeals Panel (the "Panel").
- 19.2 Written submissions addressed to the Secretary, must be received in the Australian Compliance Institute office not less than three Business Days before the date of the hearing.
- 19.3 Proceedings will take place in private.
- 19.4 At a hearing, the Panel will:
- (a) give the Member an opportunity to be heard; and
  - (b) give due consideration to any written material submitted by the Member.

- 19.5 Proceedings will be conducted with as little formality and technicality as is reasonable.
- 19.6 Sufficient time will be given to ensure proper consideration of the matters before the Panel.
- 19.7 The rules of evidence will not apply.
- 19.8 A Panel must conduct the proceedings without bias and must give the Member a fair hearing and otherwise observe the rules of procedural fairness.
- 19.9 The Panel may, at its discretion, obtain legal or other specialist advice and may have its advisors present at a hearing. The advisor is an advisor to the Panel and has no direct role in the hearing.
- 19.10 The decision of a Panel will be determined by a simple majority of votes. Each Panel member has, and must exercise, a deliberative vote. The chairperson has a deliberative, but not a casting vote.
- 19.11 A Panel may meet in person, or by video or audio conference.
- 19.12 The Panel may grant an adjournment, but only on exceptional circumstances.
- 19.13 All documents and records of the Panel will be kept for seven years.

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## **20. Secretary**

- 20.1 The Secretary will cause to be kept Minutes of the resolutions and proceedings of each General Meeting and each Board meeting in books provided for that purpose, together with a record of the names of persons present at the Board meetings.
- 20.2 Except as otherwise provided in these Rules, the Secretary will cause to be kept at the principal office of the Australian Compliance Institute all books, documents, and securities of the Australian Compliance Institute.

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## **21. Treasurer**

- 21.1 The Treasurer will be responsible for:
  - (a) the collection and receipt of all moneys due to the Australian Compliance Institute and payments authorised by the Board; and
  - (b) the keeping of correct accounts and books showing the financial affairs of the Australian Compliance Institute with full details of all receipts and expenditure connected with the activities of the Australian Compliance Institute.
- 21.2 The accounts and books referred to in section 21.1 will be available for inspection by Members upon reasonable notice and will be the subject of a report at the Annual General Meeting.

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## **22. Removal of Directors**

- 22.1 Any Elected Director who ceases to be a Member will immediately cease to hold office as a Director.
- 22.2 The Members may in a Special General Meeting by resolution remove any Elected Director before the expiration of his or her term of office and appoint

another Member in his or her stead to hold office until the expiration of the term of the first-mentioned member.

- 22.3 The Members may in a Special General Meeting by resolution remove any Appointed Director before the expiration of his or her term of office.
- 22.4 The Director who is the subject of a proposed resolution as referred to in section 22.2 or 22.3 may address the meeting for a maximum of 20 minutes before the vote is taken.
- 22.5 The Board may, by resolution requiring a vote with a majority of 75% of all Directors (other than the Chief Executive Officer),
- (a) Remove the Chair, Deputy Chair, Secretary or Treasurer before the expiration of his or her term of office and appoint another Elected Director in his or her stead to hold office until the expiration of the term of the first mentioned Director or
  - (b) Remove an Appointed Director before the expiration of his or her term of office.
- 22.6 Where a Director is alleged to be in breach of the Board Code of Conduct, and/or the matters set out in section 17.2, the matter will be referred to the Ethics Committee.

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## **23. Administrative Staff**

- 23.1 The Board may employ such staff as may be required to fulfil the operations of the Australian Compliance Institute.
- 23.2 Where the Board appoints and employs a Chief Executive Officer, the Chief Executive Officer will become a voting member of the Board.
- 23.3 Before his or her appointment as Chief Executive Officer, the appointee must agree to be bound by this Constitution and Rules, the Board Code of Conduct, Code of Ethics and the Code of Governance.

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## **24. Alteration of Rules**

- 24.1 These Rules and the Statement of Purposes of the Australian Compliance Institute will not be altered except in accordance with the Legislation.

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## **25. Notices**

- 25.1 Notice may be served by or on behalf of the Australian Compliance Institute upon any Member either personally or by sending it by post, courier, facsimile, or email to the Member at his or her address shown in the Register of Members.
- 25.2 Any notice to be served upon the Australian Compliance Institute, the Secretary, or the Board may be served upon the Secretary either personally or by sending it by post, courier, facsimile, or email to the addresses of the principal office of the Australian Compliance Institute.
- 25.3 Where a document is properly addressed pre-paid and posted to a person as a letter, the document will, unless the contrary is proved, be deemed to have been given to the person at the time at which the letter would have been delivered in the ordinary course of post. Where the document is sent by

courier, facsimile or email, it will be deemed to have been received on the following weekday if it were properly dispatched.

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## **26. Winding up or Cancellation**

- 26.1 In the event of the winding up or the cancellation of the incorporation of the Australian Compliance Institute, the assets of the Australian Compliance Institute will be disposed of in accordance with the provisions of the Legislation and in particular will be distributed to another association, or associations, with a similar purpose to the Australian Compliance Institute.

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## **27. Accounts**

- 27.1 The funds of the Australian Compliance Institute will be derived from fees levied from time to time for events, annual subscriptions, donations, investments and such other sources as the Board determines.
- 27.2 The Treasurer will prepare a policy for the prudent management and administration of the Australian Compliance Institute's funds in accordance with good practice. The policy will be submitted to the Board for approval.
- 27.3 Subject to any resolution passed by the Board, the funds of the Australian Compliance Institute will be used solely in pursuance of the objectives of the Australian Compliance Institute in such manner as the Board determines.

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## **28. Indemnity**

- 28.1 Every Director, the staff (if any), and every other Executive for the time being of the Australian Compliance Institute will be indemnified out of the assets of the Australian Compliance Institute against any liability arising out of the execution of the duties of his or her office which is incurred by him or her in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favour or in which he or she is acquitted or in connection with any application under the law in which relief is granted to him or her by the Court in respect of any negligence, default, breach of duty, or breach of trust.

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## **29. Internal Disputes**

- 29.1 Except for matters to be heard by the Ethics Committee, the Australian Compliance Institute will attempt mediation as the preferred means of resolving disputes between Members (in their capacity as Members), and between Members and the Australian Compliance Institute.
- 29.2 The mediator will be appointed by the Chairperson from time to time of either the Institute of Arbitrators and Mediators or LEADR or the Australian Commercial Disputes Centre.
- 29.3 Subject to section 29.2, any mediation will be conducted in accordance with the mediation rules prescribed from time to time by the Institute of Arbitrators and Mediators or LEADR or the Australian Commercial Disputes Centre as appropriate.

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### **30. Regional Divisions**

- 30.1 The Board may develop a code of practice for the formation, promotion and operation of regional divisions.

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### **31. Common Seal**

- 31.1 The common seal of the Australian Compliance Institute, if any, must be kept in the custody of the Public Officer.
- 31.2 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 members of the Board or of 1 member of the Board and of the Public Officer/ Secretary.