

By-Law No. 2
By-Laws governing the nomination, election and
appointment of Members to the Board
(As made and approved by the Board on 2nd August 2012)



Provisions

1 DEFINITIONS

Board means the Board of Directors of the Company.

Committee means the Board's Nomination Committee.

Company means The Australian Investors Association Limited

Company Secretary means the company secretary of the Company.

Constitution means the Company's Constitution.

Director means a director of the Board.

Member means a member of the Company.

2 OBJECTS, PURPOSE AND POWERS

2.1 These By-Laws have been prepared pursuant to clause 66 of the Constitution, and are binding and enforceable on every Member under the Constitution.

2.2 The object of these By-laws is to formally set out the criteria governing the nomination, election and appointment of Members to the Board.

3 NOMINATION, SELECTION AND APPOINTMENT OF DIRECTORS

3.1 Having regard to the Constitution:

(a) The Board must comprise individuals who are Members.

(b) Employees of the Company of any capacity or position cannot simultaneously be appointed to the Board.

3.2 The Board must also be independent of the Company's affairs. For the avoidance of any doubt, independent means having no connection to the Company in any way whatsoever, except as a Member.

3.3 The Committee is responsible for assisting the Board in putting forward suitable candidates for election to the Board, so that the Board comprises individuals of good standing and repute, and who are best able to discharge the responsibilities of a Director, having regard to the highest standards of governance.

3.4 Members wishing to nominate for election to the Board (at the Company's Annual General Meeting (**AGM**)) must submit their written nomination to the Company Secretary in such manner and form as prescribed by the Board from time to time, but in any event the nomination must be received by the Company Secretary at least 60 days before the date of the AGM where the election is to take place.

3.5 Members wishing to nominate for election to the Board must also contact the Company Secretary for a nomination form and any other relevant nomination documents that may be prescribed by the Board from time to time.

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- 3.6 The Company Secretary will promptly review all nominations received to determine whether they have been duly completed and submitted within the required time, and whether the nominees are presently employed by the Company in any capacity or position, and immediately provide this information to the Committee.
- 3.7 Nominations received by the Company Secretary outside the required time will be deemed invalid, unless the Board decides in its discretion to accept the nomination.
- 3.8 The Committee shall convene to review the nominations received as soon as reasonably possible, with the objective of recommending to the Board which nominees are suitable as candidates for election at the applicable AGM.
- 3.9 The Committee may also interview nominees, and conduct reference checks.
- 3.10 The Committee may also recommend to the Board that nominees be accepted as suitable candidates if their nomination was received outside the required time.
- 3.11 When reviewing the nominations, and subject to clause 3.12, the Committee must consider the Company Secretary's determination of all nominations received, and whether the nominee:
- (a) Is a Member;
 - (b) Is presently employed in any capacity or position by the Company in which case the nominee cannot be appointed to the Board, and the nomination will be rejected;
 - (c) Is independent, including having regard to the following:
 - (i) Whether the nominee has previously been employed in any capacity or position by the Company, and there has not been a period of at least three years between the date of ceasing such employment and the date the nomination is received by the Company Secretary, in which case the nominee will be deemed not independent and the nomination rejected;
 - (ii) Whether the nominee has a material contractual relationship with the Company, in which case the Committee may make any recommendation to the Board as it sees fit in relation to the nominee;
 - (iii) Whether the nominee has any conflicts of interest or duty, or other legal impediments to serving on the Board, in which case the Committee may make any recommendation to the Board as it sees fit in relation to the nominee; and
 - (iv) Any other matters as may be prescribed by the Board from time to time, in the Company's best interests.

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- 3.12 The Committee must, in addition to the matters in clause 3.11 above, consider whether nominees possess a majority of the criteria listed below, which include:
- (a) Personal and professional integrity, good communication skills and ability to work harmoniously with fellow directors and management;
 - (b) Demonstrated and recognised knowledge, experience and competence in such areas as business, accounting, law, regulatory affairs, strategic planning, social policy, marketing, fundraising, and such other areas as the Board may prescribe from time to time in the Company's best interests;
 - (c) Understanding of the roles, duties and responsibilities of directors under the *Corporations Act*;
 - (d) Leadership skills, experience at the highest levels of decision making, demonstrable strategic thinking abilities and an ability to take a long term view;
 - (e) Awareness and familiarity of contemporary *Australian Securities and Investment Commission* requirements, and standards relating to charitable and not for profit fundraising institutions and initiatives;
 - (f) Willingness to devote appropriate time to prepare and attend Board meetings, Board sub-committee meetings and any other Board functions;